

# Equality Report 2022-23

November 2023

This report on compliance with the Equality Act 2010 General Duty covers the period 1 April 2022 to 31 March 2023. It has been prepared in accordance with the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions. Audit Wales is not a legal entity. Consequently, in this Report, we make specific reference to the Auditor General or Wales Audit Office in sections where legal precision is needed.

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#### Audit Wales

1 Capital Quarter (ground & first)  
Tyndall Street  
Cardiff  
CF10 4BZ

Telephone 02920 320 500  
Email [info@audit.wales](mailto:info@audit.wales)  
Website [www.audit.wales](http://www.audit.wales)  
Twitter @WalesAudit

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

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# Foreword

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Rydym yn falch o gyflwyno ein Hadroddiad Cydraddoldeb ar gyfer 2022-23.

We are pleased to present our Equality Report for 2022-23.

This Equality Report looks at the progress we made together as Audit Wales towards delivering our equality objectives between 1 April 2022 and 31 March 2023.

It is our first annual report looking at the equality objectives we set for the four-year period 2022 to 2026. Overall, we consider that we have been effective in the steps we have taken towards meeting the equality objectives we have set for this four-year period.

Audit Wales has an important role to play in encouraging beneficial changes relating to equality. Following development work in 2022-23, tackling inequality is one of four key themes for [our audit work programme 2023-2026](#).

Alongside other relevant local audit work, we delivered several national examinations and studies during 2022-23 which covered equality considerations and highlighted inequities in our society. These included:

- [Direct Payments for Adult Social Care](#)
- [Equality Impact Assessments: more than a tick box exercise?](#)
- [‘Time for Change’ – Poverty in Wales](#)
- [Orthopaedic Services in Wales – Tackling the Waiting List Backlog](#)
- [Digital inclusion in Wales](#)

The Wales Audit Office is committed to providing a work environment that values the diversity of all people, both our own staff and those with whom we come into contact during our work. We fully support the rights of people to be treated with dignity and respect.

While we are pleased to report that our structural gender pay gap narrowed again to 7.9% in 2022-23, our analysis of employment information shows that we need to continue to undertake work to further increase the diversity of our workforce in the medium to longer term. This is a key area of focus for our equality work over the next four years.



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**Adrian Crompton**  
Auditor General for Wales



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**Dr Kathryn Chamberlain**  
Chair, Wales Audit Office

## The key areas of focus for our programme of equality work in 2022-23 and the next four years are set out in our Joint Strategic Equality Plan for 2022 to 2026.

- 1 Our [Strategic Equality Plan](#) sets out Audit Wales' objectives for equality, diversity and inclusion for the period 2022-2026 and the steps we plan to take to deliver against these objectives. This strategy is designed to build on the progress we have already made and to ensure that diversity, inclusion and equality considerations are embedded into everything that we do.



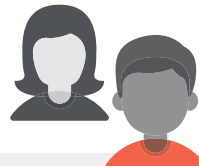
Ensure relevant and timely coverage is given to equality, diversity and inclusion matters in our programme of audit work



Embed a culture of inclusion, trust, and self-reflection, where everyone feels valued and respected



Better understand the diverse communication needs of our audiences and strengthen the accessibility of our outputs and messaging



Attract and retain talented people from all walks of life, and ensure our workforce is more representative of the diversity of our communities in Wales

# Progress towards meeting our equality duties and objectives

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In 2022-23, we continued to develop our overall programme of work to help ensure that we can fully meet our equality duties and objectives. Overall, we consider that we have made effective steps towards meeting our equality objectives in this first year of our plan.

- 2 The Auditor General for Wales is the statutory external auditor of most of the Welsh public sector. The Auditor General is responsible for the audit of most of the public money spent in Wales.
- 3 The Wales Audit Office has functions of providing resources, such as staff, for the exercise of the Auditor General's functions, and of monitoring and advising the Auditor General.
- 4 Together, as Audit Wales, we audit nearly £26 billion of income and expenditure, which is over a quarter of Welsh GDP.
- 5 The Auditor General's main functions involve examining and reporting on the stewardship of public money by Welsh public bodies. When undertaking this work, we consider how well public bodies are run and the effectiveness of their services. The Auditor General is therefore in a strong position to identify opportunities for helping to eliminate discrimination and promote equality of opportunity in the delivery of public services. In reporting on public bodies, and in making recommendations, the Auditor General is able to encourage beneficial changes in terms of equality.

