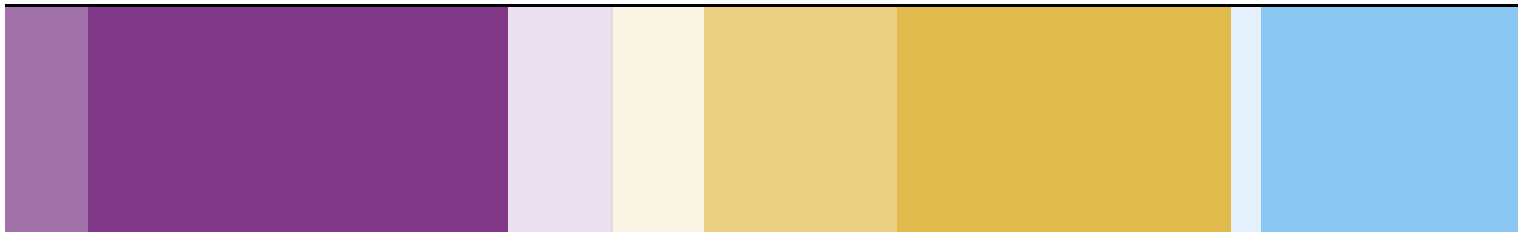National Audit Office

Diversity Annual Report 2010-11

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Foreword

Our work provides commentary on and analysis of the major public spending issues facing the country today. It is relevant to practitioners, public servants, taxpayers and the users of public services. To do this well we need to recruit, retain and motivate the best people drawing from the widest possible talent pool. Our diversity strategy is central to this.

The Diversity Delivery Board does important work providing a formal forum for diversity issues to be debated, commissioning reviews where necessary, and making recommendations to the Leadership Team as appropriate. Most importantly, it maintains our focus on these important issues.

I am pleased to publish the NAO's annual diversity report for 2010-11 which highlights the progress we have made in 2010-11 and sets out our agenda for the coming year. We have a good record of achievement in 2010-11 and this report provides more detail on the progress we have made. The results of our staff survey, conducted over the summer, confirmed that staff generally felt positive about issues of inclusion and fair treatment but they raised some specific concerns demonstrating that we have more to do. One concern in particular related to the findings on bullying and harassment. The Leadership Team immediately commissioned an independent review which found no systemic problem but made a number of useful recommendations for improvements which we are taking forward. We are very clear that we will not tolerate bullying and harassment.

The ambition we have for our organisation must be matched by the ambition we have for our staff. We have high aspirations for our business and these include an ambitious diversity programme. We will refresh this programme and launch our new strategy in early 2012 to keep up the pace of progress going forward.

Amyas Morse
C&AG
July 2011

Summary: Progress and Challenges

During 2010-11 we continued to make good progress against our diversity strategy. We have demonstrated some real strengths as an employer on which we will continue to build in 2011-12.

The positive features of our activity and diversity track record during 2010-11 include:-

Attracting talent from the widest talent pool. To do this we**:-**

- Targeted our graduate recruitment campaign to attract a diverse mix of applicants. Some 23% of those recruited to the graduate scheme were from ethnic minorities – exceeding our target of 20%.

- Delivered the fifth annual internship scheme for six disabled and ethnic minority undergraduates. Since starting the internship scheme three interns have joined our graduate scheme.

- Continued to run an audit technician scheme designed to complement our graduate scheme by attracting school leavers to chartered accountancy training.

Providing a supportive workplace. To do this we:-

- Improved our position in the top 100 employers of the Stonewall Workplace Equality Index from 75th in 2010 to 57th in 2011, recognising our continuing commitment to openness towards lesbian, gay and bi-sexual employees.

- Actively supported four staff diversity network groups.

- Reviewed and updated our HR policies to ensure compliance with the 2010 Equality Act.

- Launched mandatory diversity and 'effective appraisals' training for all managers as well as workshops to improve assignment reporting. This highlighted the importance of recognising diversity in delivering effective performance management at all levels.

The rest of this report provides a more detailed summary of progress against our strategy, and Annex A provides a detailed stock-take against our action plan.

There is scope for further improvement and progress as we look to capitalise on the business benefits of diversity, and the key priorities for action in 2011-12 include the following:-

- **Develop a new Diversity Strategy.** Alongside action in 2011 to drive further progress against our current 2009-11 strategy, we will develop a new strategy for 2012-14 which will be launched in early 2012. This will include objectives and targets and an action plan setting out how these will be achieved.

- **Completion of key reviews.** The Leadership Team commissioned two independent reviews into: bullying and harassment; and the differences in appraisal ratings between ethnic groups. These reviews will be completed in 2011 and relevant action will be taken to implement the recommendations.

- **Embedding Diversity in our core work**. The Diversity Delivery Board has commissioned a review of how considerations of diversity and equal opportunities should be reflected in the delivery of our core audit work.

Our Diversity Strategy

We have an ambitious client facing strategy which will require us to recruit and retain talented people from across our diverse society.

To help achieve this we have had a diversity strategy in place since 2000. Our current strategy, *Supporting success through diversity*, was launched in January 2009 and sets out an action plan under the following five goals:-

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DIVERSITY STRATEGY GOALS

- Clear and positive leadership for diversity
- Consistent and effective people management
- Support for all staff
- Resource our business to best effect
- Maximise the impact of our VFM and performance improvement work

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Our strategy is available at:
http://www.nao.org.uk/publications/0809/diversity_strategy_2009-11.aspx

The diversity strategy forms a key element of our capability plan which aims to ensure that our human resource policies and processes clearly support achievement of the NAO strategy. Our diversity strategy is, therefore, aligned to support the on-going success of our business.

Progress against the strategy is monitored regularly by the Diversity Delivery Board and annually by the NAO Board. This report provides a summary of progress and developments during the 12 month period ending 31 March 2011 and it is the last in a series of annual reports documenting progress against the 2009 -11 strategy. As well as summarising progress to date, this report also highlights the areas where further progress and improvement is needed, setting out our forward agenda and the actions we are taking.

