



National Audit Office

# **Diversity and Inclusion Annual Report 2025-26**

June 2026

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**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 2025, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £2.6 billion.



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# Foreword by the Comptroller and Auditor General

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This is our first annual report under our new *Diversity & Inclusion Strategy 2026–2030*. It provides an update on our progress and sets out our next steps for delivery.

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An inclusive organisation is better able to attract and retain talented people, draw on a wider range of perspectives, and make sound decisions that support the delivery of high-quality work in the public interest.

Our 2026–2030 strategy builds on good progress in recent years, ensuring that talented people of all backgrounds thrive at the National Audit Office (NAO), maximising their contribution to our vital mission. Where we have more to do, we have set clear improvement targets, and we will report on progress against them each year.

I am grateful for the huge contribution made by our staff networks and other colleagues across the organisation in making the NAO a truly inclusive place to work.

**Gareth Davies**

Comptroller and Auditor General (C&AG)

# Progress in 2025-26

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This section summarises our progress over the past 12 months as we concluded the 2021–2025 strategy.

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During 2025-26 we:

- published our latest diversity pay gap report, which showed that all our mean pay gaps had reduced in the year to March 2025, reflecting a long-term and consistent focus on pay governance and decision-making, and targeted measures to improve retention and progression;<sup>1</sup>
- strengthened transparency by publishing our social mobility pay gap for the first time, enabling us to track whether our policies and practices are supporting equitable progression and reward across socio-economic backgrounds;
- introduced equality impact assessments for all procurements and internal major change projects, to support earlier identification of potential adverse impacts, the introduction of mitigations, and more inclusive decision-making;
- participated in KPMG’s Cross Company Allyship Programme, supporting professionals from ethnic minority backgrounds through mentoring and strengthening allyship across the NAO; and
- developed and published our new Diversity & Inclusion (D&I) Strategy 2026–2030, shaped by colleague engagement, staff networks, leadership input, and detailed analysis of workforce data, ensuring that our priorities are evidence-led and focused on long-term, sustainable change.

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## Our people

**50%**

of colleagues  
are women

**31%**

of colleagues  
are from an  
ethnic minority  
background

**15%**

of colleagues  
report a  
disability

**26%**

of colleagues  
are from a lower  
socio-economic  
background

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<sup>1</sup> We publish pay gap data each year. The latest report is available here: <https://www.nao.org.uk/wp-content/uploads/2026/02/nao-diversity-pay-gap-report-2025.pdf>

# New D&I strategy: ambitions and priorities

This section reviews the evidence informing our new 2026–2030 D&I strategy and goes on to set out our ambitions and priorities in response.

Our new strategy reaffirms our commitment to creating a more inclusive organisation. We are proud of the progress we made under the previous strategy, improving gender representation at senior levels, strengthening our support for disabled colleagues, and widening the diversity of our trainee pipeline. We have been honest with ourselves about our progress and, while much improved in some respects, we have more to do to strengthen the diversity of senior managers, particularly by ethnicity (**Figure 1**). This is also reflected in pay gap data where, despite a reduction on the year before, our ethnicity pay gap was still 11.7% in March 2025 (**Figure 2**).

## Figure 1

### Characteristics of colleagues in senior management positions<sup>1</sup>

We have further to go to ensure that our senior managers are representative of the ethnic and socio-economic diversity of the National Audit Office (NAO) as a whole

Colleague characteristic	2024-25	2025-26	All NAO 2025-26
Women	49%	51%	50%
Ethnic minority <sup>2</sup>	12%	14%	31%
Disabled <sup>2</sup>	13%	16%	15%
Lower socio-economic background <sup>3</sup>	23%	19%	26%

#### Notes

- 1 Senior management consists of director and executive director grades.
- 2 We understand the limitations of using a single, broad description to incorporate all colleagues with an ethnic minority background because it can mask very different experiences. Within the NAO, we also monitor People Survey results by individual ethnic group and report externally on individual groups in our pay gap reporting. Similarly, we refer to 'disabled' colleagues and accept that this is not a universally preferred categorisation and will not encapsulate the full diversity of people's experiences. Part of our commitment to building a fully inclusive organisation is the recognition that each of us is unique and that we bring our own experiences and perspectives to life and work.
- 3 The percentage of people who are from lower socio-economic backgrounds uses a parental occupation measure. The occupation categories for those from lower socio-economic backgrounds are routine, semi-routine manual and service occupations, long-term unemployed, and technical and craft occupations.

