

# I Diversity & Inclusion Annual Report 2019-20



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We are the UK's independent public  
spending watchdog.

We support Parliament in holding government  
to account and we help improve public services  
through our high-quality audits.

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services. The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent. In 2019, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £1.1 billion.

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National Audit Office

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# National Audit Office

## **Diversity & Inclusion Annual Report and Accounts | 2019-20**

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| Our staff working from home during  
the Covid-19 outbreak



Roxanna



Naomi



Kaval



Alison



Tunmise



Luke



Jessica



Samad





Anna



Julia



Kyra



Bea



Ali



Sharida



Jakub



Anne

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# Foreword

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The National Audit Office (NAO) supports parliament to hold government to account and to improve the way public services are delivered. At a time of uncertainty and unique challenges, it is important that we do not lose sight of building a diverse and inclusive organisation, which embraces and values difference, enabling our people to bring a breadth of thinking, experience and skill to our work.



# Foreword

Gareth Davies | Comptroller and Auditor General



**During my first year as C&AG I have been impressed by the commitment of NAO staff to the diversity and inclusion (D&I) agenda. But equally, we have to acknowledge that the NAO faces a number of challenges in achieving genuine equality, diversity and inclusion for all our people. This includes poor progression rates for Black, Asian and Minority Ethnic (BAME) colleagues at all levels of our business, and low levels of female representation at director level. The plain fact is that we are not satisfied with the pace of change and are committed to making faster progress.**

Our new organisational development plan has set out our ambition to be an exemplar organisation on diversity and inclusion (D&I). We know that this will require us to have the courage and integrity to challenge ourselves on the need to improve and to take responsibility for areas where we have made little progress in recent years. This is a serious commitment that requires deep and permanent change if we are to realise our ambition.

To achieve this, we need to not only focus on process improvements but on our organisational culture and our own behaviours. Our new values of inclusion and respect give us a valuable starting point through which to ensure equality and fairness in all our people processes, training products and behaviours. We will be building on recent progress in improving the diversity of our graduate intake and more rigorously imposing requirements for diverse shortlists, in all our campaigns. In 2019, we launched our first diversity mentoring scheme which is giving NAO leaders a much richer insight into the experience of colleagues from diverse backgrounds.

We continue to publish studies that highlight inequalities in the way public services are delivered – for example, our report into supporting disadvantaged families through early education and childcare entitlement, and our study into gambling regulation and protecting vulnerable people. In the coming year, we will further develop our value for money approach to better address the experience of diverse groups in society, including the impacts of Covid-19, to build a compelling body of work around these issues, and to share our learning and insights.

Over the past four months, we have demonstrated our own ability to work flexibly

and supportively through the Covid-19 lockdown, with our staff reporting feeling well supported in working virtually and appreciative of the effort we have made to focus on the health and well-being of our people, and of our acknowledgment of the varied impact and anxiety a global pandemic can have on our own colleagues.

As we head into the final year of our current three-year D&I strategy, we will be consulting widely to understand what matters most to those who work at the NAO and where we are falling short of expectation. Our next three-year D&I strategy, which will cover the period 2021–24, will set out new systematic improvements, supported by ambitious targets and well thought through actions, to support our commitment to faster progress in our key areas.

We are clear that being a respectful and inclusive organisation is not a destination or an accomplishment in itself, but is at the heart of all that we do, allowing us to understand, respect and value the views and experiences of all our people. We must all take individual responsibility for making things better through reflecting on whether we could do more to listen to, encourage and support the colleagues we work with.

I am committed to leading the NAO to become an exemplar employer in terms of equality, diversity and inclusion, embracing the unique qualities that our people offer, and together creating a fantastic place to work and an organisation that values being a diverse, inclusive and healthy workplace.

**Gareth Davies,  
Comptroller and Auditor General**

# Highlights

## 2019-20



Refreshed our corporate values, following consultation across the organisation and with external stakeholders, and introduced a new value set, including a value of 'inclusion and respect', recognising that we are at our best when we embrace and draw on our collective talents.



Continued to strengthen our gender pipeline through to middle management, while recognising that we have more to do at director level.



Maintained a strong representation of disabled colleagues at director level (10.5%), and seen a strengthening of the pipeline from trainee to manager.



Improved the attraction of women graduates to our training programmes through more targeted marketing, greater use of digital channels, and closer liaison with candidates through each stage of the campaign.



Increased the proportion of applicants to our graduate programme from lower socio-economic backgrounds, and seen an improvement in success rates in terms of offers.





Launched our first diversity mentoring programme, which has helped challenge our perspectives and thinking at senior levels in the organisation, and improved our knowledge of cultural difference and workplace experience.



Strengthened our team of trained mental health first aiders and hosted a number of engaging activities, including creating a pledge wall to encourage conversations about mental health.



Continued to support the importance of LGBT+ inclusivity through recognising Rainbow Laces Day and the 50th anniversary of the Stonewall riots.



Demonstrated our ability to work flexibly and supportively through the Covid-19 lockdown, with a very high percentage of the Office reporting that they felt well supported in working virtually and appreciated management's key focus on the health and well-being of our people.



Created a detailed diversity and inclusion dashboard, which uses real-time data to monitor diversity issues and highlight aspects of our people processes that may suggest unequal treatment across diverse groups – for example, in the allocation of our work.



## | Strategic review

In 2019-20, under the new Comptroller & Auditor General, Gareth Davies, we reviewed our existing organisational strategy. In doing so, we consulted widely across the organisation and with external stakeholders to understand the challenges we face and the type of organisation we want to be. Our new strategy will support us in meeting future demands with an appropriately skilled and diverse workforce, able to thrive in a respectful and inclusive culture.

A clear message coming from feedback on the review was the desire to be an exemplar organisation for diversity and inclusion (D&I) and a fantastic place for our people to work and develop their careers.

Our organisational development plan (ODP), which sets out the initiatives we will undertake to realise these ambitions, contains a major workstream focused on the development of our people, with all the agreed initiatives to be designed and implemented to meet our D&I ambitions.







While we are at the early stages of implementation of the ODP, we have already refreshed our corporate values, including a new value, 'inclusion and respect', epitomising our shared understanding that we are at our best when we embrace diversity, draw on our collective talent, and make everyone feel valued and able to be themselves. The intention is to embed this, and our other new values, into all our people processes and the way we work and operate.

## | Delivery of our diversity and inclusion strategy

Our D&I strategy 2018-21 is built on two key pillars, which has helped focus our actions on what we see as the key priorities for the Office. While all aspects of our approach to D&I are important, illustrated by the fact that we have an active group of diversity networks each of which takes forward actions in relation to supporting specific groups, we have focused our attention on the actions in support of these two pillars.

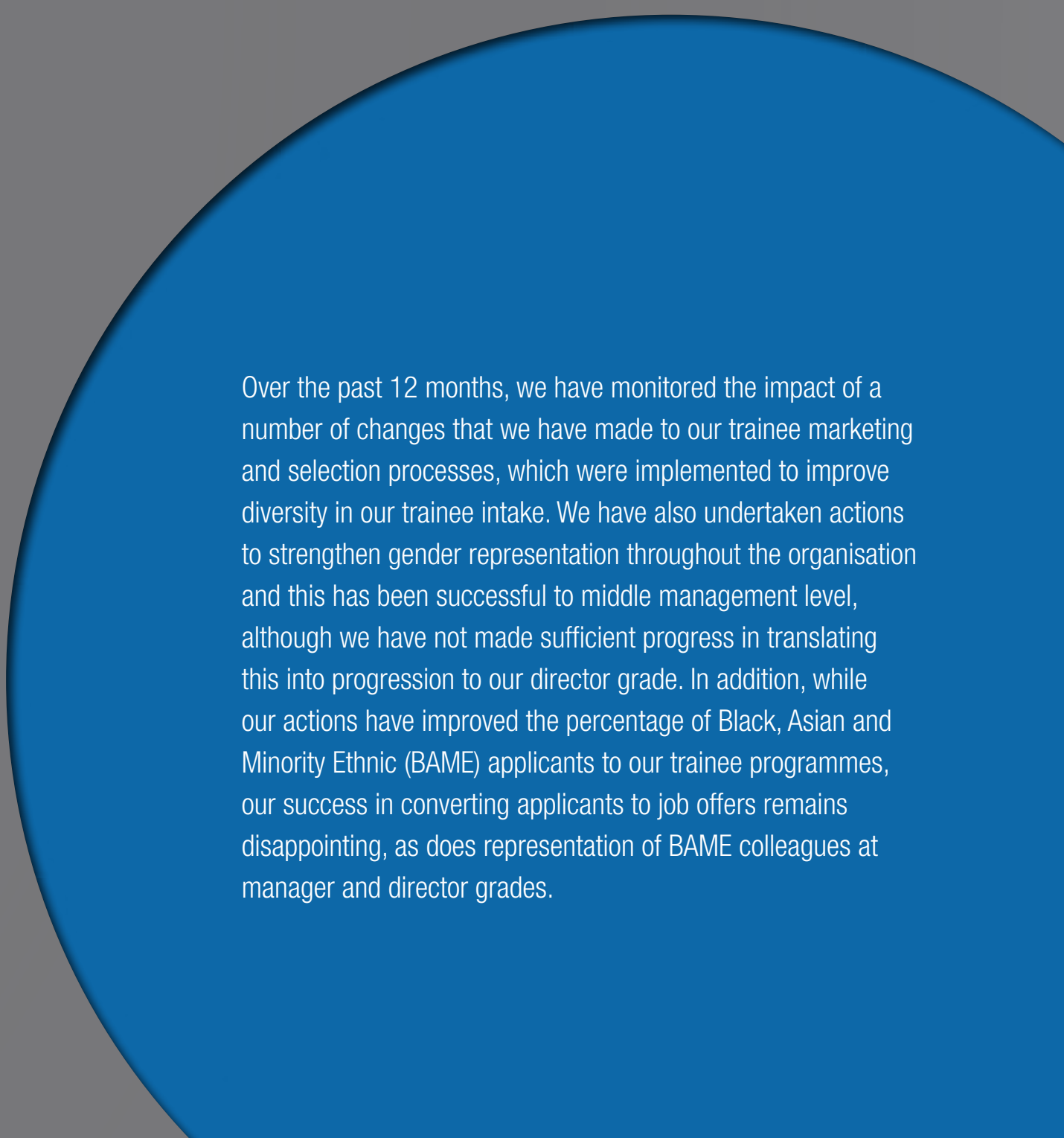
## PILLAR ONE

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### I Robust pipeline of diverse talent

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Over the past 12 months, we have monitored the impact of a number of changes that we have made to our trainee marketing and selection processes, which were implemented to improve diversity in our trainee intake. We have also undertaken actions to strengthen gender representation throughout the organisation and this has been successful to middle management level, although we have not made sufficient progress in translating this into progression to our director grade. In addition, while our actions have improved the percentage of Black, Asian and Minority Ethnic (BAME) applicants to our trainee programmes, our success in converting applicants to job offers remains disappointing, as does representation of BAME colleagues at manager and director grades.