Provide clear and positive leadership for diversity

Our aim is to have strong leadership in place to help drive progress against our diversity strategy. We have had a Diversity Delivery Board (DDB) in place since 2009 and this is Chaired by Gaby Cohen, a member of the Leadership Team and an executive member of the NAO Board. The DDB includes a range of staff from different grades, specialisms and groups.

The DDB was set up to monitor and enable progress against the Diversity Strategy as well as to identify and discuss any emerging issues. Working groups have been set up to take forward projects on specific areas of concern and in 2010-11 this included the conclusion of reviews on age diversity, the staff allocation system, and differences in appraisal ratings between ethnic groups. These reviews are referred to elsewhere in this report.

Overall accountability for diversity rests with the NAO Board which reviews progress against our strategy annually. The Leadership Team also has an active involvement in diversity and equality issues and has, for example, recently commissioned a review into issues of bullying and harassment which were raised through the Office's staff survey, and a further independent analysis of the differences in appraisal ratings between ethnic groups.

Our Development Manager and Development Director network leads the performance and career management of staff. In 2010-11 our Development Managers were briefed and consulted on a range of diversity issues, including the 2010 Equality Act.

The membership of the DDB was refreshed in early 2011 following an open invitation to all staff to register their interest. The members have an opportunity to contribute to the Office's work on diversity and to help provide the leadership and direction for our diversity agenda. A major task is to establish the vision and key objectives of the next Diversity Strategy which will be launched in early 2012.

Susan Ronaldson talks about joining the Diversity Delivery Board and why diversity matters (This is an extract from an article published in a recent issue of the NAO magazine 'Green').

Equal opportunities always felt exclusive to me; about how I should treat others in certain defined groups. Diversity feels inclusive. Each of us has a gender, sexuality, set of beliefs, age, and so on, so that, as a friend of mine says, we are all 'special' in our own way. As such it makes sense to treat each other as equally special. This is not only a right, but it would be foolish for an organisation like ours not to get the best out of our key resource, our staff, or not ensure that we reflect the wider society that is at the centre of our work.

The Diversity Delivery Board is chaired by Gaby Cohen, who is the Office's diversity Champion, and is made up of staff from across the Office. My decision to volunteer

was in part influenced by my own experience. When I first appeared to be falling asleep at my desk I didn't really think much of it – after all, I am an auditor. But having epilepsy, as it turned out to be, has given me a new perspective. It's been interesting for me to see how the Office and colleagues approach the conundrum of treating me as an equal, whilst acknowledging that I am a bit different. And also seeing how I reacted to feeling different (mostly badly).

The Board is committed to ensuring that we take the actions needed to implement the Diversity Strategy and to keep it relevant. However, I don't want this to be just another initiative or another process put in place to solve a problem. If it is, it won't work. Respecting and celebrating each other's differences should be embedded in our culture and so we all have a role in ensuring that we integrate it into our work and the way we work with each other.

Provide consistent and effective people management

To deliver a quality service to our clients we must have staff with the skills and motivation to deliver. We therefore aim to provide managers with the knowledge and confidence to manage our diverse workforce and to get the best out of everybody. To achieve this, and to build on progress already made, we took a number of actions in 2010-11:-

- Launched an e-learning programme, covering all areas of equality and diversity and how they relate to our work. This was made mandatory for all staff.

- Provided Development Managers with updates on employment legislation and policies.

- Arranged diversity awareness events including: workshops on disability awareness in both London and Newcastle; lunchtime talks from high profile Diversity speakers including Shami Chakrabarti of Liberty and Ben Summerskill of Stonewall; and a 'Diversity Day' to raise awareness of the staff networks.

- Reviewed and updated our HR manual and policies to ensure compliance with the 2010 Equality Act and consistency with best practice.

- Developed a detailed action plan to address issues raised in the 2010 staff survey.

- Continued to address staff-related issues - HR specialists worked alongside line managers on specific diversity related cases to provide guidance and support including advice on disability, ill health and reasonable adjustments.

- Launched on-line training for effective appraisals and workshops on assignment reports. These included a substantial diversity element.

Staff Performance Appraisal

The NAO's performance appraisal scheme plays a key role in recognising and rewarding contribution. It has three performance bands (A, B and C) with A ratings awarded to our strongest performers. Our analysis of the 2010 appraisal ratings highlighted the following (a more detailed analysis is provided in Annex B):-

- The ratings for men and women were broadly similar with 37% of women and 35% of men receiving A ratings.

- Only 26% of ethnic minority staff achieved an A rating compared with 38% of white staff. Some 5% of white staff were awarded C ratings compared to 14% of ethnic minority staff. These differences were consistent with the patterns seen in previous years.

- Older staff received a higher proportion of 'C' ratings (13%) and a lower proportion of A ratings (30%) than younger staff.

- Part time staff received fewer 'A' ratings (27%) than full time staff (37%).

The Diversity Delivery Board set up a working group to examine differences between the ratings of ethnic groups identified in the 2009 appraisal round. The review concluded that differences between groups were apparent in assignment report ratings as well as in final appraisal ratings so we launched mandatory online training in Effective Appraisals as well as workshops covering the Assignment Report process. We also continued to apply a very robust moderation process in the annual appraisal round including a careful examination of the evidence on which appraisal ratings for staff from minority groups were based.

Following analysis of the 2010 appraisal ratings, which revealed a similar disparity, the Leadership Team commissioned an external review of our performance management process to try to identify any underlying factors which might help explain the enduring differences between ethnic groups and to examine how this issue was being addressed by other employers. The review will conclude in the summer of 2011.

Policies and Processes

We aim for our diversity policies and practices to be in line with best practice and we review these regularly. In 2010 our HR policies were reviewed with the assistance of independent legal experts to ensure compliance with the 2010 Equality Act and consistency with best practice. Changes to the diversity and Equal Opportunities Policy were communicated to the Office through a Policy Circular which also reiterated the Office's commitment to providing a workplace free from all forms of discrimination.

The revised single public sector duty will come into force in July 2011 and we are in a strong position to meet all the obligations.

Provide support for all staff

Given our commitment to ensuring that all staff feel valued and fairly treated, we want to understand better the working experience of diverse groups of staff.