- 6 The Wales Audit Office is committed to providing a work environment that values the diversity of all people, both our own staff and those with whom we come into contact during our work, and we fully support the rights of people to be treated with dignity and respect. As an employer of around 290 staff, the Wales Audit Office has a significant and direct impact on people in terms of equality. The Board fully recognises the duty to provide equal opportunity across the full range of employment factors, including recruitment, training, promotion, ways of working, and terms and conditions, including pay.
- 7 Both the Auditor General and Wales Audit Office are required to follow the framework of protection against discrimination, harassment and victimisation and the public sector equality duties brought in by the Equality Act 2010 and related legislation. We also have a responsibility to uphold the rights set out in the Human Rights Act 1998.
- 8 In February 2022, together as Audit Wales we consulted on a revised suite of equality, diversity and inclusion objectives and published these alongside the steps we plan on taking to deliver these objectives, in our Strategic Equality Plan for 2022-2026.
- 9 Our Executive Leadership Team, with oversight from the Board:
  - a. ensures that the necessary arrangements and programme of work are in place to meet our equality and human rights duties and strategic equality objectives; and
  - b. helps ensure those arrangements and the programme of work are fully implemented and delivering the required outcomes<sup>1</sup>.
- 10 We have an established staff group, Pawb, which helps ensure effective engagement with employees representing the interests of protected groups. Pawb members act as equality and diversity champions who are available for staff to raise concerns and share ideas on how our policies and practices can be improved. The views of Pawb are sought when:
  - a. undertaking impact assessments of relevant policies and practices;
  - b. considering quarterly reports on progress made towards meeting our equality objectives;
  - c. preparing our annual Equality Report; and
  - d. reviewing and revising our Strategic Equality Plan.

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1 The Board and Executive Leadership Team receive quarterly monitoring reports on progress made towards meeting the objectives set out in the Plan.



- 11 Our objectives and the supporting actions set out in our Strategic Equality Plan cover the full four year period of the plan rather than being tied to specific years. We will reflect on progress in the round at the end of the period of the Plan. In 2022-23, we continued to develop and adapt our programme of equality work, and overall, we consider that we are taking effective steps towards meeting our equality objectives. **Exhibit 1** provides more detail of steps taken and progress made towards meeting individual objectives.
- 12 In October 2022, for the sixth successive year, we ran our annual staff survey using the same core questionnaire that is used in the Civil Service People Survey (CSPS). Seventy six percent of staff responded to the survey; less than the 84% response rate in 2021, however we had feedback from a comprehensive sample of staff, which provided a wealth of insight on staff perceptions and the employee experience. A summary of responses from employees in 2022 to staff survey statements that relate to equality is provided in **Exhibit 2**. The full survey results can be accessed via an interactive data tool which is available on our website.

It was reassuring to note that for questions related to equality, responses from our staff were mostly similar to CSPS median benchmarks, where available. However, our survey results do not yet benchmark as strongly in relation to staff feeling able to challenge inappropriate behaviour in the workplace – a result which continues to inform our programmes of equality work and cultural development. Similarly, while no benchmarking data is publicly available, the reasons for our percent positive score of 42% to the newly-included survey statement ‘The process of filling vacancies within my organisation is fair’ will be explored as part of our ongoing work on reviewing our recruitment policies and practices. It is hoped that following a review of our recruitment policy and processes, and subsequent implementation of a revised recruitment policy, we will see an improvement in this perception in the coming year. We will continue to review the assessment and selection processes that are undertaken to ensure they are consistent and fair.