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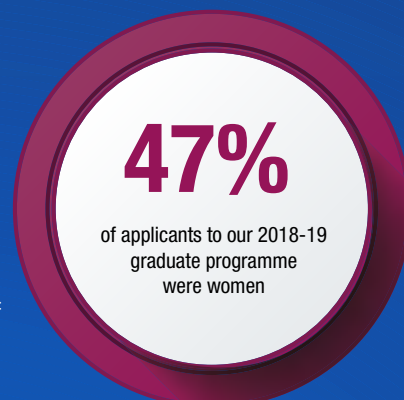
## I Diversity in our recruitment

The diversity of our 2018-19 graduate intake reflected the impact of operating our revised trainee selection and assessment tools. Changes made to the way we attract candidates, which included collaborating with campus ambassadors to promote our opportunities to diverse groups, and making wider use of digital marketing channels, increased the proportion of applicants from our target groups, including woman and BAME people. However, the impact of changes to our assessment and selection process has been mixed, with some positive progress offset by lower than hoped for success rates of BAME candidates.

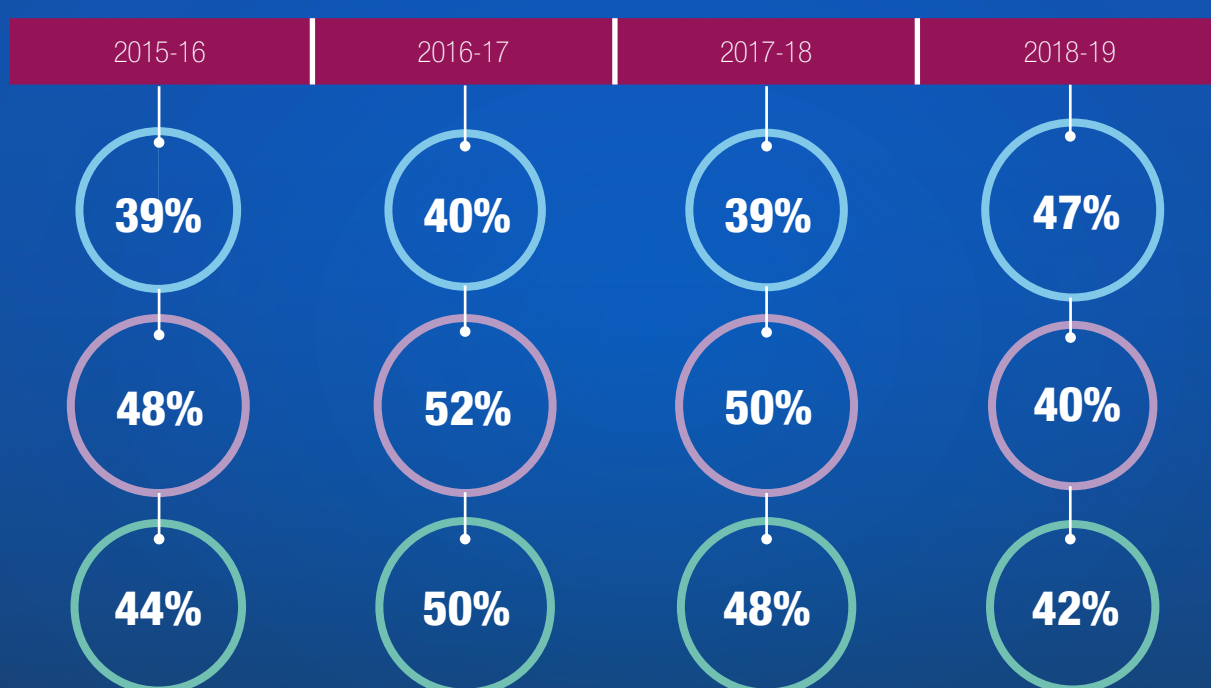
We are conscious that our analysis focuses on results from a single campaign (2018-19), but we are nevertheless concerned that we have not made more progress in this important area despite introducing changes designed to address historical inequities in outcomes for BAME candidates. We will, therefore, continue to actively monitor diversity trends in subsequent campaigns, and make further changes to our processes to improve upon results from our 2018-19 campaign.

## GENDER

In 2018-19, our revised approach saw a significant increase in the proportion of women applying to our graduate programme to a five-year high of 47%. However, the proportion of women candidates then progressing through the assessment process fell marginally at each stage, resulting in a lower female candidate success rate than in prior years, when women candidates have done proportionately better than their male counterparts. Disappointingly, this led to a lower proportion of women receiving offers (40%) than the prior three-year average (50%).



### Women applicants and joiners to our graduate programme 2016-19



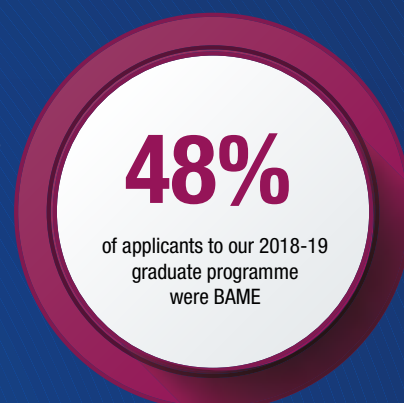
 Applicants
  Offers
  Joiners

#### Note

1 'Offers' refers to the proportion of candidates offered a place on the graduate programme in the given year. 'Joiners', which is impacted by acceptance rates, refers to the proportion of candidates who subsequently join the NAO as trainees.

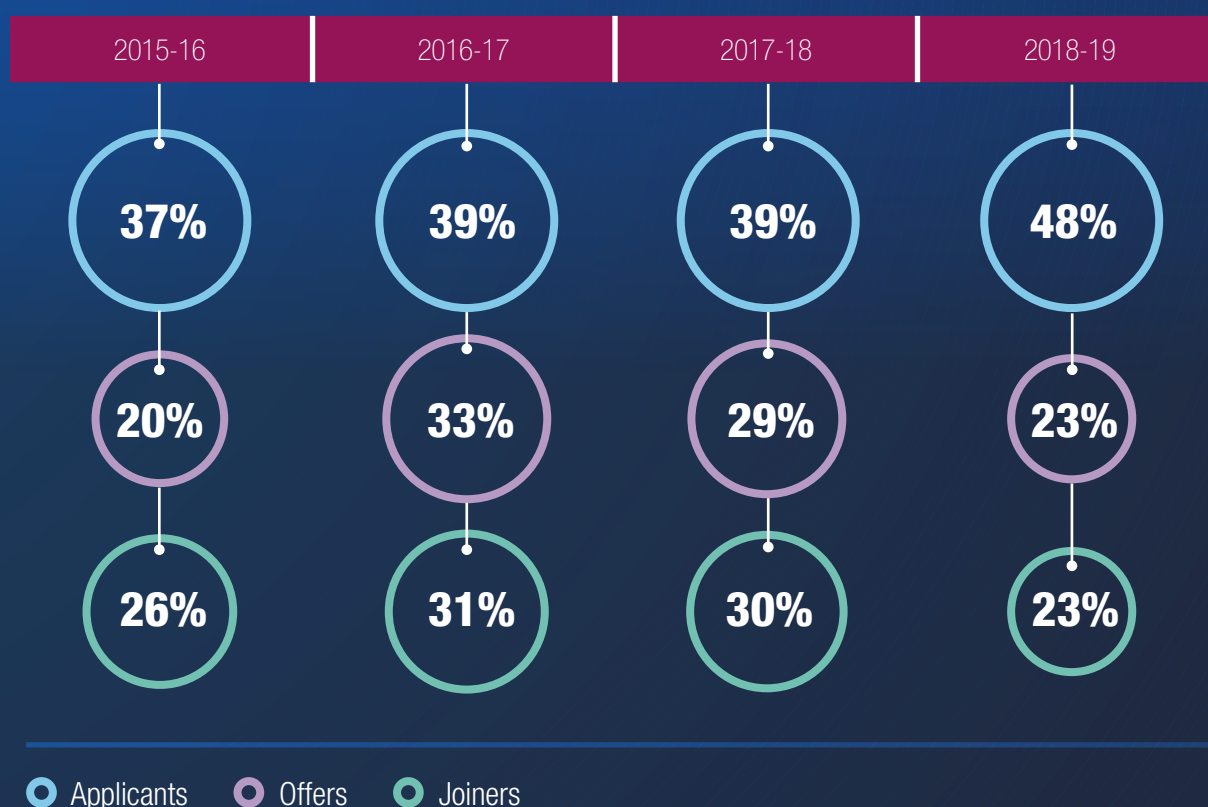


Our focus on using campus ambassadors and digital marketing channels has helped increase the proportion of BAME candidates applying to our graduate scheme to 48% in 2018-19, a significantly higher proportion than the average BAME applicants over the previous three years (38%). Despite this increase, our attraction rates for BAME candidates remain slightly lower than the larger accountancy organisations. We will continue to refine our marketing approach and consider how we might build our appeal to a diverse audience so that we can sustain a high proportion of BAME applicants in future years.



While our attraction of BAME applicants has improved, this does not translate into a similar proportion progressing through the assessment stages to final offer. In 2018-19, 23% of offers made were to BAME candidates, a much lower proportion than the 48% applicant base, and significantly adrift of the success rates of non-BAME candidates. Understanding and resolving barriers that still exist for BAME candidates will continue to be an important area of focus for us over the next 12 months. We have commissioned additional analysis to consider the impact of individual components of our assessment centres on the performance of candidates from BAME backgrounds. For our current 2019-20 graduate campaign, we have also taken action to actively engage with BAME candidates through each stage of the assessment process, and ensured that the profile of candidates and the profile of assessors at each assessment centre is diverse.

## BAME applicants and offers to our graduate programme 2016-19



### Notes

1 All data includes interns, with the exception of Offers in 2015-16.

2 Excludes those who did not declare.

3 'Offers' refers to the proportion of candidates offered a place on the graduate programme in the given year. 'Joiners', which is impacted by acceptance rates, refers to the proportion of candidates who subsequently join the NAO as trainees.

## Social mobility



We have secured a significant increase in the proportion of applicants to our graduate programme from lower socio-economic backgrounds, which is a testament to the success of our outreach work. Overall, these candidates generally achieve positive success rates in terms of the conversion of applicants to offers.

We continue to support social mobility externally through our commitment as a signatory to the Access Accountancy network, and internally through our internship and work experience programmes and the contribution of our Social Mobility staff network.

Through our membership of Access Accountancy, we partake in the comprehensive Bridge Group analysis of graduate recruitment data across signatory accountancy organisations. The latest benchmark data related to our graduate campaign indicates that our attraction rates have been very favourable compared with other signatories. However, success rates through our selection processes have been more variable, both between years and between individual social mobility measures.

Our 2018-19 campaign data showed positive results in terms of job offers for candidates in receipt of income support and those attending non selective/non fee-paying schools, although there was a drop in the success rates of applicants who were receiving free school meals, and those whose parents did not attend university.