We have four network groups that meet regularly and membership is open to all. In these groups, relevant issues, concerns and ideas can be discussed and raised through formal and informal channels. Representatives from network groups attend Diversity Delivery Board meetings from time to time and the networks are supported by our staff in HR as necessary.

Network Groups

- **Lesbian, Gay, Bisexual & Transgender**
- **Ethnic Minority**
- **Disability Support**
- **Religion and Belief**

Stonewall, the campaign group for equality for lesbian, gay and bi-sexual and (LGB) people, publishes an annual list of the top 100 LGB friendly workplaces in the country - the Stonewall Workplace Equality Index. The lgbtNAO network and central HR diversity team have worked together to take forward recommendations from Stonewall and as a result the NAO has moved up the ranking in 2011 to 57th place from 75th in 2010 (we were 123rd in 2009) in recognition of our ongoing commitment to supporting LGB staff.

The staff survey showed that 76% of respondents felt they were treated fairly at work. It also showed that 8% reported experience of bullying or harassment at work and 11% had witnessed acts of bullying or harassment in the previous year. The Leadership Team commissioned independent consultants to probe deeper. Their review concluded that whilst there were a few possible incidents that could be categorised as bullying, and some of inappropriate behaviour, the Office did not have a systemic problem. The review identified some improvements and we will reinforce our commitment to a bullying and harassment-free workplace with a clear statement from the Leadership Team. We will update our Equality and Diversity Policy with examples of inappropriate behaviour and provide clearer guidance on where staff can obtain support.

A review of age diversity commissioned by the DDB found that whilst our current policies are consistent with best practice we could make a number of improvement, including the establishment of a staff network to provide a forum and focus for considering age-diversity issues.

Resource our business to best effect

To deliver our challenging programme of work we need staff with the right skills to be in the right place at the right time. We are, therefore, committed to developing our approach to the performance management of staff at all levels and optimising the use made of their diverse skills and experience.

Using the Census 2001 equal opportunities classifications, which allows for comparison with publicly available national data, we monitor and analyse data on: applicants for jobs; distribution of minority groups amongst grades and specialisms; applications for training and further education support; performance appraisal; promotion outcomes; and the reasons for staff resignations. We also carry out an annual equal pay audit in relation to gender, ethnicity and age. All information required by equality legislation is provided in this audit report which is published externally.

Annexe B provides the detailed results of our monitoring work covering the financial year 2010-2011. The following sections summarise key aspects of our performance and the action we are taking to build on progress to date.

Graduate Recruitment

We recruit around 70 graduates each year to our training scheme. Our marketing campaign has been developed to attract a diverse range of people to the NAO. We attend careers fairs at universities with a high proportion of ethnic minority students; attend a lesbian, gay, bisexual and transgender (lgbt) careers fair; participate in the 'Women in Accountancy' fair; provide recruitment teams that reflect the diversity of our organisation; and ensure that our application procedure is accessible for all candidates.

We monitor closely our performance in terms of applications and appointments and the key points are summarised below:-

- **Gender profile**. 37% of graduates recruited to our training scheme in 2010 were women, which is broadly in line with the proportion of applications received (39%).While this continues to fall short of our goal which is to get closer to 45% by 2011, it is in line with the figures recorded by the Association of Graduate Recruiters which showed that 38% of vacancies in the accountancy and professional services firms were filled by women in 2010. We will continue to attend targeted recruitment events, such as 'Women in Accountancy' and we are considering other specific actions which will ensure we remain an attractive career option for women graduates. For the 2011 intake, 42.5% of acceptances were from women, which may reflect our efforts to send targeted e-mails to female potential applicants.

- **Ethnic profile**. The proportion of minority ethnic graduate trainees recruited to the Office in 2010-2011 exceeded our target of 20% but at 23% was down 2% from last year. This compares favourably to 11% of ethnic minority entrants to the Civil Service Fast Stream. However, only

1% of the 2010 intake was from a Black background compared to Black candidates making up 9% of applications. Whilst these figures demonstrate that our marketing strategies have succeeded in attracting Black candidates, our analysis of their applications showed that a high proportion did not meet our minimum entry requirements. At the conclusion of the 2011 campaign the Diversity Delivery Board will consider the relative success of different ethnic groups at each stage of the recruitment and selection process to identify any follow-up actions which might improve progress from those groups currently under-represented.

- **Disability profile**. 4% of graduate entrants declared a disability compared to 0% in 2004-05 (when we first recorded details). This progress follows a number of targeted actions: advertising our graduate scheme in disability publications; gaining the Two Ticks accreditation; running our summer internship scheme for disabled undergraduates; and promoting the NAO as an inclusive employer.

- **Exam performance**. We continue to monitor and analyse trainee exam success, following a historic concern that a lower percentage of ethnic minority trainees were successful in passing than white trainees (68% compared to 91% per cent in the period 2004-2007). Data for 2009-10 confirmed that no groups were more likely to fail than others and our exam results overall remain well above the national average.

Other Recruitment

In 2010 we also recruited 63 new members of staff to a range of audit and other roles.

- 43% of successful applicants were women, which was slightly lower than 2009 (47%).

- 24% of successful applicants were ethnic minorities - slightly higher than last year but considerably higher than the civil service where 12% of entrants in 2010 were from an ethnic minority.

- 54% of successful applicants were aged 29 or under, 29% were aged 30-39 and 17% were over 40. Recruitment in 2010 focused mainly on Researchers and Senior Analysts. These roles tend to attract applicants who have recently completed Masters and PhDs and who are at the early stages of their working careers.

- In 2006 we launched the accountancy technician scheme aimed at recent school leavers/ college leavers with a strong academic record at 'A' level who are interested in a career in accountancy. This provides an alternative route to the ICAEW qualification for those with more limited opportunity to progress to tertiary education. To date, trainees have been successful in their AAT studies, but the results of those progressing onto the full ICAEW programme have been less positive. As a result, we will be reviewing the

scheme in 2011 to consider whether an alternative approach might prove more successful.

NAO staff Representation

A full breakdown of the NAO staff profile is provided at Annexe B but a brief summary is presented below:-

- **Gender.** The overall representation of women in the Office has decreased slightly to 43% from 45% in 2009. Female staff made up 28% of staff in senior grades (Director and above) which was lower than in 2009-10 (34%). By way of a benchmark, the representation of women for the Civil Service as a whole is 53% and women represent 34% of the Senior Civil Service.