### Exhibit 1: progress made towards meeting our equality objectives

Summary of the effectiveness of steps taken and progress made towards meeting our equality objectives in 2022-23.

Objective	Effectiveness of steps taken, and progress made
<p><b>Objective 1</b></p> <p>We will ensure relevant and timely coverage is given to equality, diversity and inclusion matters in our programme of audit work.</p>	<p><b>Our audit programme and engagement with relevant stakeholders</b></p> <p>Stakeholder feedback informed the development, during 2022-23, of our <a href="#">work programme for 2023-2026</a>. We launched the work programme in May 2023. It identifies ‘tackling inequality’ as one of four key themes.</p> <p>We use the Wales Council for Voluntary Action’s <a href="#">Equality and Human Rights Coalition</a> network to support our engagement with relevant organisations. In December 2023, we attended a Coalition meeting to discuss our work programme, emerging priority topics for future years, and our report on Equality Impact Assessment (see below).</p> <p>Set out below is a summary of relevant national examinations and studies completed during 2022-23.</p> <ul style="list-style-type: none"> <li>• <a href="#">Direct Payments for Adult Social Care</a> pointed to a ‘post-code lottery’ because local authorities are using Direct Payments differently, and a need to ensure people are treated fairly and equally. We engaged with various representative bodies as part of our work.</li> <li>• <a href="#">Equality Impact Assessments [EIAs]: more than a tick box exercise?</a> looked across our audited bodies and drew out seven key improvement areas at a time when the Welsh Government was also embarking on a review of the Public Sector Equality Duty Wales specific regulations.</li> <li>• We engaged with various relevant bodies during this work – including the Equality and Human Rights Commission – and drew on existing guidance. We were pleased to hear positive feedback about our report from key stakeholders. We followed it up with a well-attended and thought-provoking good practice event.</li> <li>• <a href="#">‘Time for Change’ – Poverty in Wales</a> was the first of three reports on the challenge of alleviating and tackling poverty<sup>2</sup>. We engaged with various charities and representative bodies in our work. We concluded that the scale of the challenge and weaknesses in current work make it difficult for Welsh and local government to deliver the systemic change required to tackle and alleviate poverty. The report included commentary about how councils consider the socio-economic impact of decisions.</li> </ul>

2 We followed the ‘Time for Change’ report with [‘A missed opportunity’ – Social Enterprises](#) and [‘Together we can’ – Community resilience and self-reliance](#).

Objective	Effectiveness of steps taken, and progress made
<p><b>Objective 1</b></p> <p>We will ensure relevant and timely coverage is given to equality, diversity and inclusion matters in our programme of audit work.</p>	<p>Alongside our report, we published a <a href="#">data-tool</a> framed around different dimensions of poverty. We also held good practice events in North and South Wales. Our <a href="#">Annual Report and Accounts 2022-23</a> (Case study 3) included a summary of those events with details also available to <a href="#">view on our website</a>.</p> <ul style="list-style-type: none"> <li>• <a href="#">Orthopaedic Services in Wales – Tackling the Waiting List Backlog</a> described how urgent and sustainable action is needed to tackle long waiting times for orthopaedic services. Our work highlighted significant geographical variation in the waiting list position across Wales and the impact of long waits on people’s physical and mental health. It also highlighted how outsourcing – while providing a short-term solution – could further widen inequalities of access to care.</li> </ul> <p>Alongside our national report, we published local reports setting out the comparative position of orthopaedic services for each of the seven health board areas.</p> <ul style="list-style-type: none"> <li>• <a href="#">Digital inclusion in Wales</a> provided a high-level overview of issues relevant to the topic. We stressed that spending on infrastructure needs to be balanced with work to tackle the root causes of digital exclusion to manage the risk of creating a two-tier society when it comes to access to public and other services.</li> </ul> <p>Our report reflected lived experiences from members of the public. We obtained that evidence following our engagement with Digital Communities Wales and by reaching out through their <a href="#">Digital Inclusion Alliance Wales</a>. We also engaged with representatives of the Older People’s Commissioner for Wales and the Equality and Human Rights Commission as part of our work.</p> <p>Local audit work continues to explore themes relevant to equality, diversity and inclusion. For example, in a <a href="#">report on Blaenau Gwent County Borough Council</a> we highlighted how in deciding to decommission and demolish its civic centre the Council did not complete an EIA. The Council has since completed a retrospective EIA and reflected on learning from our national report (see above).</p> <p>In addition, we progressed several sustainable development examinations during 2022-23 considering individual public bodies’ approaches to the setting of well-being objectives under the <a href="#">Well-being of Future Generations (Wales) Act 2015</a>. Areas for improvement highlighted by that work include how bodies involve people with an interest in achieving the well-being goals – including ‘A More Equal Wales’ – and how they ensure those people reflect the diversity of the area which the body serves.</p> <p>We continue to retain flexibility in our work programme to respond to emerging areas of interest, supported in part by our new Research and Development team and our arrangements for responding to concerns raised by members of the public and their representatives.</p>

