



National Audit Office

Diversity & Inclusion Strategy 2021–2025







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Introduction

It goes without saying that creating an inclusive and diverse National Audit Office (NAO) is the right thing to do. We know that supporting an inclusive environment and having a diverse workforce leads to better outcomes for both our people and our work. Harnessing all the talent we have in the NAO will allow us to better understand the challenges facing our clients and improve the way in which public services are delivered.

We want to be an exemplar organisation for Diversity & Inclusion (D&I), one that others look to and learn from. This ambition is woven into our value of inclusion and respect and is voiced through our belief that the NAO is at its strongest when we embrace all identities and perspectives. We strive every day to put inclusion and diversity at the heart of the way we work, what we celebrate, and how we think.

We fully acknowledge we have not made as much, nor as quick, progress as we would have liked over the course of our previous D&I Strategy and have fallen below some of the expectations our people rightly have of us. But we should also acknowledge and celebrate where we have had success and the progress we have made. This has included: launching our first diversity mentoring programme, which has given 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 progress helps to create a solid foundation on which to build for the future, but we have much further to go to achieve our vision of a NAO which values an increasingly diverse workforce and which fosters a culture of inclusion and respect. We want to create an environment where our people are confident to be their authentic selves; where we are all curious to learn about different experiences, approaches and perspectives; and where celebrating difference and appreciating one another's contributions is a normal part of how we do business. This will require all of us to challenge our own thinking and develop our understanding of the world around us if we are to contribute to making the NAO the best it can be.

This Strategy presents a candid assessment of where we are currently and sets out the priority actions we will take to address areas for improvement, setting us on a journey to being an exemplar employer for D&I by the end of the Strategy in 2025. Setting challenging targets and holding ourselves to account for progress will ensure that we remain focused on our ambitions. But we will also need to ensure our plans are sufficiently flexible to respond in the moment to a changing external environment and to the feedback we will continue to seek from our people.

We know that our transition to new ways of working in the context of COVID-19 will present us with both opportunities and challenges for promoting and fostering inclusion. In adapting to a different way of working, we need to be alive to how changes can impact on individuals differently. We need to make sure we have robust well-being support systems in place and continue to identify new and innovative practices that allow us to connect with each other, share and celebrate our differences and successes, communicate our appreciation, and develop a shared sense of belonging. It is now more important than ever to practise inclusive leadership and remain open to learning as we evolve and adapt to the changing environment.

The success of this Strategy will depend on all of us taking an active role in helping us deliver on our commitments. Working together, I am confident that we can secure deep and permanent change in our culture and make the NAO a truly fantastic place to work.