**82.5%**

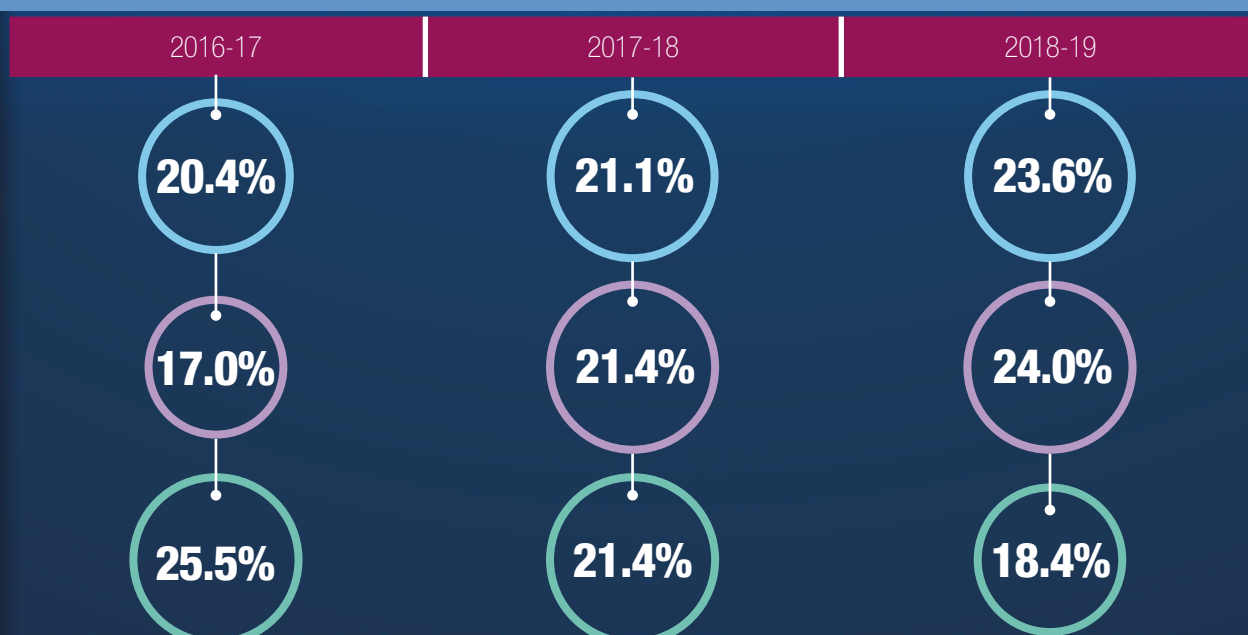
of joiners to our graduate programme attended state school

**42.4%**

of joiners to our graduate programme had parents who did not attend university

● Applicants ● Offers ● Joiners

### Graduate programme 2017-19 – Candidates who received income support



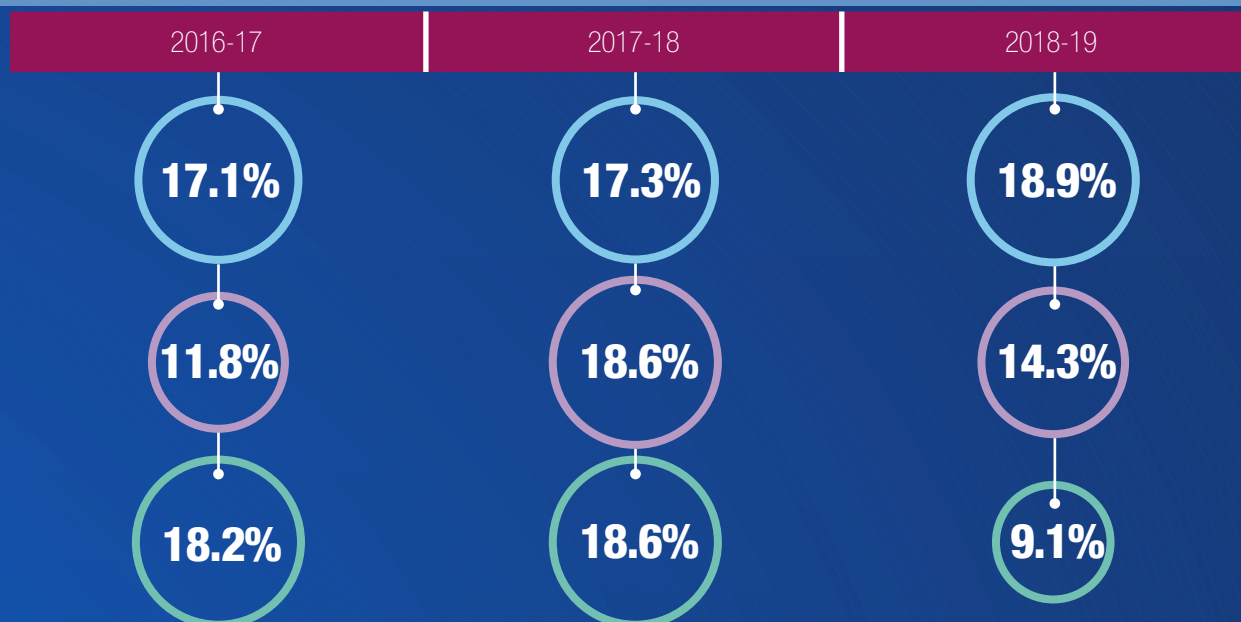
#### Notes

1 Excludes those who did not declare or were unsure.

2 'Offers' refers to the proportion of candidates offered a place on the graduate programme in the given year. 'Joiners', which is impacted by acceptance rates, refers to the proportion of candidates who subsequently join the NAO as trainees.



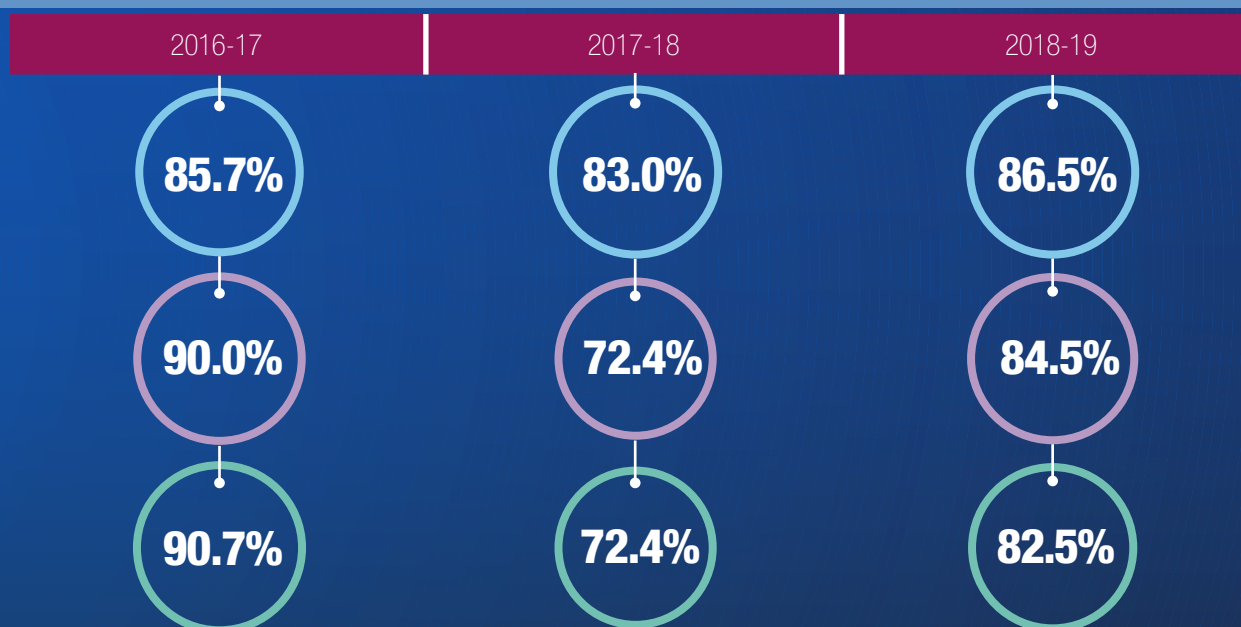
## Graduate programme 2017-19 – Candidates who received free school meals



### Notes

- 1 Excludes those who did not declare or were unsure.
- 2 'Offers' refers to the proportion of candidates offered a place on the graduate programme in the given year. 'Joiners', which is impacted by acceptance rates, refers to the proportion of candidates who subsequently join the NAO as trainees.

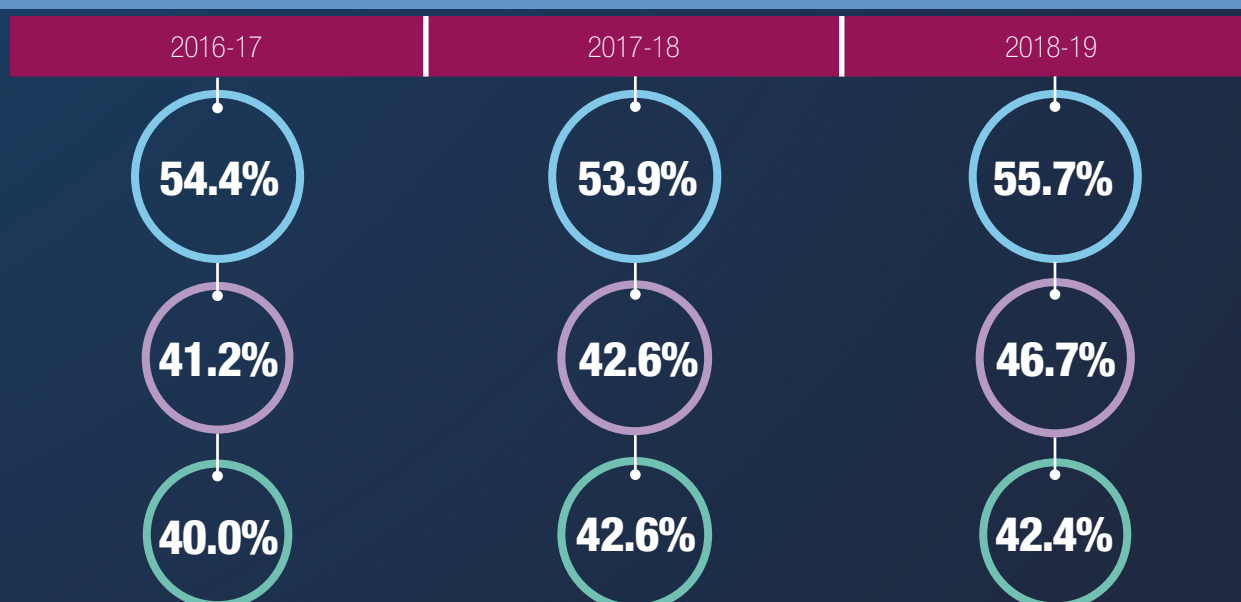
## Graduate programme 2017-19 – Candidates who attended a state school<sup>1</sup>



### Notes

- 1 Includes state selective and state non-selective.
- 2 Excludes those who did not declare, were unsure or who attended university outside the UK.
- 3 In 2018-19, 91% of university undergraduates attended a state school, 'Higher Education Statistics Agency report 2018-19'.
- 4 'Offers' refers to the proportion of candidates offered a place on the graduate programme in the given year. 'Joiners', which is impacted by acceptance rates, refers to the proportion of candidates who subsequently join the NAO as trainees.

## Graduate programme 2017-19 – Candidates whose parents did not attend university



### Notes

- 1 Excludes those who did not declare or were unsure.
- 2 In 2019-19, 46% of university undergraduates had parents who did not attend university, 'Higher Education Statistics Agency report 2018-19'.
- 3 'Offers' refers to the proportion of candidates offered a place on the graduate programme in the given year. 'Joiners', which is impacted by acceptance rates, refers to the proportion of candidates who subsequently join the NAO as trainees.