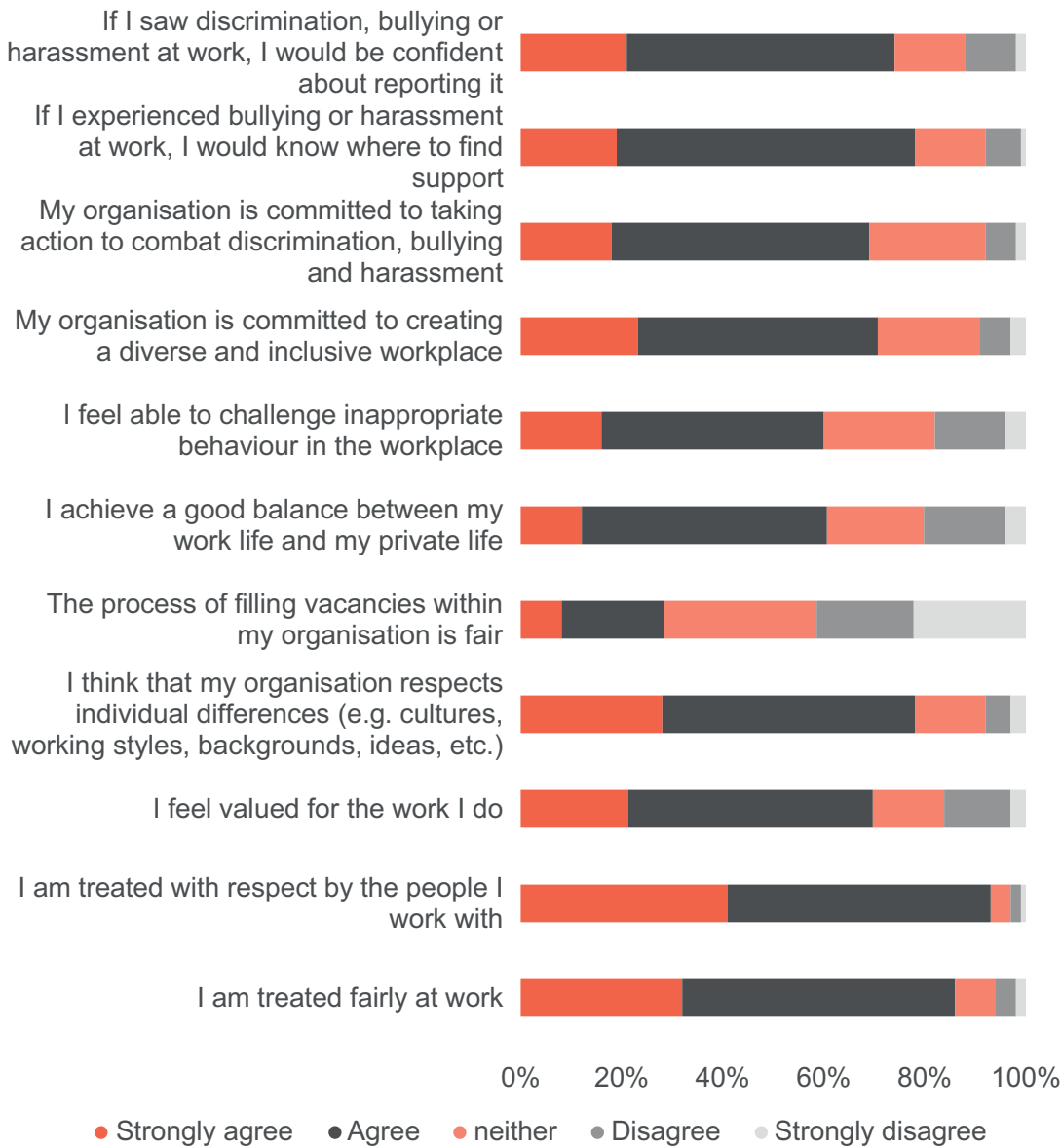
Objective	Effectiveness of steps taken, and progress made
<p><b>Objective 1</b></p> <p>We will ensure relevant and timely coverage is given to equality, diversity and inclusion matters in our programme of audit work.</p>	<p><b>Support and training for auditors</b></p> <p>At the end of 2022 we implemented changes to our Performance Audit Delivery Manual (PADM). The Manual reinforces existing audit guidance on the consideration of equality related matters across our audit work and strengthens our underlying processes. <u>The Auditor General’s Code of Audit Practice</u> also reinforces those expectations, consistent with the commitments.</p>
<p><b>Objective 2</b></p> <p>We will better understand the diverse communication needs of our audiences and strengthen the accessibility of our outputs and messaging.</p>	<p>During the year, we conducted two stakeholder feedback surveys which sought feedback from a broad range of audiences and organisations. This survey provided the organisation with insight on the quality and usability of audit products as well as broader awareness of audit work. The results are being used to identify improvements to our audit outputs and have informed a major review of our website, with a strong focus on accessibility and how the content meets the needs of our different audiences.</p> <p>We have expanded our range of content on social media with the use of audio, infographics and animation which has led to increased levels of engagement across all our platforms including Instagram, LinkedIn, Facebook and Twitter. This is enabling the work of Audit Wales to have greater impact by raising awareness with new audiences. These channels are a core part of our recruitment activities and are used to showcase Audit Wales as an inclusive, accessible, family-friendly employer.</p> <p>Our website is compliant with the Web Content Accessibility Guidelines WCAG, and we have installed software to monitor and track our performance in this area to ensure the best possible experience for all users of our website. This includes tools that support people with visual impairments. All our content and outputs are screened to ensure that they are using Plain English and formatted to ensure accessibility.</p> <p>By complying with these standards, Audit Wales is ensuring that everyone has equal access to and use of the information that we publish.</p>