Source: National Audit Office

## Figure 2

### National Audit Office (NAO) pay gaps, March 2025

Our pay gaps reduced in the year to March 2025, but our ethnicity pay gap remains significant

Pay gap category	March 2025	Change since March 2024
Gender	1.3%	Reduction of 0.4 percentage points
Ethnicity	11.7%	Reduction of 2.9 percentage points
Disability	-2.2%	Reduction of 3.7 percentage points
Social mobility	2.7%	Data not previously published

#### Notes

- 1 Mean pay gaps shown, rounded to one decimal place.
- 2 Pay gap performance is also reported annually on our website. Available at: <https://www.nao.org.uk/wp-content/uploads/2026/02/nao-diversity-pay-gap-report-2025.pdf>

Source: National Audit Office

Our colleague engagement scores in our People Survey put us in a strong position from which to build for our new strategy. All scores have increased in the 12 months since January 2025, and women and ethnic minority colleagues report higher levels of engagement than the NAO average (**Figure 3**). Disabled colleagues continue to report lower engagement, and understanding and addressing this is a further priority for us under the new strategy.



### Figure 3

## National Audit Office (NAO) People Survey results for overall engagement, January 2026 and January 2025<sup>1</sup>

Ethnic minority colleagues, women, and those from a lower socio-economic background report being strongly engaged in their work

Colleague characteristic	January 2025	January 2026
Women	7.5	7.7
Ethnic minority <sup>2</sup>	7.7	7.6
Disabled <sup>2</sup>	6.9	7.3
Lower socio-economic background <sup>3</sup>	7.3	7.7
All NAO score	7.2	7.5

**Notes**

- 1 The National Audit Office People Survey is a questionnaire survey of colleagues conducted using Workday Peakon Employee Voice. We have a bank of 47 questions and give respondents the chance to provide other written feedback. The results are summarised under 14 drivers. Our survey measures levels of engagement and helps us understand what motivates and supports our people, as well as the effectiveness of our interventions. Numbers are rounded to one decimal place.
- 2 We understand the limitations of using a single, broad description to incorporate all colleagues with an ethnic minority background because it can mask very different experiences. Within the NAO, we also monitor People Survey results by individual ethnic group and report externally on individual groups in our pay gap reporting. Similarly, we refer to 'disabled' colleagues and accept that this is not a universally preferred categorisation and will not encapsulate the full diversity of people's experiences. Part of our commitment to building a fully inclusive organisation is the recognition that each of us is unique and that we bring our own experiences and perspectives to life and work.
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Source: National Audit Office

To address these areas, our 2026–2030 D&I strategy sets two ambitions for the NAO. The first is to ensure a high-performing, engaged and diverse workforce – one that draws on the widest possible talent pool and reflects the diversity of the communities paying taxes and receiving public services. The second is to build an inclusive culture in which all colleagues are valued and supported to achieve their potential, and where people work in high-performing teams and feel encouraged to share their perspectives.

We have set three priorities for the next four years to deliver on our D&I ambitions.

- **Improving diversity at senior levels**, by ensuring that our approach to talent management, development and promotion supports all colleagues to progress, with targeted action where our data show that more needs to be done.
- **Developing a consistent understanding of, and behaviours that support, inclusivity at all levels of the organisation**, strengthened by high-quality leadership, open feedback, and the contribution of our staff networks and champions.
- **Making effective use of our D&I data and insights** to support evidence-based and transparent decision-making.

The new strategy also reflects a shift in how we approach D&I more broadly, building on our previous achievements. It brings a stronger emphasis on how we allocate work, how we develop talent, how we make promotion decisions, and how we use data to hold ourselves accountable. We recognise that inclusive organisations are not built through awareness campaigns alone, but through the consistent application of fair processes and the active removal of structural barriers.

## Actions we are taking to achieve key priorities

This section describes the actions we are taking to deliver the new strategy.

### Priority 1: Improving diversity at senior levels, particularly for under-represented groups



We are working to ensure that we have a talented, diverse workforce at all levels of the NAO and that colleagues are supported to achieve their potential and career goals.

In year one, we are:

- developing our talent management framework to support all colleagues – particularly ethnic minority colleagues – to build the experience and visibility needed for senior roles;
- reviewing the end-to-end promotion approach to ensure it is fair, transparent and consistently applied;
- working with the NAO's Ethnic Minorities' Network to better understand barriers to progression and build confidence among colleagues considering promotion; and
- relaunching our sponsorship programme to provide targeted support and advocacy for ethnic minority colleagues preparing for senior grades.

## Priority 2: A consistent understanding of, and behaviours that support, inclusivity at all levels of the organisation



Our aim is to have a strong inclusive culture, reinforced by open feedback, high-quality leadership role-modelled by senior colleagues, and staff networks and D&I champions who actively advance our D&I agenda.

In year one, we are:

- working with our staff networks to identify, from their perspective, specific actions we can take to support more inclusive behaviours at all levels of the organisation;
- running targeted focus groups to understand more about what is driving differences in engagement scores, with particular attention to the experience of disabled colleagues;
- supporting implementation of our new wellbeing strategy;
- introducing a menopause policy and action plan; and
- simplifying and standardising how workplace adjustments are requested and recorded for colleagues and managers.