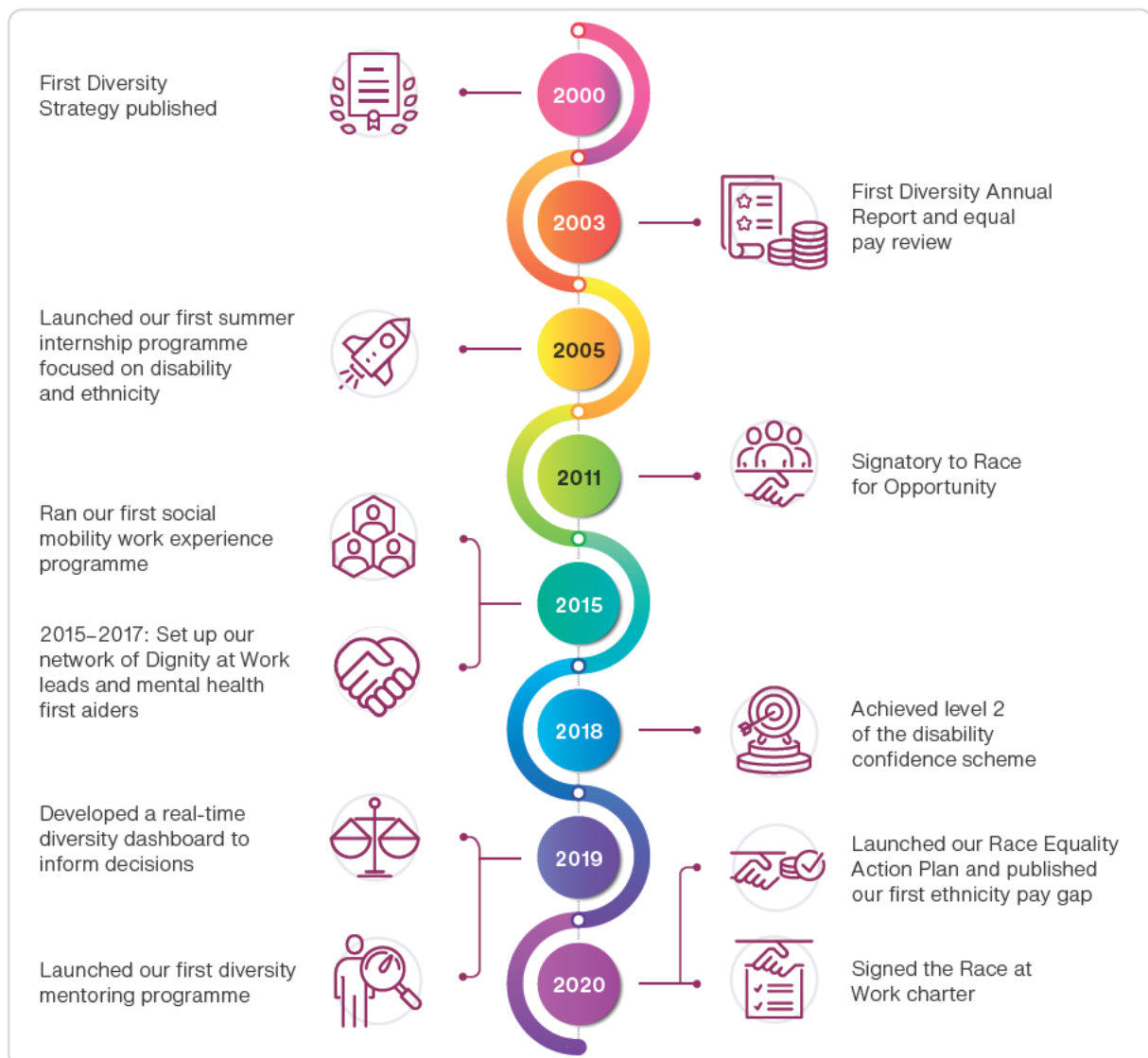
Gareth Davies

Comptroller and Auditor General



Our D&I journey

The figure below presents an overview of our diversity journey. While we have achieved much since our first Strategy was published, we acknowledge that we still face a number of challenges in achieving genuine equality, diversity and inclusion for all of our people. There is a clear need to accelerate progress in areas such as the retention and progression of ethnic minority colleagues, the representation of women at the most senior levels of the business, and creating a disability-confident organisation where disabled colleagues can realise their full potential. If we are to achieve our ambition of being an exemplar employer we also need to focus on embedding our shared values of inclusion and respect, building a culture where all are valued for the unique perspectives and experiences they bring.





Our vision

To be an exemplar employer that is recognised as a leader in equality, diversity and inclusion. To create an environment where all colleagues feel confident that they can be themselves and view the NAO as a fantastic place to work and develop their careers.

We believe that an exemplar organisation is one where:

1

Talking about equality goes beyond fairness. We fully embrace difference as a positive asset for the NAO and a source of innovation and creativity

2

All colleagues take personal responsibility for equality and are mindful of their own behaviours and how these impact on others

3

We are comfortable talking openly about issues and sharing ideas and perspectives. We speak up to challenge non-inclusive behaviours

4

We give, receive and act on feedback so that we improve our self-awareness, lead with empathy and contribute to positive change



5

Everyone is respected and valued as being unique. Colleagues feel a sense of community and belonging to the organisation, their group and their team

6

Teams are made up of a diverse range of talent where each individual can be themselves, feel valued and treated fairly, and have the opportunity to realise their full potential

7

We have a welcoming environment where accessibility and workplace adjustments are in place to support and enable colleagues to thrive