## WCAN and Brokerage insight events

During the year, we hosted two insight events in collaboration with WCAN (an enterprise dedicated to the personal and professional development of black women) and Brokerage (a charity supporting young people from lower socio-economic groups).

These events provided valuable opportunities to engage with diverse groups, promote the work of the NAO, and improve the diversity of our trainee intake. Participants were inspired as we debunked common myths about accountancy, discussed why diversity and inclusion are so important to the NAO and the work we do, and invited trainees to share their personal experience of our trainee and internship opportunities.

Working with these groups we supported the development of key employment skills and ran CV skills sessions and interview masterclasses, with one participant commenting:



Great event, very informative. Taught me a lot in terms of the CV session and interview practice.

Also well received was the opportunity to gain confidence in networking:



I thought networking was scary but it's not. This was very useful.



WCAN event



Brokerage event

## Analysts

In addition to our primary entry route to the Office through the graduate and school-leaver schemes, we also secure a pipeline of post-graduates to our value for money stream through recruitment to our analyst grades. While this route has been successful in attracting a strong pipeline of female recruits, it has been less successful in relation to BAME applicants, where success rates have been significantly below those of non-BAME applicants. Actions taken for our 2020 campaign show early signs of improvement, but we have further to go to achieve parity of outcomes.



## Women in Tech profile

Our recruitment team have been hard at work to attract more females to our analyst and data science positions. As part of these efforts, one of our senior analysts, Laura Cole, featured in a Q&A with Women in Tech, an organisation that inspires and supports women at all stages of their career. Laura debunked some myths about the profession and gave an insight into how she came to be a senior analyst. To have a closer look at the interview, please click [here](#).<sup>1</sup>

Check out our latest case study on WomeninTech

WOMEN+TECH

Laura Cole, Senior Analyst at the National Audit Office



<sup>1</sup> Available at: [www.womenintech.co.uk/national-audit-office-laura-cole-senior-analyst-focus-data-science](http://www.womenintech.co.uk/national-audit-office-laura-cole-senior-analyst-focus-data-science)



## Progression of women and BAME staff

Improving diversity in our pipeline is a key focus area of our D&I strategy. Although we have successfully strengthened our gender pipeline to middle management, we have made limited progress in improving the proportion of women employed at our director level. We also have concerns over the progression rates of our BAME colleagues where representation is significantly lower for qualified staff than for trainees and further reduces through to director level.

## Gender

### Progression

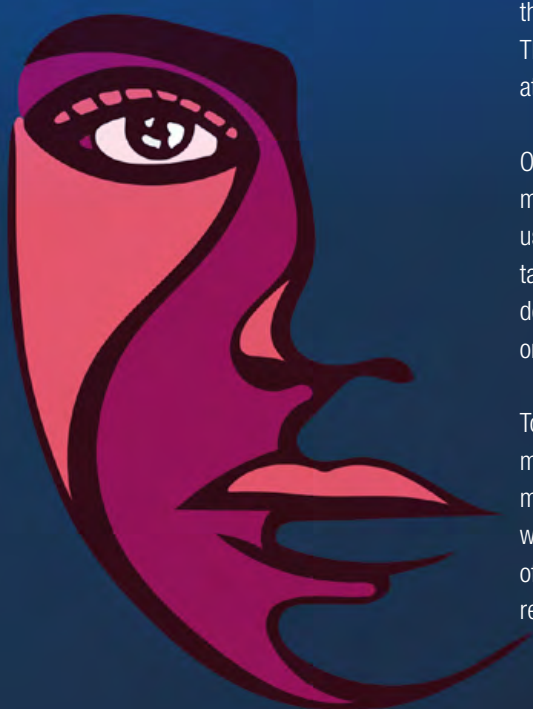
Representation of women at manager level continues to improve, at 48% in 2020, an improvement on our three-year rolling average of 43% (2017-19). However, we cannot be complacent because we have yet to achieve a consistent rate of progression each year (in 2019-20, 44% of manager promotees were female, compared with 56% in 2018-19) and part of the improvement in female representation is as a consequence of a higher proportion of men leaving the organisation.

Despite improvements at middle management levels, currently only 26% of our director grade are women, a position that has remained static for a number of years. However, we have seen an increase in the proportion of women on the Executive Team (our most senior grade) to 43%. We are fully committed to addressing gender balance at director level as one of our key D&I priorities.

One factor limiting the pace of change is the opportunity for promotion to director level. In the past year, there was only one man permanently promoted to director and one woman director who was promoted to our Executive Team. Although more opportunities for promotion into the director grade may emerge in coming years as experienced colleagues retire, we recognise there is work that we need to do to improve the appeal of these roles and the proportion of women applying for director positions. This is particularly the case given our success in creating a strong female pipeline at middle management levels.

Over the same period, we have focused on attracting female talent from within the wider market to the NAO where we are able to offer director specialist roles, and we recently used specialist search agencies that have a track record in accessing a more diverse talent pool. With the development of specialist 'hub' roles under our organisational development plan (ODP), we have an opportunity to attract more diverse talent to the organisation at director level to lead these teams.

To help us achieve gender balance at director level, we have undertaken detailed modelling to better understand where change is needed and how quickly we might realise our ambitions. To improve gender representation at director level, we need to provide more tailored career support and greater flexibility in the design of work portfolios, and actively focus on diverse outcomes in our promotion and recruitment processes.





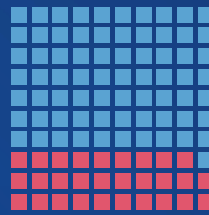
## Representation of women 2018-20

2018

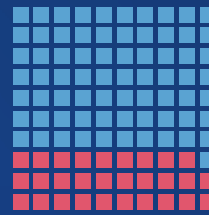
2019

2020

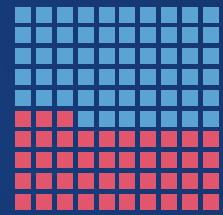
Executive Team



**29%**

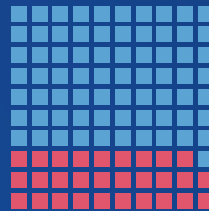


**29%**

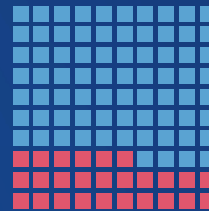


**43%**

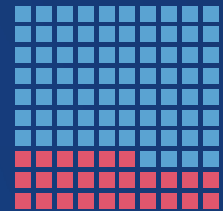
Director



**29%**

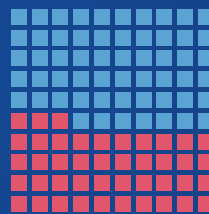


**26%**

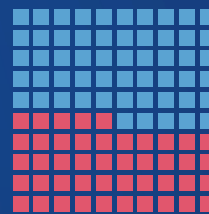


**26%**

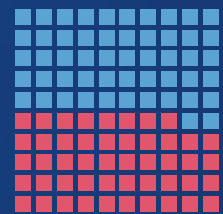
Manager <sup>1</sup>



**43%**

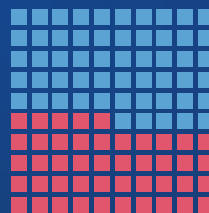


**45%**

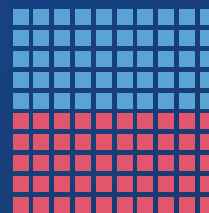


**48%**

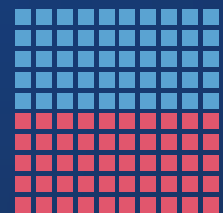
Qualified



**45%**

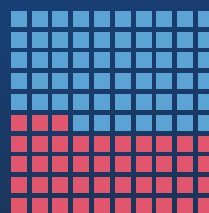


**50%**

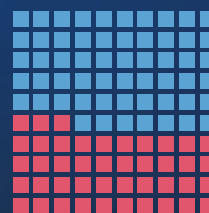


**50%**

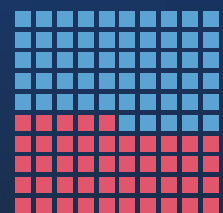
Trainee



**43%**

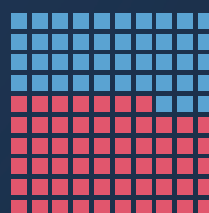


**43%**

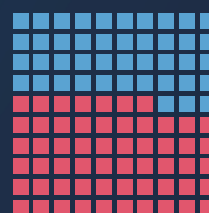


**45%**

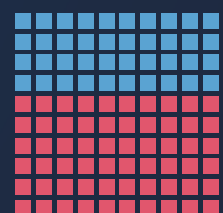
Corporate services



**57%**



**57%**



**60%**

**Whole organisation**

**45%**

**46%**

**48%**

### Notes

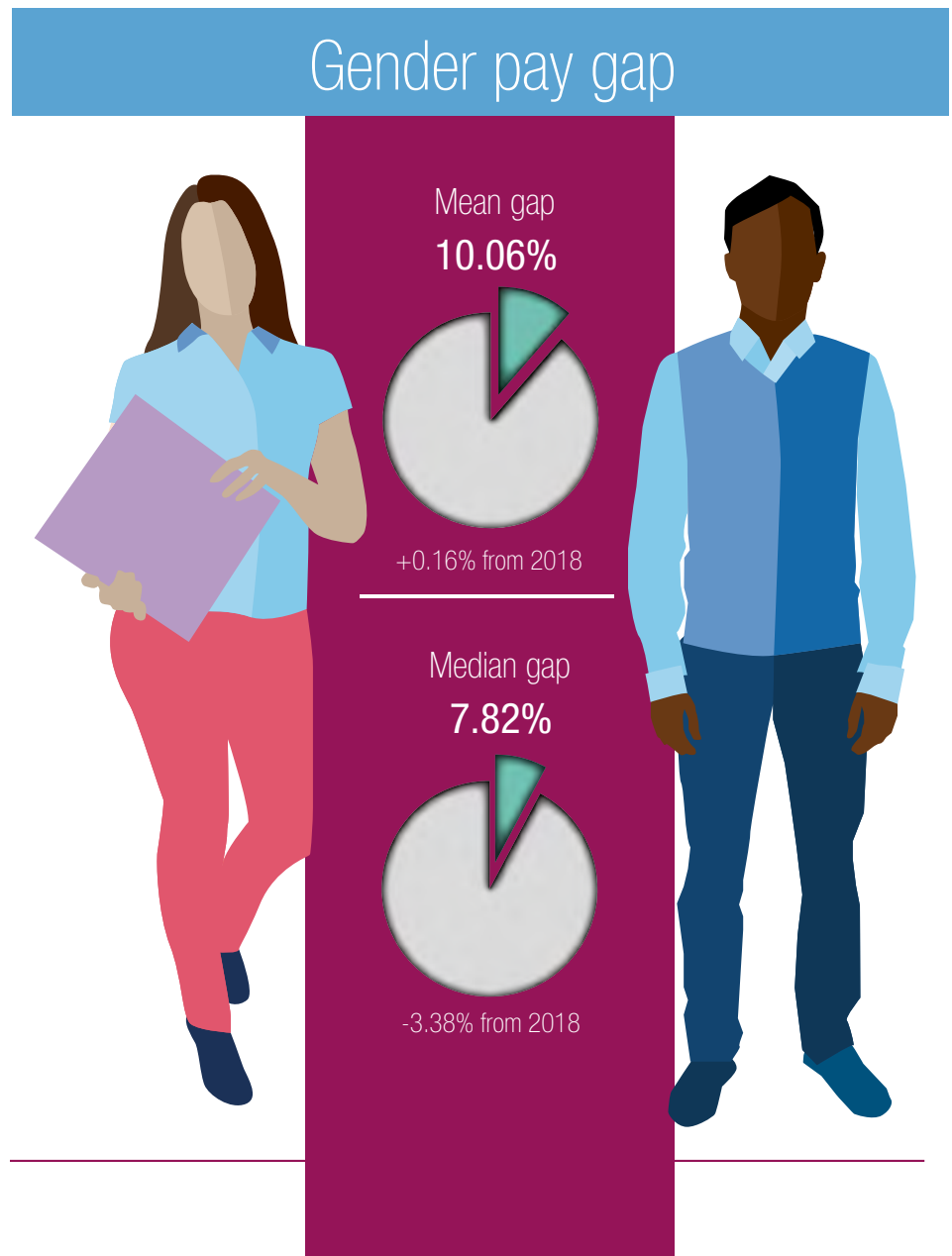
<sup>1</sup> Including corporate services band 1 managers.