## Priority 3: Effective use of our D&I data and insights



Using our data effectively is central to making meaningful progress on D&I. Without clear, accessible, and insightful data, it is difficult to identify where barriers exist, evaluate whether our interventions are working, or hold ourselves accountable for progress.

In year one, we are:

- refreshing our diversity dashboards so they support more timely action based on clearer insight;
- identifying intersectional insights, recognising that experiences are shaped by more than one characteristic; and
- reviewing accreditations and making better use of external networks and benchmarks to inform ambitions and strengthen our external profile.

These actions will improve our data and insights, enabling more targeted action. They also demonstrate our transparency – being open about where we are, clear about where we are going, and honest about the pace of progress. The metrics and targets that we will use to monitor and report on our progress in delivering our D&I 2026–2030 strategy are described in the [Annex](#).

## D&I and our people

**Our employee diversity networks and D&I Champions play an important role in supporting inclusion across the NAO. This section highlights some of their key contributions during the year, including events, celebrations and awareness-raising activity, as well as the insight, feedback and local engagement they provide to help advance our D&I objectives.**

Highlights from our employee diversity networks in 2025-26:

- The disAbility Network supported disabled colleagues through peer support, raising awareness of neurodiversity, and contributing to the workplace adjustments system. The network also engaged with external disability forums and provided feedback on systems and processes to help improve accessibility and inclusion.
- The Ethnic Minorities' Network continued its 'See, Believe, Achieve!' series, celebrating the achievements and career journeys of ethnic minority colleagues. The Network also marked Black History Month and Lunar New Year, supported discussions on promotion, and contributed to the NAO's Wellbeing Strategy.
- The Generations Network marked the second anniversary of the NAO signing the Age-friendly Employer Pledge and supported work linked to the wellbeing strategy. The Network also launched a monthly Reflections blog series to build awareness of colleagues' experiences at key moments in their personal and working lives and encourage informal support.
- The LGBTQ+ Network marked key moments during the year, including Pride, LGBTQ+ History Month and Transgender Awareness Week. The Network shared resources and hosted inclusive activities, including informal craft-based sessions which brought colleagues together to show support and solidarity.
- The Religion and Belief Network increased activity across its Hindu, Jewish, Christian, Muslim and Sikh groups, supporting inter-faith engagement and awareness across the office. Activity included a Faith and Food roundtable discussion, events to mark Diwali, Hannukah, Christmas, Ramadan and Easter, and support for an office-wide event with Dr Peter Lantos BEM, a Holocaust survivor.
- The Social Mobility Network hosted Nick Bent, CEO of upReach, to mark Social Mobility Day, raising awareness of barriers to social mobility in the UK and the importance of socio-economic diversity to employers. The Network also continued its buddy scheme for junior colleagues from lower socio-economic backgrounds, hosted seminars, and provided upward feedback to support improvements to the NAO's working environment.
- The Women's Network supported women's professional development, wellbeing and workplace inclusion through a broad programme of activity. This included launching support pages and a health information sheet on endometriosis, supporting menopause awareness, continuing its mentoring programme, hosting career conversations with NAO alumni, and running panel discussions on promotion, allyship and support.

## Developing our D&I Champions:

- During 2025-26, we relaunched our D&I Change Agents as D&I Champions to widen involvement and strengthen representation across the NAO.
- D&I Champions act as local points of contact within teams, helping to promote the D&I strategy and initiatives, share resources, role-model inclusive behaviours, and provide feedback and constructive challenge.
- We have 15 D&I Champions who help support a more consistent approach to inclusion across the NAO.



# Annex: Diversity and Inclusion Strategy 2026–2030

## Metrics and targets

Metrics	Targets			
	Women colleagues	Ethnic minority colleagues	Disabled colleagues	Colleagues from lower socio-economic backgrounds
NAO People Survey: scores for overall engagement	At least 7.5 (out of 10)			
Representation at senior management levels (director and executive director)	50% (by March 2030)	20% (by March 2030)	15% (by March 2030)	26% (by March 2030)
Pay gaps: reducing or eliminated <sup>1</sup>	Gender pay gap eliminated by March 2027	Ethnicity pay gap reduced to 7% by March 2030	Disability pay gap eliminated by March 2030	Social mobility pay gap eliminated by March 2030

**Note**

1 For pay gaps, we define 'elimination' as within the range -2% to +2%. Pay gap performance is also reported annually on our website. Available at: <https://www.nao.org.uk/wp-content/uploads/2026/02/nao-diversity-pay-gap-report-2025.pdf>

Source: National Audit Office





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