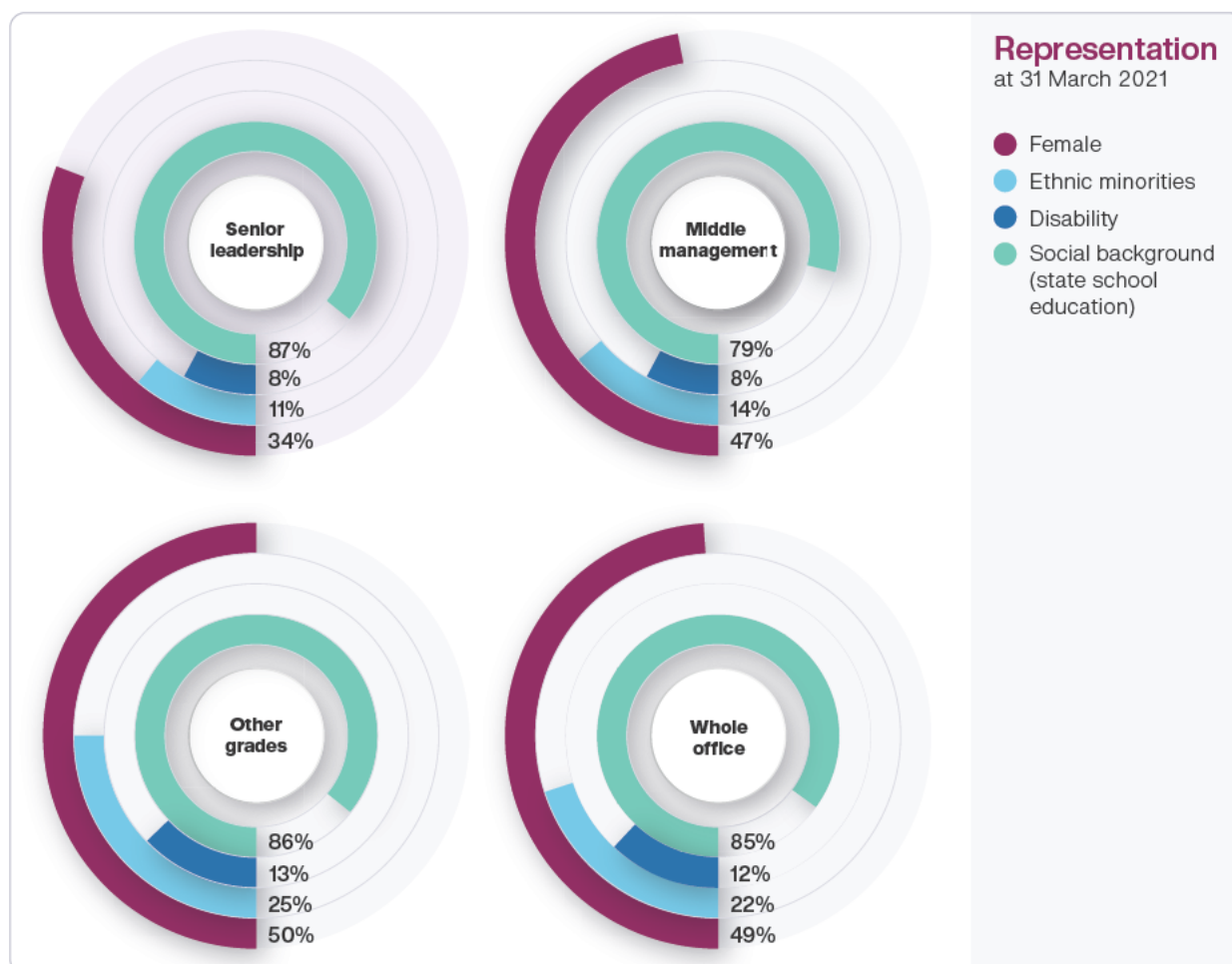
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Other organisations look to the NAO to identify best practice and learn from our successes



Our people

We have made progress over the period of our previous Strategy to improve representation across a number of protected characteristics. However, while representation across the NAO is relatively strong, we have clear challenges to improve representation at middle management, and particularly at our most senior levels.



