



National Audit Office



DIVERSITY AND INCLUSION ANNUAL REPORT

2020-21

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

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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 2020, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £926 million.

National Audit Office


Diversity and Inclusion
Annual Report 2020-21


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Credit: David Levinson



Gareth Davies, Comptroller and Auditor General

Foreword

The National Audit Office (NAO) supports Parliament to hold government to account and to improve the way public services are delivered. In keeping with many other organisations, we have faced an unprecedented year of uncertainty and unique challenges as the UK and the wider world has responded to the threat of the COVID-19 pandemic.

This has had an impact on us in terms of both our obligations to Parliament to deliver real-time insight into the UK government's response, but also the demands placed on our people to adapt to different ways of working while dealing with concerns for their own health and that of their colleagues, families and friends. Our work on COVID-19 and other subjects has continued to highlight inequities in our society, whether these relate to education, healthcare, the legal system or other aspects of our public services. Having a workforce that reflects our diverse society is essential in ensuring that we fully understand the impacts of public services on diverse groups, and have the credibility to be viewed as a fully independent and informed scrutineer of government.

During my first year as C&AG, I commissioned a comprehensive strategic review of the organisation that resulted in the publication of a five-year Strategy and Organisational Development Plan (ODP) for 2020–2025. What the review uncovered was that, while there were many positive aspects to the way the organisation operated, there were also areas where I was keen to secure improvement, particularly in relation to the management and development of our people and the diversity of our workforce. The ODP, therefore, has a particular focus on improving the

lived experience of our colleagues, with diversity and inclusion being a common thread across all of our policies and processes. The ODP included a review of the priorities we had set ourselves in the final year of our existing Diversity and Inclusion (D&I) Strategy and, together with feedback from our people, provided us with a strong steer on the development of our new D&I Strategy, launched in June 2021. This will run alongside our wider strategy through to 2025.

While we had already taken actions to improve the career experience of all our people, our resolve to address issues of under-representation and differential outcomes, particularly for colleagues from black and other ethnic minority backgrounds, was given greater focus by the murder of George Floyd in the US and the subsequent responses both there and in the UK. It was right for us to reflect on the injustices that black and ethnic minority communities were experiencing overseas, but it was also right for us to reflect on our own position as an organisation. As we opened up discussions internally, we were struck by comments from a number of colleagues about a lack of inclusion in the NAO and their view of an organisation where access to opportunities was not always equal. These views were reinforced by our own data, which showed that ethnic minority



colleagues were under-represented at more senior levels of the organisation, had higher levels of resignations, and had direct experience of non-inclusive behaviours from some of their colleagues.

It is clear that we have not made as much, nor as quick, progress as we would have liked over the course of our previous D&I Strategy to improve the lived experience of all our colleagues, and that we have fallen below some of the expectations our people rightly have of us. 2020-21 was an important year in which we began to make more progress on our D&I journey and set a clear ambition to be an exemplar employer. This progress has included delivering our first diversity mentoring programme, giving leaders a much richer insight into the lives and experiences of colleagues from diverse backgrounds; improving the diversity of our graduate intake; building on the success of our internship programmes; and making progress against our targets for increased representation of women and those from ethnic minority backgrounds at senior levels of the organisation.

This Annual Report rightly makes reference to this step change in our commitment and approach over the past year, but also acknowledges that we need to build on this initial progress to achieve our vision of an NAO that values an increasingly diverse workforce and fosters a culture of inclusion and respect. It is a report that provides a candid assessment of where we are currently placed as an organisation and the challenges we face in achieving our ambition of being an exemplar employer for D&I.

Gareth Davis, C&AG

Highlights 2020-21

Implemented our “new” corporate values, including a value of “inclusion and respect”, which is now built into all the developments that we are taking forward in the people space

Published our detailed Race Equality Action Plan and signed the Race at Work Charter

Published our first ethnicity pay gap

Developed our Disability Equality Action Plan following extensive consultation – launched in April 2021

Agreed a set of ambitious and challenging diversity targets that will position us as a positive example of diversity in the workplace by 2025

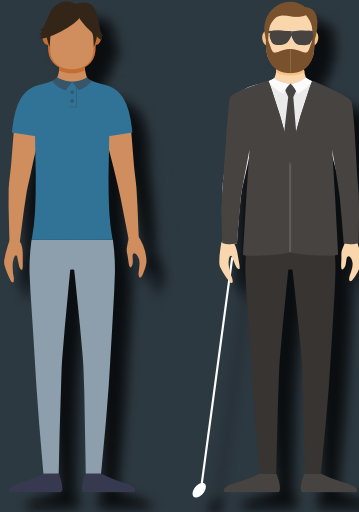
Increased the proportion of female directors from 26% to 32% and the proportion of ethnic minority directors from 5% to 8%



Established a carers' group support those with caring responsibilities

Implemented new recruitment and promotion protocols to deliver more diverse shortlists from our campaigns, and improved the diversity of our assessment panels

Improved our attraction of women, ethnic minority and disabled graduates to our trainee programme, representing 48%, 42% and 11% of our 2020 intake respectively

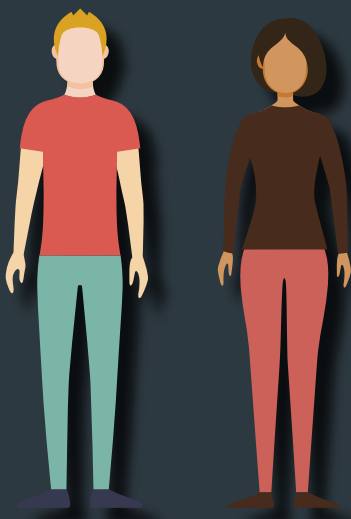


Recruited more than 60 new experienced hires, 48% of whom were female and 37% from ethnic minorities