<sup>2</sup> Excludes those who did not declare.

<sup>3</sup> Data as at 31 March 2020.

## Gender pay gap

We have published our third gender pay gap report as at 31 March 2019, which presents a mean pay gap of 10.06% (an increase of 0.16 percentage points from 31 March 2018) and our median pay gap of 7.82% (a reduction of 3.38 percentage points on the 31 March 2018 figure). The marginal increase in this year's pay gap, while disappointing, is in part due to an increase in the proportion of women in our more junior grades, including trainees. Although this has an initial negative impact on our gender pay gap, it will support our longer-term goal of increasing the number of women in our director grade by providing a strong internal pipeline of talent. In addition, as explained above, there has been a recent fall in women at director level, in part the result of achieving gender balance on our Executive Team. Increasing our female representation at director level needs to be addressed if we are going to see a substantial fall in our mean gender pay gap.



## | Ethnicity

Initiatives to build a diverse BAME pipeline have had limited impact in recent years, and we accept the need to take clearer, more decisive action to embrace the potential of our BAME colleagues to reach manager and director level. As at 31 March 2020, only 10.0% of managers and 5.4% of directors were from a BAME background; however, representation on our Executive Team is 28.6%.

Analysis of our data confirms that representation of BAME colleagues reduces markedly from qualified level to director, and that they are more likely to seek to develop their career with other organisations. This position has not changed over a sustained period. We recognise that this is a lost opportunity and one that we are addressing as a priority.

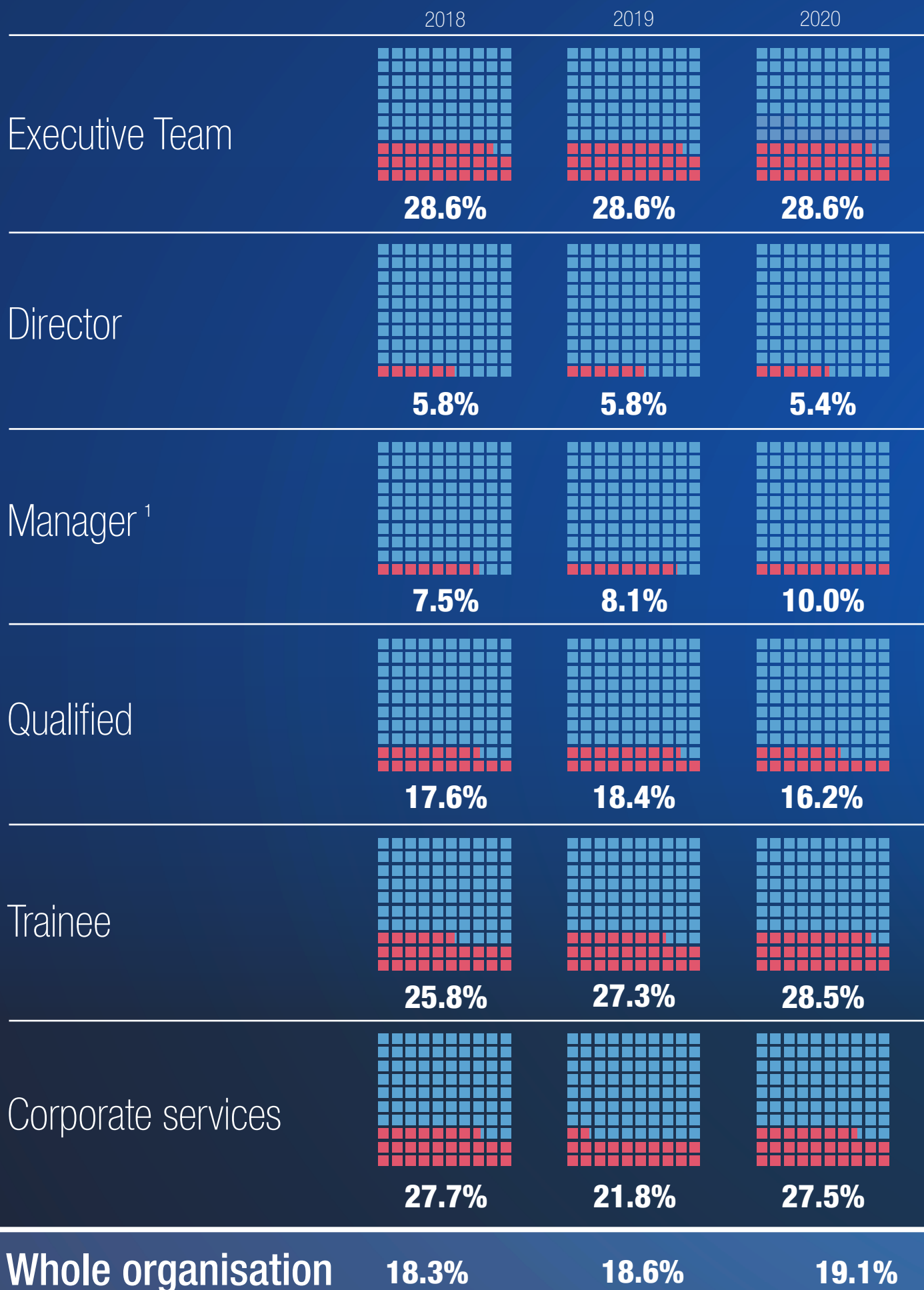
We have also undertaken a comprehensive review to better understand the experience of BAME colleagues at all levels in the organisation. Initial findings suggest that a lack of BAME directors and inconsistent line management play a role in having a negative impact on engagement levels. We need to take further action to improve BAME representation including:

- setting more ambitious targets and metrics to review progress;
- ensuring BAME colleagues have equal access to challenging and high-profile work opportunities; and
- encouraging visibility of role models to illustrate that the NAO is an organisation where BAME colleagues can develop their careers.





## Representation of BAME staff 2018–20



### Notes

<sup>1</sup> Including corporate services band 1 managers.

<sup>2</sup> Excludes those who did not declare.

<sup>3</sup> Data as at 31 March 2020.



## | Looking ahead

Over the next year, we will focus on those areas that will best promote the diversity of our talent pipeline. This will include setting ambitious targets around recruitment, grade representation and promotion that will fulfil our desire to be an exemplar organisation in our key focus areas of gender and ethnicity.

Areas of focus will include:

### **Gender and ethnicity**

- Continue to focus attention on creating diverse recruitment and marketing materials, ensuring balanced interview assessment panels, and implementing improved training for assessors to increase the diversity of our graduate intake.
- Introduce a more flexible framework around our exam pathway in response to feedback from trainees.
- Focus on development and encouragement of our gender and ethnicity talent pipelines to address under-representation through tailored career and portfolio planning, and offering support to balance individual and organisational needs.
- Embed more active talent management and clear succession planning across our organisation to secure quicker progress towards gender and ethnicity balance at our director grade.
- Review how high-profile, career-enhancing projects are allocated to provide equality of opportunity for all and address inequities in the allocation of our most challenging work.
- Set ambitious targets under our new D&I strategy to improve gender and BAME representation at all levels of the organisation.



#### Gender-specific

- Refocus our trainee website to attract more female applicants and improve gender balance in our shortlists for external experienced hire positions.
- Encourage and directly engage with female candidates during our graduate campaign to convert a higher proportion of initial applicants into joiners and improve the gender balance of our graduate intake.

#### Ethnicity-specific

- Understand the impact of each element of our trainee assessment centre process on BAME candidates, and consider what further changes need to be made to ensure better success rates for BAME applicants.
- Publish an annual BAME pay gap following available best practice methodology, demonstrating transparency and public commitment to equality in pay for our BAME colleagues.

## PILLAR TWO

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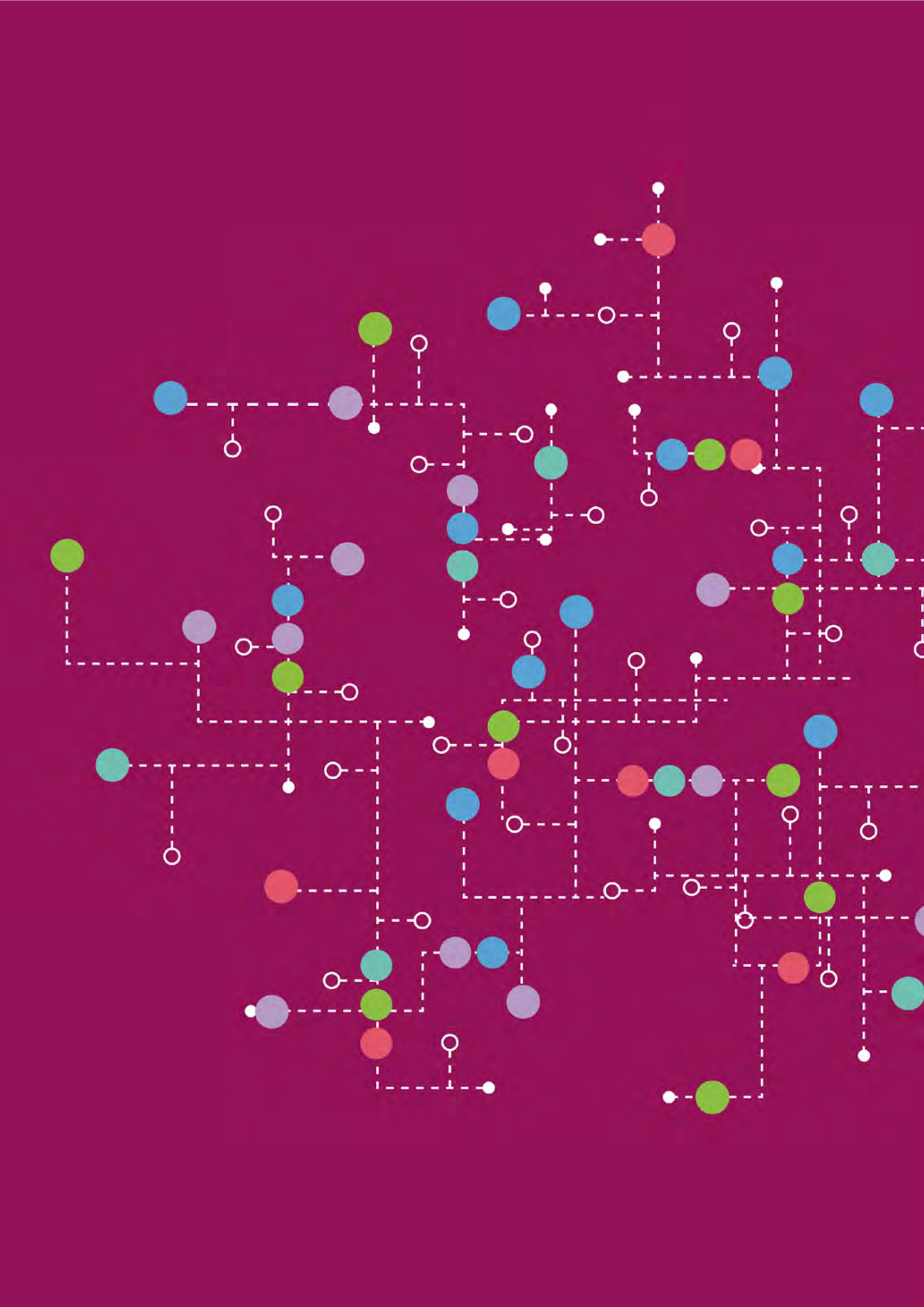
### I Culture of fairness and inclusion