In addition to the actions we are taking to address under-representation, we know from listening to our people and our diversity networks that we face equal challenges in providing an environment where all staff can flourish. Improving people management across the business continues to be a key priority under our Organisation Development Plan. The introduction of performance coaches, the local leadership provided by our people development directors, and our investment in a talented and experienced group of HR business partners are all approaches which are designed to improve the management of all of our people and will help ensure that the intended outcomes of our D&I Strategy and action plan are realised at local level.



Supporting our work

Our new D&I Strategy is designed to support us in making a step-change in how we manage our talent. The actions we will take forward under our Strategy will be data- and employee-led, focusing resource on areas where we need to make the most improvement. We will adopt an inclusive approach which considers intersectionality when assessing issues. Recognising and respecting the diversity of experience and thought our people bring will ensure that the NAO continues to provide an effective service to Parliament while making the insights we gain from our work available to those responsible for public services.

Drawing on a wide pool of talent will help us to reflect on the diverse users of public services and examine the impacts of government activity in different local areas or among different groups. Our NAO Strategy and Organisation Development Plan draw together a range of initiatives to support our journey towards being an organisation which promotes an open learning culture, embraces difference and ensures equity at all stages of the career journey. Underpinned by our new corporate value of 'inclusion and respect' we are focused not only on ensuring we recruit colleagues from a broad range of backgrounds, but that they are encouraged to develop their careers with us and are able to realise their full potential because of the career-enhancing opportunities we offer.

We have already made an important start in focusing actions on improving the lived experience of our ethnic minority and disabled colleagues through our Race Equality Action Plan, launched in December 2020, and our Disability Equality Action Plan launched in April 2021. Both plans will frame a more detailed Diversity & Inclusion Action Plan, which will be built around the priorities developed in this Strategy and provide us with the opportunity to regularly review our progress and impacts. While targets and data will be important in evidencing the speed of change, how our people feel and the behaviours they witness will determine whether the NAO is a truly inclusive organisation, one where everyone feels an equal and genuine sense of belonging and opportunity and where difference is not just respected but encouraged and celebrated.



Our priorities

Our D&I Strategy is built on the following four key priority areas.

Priority 1:

Proactively strengthen the diversity of our pipeline

A diverse workforce helps us understand the challenges our clients and their service users face, and provides us with flexibility to adapt to the dynamic and complex environment in which we operate. Developing an inclusive approach to promoting and cultivating talent is important in building diversity at all levels of our organisation. We need to tackle systemic challenges that arise early in the careers of our people and integrate D&I into our core decision-making processes.

- We will support an environment where unconscious bias is understood and challenged to ensure our people outcomes are equitable and fair.
- We will strengthen the representation of ethnic minorities at all levels of the organisation through directed actions, improving talent management, and enhancing the career experience of our ethnic minority colleagues.
- We will address gender balance at director level by valuing different ways of working, respecting individual needs, and supporting the progression of female colleagues through sponsorship and inspiring role models.
- We will support all of our disabled colleagues to fully realise their career potential through establishing a fully accessible, disability inclusive, workplace.
- By improving representation at all levels of the business we will eliminate our gender and ethnicity pay gaps by 2027 and 2030 respectively.

Priority 2:

Maximising the potential of all our people

While diversity in the representation of our workforce creates the potential for richness of thought and ideas, it is inclusion that allows that potential to be maximised. Blending behavioural change with inclusive processes which offer opportunity to all is fundamental to securing full value from the diversity our people bring to us. We will focus on supporting our people to be inclusive, empathetic leaders and colleagues, offering fully integrated training so that inclusion is a fundamental part of every person's role.

- We will foster a culture of personal growth and supported development where everyone can continue to deepen their knowledge, skills and impact at all stages of their career journey.
- We will focus on equality of outcomes in all of our people processes, breaking down barriers to opportunity and progression through improving our approaches to work allocation, performance management and promotion.
- There will be a continued focus on providing tailored careers and flexible work patterns and portfolios to allow all our people to succeed in their role and find the right balance for them between work and other aspects of their lives.
- We will take earlier account of the potential adverse impacts of our people policies and processes by re-invigorating our approach to equality impact assessments and ensuring that we continue to learn from the lived experience of our people.
- We will create an accessible work environment, including an effective approach to workplace adjustments, that means everyone has the opportunity to perform at their best.