- **Ethnicity.** The overall representation of ethnic minority staff within the NAO was 16% in 2010-2011. This is significantly higher than the figure for the Civil Service of 9.2%, but the NAO figure has been stable over recent years. The representation of ethnic minority staff in senior grades (Director and above) has remained consistent over recent years and stands at 5%. This is similar to the Senior Civil Service where representation was 4.8% in 2010.

- **Disability.** In the staff survey 5.3% of staff declared a disability compared to 7.6% of the Civil Service (4% of NAO staff said they would prefer not to say). We introduced better equal opportunities monitoring data through our IT PARIS self service system in 2011 and so far 266 staff have voluntarily supplied data (just over 30 % of the organisation) and of these 11% have declared a disability.

- **Age**. Our largest concentration of staff was in the 20-29 age group which represented 36% of all staff (47% in 2009-10), due largely to the high proportion of trainees we employ. We removed our retirement age in 2006, allowing staff to work beyond 60, with 2% of staff now in the 60-69 age range.

- **Sexual Orientation, Religion and Belief.** We started collecting data on sexual orientation, religion and belief in early 2011 although only 30% of the organisation has voluntarily completed the monitoring exercise. Data from the staff survey indicated that 2.5% of staff identified themselves as lgbt. The largest majority of staff are Christian (29%) although there are at least 5 other religions/beliefs represented.

Promotion

A higher number of men (64) than women (47) were promoted in 2010-2011. Whilst male applicants were more likely to be successful than female applicants (81% and 64% respectively) this reverses the trend of previous

years. In 2010-11 33% of promotions to the Manager and Director grade were women. In 2011-12 we will examine more closely the gender patterns in terms of promotions against the gender profile of potential applicants for promotion and we will identify whether further action is required to encourage and support women to apply for and achieve promotion.

None of the candidates for Director posts in 2010-11 were from the ethnic minorities reflecting the relatively low representation of ethnic minority staff in the Audit Manager grade (7%). Increasing the representation of ethnic minorities in the feeder grade of Audit Manager is important in ensuring a wider pool of candidates for progression to Director. In 2010/11,12% of promotions to Audit Manager were from an ethnic minority background, but we do need to consider further actions in order to accelerate our rate of progress. In 2011-12 we will conduct a further of our approach to retaining, developing and promoting ethnic minority staff.

Allocation

Once we have recruited staff with the talent, skills and qualities we need, we need to ensure we use them efficiently. A diversity audit of our staff allocation system in 2010 confirmed that no single group of staff had significantly more unallocated time than any other. A revised allocation system was implemented in late 2010 and we will complete a diversity check on how this has operated once it has been in place for a year.

Retention

The proportion of staff resigning by gender was consistent with their representation in the Office, with 58% of resignations from men and 42% from women. During 2010-2011, 18% of all resignations were from ethnic minorities which is slightly higher than their representation in the Office (16%). Our staffing model is based around target levels of wastage at all grades, with a target of 15% turnover in the Audit Principal grade, which includes our newly qualifieds. In line with these targets the highest proportion of resignations in 2010-11 were in the 20-29 age group (51% of all resignations) which was similar to the figure for 2009-10 (53%). In 2010 we introduced an on-line exit questionnaire so that we can monitor the reasons staff leave the organisation and gather views about employment experiences at the NAO.

Consultation

In developing and implementing employment policies and procedures we often consult with staff informally through focus and discussion groups, and formally through the Trade Union Side. We also take account of the views of the various diversity networks which provide an advisory forum to debate diversity issues and act as a sounding board for the development of HR policies. Equality Impact assessments have been carried out on HR policies to assess their effect on different staff groups.

Maximise the impact of our VFM reports and performance improvement work

We aim to apply the NAO's knowledge and expertise to help drive change in government as departments seek to reduce costs whilst delivering accessible and high quality public services to our diverse society. We, therefore, encourage consideration of diversity issues where appropriate in our VFM work.

We have published guidance on **Reflecting Diversity in our VFM Work** http://merlin/VFM_pages new/guides/vfmdiversity.pdf and in 2010 we published a number of reports with a diversity theme including those in the box below.

> *The youth justice system in England and Wales: Reducing offending by young people*
>
> *Tackling inequalities in life expectancy in areas with the worst health and deprivation*
>
> *Delivering the Cancer Reform Stratgey*
>
> *The Academies Programme*
>
> *The Community Care Grant*
>
> *Support to incapacity benefits claimants through Pathways to Work*
>
> *Increasing participation in sport*

The Diversity Delivery Board has commissioned a working group to review how we should take account of equality and diversity issues in the delivery of our core audit work. This review includes research into what other similar organisations do. The group will complete its review in 2011-12 and make recommendations to the Diversity Delivery Board.

Key Priorities for 2011-12

Good progress against our diversity strategy was made in 2010-11 but there is more we can do going forward. Some of the key priorities for action in 2011-12 are as follows:-

- **Strategy** - refresh our diversity strategy for 2012-14 and publish this in early 2012. This will set out an equality vision, objectives and targets along with an action plan setting out how these will be achieved.

- **Staff appraisal**. An independent review of differences between the appraisal ratings of ethnic groups will be completed in 2011 and recommendations for improvement will be made to the Leadership Team.

- **Representation and progression.** We will review opportunities to improve the representation of ethnic minority staff at more senior levels of the organisation, including improving progression rates through the feeder grades.

- **Legal compliance and monitoring.** We will remain compliant with the specific duties that form part of the Equality Duty. In terms of monitoring, we will continue to improve our equal opportunities data to provide up to date information on all diversity strands including sexual orientation, disability, and religion or belief. This will help us identify areas where further action is needed to better support our staff.

- **Embedding diversity in our core work**. The Diversity Delivery Board has commissioned work to review how considerations of diversity and equality should be reflected in our core audit work.

- **Networks**. We will continue to support the existing diversity networks and encourage staff to set up new networks focusing on age diversity and part-time working.