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As part of our commitment to building an inclusive NAO, we have launched our first diversity mentoring programme, and have continued to recognise the importance of mental health through training additional mental health first-aiders (MHFAs) and organising a range of activities and events to promote mental well-being. The importance of inclusion to the NAO is exemplified by the prominence of 'inclusion and respect' as one of the four new values for the Office.









# I Inclusion and fair treatment

## **Inclusive behaviours**

Inclusion first featured as a core strategic pillar in our 2015-18 diversity and inclusion (D&I) strategy. In 2015, we launched a suite of training products to grow awareness around the importance of inclusion, and to establish our organisational expectations around inclusive behaviours in the workplace. This was followed by a corporate programme, which over 95% of the Office completed, focused on how we can better work within and across teams by recognising and harnessing our different preferences and the ways in which we work.

In 2017, we launched an online unconscious bias training module, which has been refreshed in 2020 alongside unconscious bias implicit association testing. This is being rolled out initially to those colleagues who play an active role in people decisions but with the expectation that all staff will complete this training. We are also considering how we can best move from a place of understanding the theory of unconscious bias, and raising awareness of its impact, to personal acknowledgement, acceptance and, ultimately, behavioural change.

In recognition that one of the best ways to break down biases and improve inclusion is to increase contact with people who are different from oneself, we launched our first diversity mentoring programme.

## **Diversity mentoring programme**

We launched this programme in October 2019 with the aim of building a greater understanding of diversity issues among our executive and director teams, encouraging fresh perspectives in their thinking, and reducing the prospect of unconscious bias. Initial feedback from both mentors and mentees has been positive. If the programme continues to be successful, we intend to expand its reach to include other director-level staff and those with key people responsibilities.



## Diversity mentoring

To support our development of a culture built on equality and inclusion, where difference is valued, the NAO launched its first diversity mentoring programme in 2019. We successfully established 18 mentoring partnerships involving our executive and director teams, and mentors from across the business and from diverse groups.

We have commissioned an independent evaluation of the impact of the first six months of the programme, with early indications that it has been a positive experience for all mentors and mentees – with 75% and 92% respectively finding it had been a positive experience to a 'considerable' or 'greater' extent.

The majority of mentees had limited knowledge of their mentors in terms of their lifestyle, cultural differences or workplace experience, before participating in the programme. Survey data from our recent evaluation showed that 85% of mentees have improved this insight to a 'considerable' or 'greater' extent. In addition, 92% of participants felt that their own thinking and perspectives had been challenged at least to 'some extent'.

A participating mentee commented:



I found it an opportunity to reflect on diversity issues and get input from a different perspective in a conducive environment

while a mentor reflected that:



it has allowed myself and colleagues to discuss more freely issues on diversity and provide insight on protected characteristics

If successful, our intention is to expand the programme across a wider group.



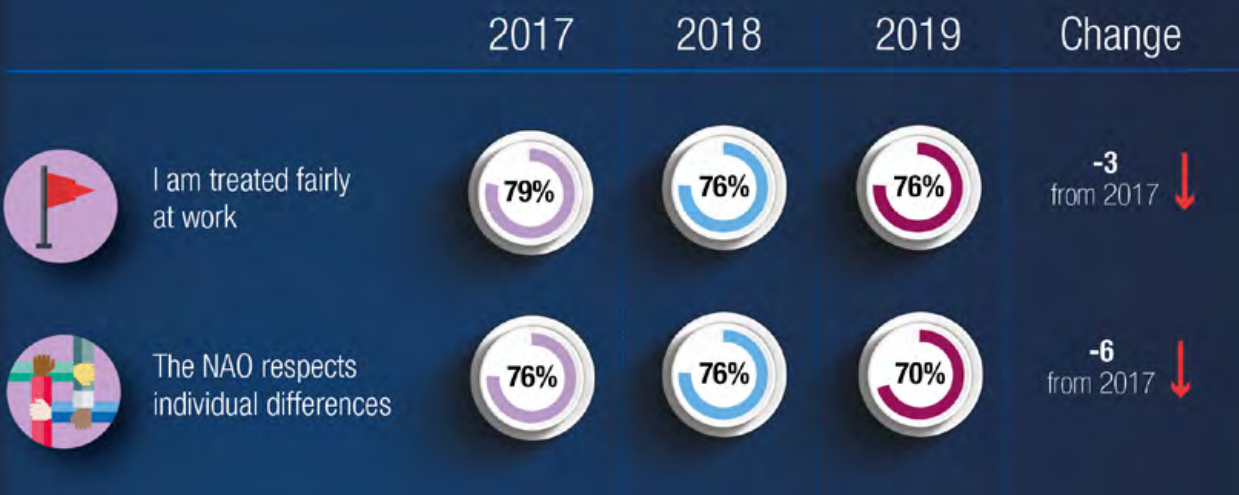
Diversity mentoring programme participants 2019



I People survey

Our annual people survey provides an indication of workplace experience and engagement across diverse groups. In recent years, we have seen a decline in people feeling fairly treated and respected for their individual differences to 76% and 70% respectively in our 2019 survey. We saw improvement in relation to our discrimination and harassment scores, which remain significantly lower than within the Civil Service, at 7% and 5% respectively; however, the proportion of staff experiencing bullying remained at 5%.

We anticipate that our renewed emphasis on inclusive behaviours and unconscious bias, supported by our new corporate values, the increased visibility of our Dignity at Work leads, and our expanding diversity mentoring programme will improve outcomes, and support the building of a fair and diverse culture.



Flexible working

As an organisation, we continue to support flexible working, with the 2019 people survey indicating that over 80% of people feel they can work flexibly to deliver their work commitments. This has been demonstrated by the way the NAO has responded to the Covid-19 lockdown, and how our staff have been able to quickly adapt to working from home. As an organisation, we have been conscious of the diversity and varied needs of our workforce, and have taken account of people's individual circumstances in an inclusive and empathetic way.

Staff have reacted positively to the experience as indicated by our weekly pulse survey. This showed that after two weeks in isolation most people felt they were well placed to work at home based on their digital environment (7.87/10) and felt they were getting the right support to be able to do their job (8.31/10). The adjustment to virtual working has been facilitated through:

- regular leadership communications;
- the launch of a 'working from home' intranet page to support effective home working and well-being;
- dedicated advice for individuals from our specialist Health & Safety expert; and
- support and guidance to staff offered by our MHFAs and our staff network chairs.

The impact of these measures has been reflected in positive feedback, which indicates that the majority of staff have adjusted very well to the new working conditions.

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## Learning and development

Over the past 12 months, we have redesigned our approach to learning and development to offer an adaptable suite of accessible, self-directed learning products, many of which support us to work with a greater understanding and appreciation of difference, and to develop more inclusive team management.

Recent enhancements include:

- an innovative online programme, delivered over the course of 30 days, focused on the neuroscience of quality conversations to build engaging, impactful and growth-focused performance conversations. This has been delivered without requiring attendance at traditional classroom-based training;
- launching a modular, people management skills programme, building skills around creating and leading inclusive teams, improving delegation, and growing team performance through coaching and feedback;
- establishing an easily accessible framework of self-development resources aimed at encouraging our people to share their individual work preferences and explore their career aspirations and development needs, along with supporting the development of skills to have difficult conversations and to deliver effective upward feedback;
- running team building workshops, using the team management system framework, to help people value each other's differences and communicate and work more effectively as a team; and
- implementing a coaching skills training programme to develop an internal faculty of coaches to provide tailored support to staff in their professional development.



## Disability confidence

We have made less progress than we wanted in relation to building a disability confident and supportive workplace for our disabled colleagues. This is reflected in our 2019 people survey where disabled colleagues responded less positively to questions around feeling fairly treated: 61% disabled colleagues (compared with 81% non-disabled), and 46% (61% non-disabled) felt that they did not receive sufficient development support from their assignment managers to progress their careers.

We are working closely with our disAbility network to identify key areas to focus our priorities, including supporting our people managers to confidently manage those with disabilities, building the confidence and trust of our disabled staff, and ensuring we have an infrastructure that supports disabled colleagues to reach their potential.

Currently, we have a number of resources available to staff that are aimed at improving their understanding and management capability. These include guides and courses on topics such as becoming disability confident and understanding mental health at work, as well as information on specific disabilities. We need to do more to encourage our managers to access these resources including the Business Disability Forum service line, which provides one-to-one tailored advice and guidance to those managing people with disabilities.

Having identified work allocation as an important factor in career progression and engagement, we now regularly monitor the allocation of work to our diverse groups through our diversity dashboard. From the dashboard, we have better understood that our disabled colleagues spend less time managing or working on high-profile, development-enhancing client areas, which is a key area to rectify.

To achieve our ambition to become a more disability confident organisation, we will focus more resource on our disability agenda to address these issues.



## Mental health awareness

Recognising the importance of supporting staff with mental health conditions, we have, over time, trained over 60 people as MHFAs. In 2020, we ran additional courses to further strengthen the support and coverage we can offer staff, and to provide refresher training for existing MHFAs to keep their knowledge and skills relevant.

In addition, our mental health group has hosted a number of activities during the year that have encouraged conversations about mental health and reduced the stigma that can prevent people from seeking help. We have:

- run a session with our new graduate trainees raising awareness of the importance of maintaining good mental health and sharing useful ideas and suggestions;
- held mindfulness sessions, including during National Inclusion week, to support mental well-being;
- established a 'Knit Happens' group to share craft skills and create a safe inclusive space in which to meet new friends and take a break from work;
- run a full day of events for Time to Talk Day, including a Board Games Café, setting up a pledge wall to change the way we all think and act about mental health in the workplace, and sharing good practice with other organisations; and
- hosted weekly virtual MHFA meetings since the NAO went into lockdown, sharing the latest Mental Health First Aid England advice and building confidence to support vulnerable individuals through this difficult time.