Priority 3:

Building a culture of inclusion and respect for others

Inclusion goes further than ensuring we have diverse representation and create fair opportunities for all. It is about creating an environment where our people feel accepted as unique individuals, where they can be their authentic self, and can be proud of the value they bring to our organisation. We are committed to creating a culture where our people are curious about the experience of others and prepared to question their own prejudices and beliefs. By creating such an environment, we will bring a broader perspective to our work, benefit from deeper insights, and deliver better outcomes for our stakeholders and the wider public.

- We will appreciate and value identity in all its forms, recognising that no person is defined by a single characteristic.
- We will provide opportunities for people to connect, expand their perspectives and break down stereotypes.
- We will nurture an environment where people feel safe to speak up, to voice ideas and to challenge behaviour.
- We will cultivate a mindset where we remain open and curious to learn about others, have the courage to navigate the unfamiliar and the confidence to address our own shortcomings.
- We will promote the diversity our people bring to us through a range of events and celebrations to support a sense of belonging and help all colleagues deepen their knowledge and understanding of the cultures, backgrounds and beliefs of others.

Priority 4:

Setting clear ambitions and holding ourselves to account

Our journey to becoming an exemplar employer for D&I will require ongoing commitment and re-enforcement over the full period of our new four-year Strategy and beyond. As we make progress against the Strategy, we will need to recognise that our actions and priorities may need to adapt to changes in the wider world and the expectations set by organisations which are already seen as being leaders in the D&I field.

Having clear progress measures and a robust approach to holding ourselves to account will ensure we remain focused on the timely delivery of initiatives under this Strategy and regularly review the impacts they are having.

- We will maintain close oversight of the Strategy and progress against our action plans through the Diversity & Inclusion Operating Committee (DIOC) and regular reports to the Executive Team and Board.
- We will set comprehensive, challenging and transparent targets covering all aspects of the Strategy, and take advantage of the real-time diversity data produced by our people systems to track progress.
- We will continue to produce an annual D&I report for wider publication.
- We will monitor and take action on the feedback our people give us through regular people surveys.
- We will develop intelligence on latest best practice and work closely with partner bodies to ensure our Strategy remains current and relevant.



Our strategic enablers

Our senior leadership will actively foster an inclusive culture

Leadership commitment and accountability is imperative to help drive and instil permanent change. The Comptroller and Auditor General (C&AG) sits at the head of our established D&I governance structure, with each executive director acting as a sponsor for one of our diversity networks. Our senior leaders are personally and collectively committed to diversity and inclusion and demonstrate this through: having an open mindset and understanding of their own vulnerability to unconscious bias; acknowledging blind spots; encouraging diversity of thinking; and creating a culture where talking about diversity and inclusion is the norm.

We will embed D&I within our organisational DNA

Central to being an exemplar organisation is integrating equality, diversity and inclusion within the fabric of our organisation and our cultural DNA. By doing so we expect D&I to become an intuitive aspect of every conversation and action, and implicit in the way we behave and operate through our strategies, practices and processes.

We will engage everyone in being part of this change

We all shape the NAO culture through the way we value and embrace difference. We will empower our people to initiate change, to understand and remove barriers to equality, and to take responsibility for their own behaviours. We will commit to personal, team and group actions that will drive sustainable change and foster an open-minded and inclusive culture.



Our networks

Recognising the diversity of our people, we support seven employee networks at the NAO who, alongside representatives of our Dignity at Work leads and people development directors, collectively form the DIOC. This committee acts as a consultative forum on the development of our strategy and action plans but, alongside the Executive Team and Board, also plays an active role in ensuring agreed actions are taken and impacts monitored.

As well as supporting our corporate approach and the priorities set out in this Strategy, each network promotes and implements specific programmes of their own which help foster inclusion. By respecting and valuing all of our people's individual cultures and unique backgrounds, the networks play an important role in making the NAO a truly inspiring and inclusive place to work.