Ran a highly successful, exclusively virtual, summer internship programme for 12 undergraduates from under-represented groups, offering trainee contracts to all



Continued to support the importance of LGBTQ+ inclusivity by recognising Rainbow Laces Day and 15 years of civil partnerships





Emma



Sebastian



Martin



Naomi



Will



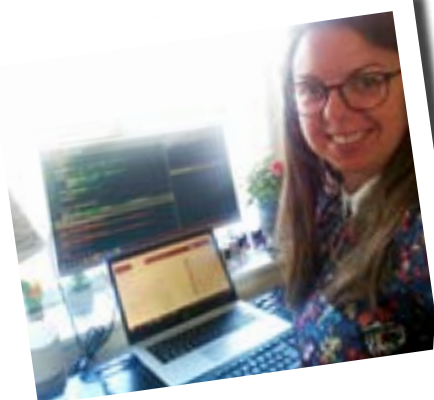
Harriet



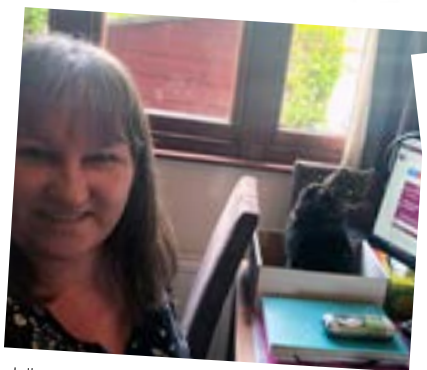
Engetani



Jonny



Lauren



Julie



Wendy

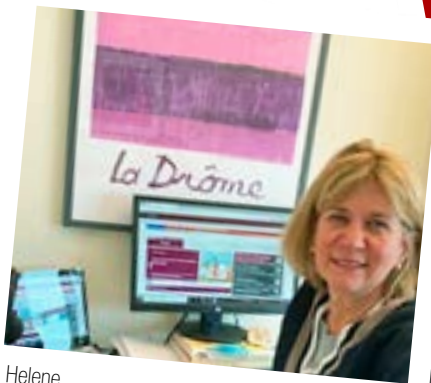
Delivery of our Diversity and Inclusion Strategy

Our Diversity and Inclusion (D&I) Strategy for 2018–2021 is built on two key pillars, which has helped focus our actions on what we see as the key priorities for the NAO. Following the development of our new strategy and ODP, we consulted widely on the key actions we should take in the final year of the D&I Strategy. This was a particularly important exercise because both external and internal developments had a direct impact on the focus of our D&I work. While recognising that all aspects of our approach to D&I remain important to us, it was equally important that we were able to focus our attention and resources on addressing high-profile and more immediate issues. This report therefore largely focuses on gender, race, disability and social mobility as the priority areas over the past year. Particular areas have included the progression and retention of our

ethnic minority colleagues, and the support and opportunities we offered to colleagues with a disability. By involving all our seven networks (disability, ethnic minorities, gender, generation – all age, religion and belief, social mobility and women’s) as equal members of our Diversity and Inclusion Operating Committee (DIOC), we continue to benefit from the diverse range of perspectives the networks offer to us, and have been able to support a wide variety of other activities and initiatives covering all aspects of D&I over the course of 2020-21.



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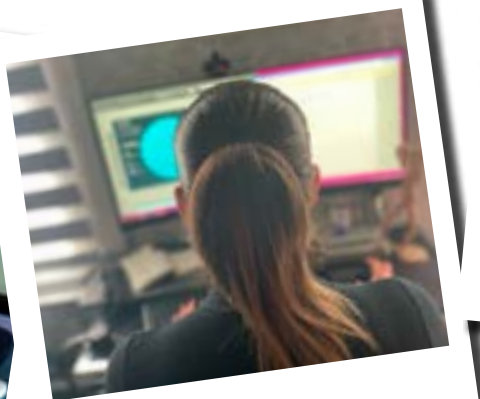
Helene



Bea



Hannah



Sonia




Ivy

NEXT PAGE:
Pillar One

The background is a dark blue-grey color, filled with a complex, abstract pattern of thin, multi-colored lines. These lines radiate from various points, creating a sense of movement and depth. The colors include shades of teal, magenta, yellow, and light blue. Interspersed among the lines are numerous small, semi-transparent circles in white, light blue, and magenta. The overall effect is that of a dynamic, interconnected network or a starburst pattern.

PILLAR ONE

Robust Pipeline of Diverse Talent



Having introduced a number of changes to our trainee marketing and selection processes in 2019, we continued to see improvements in the diversity of our trainee intake. However, we were rightly challenged on whether our trainee pipelines were translating into a diverse profile of staff progressing through to more senior levels of the business. While we had previously identified the under-representation of women in our director grade as a key priority, we had not paid equal attention to under-representation of ethnic minority colleagues at all post-qualification levels.

The collation and presentation of data illustrating the disparity in representation at more senior levels, as well as the lived experience of our ethnic minority, and particularly black, colleagues evidenced the clear journey we needed to embark on if we were to have genuine aspirations of being an exemplar employer for diversity and inclusion. We therefore focused resources on developing a detailed Race Equality Action Plan, launched in December 2020, which sets out a series of interventions to ensure that ethnic minority colleagues have equal access to challenging work opportunities, personal development and progression.