The Stevenson Farmer report published in 2017 recommended a number of core and enhanced standards for supporting mental health in the workplace.<sup>2</sup> We already have many of these in place, such as encouraging open conversations about mental health and ensuring the provision of in-house support for those experiencing poor mental health. Developing and communicating a mental health work plan and routinely monitoring employee mental health and well-being are areas we are working to build into our existing processes so that, over time, we are viewed as an exemplar employer of people with mental health conditions.

<sup>2</sup> Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/658145/thriving-at-work-stevenson-farmer-review.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/658145/thriving-at-work-stevenson-farmer-review.pdf)





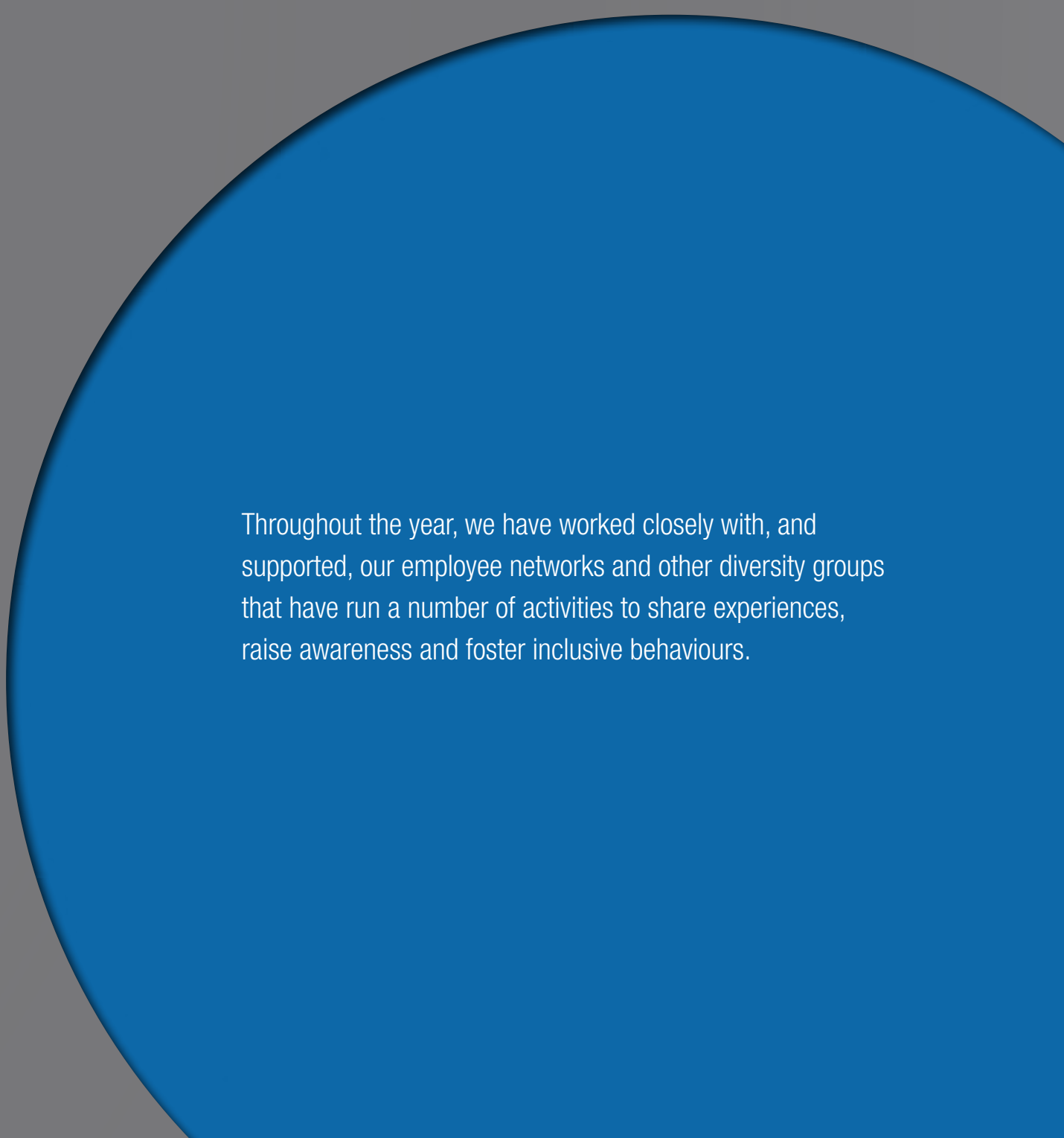


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## Our employee and diversity networks

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Throughout the year, we have worked closely with, and supported, our employee networks and other diversity groups that have run a number of activities to share experiences, raise awareness and foster inclusive behaviours.



Women's network

To celebrate International Women's day, NAO Women's network held a panel discussion where women across several grades spoke about their experiences as a woman at the NAO. The panel discussion was very well received by the audience, who particularly appreciated the honesty and openness of all the panellists in sharing their personal stories. People felt the discussion encapsulated the concept of 'bring your whole self to work' and found the event very moving and thought-provoking.

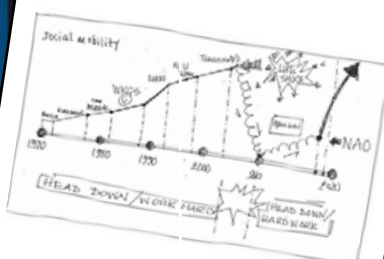
The event highlighted the real diversity of experiences women have of the NAO, with the constant thread running through it that for women, NAO is a good place to work. The Q&A afterwards emphasised that, for women, NAO have more to do. Overall, it was a great event and created a sense of hope that, with role models we can keep improving.



Ethnic Minority network

To mark Black History Month, our Ethnic Minority Network organised the 'Roots, Culture, Identity' art exhibition, curated by Zita Holbourne. The BAME artists responded to two broad themes. First, 'The Personal and Political' reflected the artists' personal response to political themes including immigration policies, displacement, refugee status and the legal system. The second theme, 'Celebrating our History', responded to ideas of heritage and history, reflecting great achievements of those on the continent of Africa and wider migrations, through art. This work aimed to instil pride, challenge perceptions and achieve a sense of celebration. One of the contributors, Said, does not identify as an artist, but his work which expressed the loss of his beloved wife Isra Ibrahim in the Grenfell Fire, moved some to tears.

The exhibition was a poignant reminder of the NAO's duty to consider the impact of the implementation of government policy on all members in society because this can differ between diverse groups, and the need to be mindful when implementing our own staff policies and to create an inclusive environment where we can all thrive.



Social mobility network

During National Inclusion Week, one of our analysts shared their thoughts that socio-economic status is not just a linear progression. Having been comfortable in her socio-economic status one day, Sue found herself with full-time caring responsibilities. She described this as a 'life shock' that can happen to any of us in different shapes and forms and have an impact on our socio-economic status. The audience reflected on how socio-economic status can go up and down at any point in our lives and that it is not easy climbing or re-climbing the socio-economic ladder.

ork In this case, Sue went on to undertake an Open University course in Maths & Statistics part-time while balancing caring responsibilities. A key message was how important it is for employers to support employees when these 'life shocks' happen. The NAO's policy on flexible working helped Sue meet her ongoing caring responsibilities, while maintaining a professional career. The opportunity to listen to stories like this helps build a culture of appreciation and respect for the different experiences that people bring to the workplace.



Religion and Belief network

The Religion & Belief Network has been involved in numerous activities over the past year. As part of the Graduate Jamboree, the network connected with new trainees through a quiz on the common beliefs at the NAO, many who went on to join our sub-groups such as the Muslim and Christianity networks. During National Inclusion Week, a blog on Religion and Belief at the NAO provided colleagues with an insight into how people with different religions or beliefs may feel or behave. The Christianity network also ran their own Lent study based on the Archbishop of Canterbury's 2020 Lent Course. This takes the Creation story told in Genesis and looks at mankind's stewardship of each element.



Generations network

Menopause has been a focus area for our all-age Generations network over the past 12 months. The network arranged for coach and trainer Julie Denis to visit the NAO to give a seminar on 'Menopause at Work – The Hot Topic'. During her talk, she proposed a three-pronged approach to removing stigma around menopause in the workplace – awareness, education and support. The seminar was very well attended by an audience of mixed age and gender, and there was frank and open discussion on what is often considered a taboo subject. The lively debate that followed demonstrated an appetite to make the NAO more sensitive to the needs of menopausal women and resulted in further presentations to a wider people management group.



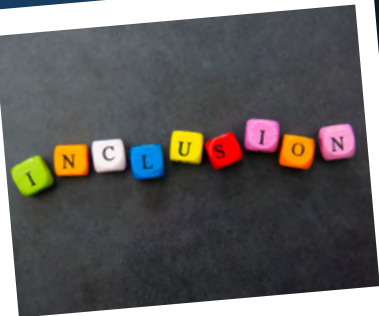
LGBT+ network

Historically the NAO has marked the London Pride festival by raising the rainbow flag from its London office and in addition, this year, to recognise the 50th anniversary of the Stonewall riots in New York. The NAO has a positive record of LGBT+ inclusion and this provides an annual opportunity to celebrate the LGBT+ community and to show our support for LGBT+ equality.

In addition, in November the NAO proudly recognised Rainbow Laces Day with the NAO rugby and football teams demonstrating their support for equality, inclusion and diversity in sport by wearing Rainbow Laces. Captain of the NAO rugby team, Curtis Hodgson, commented, 'as a team we felt it was important to show our support of LGBT+ inclusion in rugby, but also across all sports'.



LGBT+ network



disAbility network

Neuro-diverse conditions are becoming more widely understood and discussed. The disAbility network has developed and run several in-house neurodiversity workshops aimed at people of all grades. These have led to a greater understanding of neurodiversity, prompting colleagues to make specific commitments to helping the NAO to become a more inclusive organisation.



Mental Health first aiders

As part of the Time to Talk day in February, NAO ran an 'elephant in the room' session on identifying and addressing stigma associated with mental health. This provided an open, safe and non-judgemental space for people to participate in a wide-ranging discussion that enabled us to identify some of the issues within and outside the NAO that continue to constrain how people talk about mental health.

NAO also created a pledge wall where employees were invited to write pledges on ways to reduce stigma around mental health, be helpful and supportive of others, and suggest activities to partake in to socially interact with others. Some of the pledges included "I promise to ask people how they are feeling and really listen to the answer without judgement" and "I promise to encourage open conversation around mental wellbeing and role model it myself."





## | Looking ahead

Over the next year, our focus will be on building a more inclusive culture through personal reflection and individual exposure to greater diversity. This will be supported by embedding our new 'inclusion and respect' value as we refresh our people processes to embody our new value set, and by placing inclusive leadership at the heart of the way we develop, progress talent and collaborate as a diverse and talented organisation.