DisAbility Network

Building a disability inclusive workplace is a priority for us and is supported by the Disability Equality Action Plan. We want to be in a position of nurturing all talent and creating an environment where our disabled colleagues can thrive. One of our goals is to build a culture where people feel they can speak out, where accessibility is a natural part of the way we work, and where disabled colleagues gain prompt access to the support and adjustments they need to realise their full potential. The network has developed a neurodiversity workshop that raises awareness and helps support colleagues who manage people with a neurodiverse condition.

Ethnic Minorities Network

Ethnicity is a further core area of focus. We are taking specific actions, through our Race Equality Action Plan, to increase ethnic minority equality and representation, and will continue to work closely with our ethnic minorities network to deliver improved outcomes. We have already launched training that supports our people in talking about race, and have set ambitious targets to secure improved ethnic minorities' representation at all levels of the organisation.

Generations: All Age Network

We value the diverse perspectives that each generation brings to the workplace. It is critical that we support our people of all ages with tailored, self-directed development and flexible working arrangements and portfolios to suit individual needs. Our focus on inclusion and belonging will help to break down age-based assumptions and stereotypes.

LGBTQ+ Network

A culture of equality, understanding and acceptance will help nurture our people, regardless of their sexual orientation, gender identity or expression. In collaboration with the LGBTQ+ network we will work to provide more transparent data on LGBTQ+ representation across the organisation, and identify opportunities to share personal stories and experiences. We will continue to raise awareness and encourage allies by recognising and celebrating events such as Pride Month and Rainbow Laces Day.

Religion and Belief Network

Our key focus is on respecting and acknowledging different beliefs, providing opportunities for individuals to mark religious observance, and identifying opportunities to celebrate key religious festivals and events.

Social Mobility Network

We employ an increasing proportion of staff from socially disadvantaged backgrounds across all four of our indicators. We will extend our successful summer internship programme and continue to focus on the diversity of our trainee intakes through our membership of Access Accountancy, as well as looking to improve the socio-economic diversity of our experienced hires. The network is developing a Social Mobility Equality Action Plan, which will focus on understanding and supporting the workplace experience of colleagues from diverse socio-economic groups by improving the completeness of the data we hold, running a micro-incivilities campaign, and providing tailored support to colleagues for promotion rounds.

Women's Network

We are committed to a gender-balanced workforce throughout the organisation as soon as possible, and by 2027 at the latest, through promoting women's advancement and representation at our most senior levels. We will build on our existing flexibility to consider a wider range of different work patterns and locations, taking advantage of our experience of managing remote working through the COVID-19 pandemic. We will also provide a more supportive environment for women returners.

Additional support

In addition to our seven diversity networks we offer a range of additional support to our people through our central D&I, HR and Learning & Development Teams, including through our business partners. To complement this support we also offer advice through:

- **Dignity at Work leads** – our Dignity at Work leads provide colleagues with confidential advice on how they might deal with uncomfortable situations and provide guidance on how to take steps to resolve issues. Dignity at Work leads are employed at all levels of the organisation, including on the Executive Team and Board; and
 - **Mental health first aiders** – our mental health first aiders help us to raise awareness of mental ill-health, provide comfort and support for those going through a challenging time, and encourage good mental well-being. Creating an environment where all colleagues feel a genuine sense of inclusion and belonging will contribute to minimising instances of workplace-related mental ill-health.
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Delivering our priorities

We will work closely with our networks and other stakeholders to deliver actions and measure progress under each of our four priorities. These summary actions will be developed into a more detailed action plan that sets out a precise timeline for delivery set against our diversity targets, which are summarised at Appendix One.

Priority 1:

Proactively strengthen the diversity of our pipeline

- Embed our new recruitment and promotion protocols, which build diversity and inclusion into all stages of the process.
- Continue to focus on ensuring diverse shortlists and strengthen the diversity of our assessors for experienced hire campaigns.
- Continue to actively manage our graduate and school-leaver campaigns to ensure under-represented groups are directly encouraged to progress their applications.
- Ensure individual trainee assessment centres are populated by a diverse range of candidates and assessed by a diverse range of trained assessors.
- Review our promotion process to identify potential barriers for under-represented groups.
- Promote the benefits of career coaching, sponsorship and mentoring.