One of our key actions was to review our recruitment and promotion protocols to ensure that diversity was built into all stages of our recruitment campaigns, with specific actions to deliver shortlists and assessment panels specialising in/focusing on diversity. Our major programme of experienced hire recruitment during the course of 2020-21 gave us a valuable opportunity to bring in diverse talent from the external market and to start to address under-representation at more senior levels. Our experience has shown that the NAO remains a highly attractive career option for a wide range of talented candidates.

Diversity in our recruitment

The diversity of our 2020 graduate intake reflected our continued success in the trainee market, as well as the impact of the work we had carried out to ensure that our assessment processes did not unfairly discriminate against candidates from particular backgrounds. We continued to collaborate with campus ambassadors to promote our opportunities to a diverse audience, making wider use of digital marketing channels. This has resulted in an increased proportion of applicants from our target groups, including women, ethnic minorities and those from socially disadvantaged backgrounds. By marketing our experienced hire vacancies to a diverse candidate base, we succeeded in recruiting a higher proportion of women and ethnic minority applicants from the external market, including into more senior positions.

Trainee recruitment

Gender

The percentage of female applicants to our graduate programme was 43%, lower than the proportion attracted in 2018-19. However, the proportion of female candidates progressing through the assessment process to offer stage was positive, with 56% of employment offers going to women. This resulted in a final intake of 48%. Over the course of the past four years, women have made up an average of 47% of our graduate intake, only marginally short of our target figure of 50%.

Women applicants and joiners to our graduate programme 2016-17 to 2019-20

	2016-17	2017-18	2018-19	2019-20
	%	%	%	%
Applicants	40	39	47	43
Offers	52	50	40	56
Joiners	50	48	42	48

Ethnicity

Our focus on using campus ambassadors and digital marketing channels has helped increase the proportion of ethnic minority candidates applying to our graduate scheme, representing 48% of all applicants over the past two years.

The year 2019-20 also saw us convert a higher proportion of ethnic minority candidates into joiners than in previous years: they made up 42% of all new trainee entrants in 2019-20, against our target figure of 40%. Despite this, we remain concerned that the proportion of ethnic minority candidates progressing through each stage of the graduate assessment process to job offer does not reflect the proportion of applicants, with the success rate below that of white candidates. This is despite taking additional actions to actively engage with ethnic minority candidates during the campaign to encourage them to progress their applications, and despite ensuring that the profile of both candidates assessors that at each assessment centre was diverse. We will undertake a further review of ethnic minority success rates at each stage of the process to identify whether particular assessment exercises are having an adverse impact on these candidates.

Ethnic minority applicants and offers to our graduate programme 2016-17 to 2019-20

	2016-17	2017-18	2018-19	2019-20
	%	%	%	%
Applicants	39	39	48	48
Offers	33	29	23	33
Joiners	31	30	23	42

Notes:

- 1 All data includes interns.
- 2 Excludes those who did not declare.



Social mobility

We secured a significant increase in the proportion of applicants to our graduate programme from socially disadvantaged backgrounds in our 2019-20 campaign across three of our four measures of disadvantage. However, the proportion of candidates whose parents did not attend university fell from 55.7% to 51.5%. These results are a testament to the success of our outreach work. We have also seen close alignment between the proportion of candidates from socially disadvantaged backgrounds and their success rates as they progress through each stage of the assessment process, with offer rates significantly higher than in the past three years. For those whose family received income support (41% of offers) and candidates who received free school meals (25% of 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. Data from previous Bridge Group reports have shown that our attraction rates have been very favourable compared with other signatories, but that our success rates have been more variable. Comparative data from the next Bridge Group report are not yet available because this analysis is now conducted on a two-yearly cycle, but our own data suggest that we continued to perform well in terms of the attraction and success of candidates from socially disadvantaged backgrounds in the 2019-20 graduate campaign.

Graduate programme 2016-17 to 2019-20 – candidates who received income support

	2016-17 %	2017-18 %	2018-19 %	2019-20 %
Applicants	20.4	21.1	23.6	30.0
Offers	17.0	21.4	24.0	40.8
Joiners	25.5	21.4	18.4	45.7

Note: Excludes those who did not declare or were unsure.

Graduate programme 2016-17 to 2019-20 – candidates who received free school meals

	2016-17 %	2017-18 %	2018-19 %	2019-20 %
Applicants	17.1	17.3	18.9	24.6
Offers	11.8	18.6	14.3	25.0
Joiners	18.2	18.6	9.1	32.8

Note: Excludes those who did not declare or were unsure.

Graduate programme 2016-17 to 2019-20 – candidates who attended a state¹ school

(91% of university undergraduates in 2018-19 attended a state school, 'Higher Education Statistics Agency report 2018-19')

	2016-17 %	2017-18 %	2018-19 %	2019-20 %
Applicants	85.7	83.0	86.5	84.9
Offers	90.0	72.4	84.5	83.0
Joiners	90.7	72.4	82.5	86.2

Notes:

- 1 Excludes those who did not declare, were unsure or who attended university outside of the UK.
- 2 Includes state selective and state non-selective.



NEXT PAGE:
Diversity in our
recruitment

CASE STUDY



Diversity Summer Internship Programme

Each summer we are joined by 12 penultimate year undergraduates for an 8-week summer internship. The programme forms part of our commitment to improving diversity and inclusion at the NAO, and is focused on ethnic minority candidates and those from socially disadvantaged backgrounds.

