



National Audit Office

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# The National Audit Office gender pay gap report – 2018

**MARCH 2019**

## Introduction

Our vision is to become a fully inclusive and more diverse organisation that enables the National Audit Office (NAO) to be high performing and to secure improvements in the increasingly complex and user-focused delivery of public services.

The business case for Diversity & Inclusion (D&I) at the NAO is simple. First, it reflects our core values of being fair, collaborative, independent and authoritative. Second, D&I is an asset and enabler for us to meet our business objectives of developing and applying knowledge, increasing our influence and delivering high performance. Supporting and developing a truly diverse and inclusive workforce will enrich our organisation and bring greater breadth of thinking and experience to our work. This will enable us to keep pace with growing complexity in the work we do and better understand our clients and their changing user needs. Finally, we take seriously our legal obligations under the Equality Act 2010.

The NAO is required by legislation to publish gender pay gap information based on a snapshot date of 31 March 2018. This report details our gender pay gap and outlines the actions we have taken and continue to take to reduce the gap. We want to accelerate the rate of progress and, while we recognise that this will not happen overnight, we believe the processes we have in place are already making a tangible impact.

Our new 2018–2021 D&I strategy sets out our objectives to make the NAO an even more diverse and inclusive organisation, well placed to continue its support to Parliament and the wider public sector.

## Gender pay gap data

Mean gap: 9.9% (a reduction of 0.7% points from 31 March 2017)

Median gap: 11.2% (a reduction of 0.1% points from 31 March 2017)

Mean and median bonus pay gap: not applicable  
(the NAO does not operate a bonus scheme)

Proportion of males and females receiving a bonus: not applicable  
(the NAO does not operate a bonus scheme)

Proportion of males and females in each quartile (2017 figures in brackets):

Quartile	Males (%)	Females (%)
Lower	57 (56)	43 (44)
Lower middle	47 (46)	53 (54)
Upper middle	60 (59)	40 (41)
Upper	64 (65)	36 (35)

## **Progress**

Our mean gender pay gap of 9.9% and a median pay gap of 11.2% as at March 2018 are both lower than the figures reported as at March 2017 and are positive indicators of our progress. We are working hard to enhance the pipeline of talented women progressing through the organisation, with higher proportions of women employed at trainee and middle management levels in our audit practice. We are also seeing a higher proportion of women being selected for our talent management programmes, which are focused on identifying and supporting colleagues with the potential to be our senior managers of the future. While this improved pipeline has not yet progressed through to senior management levels, the strength of the pipeline gives us confidence that we are putting in place strong foundations for improving the proportion of women employed at senior levels. We are also actively monitoring the gender balance of our trainee intake. While we perform well compared to our main competitors, we are not yet satisfied that we are achieving the desired gender balance in our intake and have refreshed elements of our attraction and selection process to address this.

Our new D&I strategy includes a number of actions to further enhance the progress we have made to date, supporting women to progress their careers and lead to ongoing reductions in our gender pay gap. These actions include exploring options to enhance flexibility in job roles, particularly those at more senior levels, for example through job-sharing and job design. In addition, we are taking action to proactively encourage women to apply for promotion and support them to enhance their career opportunities through coaching and work shadowing.

## **How we intend to close the pay gap further**

As in 2017, our analysis indicates that our gender pay gap remains largely explained by the higher proportion of men than women in senior roles in March 2018. We have already taken a number of initiatives across recruitment, promotion, talent management, performance management, flexible working, reward and learning and development to address the imbalance as evidenced by the progress we have made in our pipeline grades.

There have been some encouraging early results. We have seen improvements in the proportion of women succeeding in promotion campaigns, with 75% of promotions to audit manager in 2017-18 being female. We have embedded a working culture where 80% of our workforce say they have the opportunity to work flexibly to deliver their work commitments. We introduced an 'independent challenger' role to our appraisal moderation process and to our panels considering applications for our promotion and talent management programmes who are able to question any unconscious bias.

While promoting all aspects of D&I, our new strategy focuses on three characteristics: gender, race and disability, to enable us to make sustainable and accelerated change over the next three years. The strategy is built around two key pillars: building a diverse talent pipeline, and creating an inclusive work environment. Improving the representation of women in the NAO particularly at more senior levels and consistently achieving a 50:50 gender balance in our trainee intake remain key areas of focus. Our D&I strategy is being delivered through a revised governance structure, with ultimate responsibility resting with our Leadership Team. We are supported in this by an operational committee that is proactive in reviewing progress and provides us with assurance that actions from the strategy are being taken forward within our business. This committee includes representatives from across our diversity networks, including our women's network.

### **Written statement**

I can confirm that the NAO's gender pay gap calculations are accurate and meet the requirements of the Regulations. The calculations have been reviewed by our internal auditors, who have confirmed that the methodology provided in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 has been correctly applied.



**Amyas Morse**  
**Comptroller and Auditor General**

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