Measured by:

- diversity of trainees joining our graduate and school-leaver intakes;
- diversity of new entrants joining through our analyst and experienced hire routes;
- conversion rates of trainees who successfully complete their Institute of Chartered Accountants in England and Wales (ICAEW) training programme;
- representation of women, ethnic minorities, people with a disability and those from lower socio-economic backgrounds at senior leadership, middle management and junior levels;
- diversity of applications and outcomes for internal promotion opportunities; and
- gender, ethnicity and disability pay gaps.

Priority 2:

Maximising the potential of all our people

- Enable new performance coaches to support our diverse talent to access career-enhancing opportunities in line with their aspirations.
- Introduce revisions to our performance management framework to focus on developing strengths and potential through the effective delivery of personal development plans.
- Ensure the development plans of ethnic minority colleagues and staff with disabilities are given full consideration when allocating our most challenging work portfolios.
- Introduce an improved process for developing and implementing workplace adjustments for disabled colleagues.
- Introduce and maintain accessibility standards to ensure disabled employees are able to access all workspaces, IT systems and other assistive technology.
- Work with executive directors and people development directors to hold regular discussions with group directors on developing talent within their group.

Measured by:

- equality in allocation of work opportunities irrespective of characteristic;
- proportion of colleagues receiving 'performance concerns' appraisal ratings is consistent across each protected characteristic;
- retention rates across grades and diverse groups; and
- people survey results related to satisfaction with career opportunities, personal development, accessibility of technology and equipment, work challenge and the effectiveness of performance coaches.

Priority 3:

Building a culture of inclusion and respect for others

- Empower our leaders to seek out diverse perspectives, challenge inappropriate behaviour, and be visible role models for inclusivity in their everyday actions and activities.
- Be clear and intentional around how we want people to behave, sharing our rationale and putting systems in place to support and re-enforce behavioural change.
- Create a work environment that is free of harassment and bullying and respects individuality through greater self-reflection and confidence to challenge others.
- Create space and time for colleagues and teams to connect, have conversations, learn more about each other, and talk openly and honestly about how they are feeling.
- Encourage colleagues to widen their perspectives through celebrating and promoting different cultures and beliefs, repeating our diversity mentoring programme, and encouraging all to share their different experiences.
- Provide clarity and transparency on our D&I activities and how individuals' actions align to wider aspirations and values.
- Inspire responsibility for creating a culture of inclusion and belonging, raising awareness of allyship, and having the courage to admit where we have got things wrong.

Measured by:

- participation at events celebrating and recognising different cultures and beliefs;
- participation in NAO's diversity mentoring programme and the extent to which the thinking of participants has been challenged;
- personal stories shared through blogs, talks and other forums;
- feedback from Dignity at Work leads on issues raised with them and the level of informal and formal complaints; and
- people survey results related to fair treatment, transparency and feeling valued and respected for their work.

Priority 4:

Setting clear ambitions and holding ourselves to account

- Provide opportunities for consistent and regular messaging from senior leaders on the priority we place on D&I through events, blogs, announcements, articles and personal interactions.
- Publish our diversity targets and provide regular and transparent reports on progress against them.
- Make the diversity dashboard available to all colleagues and improve the accessibility/content of our D&I Merlin pages.
- Publish agendas and minutes of DIOC meetings and provide feedback following meetings of the Executive Team and Board where agenda items have covered D&I topics.
- Regularly review our targets for continued relevance and following publication of comparator or other external data, including data from the 2021 census.
- Provide honest assessments of our progress through externally published documents such as the NAO Annual Report and Accounts and the D&I Annual Report.
- Take opportunities to benchmark our position through assessments for awards, kitemarks and standards (for example, Disability Forum Gold Standard).