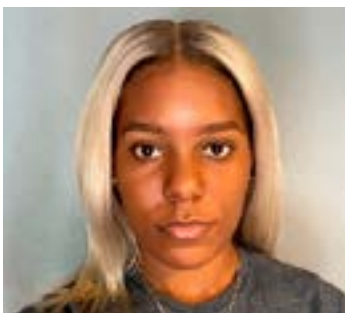
In previous years, the programme has been run on site at our London office. However, for this year's programme, we needed to do things a little differently as a result of COVID-19 restrictions. We were able to successfully adapt the programme to the remote working environment and deliver activities from which all participants gained valuable experience and insight into working in a professional environment. We replaced the usual House of Lords tour with a virtual version, built in plenty of time for participants to get to know each other and their managers, supported them in getting the best from our software and communication tools, and set up regular virtual coffee catch-ups.

Each student was placed in a team and allocated to a line manager and buddy who supported them throughout their time with us. The students were able to learn about our financial audit work and

our value for money reports through first-hand experience of working on live projects. The students also met with the Comptroller and Auditor General and people in the diversity networks, and had the opportunity to learn more about our graduate scheme.

Reflecting on their experience, one intern commented: "I have learned so much, not only about accountancy but also about the culture, aims and people in the NAO. I found it really easy to approach anyone (regardless of their roles) and found that they all treated me with so much respect and care. I felt very welcome and was honestly very happy to wake up every morning knowing that a) I will be doing some meaningful work and b) I will be surrounded by such amazing people..."

All students passed a virtual assessment centre on completion of their internship and all were offered a place on our graduate scheme. This is a testament to the interns' hard work and the talent they demonstrated during their time with us, but it is also testimony to the efforts NAO colleagues contributed to making this a meaningful, enjoyable and successful programme. To build on this success, we will be expanding our 2021 programme to include our Newcastle office.





Experienced hire recruitment

The year 2020-21 saw a significant increase in levels of experienced hire recruitment as we increased our overall audit resources to meet growing demands for our work, and drew in specialist skills to support the development and leadership of our new knowledge hubs. The introduction of our new recruitment protocols, which build D&I considerations into each stage of our campaigns, has resulted in candidates with a greater diversity of talent being shortlisted and appointed.

Summary data on external appointments from our 2020-21 campaigns are provided below, with just under a half of all appointments filled by women and 37% by ethnic minority candidates. Figures for our manager-level appointments were more successful than for other grades, although the appointment rate of 25% for ethnic minority candidates is nearly twice that of their current representation at this level. Going forward, we will continue to apply the principles of our new protocols to future campaigns.

Analyst recruitment

In addition to our primary entry route to the NAO through our 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 ethnic minority candidates, with success rates significantly below those of white candidates. We took a number of actions in our 2020-21 analyst campaigns to ensure improved diversity in our intakes, which has increased the proportion of ethnic minority analysts recruited from 7% of the intake in 2019-20 to 29% of the intake in 2020-21. Ethnic minority employees/staff now make up 19% of our analyst population and 23% of our senior analysts.

External campaign appointments 2020-21

	Director	Manager ¹	Other grades	Total
Female	50%	38%	50%	48%
Ethnic minorities	50%	25%	39%	37%
People with disabilities	0%	13%	8%	9%
Social background (state school education)	50%	20%	91%	84%
Total number recruited	2	8	50	60

Note: Including corporate services Band 1 managers.



NEXT PAGE:
Progression of woman
and ethnic minorities

Progression of women and ethnic minorities

Improving diversity in our pipeline is a key focus area of our D&I Strategy. Although we successfully strengthened our gender pipeline to manager level, we need to take continued action to increase the proportion of women employed at our director level. In 2020-21, we recognised the slow progress we had made in progressing ethnic minority colleagues to more senior levels of the business, and began to focus greater attention on addressing under-representation at all post-qualification grades, consolidating these actions in our Race Equality Action Plan.

Gender

Progression

Representation of women at manager and qualified levels, at just under 50%, provides us with a strong pipeline for improving female representation at the director grade where they are currently under-represented. Representation of women on our executive team is also strong at 50%. In 2020-21, 63% of promotions to manager were female, with a three-year average from 2018-19 to 2020-21 of 54%. These figures are encouraging but we cannot be complacent because we need to ensure that the pipeline of high-quality female managers is sustained over time.

We have faced challenges in recent years to address the under-representation of women at the director grade, with women representing only a quarter of directors as at March 2020. During the course of this financial year, 71% of our promotions to director level involved women, which, combined with women making up 50% of external appointments to the director grade, has taken our representation figure to 32%.

One factor limiting the pace of change in female representation at senior levels has been the limited opportunities for promotion to director. However, vacancies have been created more recently as experienced colleagues retire, a higher proportion of whom are men. We have set ourselves a target of 45% female directors by the end of 2024-25, and full gender parity two years later. To achieve this, we need to continue to provide more tailored career support and greater flexibility in the design of work portfolios, as well as actively focusing on the required outcomes in our promotion and recruitment processes.

Representation of women 2018-2021

	2018 %	2019 %	2020 %	2021 %
Executive team	29	29	43	50
Director	29	26	26	32
Manager ²	43	45	48	47
Qualified ³	45	50	50	49
Trainee	43	43	45	46
Corporate services ⁴	57	57	60	61

Notes:

- 1 Data as at 31 March.
- 2 Excludes those who did not declare.
- 3 Including corporate services Band 1 managers.
- 4 Including senior analysts and analysts.
- 5 Corporate services Bands 2 and 3.