For any questions on this report or the Diversity Strategy please contact the NAO's Diversity Manager, Emily Wintle or David Kellett.

Annex A: Progress on Diversity Strategy Action Plan

Goal 1	Action	Progress
Provide clear and positive leadership – we will extend the framework of leadership to help drive further progress to achieve our diversity goals.	Continue to provide visible senior leadership for our diversity strategy through our Board-level Diversity Champion (then Jim Rickleton) who will publish his diversity objective(s)	Achieved: Board level Diversity Champion is now Gaby Cohen.
	Establish a Diversity Delivery Board to monitor and enable progress against this strategy. The Board-level Diversity Champion will determine the terms of reference and membership	Terms of reference and membership refreshed in 2011. Diversity Delivery Board meets every 2 months.
	Appoint leaders to head working groups to address specific key issues (set out under Goal 3)	Working groups and leads have been set up and have delivered in the following areas: Appraisal Ratings, Age, Part Time workers and the Allocation System.
	Continue to publish an annual report on diversity which will be agreed by the Management Board. It will include a balanced account of progress against this strategy and the expectations and targets set out in Part 5 and will highlight the action which will be taken to address any barriers to progress	Annual reports have been published for each year of the strategy and can be found on our external website. The reports clearly set out progress and actions for the forthcoming year.

Goal 2	Action	Progress
Provide consistent and effective people management – we will provide training for managers covering the key diversity-related issues they face.	Launch diversity e-training (in 2009) for all staff to raise awareness of equality and diversity issues which relate specifically to NAO staff delivering our work	Diversity e-training has now been completed by over 90% of staff.
	Provide workshops (in 2009) for managers (starting with Development Managers) which address key issues they face in day-to-day management (e.g. implications of recent legislation, management of flexible working and part-time staff, and disability awareness)	Workshops on employment law and disability issues have been provided. Further workshops will be arranged during 2011/12.
	Check that our corporate management development programmes provide adequate coverage of diversity issues	The Learning and Development team have been briefed and Equality Impact Assessments take place on all new programmes. On-line training on 'Effective Appraisal' and Assignment reporting workshops launched in 2010 both included significant coverage if diversity issues.
	Monitor our human resource policies for compliance with any changes in employment law and communicate any policy changes to managers and staff	Our lawyers, Mills and Reeve, have completed a review of the HR manual in 2009 and reviewed this again following changes as a result of the Equality Act 2010.

Goal 3	Action	Progress
Provide support for all staff – we will seek to understand better the needs of the whole workforce so that all staff feel valued, included and treated fairly.	Continue to encourage and support staff network groups to provide informal support to staff and give specialist advice and support to NAO management	Diversity Manager continues to work closely with the network groups.
	Evaluate the mentoring scheme for ethnic minority staff	Reviewed at the end of 2009 with the decision not to continue due to lack of take-up. We need to ensure that we attract and retain talented ethnic minorities so we will monitor this going forward.
	Set up a working group to examine whether there are any particular issues facing staff relating to age and age discrimination and to address any issues	This has been delivered and action will be taken in 2011 including encouraging staff to set up an age network.
	Set up a working group to review the management arrangements for part-time staff (from scoping assignments and job design to appraising performance and potential) and to address any issues	Some initial consideration has been given to this but there is still further work to be done.
	Set up a working group to examine differences between groups in terms of the profile of appraisal ratings and to address any issues	A report was provided to the Leadership Team on appraisal and ethnic minorities. Effective appraisal and assignment report training has been provided. An independent review is being conducted in 2011 and any agreed actions following this review will be taken forward.
	Following consultation with appropriate staff groups, introduce a mechanism for recording staff disability, religion or belief, and sexual orientation to better understand the profile and	Equal Opportunities monitoring on PARIS HR self service is now live to ensure more comprehensive monitoring. Aim to increase completion rates throughout 2011. The

	needs of the whole workforce. We will provide a clear statement for staff regarding the purpose of this and how the information will be used and secured	staff survey has also provided relevant information.
	Complete the Stonewall workplace equality index annually to gauge our progress as a supportive and inclusive employer for relevant sexuality groups	Moved up to 57th in 2011. Work has started for the 2012 submission and we aim to improve further our position in the top 100 employers.
	Continue to implement our three equality schemes (race, disability and gender) and publish an annual report on progress	Annual report will be circulated to the Board in summer 2011. A single action plan will be published as part of the new diversity strategy in 2012
	Introduce a plan for improving further our corporate performance in terms of completing Equality Impact Assessments for policy initiatives	The Equality Impact Assessment process will be reviewed as part of the strategy to be launched in 2012.

Goal 4	Action	Progress
Resource our business to best effect – we will develop further our approach to securing talent from the widest possible talent pool and making the most of what they bring to the Office	Review the AAT Fast Track scheme to maximise our chance of recruiting and retaining sufficient numbers of talented staff	Preliminary review completed and a full review to be completed in Summer 2011.
	Complete a diversity audit of our staff allocation system and other human resource processes to ensure we make best use of the skills and talents of our diverse workforce	A review of the allocation system was carried out to look at the diversity profiles of unallocated staff. We will repeat this exercise for the new allocation system one year after implementation.
	Investigate the reasons for success or failure in the TOPPs training programme and identify any relevant actions to support staff more effectively	Analysis has been carried out on trainee success rates. There were no consistent messages so figures will continue to be monitored
	Continue with the summer internship programme for undergraduates who have a disability or who are from ethnic minorities	The internships continued in both 2010 and 2011 with undergraduates from both Employability and the Windsor fellowship.
	Complete a review of our main recruitment, promotion and employment processes to check whether any changes would give us a more effective means of securing the variety of talent we need (including a higher percentage of women applicants to our TOPPs training scheme and better representation of ethnic minority groups and staff with disabilities)	'Big on' graduate campaign took into account diversity factors – target universities were chosen on their diversity profile among other factors. Continue to advertise regularly in specialist press. We launched a new selection process in 2011 and we will review this to check its impact on different groups