Objective	Effectiveness of steps taken, and progress made
<p><b>Objective 3</b></p> <p>We will attract and retain talented people from all walks of life, and ensure our workforce is more representative of the diversity of our communities in Wales.</p>	<p>Our recruitment pack that is used for attraction and engaging with potential candidates has been re-designed so that it is more accessible and interactive, focusing on storytelling and setting out real life experiences of our staff. This allows potential applicants to understand the experience and benefits of working for Audit Wales and the inclusive culture that we promote.</p> <p>We have reviewed and changed the process by which we assess candidates for our graduate scheme, altering the psychometric testing. This has provided those who are assessing with a more rounded view of the skills and abilities of candidates.</p> <p>We continue to offer the Guaranteed Interview Scheme and we maintained our Disability Confident accreditation for another three years. This provides assurance to those applicants with disabilities that we will undertake adjustments to the selection process and the role on offer as appropriate. It also demonstrates that we are willing to think differently about disability and take action to improve how we recruit, retain and develop disabled people.</p> <p>Lunch and learn sessions have taken place for recruiting managers to upskill them in good and fair recruitment practices. This has broadened the knowledge of recruiting managers in relation to hiring practices and educated them on unconscious bias. Understanding unconscious biases and learning about tools to help mitigate them will allow recruiting managers to make effective and professional decisions without bias.</p> <p>Menopause support is in place for both women and men and this year, 20 women were referred for a private consultation with our menopause support provider to help them cope with the menopause. The impact of this is to support women going through the menopause to enable them to understand the symptoms of the menopause, promote good health and well-being and ultimately enable them to maintain a happy and healthy lifestyle so that they feel supported in the workplace.</p> <p>Our learning and development offering has had a focus on our people managers and ensuring that they are upskilled to support and develop all staff in their teams. We launched our People Manager Development programme this year, and worked in collaboration with Audit Scotland to provide mentoring and support to staff across both organisations. We have introduced an Aspiring Director programme and are building on this by exploring working with other audit organisations to develop a leadership programme.</p>