Gender pay gap

We published our fourth gender pay gap in December 2020, based on pay data as at 31 March 2020. This showed a mean pay gap of 9.99% (a reduction of 0.07% from the previous year) and a median pay gap of 7.04% (a reduction of 0.78%). The limited reduction in the pay gap in 2020 in part due to the increase in the proportion of women in our (lower paid) trainee grades, where female representation rose from 43% in 2019 to 46% in 2021, and the continued under-representation of women at director level.

Following detailed modelling, we set a target of reducing our gender pay gap to no more than 4% by 2025, and eliminating it completely two years later.

Mean gap of
9.99%

(a reduction of)
0.07%
(from 31 March 2019)

Median gap of
7.04%

(a reduction of)
0.78%
(from 31 March 2019)

Ethnicity

While we have a relatively positive position in terms of the proportion of our graduate intake who are from an ethnic minority background, we need to take firmer and more consistent action to fully embrace the potential of our ethnic minority colleagues to reach manager and director level. While we have made some initial progress over the past year, as at 31 March 2021, only 14% of managers and 8% of directors were from an ethnic minority background.

Our data confirm that representation of ethnic minority colleagues reduces markedly from trainee (34%) to director, and that directors are more likely to seek to develop their career with other organisations. We have recognised that this is a lost opportunity and one that we are now addressing as a priority.

Having undertaken a comprehensive review to better understand the experience of ethnic minority colleagues at all levels in the organisation and the barriers that they face, we developed a comprehensive Race Equality Action Plan that was launched in December 2020. Race Equality Action Plan sets out a series of clear actions to improve the career experience of ethnic minority colleagues, better support their access to challenging work opportunities and development, and secure improved outcomes in terms of progression. The Plan is supported by a series of ambitious targets and metrics against which we are able to review progress.



Ethnicity pay gap

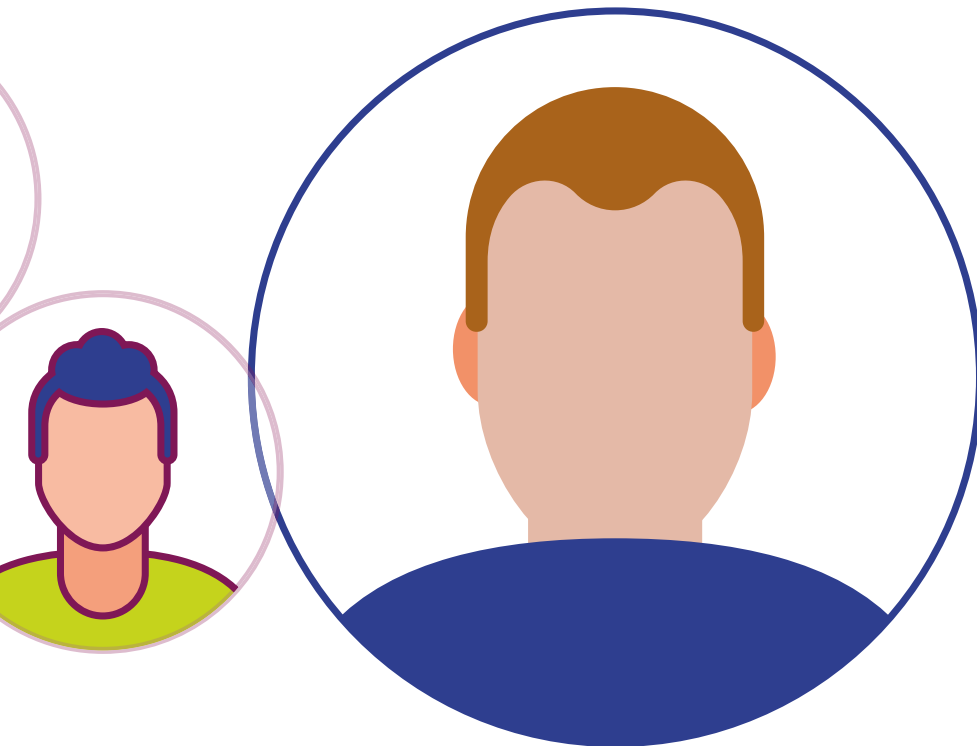
We voluntarily published our ethnicity pay gap for the first time in 2020 using the same methodology as that mandated for gender. This showed a mean ethnicity gap of 13.36% and a median gap of 19.75%. Both these gaps are the result of the low proportion of ethnic minority colleagues in our more senior grades and they are unacceptable. We acknowledge that it will take longer to close the ethnicity pay gap than the gender pay gap because of the wider disparity in representation, but we have set ourselves a target of reducing the gap to 8% by 2025 and eliminating the gap completely by 2030.

Ethnic minority representation 2018–2021

	2018	2019	2020	2021
	%	%	%	%
Executive team	29	29	29	33
Director	6	6	5	8
Manager ²	7	8	10	14
Qualified ³	18	18	16	17
Trainee	26	28	28	34
Corporate services ⁴	28	22	27	30

Notes:


- 1 Data as at 31 March.
- 2 Excludes those who did not declare.
- 3 Including corporate services Band 1 managers.
- 4 Including senior analysts and analysts.
- 5 Corporate services Bands 2 and 3.



The background is a dark, textured blue. It is filled with numerous colorful, thin lines that radiate from various points, creating a sense of movement and energy. The lines are in shades of teal, magenta, yellow, and light blue. Interspersed among these lines are small, semi-transparent circles in white, light blue, and magenta. The overall composition is dynamic and modern.