Goal 5	Action	Progress
Maximise the impact of our vfm reports and good governance work – we will look for further opportunities to reflect consideration of diversity in our work.	Publish on our intra-net up-to-date examples of how diversity considerations have been reflected in our VFM and good governance work and the impact this has had	The VfM Diversity Guide was updated in 2009 and includes examples. This is published on Merlin.
	Identify opportunities through our on-going internal VFM training courses and lunchtime seminars to raise awareness of how consideration of diversity can contribute to the success of our studies	Lunchtime seminar was held on diversity issues in VfM reports.
	Revise the guidance relating to the development of communication plans for studies in order to prompt consideration of a broad range of options for reaching the target audience and our diverse stakeholders	Relevant actions will be considered and taken in 2011/12

Annex B: Detailed Diversity Statistics

Staff in post figures as at 31/03/2011

	Ethnicity											
	Asian		Black		Chinese		Mixed		White		Not Known	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Senior Management	0	0%	0	0%	0	0%	0	0%	4	100%	0	0%
Director	2	3%	0	0%	0	0%	1	2%	57	95%	0	0%
AM	4	3%	3	2%	0	0%	3	2%	132	92%	2	1%
Qualified and Senior Analysts	27	8%	10	3%	8	2%	9	3%	263	82%	4	1%
Trainees and Researchers	23	10%	9	4%	11	5%	3	1%	174	77%	6	3%
Band 1	1	8%	0	0%	0	0%	0	0%	12	92%	0	0%
Band 2	2	4%	4	9%	0	0%	0	0%	41	87%	0	0%
Band 3	6	7%	14	16%	2	2%	4	5%	58	67%	2	2%
Subtotal	**65**	**7%**	**40**	**4%**	**21**	**2%**	**20**	**2%**	**741**	**82%**	**14**	**2%**

	Age											
	16-19		20-29		30-39		40-49		50-59		60+	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Senior Management	0	0%	0	0%	0	0%	2	50%	2	50%	0	0%
Director	0	0%	0	0%	13	22%	28	47%	19	32%	0	0%
AM	0	0%	8	6%	50	35%	55	38%	29	20%	2	1%
Qualified and Senior Analysts	0	0%	117	36%	111	35%	56	17%	27	8%	10	3%
Trainees and Researchers	7	3%	183	81%	26	12%	6	3%	4	2%	0	0%
Band 1	0	0%	0	0%	3	23%	6	46%	4	31%	0	0%
Band 2	0	0%	4	9%	16	34%	18	38%	6	13%	3	6%
Band 3	0	0%	14	16%	28	33%	25	29%	18	21%	1	1%
Subtotal	**7**	**1%**	**326**	**36%**	**247**	**27%**	**196**	**22%**	**109**	**12%**	**16**	**2%**

	Gender					Hours			
	Female		Male			Full Time		Part Time	
	Number	%	Number	%		Number	%	Number	%
Senior Management	1	25%	3	75%	**Senior Management**	4	100%	0	0%
Director	17	28%	43	72%	**Director**	58	97%	2	3%
AM	54	38%	90	63%	**AM**	114	79%	30	21%
Qualified and Senior Analysts	133	41%	188	59%	**Qualified and Senior Analysts**	286	89%	35	11%
Trainees and Researchers	100	44%	126	56%	**Trainees and Researchers**	221	98%	5	2%
Band 1	6	46%	7	54%	**Band 1**	12	92%	1	8%
Band 2	17	36%	30	64%	**Band 2**	39	83%	8	17%
Band 3	62	72%	24	28%	**Band 3**	65	76%	21	24%
Subtotal	**390**	**43%**	**511**	**57%**	**Subtotal**	**799**	**89%**	**102**	**11%**

Ethnic minority staff as a percentage of the workforce 2006-2009
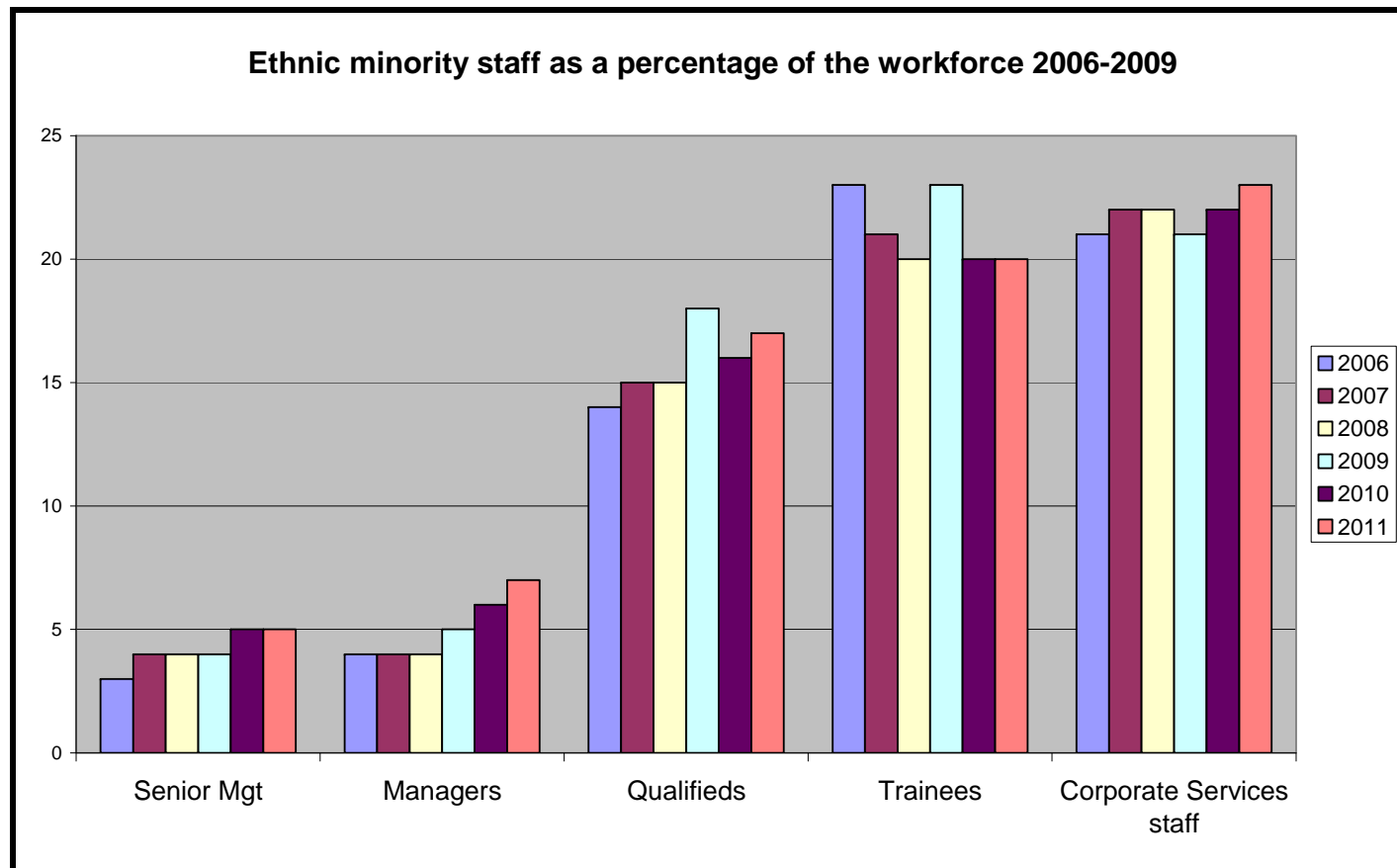
Recruitment: Graduate 2010