Key activities will include:

- evaluating the success of our diversity mentoring programme, and relaunching this across a wider group to support deeper understanding of diversity issues and break down stereotypes and biases;
- exploring how we can best move from a place of understanding the theory of unconscious bias to personal acknowledgement, acceptance and behavioural change to address inequalities in our decisions and the way we work;
- embedding annual unconscious bias training for recruitment assessors in advance of recruitment campaigns to improve the success rates of BAME colleagues;
- upskilling our line and assignment managers to improve the quality and consistency of how they manage people with disabilities, in response to inconsistent line management of disabled colleagues, and encouraging greater use of existing support resources;
- raising people's awareness of the issues surrounding neurodiversity and encouraging them to make a commitment on how they can be more inclusive;



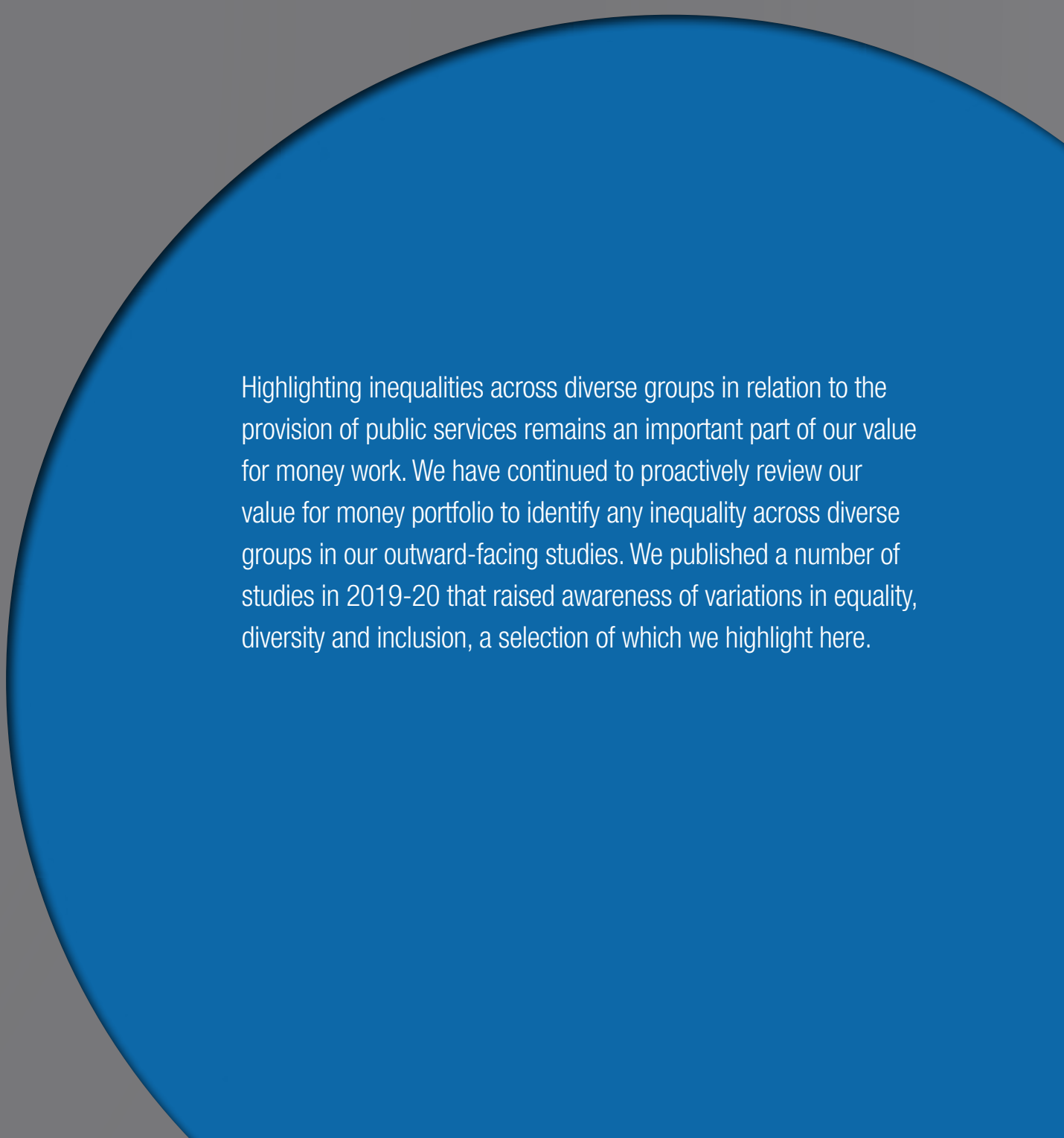
- working with the disAbility network and our learning and development team to build trust and confidence among our disabled colleagues to improve their workplace experience;
- delivering disability support to the organisation as part of the organisational development plan, including finalising our on-line workplace 'passport', which records workplace adjustments as well as details of other personal circumstances such as caring responsibilities; and
- embedding level 2 of the Disability Confident scheme to support the recruitment and retention of disabled colleagues, and setting a target of achieving level 3 by the end of 2021.

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# I Diversity in our work

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Highlighting inequalities across diverse groups in relation to the provision of public services remains an important part of our value for money work. We have continued to proactively review our value for money portfolio to identify any inequality across diverse groups in our outward-facing studies. We published a number of studies in 2019-20 that raised awareness of variations in equality, diversity and inclusion, a selection of which we highlight here.

#### Case in focus

### Supporting disadvantaged families through free early education and childcare entitlements in England



Our report assessed whether the Department for Education is supporting disadvantaged families effectively through the provision of entitlements to free early education and childcare. We found that nearly all families in England with young children are getting some benefit from the entitlements, but the Department needs to do more to ensure that disadvantaged families benefit at least as much as others. Take-up of the entitlements is lower, and the quality of provision is poorer, in deprived areas. This creates a risk that the gap between the development of disadvantaged children and their peers will grow rather than narrow, with a detrimental impact on the Department's ambitions to improve social mobility.

#### Recommendations

Our recommendations included that the Department should identify how it can best incentivise the provision of sufficient high-quality entitlement places in deprived areas.

#### Case in focus

### Reforming the civilian workforce and ensuring sufficient skilled personnel



Our recent Ministry of Defence (MoD) personnel reports have highlighted the proportion of military and civilian staff in MOD that are females and from Black, Asian and Minority Ethnic (BAME) groups. Our 2018 report on military personnel found that, although MOD had set a target of 10% of military recruits to come from BAME backgrounds, the Navy and RAF were not achieving their targets. Our 2019 report on the civilian workforce highlighted that only 5% of civilian staff were from BAME groups and that in this case MOD had not set a BAME recruitment target for civilian personnel. Similarly, they were not meeting their military recruitment target of 15% females, although female recruitment was less of an issue for the civilian personnel.

#### Recommendations

We recommended that MOD develop more innovative approaches to addressing skill shortages.

#### Case in focus

### Support for pupils with special educational needs and disabilities in England



Our report assessed how well the 1.3 million pupils with special educational needs and disabilities (SEND) in England are being supported. The quality of support children receive affects their well-being, educational attainment and long-term life prospects. We found that some pupils with SEND are receiving high-quality support that meets their needs, but many others are not being supported effectively, and that pupils with SEND who do not have education, health and care plans are particularly exposed. Substantial unexplained local variation also raises questions about whether children receive consistent support across the country.

#### Recommendations

Our recommendations included that the Department for Education should more robustly investigate the reasons for local variations in order to reduce unnecessary variation, increase confidence in the fairness of the system, identify good practice and promote improvement.

#### Case in focus

### Transforming courts and tribunals: a progress update



Our second report on *Transforming courts and tribunals* examined the government's progress in modernising the justice system. That report and the subsequent Committee of Public Accounts report highlighted that the HM Courts & Tribunals Service had to better consider how its reforms will have an impact on access to, and fairness of, the justice system for those who use it, many of whom are vulnerable. In particular, we examined the courts closure programme and reported that there are still concerns that the criteria for future closures still do not sufficiently take into account the needs of vulnerable users.

#### Recommendations

The Committee of Public Accounts recommended that HM Courts & Tribunals should set out what it will do to ensure that the needs of vulnerable users are met in decisions of future closures. When access is an issue, they should put measures in place to overcome these and provide compensation, such as taxi vouchers, in advance.

#### Case in focus

### Investigation into the management of health screening



Our investigation into health screening found that one of the challenges for screening programmes is that certain groups of people do not attend their appointments, which has an impact on the effectiveness of the programme. NHS England and Public Health England recognise that the levels of coverage can be influenced by social and demographic factors as well as patient choice, – for example, people in more deprived groups are less likely to complete bowel screening and women in the most deprived groups are less likely to attend cervical screening appointments.

#### Recommendations

The Committee of Public Accounts made a specific recommendation asking the bodies concerned to set out the steps they are going to take to understand why performance is so poor in some areas and publish a plan that explains how they intend to address the inequalities

#### Case in focus

### Gambling regulation: problem gambling and protecting vulnerable people



Our report examined how well the Gambling Commission and gambling regulation protect children and other vulnerable persons from being harmed or exploited. We found that the Commission has not articulated in detail how it interprets which consumers may be vulnerable and when. There are an estimated 395,000 problem gamblers in Great Britain, including 55,000 aged 11–16. There is significant demographic variation – adult problem gamblers are more likely to be male, aged 25–34, and from some ethnic minority backgrounds. We found that the Commission has increased regulatory action but needs to do more to identify where problems are occurring and ensure that gambling operators raise their standards. We also found that the Commission is a small regulator that is unlikely to be fully effective in addressing risks and harms within the current regulatory arrangements.

#### Recommendations

We recommended that the Commission build on its high-level definition of vulnerability to articulate clearly how it interprets which consumers may be vulnerable under what circumstances, and how its work is intended to address this. We also recommended that the Commission and the Department for Digital, Culture, Media & Sport should develop a deeper understanding of the causes and impacts of gambling-related harm.



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## Case in focus

### Help to Buy: equity loan scheme – progress review

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The government introduced the Help to Buy: equity loan scheme following the financial crash of 2008 to help prospective homeowners obtain mortgages and to increase the rate of house building in England. Our report highlighted that, although not an objective of the scheme, it has been taken up by a higher proportion of BAME buyers. The Department's second evaluation found that a quarter of first-time buyers who have bought with the support of the scheme are from BAME backgrounds.

This is compared with less than a fifth (15%) of all first-time buyers from BAME backgrounds nationally. The evaluation also found that 63% of first-time buyers using the scheme were aged 34 and under. Despite it not being a formal objective of the Help to Buy scheme, it appears to be addressing societal inequality in accessing home ownership to some extent.



## I Looking ahead

In the coming year, we will continue to reflect, through our value for money audits, the perspective of diverse users of public services and examine the impacts of government activity in different local areas or among different groups.

Our new five-year strategy sets out how our work will make a bigger difference. Increasing our impact on outcomes and value for money is a priority. To do so, our work focuses on the issues that matter and we will place greater emphasis on where we can influence long-term value for money.

To achieve this, we have committed to developing our approach to value for money work, and the way in which we plan our programme of work, of which an important element is to consider the diverse experience of different groups in society. We will apply a rounded view of whether resources have been best used to achieve the intended outcomes. In doing so, we will seek to understand and examine variations in the outcomes and experiences among different groups of people and in different areas of the country, providing practical recommendations from our work that lead to better outcomes.

Our work programme will also focus more on long-term value for money issues facing public services. These include major infrastructure investments; the impact of EU exit; progress towards the net zero carbon target; the use of technology and data to transform services; and devolution. We will examine the long-term impact of Covid-19 on public spending priorities, including looking at the impacts government decisions have made on different groups, and we will continue to review this list of significant value for money issues over time.







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