PILLAR TWO

Culture of Fairness and Inclusion



We are focused on becoming an exemplar organisation for diversity and inclusion, which can only be achieved if we understand, respect and value the views and experiences of all our people. We are taking actions to embed our new value of 'inclusion and respect' by placing inclusive leadership at the heart of the way we develop and collaborate as a diverse and talented organisation.

We are acutely aware of the challenges we face in achieving genuine equality, diversity and inclusion for everyone. The feedback we have received from colleagues, including a strong challenge to our pace of progress, has, alongside the impact of high-profile external events, confirmed that we have much more to do to achieve our ambitions.

The impact of the pandemic over the past year has meant that we have faced a time of unique challenge and change to the way we work, interact and go about our daily lives. We have learned a huge amount about each other and the variable impacts that the pandemic and lockdown have had on different colleagues.

Diversity and Inclusion Strategy 2021–2025

In June 2021, we launched a new four-year Diversity and Inclusion (D&I) Strategy. This document frames our approach to D&I and provides clarity on those areas we most need to improve. To inform the new strategy, we undertook a period of intense consultation, involving the whole office and key stakeholder groups, including direct engagement with our diversity networks.

Our new strategy sets out four priority areas:

- Proactively strengthening the diversity of our pipeline.
- Maximising the potential of all our people.
- Building a culture of inclusion and respect for others.
- Setting clear ambitions and holding ourselves to account.

The strategy is supported by a detailed action plan and a series of clear and ambitious targets, against which we can monitor our progress. We have also invested in our central D&I team, recruiting two new specialists, to meet the increased commitment around scope and pace of change.

Our ambition in key focus areas is further reinforced through our development of a Race Equality Action Plan published in December 2020, and a Disability Equality Action Plan launched in April 2021. Both these documents clearly present priority areas to improve the workplace experience of our ethnic minority and disabled colleagues. And we are already developing our thinking around additional actions we can take in the area of social inclusion.

Progress against our strategy and associated targets will be monitored by our Diversity and Inclusion Operational Committee (DIOC) and our executive team, which will provide challenge to the pace and direction of change and offer regular input into how we might address the D&I issues we face, including new issues as they arise. The work of DIOC and the team is supported by our highly effective staff diversity networks, which play a key role in developing our approach to a range of D&I areas and help enhance the profile of our work.

Fairness and Inclusion

People management

Following our strategic review in 2020, we implemented a significant people programme centred on becoming a more people-centric and inclusive organisation.

In February 2021, we introduced performance coaches to provide consistent, high-quality and diverse career support for all our people. An emphasis was placed on flexible portfolios and targeted work allocations to address differential outcomes and provide a better balance between individual aspirations and business needs.

In addition, we set up personal development plans (PDPs) to provide a platform from which to base effective career conversations and enhance our focus on people development. Information from PDPs will also enable our learning and development team to more easily identify and prioritise the needs of our diverse workforce, and to commission learning that will remove barriers to a truly inclusive workplace.



Inclusive behaviours

Since 2015, inclusion has been a key element within our D&I Strategy and it will continue to be a priority in our new strategy. We recognise that diverse representation creates the potential for richness of thought and ideas but it is inclusion that helps us realise that potential.

Our focus over the past year has been to create a culture where our people are curious about the experiences of others, and are prepared to question their own prejudices and beliefs. Our people have been on a journey of learning and understanding that has given them different perspectives and a richer appreciation of the real-life experiences of their colleagues and the wider community we serve.

Education and awareness

We have run a continuous programme of events and speakers throughout the year, raising awareness of different cultures and characteristics and fostering greater understanding of difference. Given our virtual working environment, each of these events has provided a welcome opportunity for people to connect, discuss important topics, and expand personal perspectives. The high level of engagement in these activities speaks to the importance our people place on inclusion both in the workplace and in our wider work.

Below we set out some of the key activities.

- External speakers, including Arun Batra, a partner at Ernst & Young LLP and recipient of an OBE for services to D&I; Baroness McGregor-Smith, who was awarded a CBE for services to promoting D&I; Sandra Kerr, director at Business in the Community; and John Amaechi, an influential organisational psychologist. Each of these speakers shared their personal and career experience of the barriers affecting ethnic minorities in the workplace and the role we all play in supporting equality and fostering belonging.
- Workshops exploring microaggressions (hosted by Pearn Kandola); privilege (presented by internal colleagues); and mental health for remote workers (led by Healthy Performance).
- Seminars looking at supporting colleagues with stammering (facilitated by the Civil Service STAMMA network) and why social mobility remains a live issue (presented by the Social Mobility Foundation).
- Black History Month, we welcomed Robin Walker, a renowned author and historian, who delivered a series of engaging talks on Black British History, transporting the audience through time.
- Blogs: a number of our people have shared their personal experiences on topics such as the unseen aspects of being a carer; what Pride Month means to me; and the experience of living with dyslexia.

Business in the Community workshops

As part of our Race Equality Action Plan and commitment to addressing barriers to ethnic minority progression and retention we commissioned Business in the Community (BITC) to host leadership workshops and office webinars to support our colleagues in talking about race. These conversations were aimed at giving our people the confidence and skills to be part of conversations addressing sensitive issues and driving positive change. These interventions were well received, with 100% of office staff participating in the workshops and 55% of the office attending a webinar.