Objective	Effectiveness of steps taken, and progress made
<p><b>Objective 3</b></p> <p>We will attract and retain talented people from all walks of life, and ensure our workforce is more representative of the diversity of our communities in Wales.</p>	<p>We have continued to undertake Equality Impact Assessments on policies and significant process changes. Examples of this are assessments of the smarter working policy, travel centre changes and office moves as well as other people-centred policies.</p> <p>Initial research and gathering to best practice in relation to social mobility monitoring has commenced. We are planning to develop this more over the coming year.</p>
<p><b>Objective 4</b></p> <p>We will embed a culture of inclusion, trust, and self-reflection, where our staff and those with whom we come into contact during our work feel valued and respected.</p>	<p>We have reviewed our disability leave policy and undertaken an equality impact assessment. We have ensured that we are legally compliant and also set out ways in which we can support staff. It is intended that this will provide reassurance and support to staff should the need arise.</p> <p>As well as the People Manager Development programme, various specific sessions have taken place with people managers on topics such as smarter working, people development, performance management and sickness absence. This has upskilled our managers in these areas and equipped them with tools and techniques to support their teams in order to build a culture of trust and inclusion. We have focused on the importance of conversation and how coaching techniques can aid this, making our staff feel valued and listened to.</p> <p>Research undertaken into providers for bi-lingual equality awareness training with a supplier being identified and scoping will commence in 23/24. This will allow us to increase staff awareness of equality issues and also ensure that this awareness and knowledge is up to date.</p> <p>We launched our well-being strategy and introduced the role of the Well-Being Champion across the organisation to provide support to colleagues and help promote a supportive and inclusive culture within teams. The Well-being Champions have been pivotal in providing staff with information and signposting staff to bespoke services when needed. All Well-Being Champions are Mental Health First Aiders and have received training.</p> <p>A review of PAWB effectiveness has been undertaken and outcomes of the review reported to the executive leadership team. The recommendations from the review will assist us in ensuring we have strong relationships and governance between PAWB and the senior leadership team and areas of priority are joined up.</p>

### Exhibit 2: staff survey results

Stacked bar chart showing the distribution of responses from employees in 2022 to staff survey statements that relate to equality.



**We undertook a series of equality and human rights impact assessments of relevant policies and practices during the year. Those assessments did not identify any obvious potential for discrimination or other adverse impact but made several recommendations for improvement.**

- 13 To help us meet the General Equality Duty, we must<sup>3</sup>:
  - a. assess the likely impact of relevant policies and practices (current, revised, or new).
  - b. publish reports of those assessments where they show a substantial impact or likely impact; and
  - c. monitor the impact of particularly relevant policies and practices.
- 14 We also have a responsibility to uphold the rights set out in the Human Rights Act 1998 and are mindful of the need to reduce the inequalities of outcome that result from socio-economic disadvantage in our strategic decisions.
- 15 Our impact assessments, which also include Welsh language, sustainable development, and biodiversity and resilience of ecosystems considerations, are undertaken by our Law and Ethics Team to ensure consistency and a strong base of technical expertise. Following preparation of each draft assessment, the report and the draft policy or practice to which it relates are provided to Pawb, to seek further perspectives and comply with the engagement provisions.
- 16 A list of the full impact assessments completed between 1 April 2022 and 31 March 2023 and the key outcomes from those assessments is provided in **Appendix 1**.
- 17 The following policies and practices (or revisions to those policies and practices) were also screened during 2022-23 for relevance<sup>4</sup> but were not subsequently subject to a full impact assessment.
  - a. Inflo Collaborate – piloting a digital collaboration portal for our Audit of Accounts work
  - b. 5-Year Strategy
  - c. Restructures of Finance, IT, Law and Ethics and Planning and Reporting teams.