Stage	Ethnicity							Gender		Total
	Asian	Black	Chinese	Mixed	White	Unknown	Other	Female	Male	
Applications received	322	137	81	35	833	41	1	563	887	1450
Applications rejected	219	110	54	23	453	22	1	328	554	882
Invited to first round interview	103	27	27	12	380	19	0	235	333	568
Rejected/Withdrew from first round	67	22	14	9	226	14	0	158	194	352
Invited to second round interview	36	5	13	3	154	5	0	77	139	216
Rejected/Withdrew from second round	21	4	5	1	70	2	0	35	68	103
Offers	**15**	**1**	**8**	**2**	**84**	**3**	**0**	**42**	**71**	**113**

Stage	Ethnicity							Gender		Total
	Asian	Black	Chinese	Mixed	White	Unknown	Other	*Female*	*Male*	
Applications received	22%	9%	6%	2%	57%	3%	0%	39%	61%	100%
Applications rejected	25%	12%	6%	3%	51%	2%	0%	37%	63%	61%
Invited to first round interview	18%	5%	5%	2%	67%	3%	0%	41%	59%	39%
Rejected/Withdrew from first round	19%	6%	4%	3%	64%	4%	0%	45%	55%	24%
Invited to second round interview	17%	2%	6%	1%	71%	2%	0%	36%	64%	15%
Rejected/Withdrew from second round	20%	4%	5%	1%	68%	2%	0%	34%	66%	7%
Offers	13%	1%	7%	2%	74%	3%	0%	37%	63%	8%

Percentage of Women recruited on NAO graduate scheme from 2001-2010 Percentage

Percentage of Ethnic Minority trainees recruited onto the NAO graduate scheme
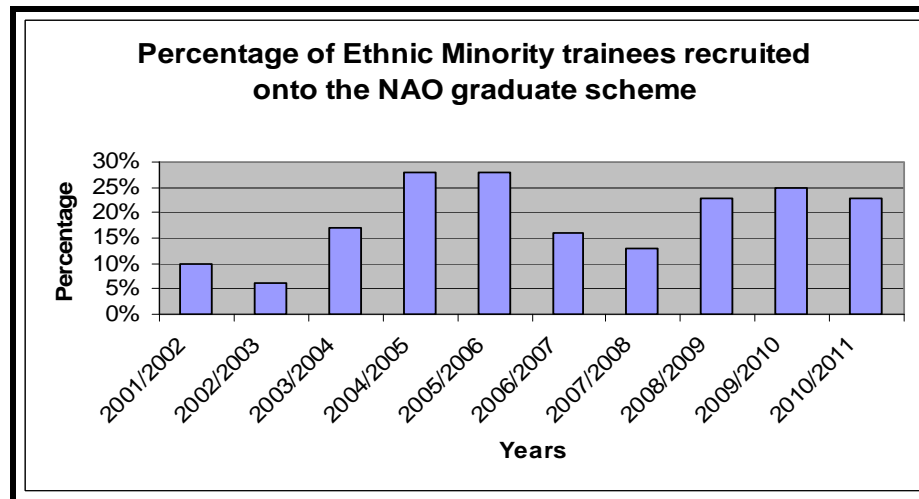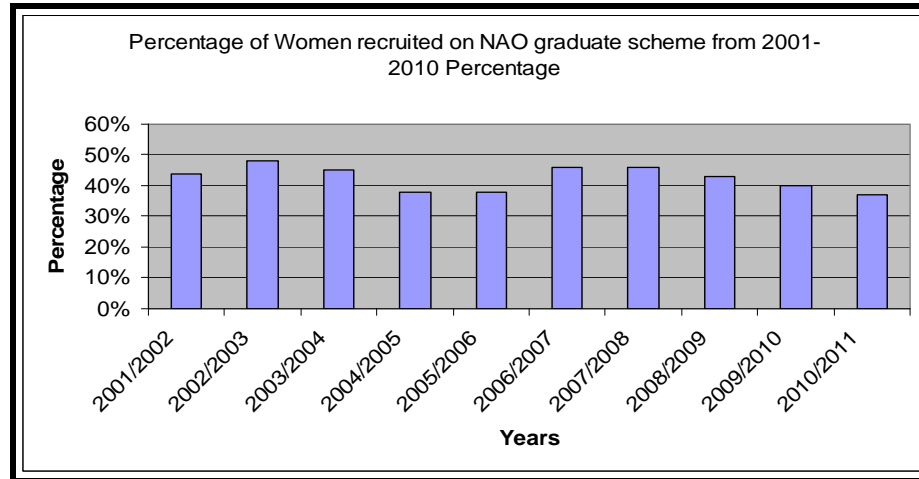
Recruitment: Other