Inappropriate behaviours

We do not tolerate bullying and harassment of any kind, and we emphasise the importance of respecting others in a range of people policies. We are working hard to ensure that people feel confident that they can raise issues in a safe, supportive and confidential environment, and that we will investigate allegations quickly, sensitively and fairly. We also have a strong team of Dignity at Work leads who offer informal, confidential support to those who have experienced or witnessed inappropriate behaviour.

As well as programmes focused specifically on Dignity at Work and unconscious bias, we have placed greater focus on integrating core skills around inclusive leadership and understanding others into a wide range of our learning products to embed the principles of fair treatment and inclusive behaviours.

Diversity mentoring programme

We launched our first diversity mentoring programme in 2019, pairing senior leaders with mentors from across the business and from diverse groups across the office. Involvement in the programme has supported our leaders to develop a deeper and more personal understanding of diversity, and to gain insight into how people from different backgrounds experience their career within the organisation.

Mentors and mentees found the programme a valuable experience, with all participants feeling that they had benefited from having these diverse conversations, and 85% of mentees believing that their own thinking and perspectives had been challenged. A participating mentee shared that *“the programme created an environment where perceptions and understanding could be challenged in a constructive way”* while a mentor commented on how their mentee had *“taken ownership themselves in making things better and raising awareness”* and how great it was to contribute to this change. With the success of our first programme, we intend to launch diversity mentoring with a wider group of participants in September 2021 to further support understanding of diversity issues and break down existing stereotypes and biases.

Learning and development

Our focus over the past year has been on promoting continuous, flexible learning to suit a modern inclusive workplace. Our attention has been on making people more mindful of what an inclusive workplace looks like, and asking them to take responsibility for having open and honest conversations in which they are thinking seriously about current issues and their personal impact.

We have prioritised the creation of programmes that encompass individual preparation, group learning elements and extended conversations spaced over time to deepen and personalise behavioural change to role and workplace situations and responsibilities.

Recent enhancements have included:

- offering a new unconscious bias programme based around team discussion and supported by follow-up interventions to stimulate awareness, role-based application and accountability; this has moved us from a place of understanding theory to personal acknowledgement, acceptance and behavioural change to address inequalities in our decisions and the way we work;
- launching a new multidisciplinary anti-bullying and harassment programme developed around modular learning, group discussion and extended support provided by our Dignity at Work leads;
- expanding our highly successful people management skills programme based on five modules, each supported by pre- and post-course activities and interspersed with one-to-one coaching to support the application of learning to role and workplace settings;
- establishing an internal coaching faculty including tailored coaching to support new parents through the emotional and practical aspects of transitioning into parenthood and returning to successful careers;
- promoting Abstract, a tool for prompting team discussion and reflection on current and best practice topics;
- establishing an easily accessible and informative resource page to support our new performance coaches to manage inclusively and facilitate diverse career conversations; and
- reinforcing the Team Management System tool to highlight the importance of understanding difference and exploring individual preferences.



People survey

Over the past year, we have made significant changes to the way we measure organisational performance. During the pandemic, the use of regular pulse surveys evidenced how responsive we can be when we are regularly listening to each other and making improvements based on feedback. With this in mind, we have introduced a new people survey that on a more frequent, monthly basis, building up into a comprehensive picture of the organisation over a three-month period. Analysis of the data produces an average score out of 10 against each question.

While these changes have meant that our data are not directly comparable to previous years, the increased functionality to collate responses monthly will allow us to capture more real-time information on how our people are feeling, and to adapt our approach more effectively.

We have been able to analyse the first three months of data to March 2021. Our score on fair treatment is relatively low at 6.7 and, while this may reflect the increased focus and awareness we have put on our internal environment and issues of inequality, it is nonetheless an indication that we have more to do to make people feel that the NAO is a fair place to work. While people are more positive that their opinion is valued and that we take situations of misconduct seriously (score 7.2), fewer felt that great work would be recognised (score 6.5). Other indicators of a supportive and inclusive culture scored well, including the level of management support (score 7.7) and the development of peer relationships (7.8).



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Fairness and
Inclusion

Flexible working

During a year that has significantly changed our way of working and resulted in the majority of colleagues working almost exclusively from home, we set up systems and processes to support people to adapt to a home-working environment. We received positive feedback on the support we provided, with an average score of 7.8 out of 10 from our regular pulse surveys.

These results reflected the flexibility we provided to our people to adapt their work pattern to their individual needs, including responsibilities for childcare and home schooling, as well as the impact the pandemic was having on their physical and mental health. Our leadership continually emphasised the priority we gave to the health of our people and their families, including through weekly emails from the Comptroller and Auditor General.

Looking to the future, we have started an internal consultation to gauge views around future working, and to understand how and where our people would like to work. This will help us shape an inclusive workplace model as we move through and out of COVID-19 restrictions.

Disability

Having not made the progress we would have liked on our disability agenda in previous years, we have made a number of changes to refocus our attention on delivering in key priority areas.

In September 2020, we recruited a disability specialist who understands the challenges disabled colleagues face, and who has been working closely with our disAbility network to drive forward the disability agenda.

To more clearly define our future plans and focus resource on key areas, we have drafted a four-year Disability Equality Action Plan, launched in April 2021. Created by consulting the network and wider office, the Plan includes actions to lay solid foundations and establish practices supportive of a confident and disability inclusive workplace. Key elements of the action plan include:

- introducing a clear and effective approach to equality impact assessments;
- improving the robustness of our workplace adjustment process;
- ensuring that our new performance coaches and managers are competent and confident in supporting disabled colleagues; and
- publishing our first disability pay gap.