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<sup>3</sup> Under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

<sup>4</sup> To assess whether either the policy (where no impact assessment had previously been undertaken) or the revisions made (where the policy had already been assessed) were likely to have a significant effect on our ability to perform the General Equality Duty.



## Analysis of our employment information by equality characteristics shows that our overall gender pay gap continues to narrow, but we need to undertake further work to increase the diversity of our workforce in the medium to longer term.

- 18 Our employment information for 2022-23, analysed by equality characteristics, is provided in the interactive [Data Tool](#) which accompanies this report. We also publish the data in spreadsheet Open Data format, as part of a Welsh Government initiative.
- 19 The main issues identified from the analysis of our employment information are described in the following sections of narrative. In terms of overall pay gaps, the position is summarised in **Exhibit 3**, with benchmarking provided in **Exhibit 4**. In **Exhibit 5**, we have also summarised our data on the proportion of job applicants that share certain equality characteristics that were invited to interview and that were successfully appointed over the last three years.
- 20 We apply rigorous pay alignment arrangements to ensure jobs of equal responsibility are pay aligned. Subject to satisfactory performance, all employees will progress to the top pay point of their pay band<sup>5</sup> within a fixed period<sup>6</sup>. No equal pay issues were identified within individual pay bands for any equality characteristic in our analysis of employment information.

### Gender

- 21 As of 31 March 2023, 41% of employees that completed our diversity monitoring form identified themselves as female; a similar figure to the latest equivalent figures published for the [Civil Service](#) as a whole (54%), and for the [Welsh Government](#) (59%). Over the last three years, 39% of job applicants that completed our diversity monitoring form identified themselves as female. Of those, 31% were invited to interview and 5% were successfully appointed at interview compared with 5% of those applicants that identified themselves as male.

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5 The Wales Audit Office pay scale comprises eight main pay bands – bands 1 to 5, band 7 and bands A and C, alongside pay bands for trainees, apprentices and work placements. Band 7 is the main management pay band and bands A and C are senior leadership pay bands.

6 Two years for work placements, apprentices and band 1, three years for trainees and bands 2 to 7, and five years for bands A and C.

- 22 As of 31 March 2023, we had a mean gender pay gap of 7.9%; the mean basic full-time equivalent annual salary of those staff who identified themselves as female is £3,886 less than that of staff who identified themselves as male. This represents a further considerable narrowing of the pay gap compared to the figures for the previous year (12.4%; £6,000).
- 23 The distribution of women and men across pay bands is the immediate explanation for the gap, as illustrated in the salary quartiles charts provided in the Data Tool. Benchmarking of our mean gender and ethnicity pay gaps against comparator organisations is provided in **Exhibit 4**.
- 24 In addition, in 2022-23 of all the internal promotions that occurred 77% were female. This has contributed to the narrowing of the pay gap.
- 25 In 2022-23, we calculated the median pay values for both female and male staff. Comparison of the two showed no difference between the two. This is significantly lower than the median gender pay gap calculated from the Office for National Statistics Annual Survey of Hours and Earnings for all employees in the wider UK population in 2022 (14.9%).
- 26 In our diversity monitoring questionnaire, we include the question 'Do you identify as trans?' However, no figures can be provided in this report in respect of responses to this question, or in respect of the protected characteristic of gender reassignment, without risking unfair processing of personal information through deduction. However, we have processes in place to ensure that any member of staff undertaking gender reassignment is supported throughout.