	Gender		Age						Ethnicity						Total
	Male	Female	16-19	20-29	30-39	40-49	50-59	60+	Asian	Black	Chinese	Mixed	Not Known	White	Total
Director	3	2	0	0	0	1	4	0	0	0	0	0	0	5	5
Manager	4	2	0	0	5	1	0	0	0	0	0	1	1	4	6
Qualified and Senior Analysts	10	8	0	5	10	1	2	0	2	2	1	1	0	12	18
Trainees and Researchers	17	13	5	22	1	1	1	0	3	2	2	1	1	21	30
Band 1	0	1	0	0	1	0	0	0	0	0	0	0	0	1	1
Band 2	1	0	0	1	0	0	0	0	0	0	0	0	0	1	1
Band 3	1	1	0	1	1	0	0	0	0	0	0	0	0	2	2
Total	**36**	**27**	**5**	**29**	**18**	**4**	**7**	**0**	**5**	**4**	**3**	**3**	**2**	**46**	**63**

	Gender		Age						Ethnicity						Total
	Male	Female	16-19	20-29	30-39	40-49	50-59	60+	Asian	Black	Chinese	Mixed	Not known	White	Total
Director	60%	40%	0%	0%	0%	20%	80%	0%	0%	0%	0%	0%	0%	100%	8%
Manager	67%	33%	0%	0%	83%	17%	0%	0%	0%	0%	0%	20%	20%	80%	10%
Qualified and Senior Analysts	56%	44%	0%	28%	56%	6%	11%	0%	11%	11%	6%	6%	0%	67%	29%
Trainees and Researchers	57%	43%	17%	73%	3%	3%	3%	0%	10%	7%	7%	3%	3%	70%	48%
Band 1	0%	100%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%	2%
Band 2	100%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	2%
Band 3	50%	50%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	100%	3%
Total	**57%**	**43%**	**8%**	**46%**	**29%**	**6%**	**11%**	**0%**	**8%**	**6%**	**5%**	**5%**	**3%**	**73%**	**100%**

Promotions

		Applicants								
			Gender		Ethnicity		Age			
Campaigns	Total number of campaigns	Total Number of applicants	Male	Female	White	Ethnic minority	20-29	30-39	40-49	50+
Director	2	8	3	5	8	0	0	6	2	0
Manager	4	42	17	25	36	6	12	21	9	0
Qualified	N/A	41	21	20	38	3	33	8	0	0
Senior Analyst	2	20	14	6	15	5	10	10	0	0
Auditor	N/A	41	24	17	36	5	37	4	0	0
Total	8	152	79	73	133	19	92	49	11	0

		Applicants								
			Gender		Ethnicity		Age			
Campaigns	Total number of campaigns	Total Number of applicants	Male	Female	White	Ethnic minority	20-29	30-39	40-49	50+
Director	2	8	38%	63%	100%	0%	0%	75%	25%	0%
Manager	4	42	40%	60%	86%	14%	29%	50%	21%	0%
Qualified	N/A	40	51%	49%	93%	7%	80%	20%	0%	0%
Senior Analyst	2	20	70%	30%	75%	25%	50%	50%	0%	0%
Auditor	N/A	41	59%	41%	88%	12%	90%	10%	0%	0%
Total	8	151	52%	48%	88%	13%	61%	32%	7%	0%

Promotees										
			Gender		Ethnicity		Age			
Campaigns	Total number of campaigns	Total Number of promotees	Male	Female	White	Ethnic minority	20-29	30-39	40-49	50+
Director	2	4	2	2	4	0	0	3	1	0
Manager	4	17	10	7	15	2	4	12	1	0
Qualified	N/A	40	21	19	37	3	32	8	0	0
Senior Analyst	2	9	7	2	8	1	6	3	0	0
Auditor	N/A	41	24	17	36	5	37	4	0	0
Total	8	111	64	47	100	11	79	30	2	0

Promotees										
			Gender		Ethnicity		Age			
Campaigns	Total number of campaigns	Total Number of promotees	Male	Female	White	Ethnic minority	20-29	30-39	40-49	50+
Director	2	4	50%	50%	100%	0%	0%	75%	25%	0%
Manager	4	17	59%	41%	88%	12%	24%	71%	6%	0%
Qualified	N/A	39	53%	48%	93%	8%	80%	20%	0%	0%
Senior Analyst	2	9	78%	22%	89%	11%	67%	33%	0%	0%
Auditor	N/A	41	59%	41%	88%	12%	90%	10%	0%	0%
Total	8	110	58%	43%	91%	10%	72%	27%	2%	0%

Appraisal Ratings

Gender

MARKS by gender	A	% "A" by Gender	B	% "B" by Gender	C	% "C" by Gender	NR	% "NR" by Gender	Totals
Male	159	34.6%	269	58.5%	32	7.0%	0	0.0%	460
Female	136	37.1%	211	57.5%	19	5.2%	1	0.3%	367
Male & Female	295	35.7%	480	58.0%	51	6.2%	1	0.1%	827

MARKS by ethnicity	A	% of total for Ethnicity category	B	% of total for Ethnicity category	C	% of total for Ethnicity category	NR	% of total for Ethnicity category	Totals
White	262	37.6%	401	57.5%	33	4.7%	1	0.1%	697
Non-White	33	25.8%	77	60.2%	18	14.1%	0	0.0%	128

MARKS for FT/PT	A	% "A" by FT/PT	B	% "B" by FT/PT	C	% "C" by FT/PT	NR	% "NR" by FT/PT	Totals
Full time	271	36.8%	419	56.9%	45	6.1%	1	0.1%	736
Part time	24	27.0%	59	66.3%	6	6.7%	0	0.0%	89

MARKS by age group	A	%age "A" by Age group	B	%age "B" by Age group	C	%age "C" by Age group	NR	%age "NR" by Age group	Totals
Group 1 (<30)	94	34.1%	170	61.6%	12	4.3%	0	0.0%	276
Group 2 (30-49)	163	38.7%	235	55.8%	22	5.2%	1	0.2%	421
Group 3 (50+)	38	29.9%	72	56.7%	17	13.4%	0	0.0%	127
Totals	295		477		51		1		824

Ethnic Minority Ratings 2003 - 2010

Legend:
- EM Staff as % of Workforce
- EM Staff as % of Highest Ratings