Other disability-related actions we have taken include:

- establishing a group with cross-functional representatives that is actively involved in conversations and activities to improve accessibility, with a specific focus on our digital systems;
- raising awareness of neurodiversity through network-hosted workshops and team events;
- working with our learning and development team to embed disability equality training into existing programmes; and
- continuing to focus on well-being and mental health, encouraging learning through conversation and shared experiences. With the support of our mental health first aiders, we have hosted a number of activities to challenge stereotypes and misconceptions and to demonstrate how important and valuable it is to talk about mental health.



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Our employee and
diversity networks

Our employee and diversity networks

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 mark the 100th anniversary of the first female member of the Institute of Chartered Accountants in England and Wales (ICAEW), Maggie Harris Smith, the Women's Network invited Dr Jane Berney (from ICAEW) to lead a webinar on pioneering women in UK accounting history and the challenges they face in a male-centric profession. The discussion also considered the ICAEW's current diversity successes and challenges, and what this might mean for how the profession includes and represents the next generation of accountants.

To celebrate International Women's Day (theme of #ChoosetoChallenge), the Women's Network invited our study team that published the Improving the lives of women and girls overseas report to talk about their investigation. There was genuine engagement from participants to understand the prevalence of gender inequality and its impact today.

Religion and Belief Network

The Religion and Belief Network has been proactively involved in a number of activities over the past year including engaging with new trainees at graduate induction events and organising representatives from the Christian, Muslim, Jewish and Sikhism networks to share their beliefs with our wider staff group during National Inclusion Week. These provided an opportunity for colleagues to openly engage with the network and different faith groups.

Colleagues of different faiths and beliefs also contributed to an article in our internal magazine sharing their personal experiences of celebrating religious festivals under lockdown. A number of colleagues commented on the insight and greater appreciation they gained from reading these stories.

Ethnic Minorities' Network

Following George Floyd's death and the Black Lives Matter protest, the Ethnic Minorities' Network received a number of requests for support. The network shared life experiences and resources with individuals, and supported central teams in their communications.

The network also published an article in our internal magazine encouraging staff to move towards being anti-racist. Part of the anti-racist journey involves appreciating others' experiences and, during Black History Month, the network hosted a series of presentations by the renowned historian Robin Walker to share the experiences of black people. Robin took participants on a multi-media journey from ancient African heritage and the early presence of black people in Britain through to more recent events covering black people who overcame challenges and excelled during the slave trade period, and the influence of black artists on British music and culture. These presentations were well attended by colleagues across different ethnic groups, and the feedback was overwhelmingly positive with many commenting on how much they had learned and one participant saying they were "completely enthralled from start to finish".

disAbility Network

Colleagues from our disAbility Network have developed and run neurodiversity workshops for senior management and colleagues throughout the office. Neurodiversity encompasses a range of conditions, including dyslexia, adult attention deficit hyperactive disorder and autism. The workshops provided invaluable insights about the lived experiences of colleagues with these conditions and the benefits they bring to the workplace. Colleagues particularly valued connecting with the real-life experiences that were shared.

Generations – All Age Network

In October 2020, the Generations – All Age Network ran three well-attended panel events, two for women only and the other an open event, to raise colleagues' awareness of the symptoms and impact of the menopause on well-being. Participants particularly appreciated having the time and a safe space to openly discuss how they were feeling.

During Carers Week 2020, the Generations and disAbility Networks collaborated to raise awareness of the challenges of working while at the same time caring for a partner, child, other family member or friend. The networks have launched a support group, working with human resources to share experiences and signpost colleagues to the range of support available at our workplace.

LGBTQ+ Network

Over the past year, members of the LGBTQ+ Network have celebrated key events through a series of blogs. In June, coinciding with London Pride, network members reflected on what Pride meant to them and recounted their first Pride experiences. December marked 15 years of civil partnerships and a network member who formed a civil partnership on the first day of this new right (21 December 2005) described how important this had been to him and his partner. In February, the network reflected on 40 years since the start of one of the most significant developments in recent history for the LGBTQ+ community, the AIDS pandemic – and how this had affected those who lived through those frightening and deadly early days.

Social Mobility Network

As part of National Inclusion Week 2020, the Social Mobility Network invited the Social Mobility Foundation to present current data on the state of social inequity in the UK. While acknowledging the positive impact of programmes such as our Access Accountancy Work Experience scheme, it was enlightening to see the work still needed in this area.

The network has also been collaborating with human resources to better understand the workplace experience of those from lower socio-economic backgrounds, and to develop an action plan that addresses existing challenges and supports future aspirations.

Mental Health First Aiders

In support of Time to Talk Day in February, the Mental Health First Aiders (MHFAs) held two sessions on encouraging people to talk about mental health and reinforce that it is 'Ok to not be ok'. They also held a popular session that focused on men's mental health. Guided by a small panel, this provided a safe space for participants to speak openly and share their thoughts.

During Red January, the MHFA committee hosted an office-wide initiative encouraging people to look after their mental health in a fun way. People from across the office engaged in three main activities; a daily scavenger hunt, a photography challenge, and an office-wide challenge to see how far we could travel. The scavenger hunt was a great hit as we moved over 5,000 miles, and the photography challenge led to some amazing photos such as Jessica Shin's beach sunrise and Claire Hardy's London sunset.

Dignity at Work leads

During 2020, our Dignity at Work leads, working with colleagues from across our staff networks and human resources, developed and hosted several sessions on how best to handle microaggressions in the workplace. Attendees benefited from being able to identify microaggressions and ways in which to respond to instances when they occurred.