Measured by:

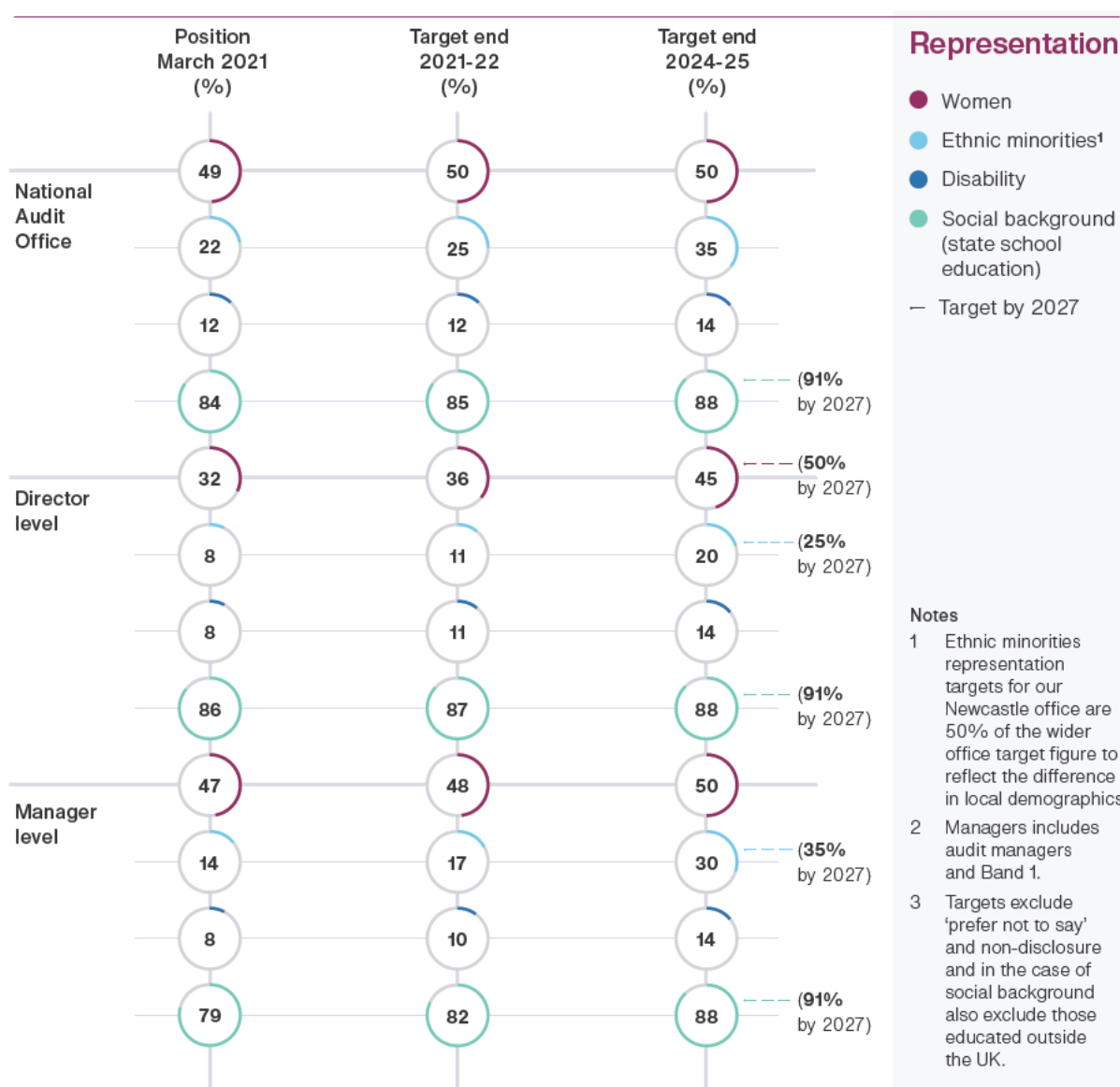
- regularity of messaging from leadership, including level of attendance at events and popularity of blogs and other communications;
- progress against our diversity targets;
- attainment of appropriate diversity standards, awards and kitemarks; and
- publication of formal reports.



Appendix One

Summary of our diversity targets

In keeping with our ambition of being an exemplar employer for equality, diversity and inclusion we have set ourselves ambitious targets to achieve over the course of this Strategy. While we have already made positive progress through the initiatives implemented in the final year of our existing Strategy, we recognise that we need to further increase the pace of change if we are going to create a fully diverse workforce by 2024-25.







National Audit Office