



National Audit Office

The National Audit Office gender pay gap report – 2019

MARCH 2020

Introduction

In our 2018-21 Diversity and Inclusion (D&I) strategy we set out our vision 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. We promote all aspects of D&I but we need a clear focus to allow us to make sustainable and accelerated change. To support this, we have focused our strategy on three characteristics: gender, race and disability.

The work of the NAO has a direct impact on every person living and working in the UK and we want our staff to be representative of the people and communities our work affects. We also take seriously our legal obligations under the Equality Act 2010.

Internally, all colleagues at the NAO should have the opportunity to thrive and achieve their potential to deliver great work which supports our ambitions. D&I is an important enabler for this. As our ways of working, and those of our clients, develop and the environment in which we operate becomes ever more complex, a truly diverse and inclusive workforce will help us navigate these changes to add even greater value.

Ensuring that we are an organisation which is attractive to female colleagues and is one in which they feel comfortable that they can maximise their potential and advance their careers is central to our approach. We monitor our progress using a broad range of measures related to recruitment, performance and progression. Included in this is our assessment of the relative pay position of men and women in the organisation and these data have been formally reported since 2017.

This report is, therefore, the third to be published under the gender pay gap legislation and is based on a snapshot date of 31 March 2019. The 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 but also ensure that we create a strong foundation on which to build and maintain a diverse workforce in the future.

Gender pay gap

Mean gap = 10.06 (an increase of 0.16% from 31 March 2018).

Median gap = 7.82% (a reduction of 3.38% from 31 March 2018).

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 (2018 figures in brackets):

Quartile	Males (%)	Females (%)
Lower	52 (57)	48 (43)
Lower middle	49 (47)	51 (53)
Upper middle	56 (60)	44 (40)
Upper	63 (64)	37 (36)

Progress

We have seen this year's mean pay gap increase marginally from 9.9% to 10.06%. The main reason for this continues to be the higher proportion of men than women in senior grades. However, we have made noticeable progress on closing our median pay gap from 11.2% in 2018 to 7.82% as more female colleagues have moved into middle management positions. The median pay position for women has, therefore, increased accordingly, which is a positive step forward.

While we are making some progress in rebalancing at middle management levels, we have more work to do to improve our position at more senior levels. Additionally, we have focused on increasing the proportion of women recruited into our entry grades as a way of securing a strong pipeline of female talent for the future. While this has had an initial negative impact on our gender pay gap, it will support our longer-term goal of a gender balance across all grades as these colleagues progress through the organisation. We continue to monitor the balance of our trainee intake after refreshing elements of our attraction and selection process.

How we intend to close the pay gap further

We have taken a number of actions to address our pay gap. We have recruited female candidates into senior corporate service grades and to our senior Executive Team through improved targeting of a diverse range of candidates for these posts. Recruiting a high proportion of women into our entry-level grades, and investing heavily in their development, will support us to progress more women through the organisation over time.

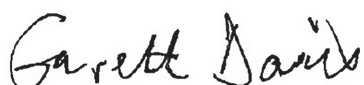
We focus heavily on ensuring balanced outcomes from our appraisal and promotion processes, using an independent challenger to address the risk of unconscious bias. We actively promote high-profile internal opportunities as suitable for part-time working arrangements or job shares so as to encourage a broader range of candidates and have well-established flexible working arrangements which allow colleagues to design their working hours around their personal commitments. We also ensure that our key external recruitment campaigns have a diverse range of candidates attending each assessment stage as well as ensuring diversity in the profile of assessors.

D&I is a key priority for the NAO and the ultimate responsibility of delivering our strategy rests with our Executive Team. The Executive Team is supported by an operational committee that is proactive in reviewing progress and providing us with assurance that actions from the strategy are being taken forward. This committee includes representatives from across our diversity networks, including our women's network.

The NAO is currently undertaking a strategic review to help us decide how best to achieve our mission and respond effectively to the big challenges facing our country and our government. A key element of the review is how we support and develop our people to achieve their potential, underpinned by a strong focus on D&I.

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.

A handwritten signature in black ink that reads "Gareth Davies". The signature is written in a cursive, slightly slanted style.

Gareth Davies
Comptroller and Auditor General

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