## Ethnicity and national identity

- 27 3% of employees that had completed our diversity monitoring form as of 31 March 2023 identified their ethnicity as ethnic minorities, with a further 3% choosing the option 'prefer not to say'.
- 28 At face value, our representation figure remains lower than the equivalent proportion of the Welsh population, which is currently around 4.8%, but the accuracy of our figure is caveated by the similar proportion of 'prefer not to say' responses. Our figure is significantly lower than the latest equivalent figure published for the Civil Service as a whole (14.3%), but similar to that for the Welsh Government (3%).
- 29 The corresponding figures for job applicants over the last three years were far more encouraging with 25% identifying as being from an ethnic minority background, and 2% choosing the option 'prefer not to say'. However, a lower proportion of job applicants who identified themselves as being from an ethnic minority background were invited to interview (13.0%) and successfully appointed (1.0%) when compared to applicants who identified themselves as white (34.0% and 7.0% respectively). This resulted in an overall ethnic minority representation among our successful job applicants of 4.7%.
- 30 One of the main reasons for the low conversion rate from application to invite to invite is due to the fact that Audit Wales does not have a sponsor licence and is therefore unable to recruit applicants who do not meet the criteria for eligibility to work in the UK. In certain recruitment campaigns, such as those for trainees many of those applicants do not have the required eligibility. We are currently exploring sponsoring body status for the organisation.
- 31 While acknowledging that, due to the small numbers in our dataset, the data is sensitive to even small changes in numbers, a starker picture in terms of success rates is seen for job applicants who described their national identity as 'Other' (as opposed to 'British' or 'Welsh') where only 9% were invited to interview and 1% successfully appointed.
- 32 Our overall pay gap for staff who identify themselves as being from an ethnic minority background is now 32.4% and the trend over five years continues to show a widening of this pay gap - see **Exhibit 3**). As of 31 March 2023, the mean basic salary of those staff who describe their ethnicity as ethnic minority was £15,500 less than that of staff who identify their ethnicity as white. By comparison, the mean basic salary ethnicity pay gaps reported by the National Audit Office and the accountancy firms Deloitte, EY, KPMG and PwC in their most recent UK pay gap reports were between 4.6% and 15.4%, but the Senedd Commission has reported an ethnicity pay gap of 23.5% (see **Exhibit 4**).

- 33 As illustrated in the salary quartiles charts provided in the Data Tool, the distribution of staff across pay bands is the immediate explanation for our gap. In addition, as with the gender pay gap, this distribution is likely to have been influenced to some extent in recent years by the success of our expanding graduate trainee and apprenticeship programmes.
- 34 While acknowledging that, due to the small numbers involved, the data is sensitive to even small changes in these cohorts, the extent of this pay gap, alongside our overall workforce ethnic minority representation, remains a cause for concern and will be a focus area for our programme of equality work over the next four years.

## Disability and carers

- 35 7.0% of employees that completed our diversity form consider themselves to have a disability or impairment, with a further 3.0% choosing the option 'prefer not to say'. The corresponding figures for job applicants over the last three years were 5.0% and 2.0% respectively.
- 36 The figure for employees that consider themselves to have a disability or impairment is lower than the corresponding latest published statistic for the Civil Service as a whole (13.6%) but similar to that published by the Welsh Government (7%).
- 37 While again acknowledging the small sample size, despite a slightly larger proportion being invited to interview, a lower proportion of job applicants who identified themselves as having a disability or impairment were successfully appointed (3%) when compared to applicants who did not consider themselves to have a disability or impairment (5%).
- 38 As part of our efforts to encourage more applications from people with impairments, we have been successful in our resubmission for accreditation to the Disability Confident Employer Scheme and have secured Level 2 'employer' status, thereby gaining permission from Jobcentre Plus to use the Disability Confident badge in our job adverts. We also offer a Guaranteed Interview Scheme to applicants who consider themselves to have a disability and meet the essential requirements for advertised posts.
- 39 In addition, we participate in the Leonard Cheshire Change 100 Programme by offering summer work placements, professional development and mentoring to talented university students and recent graduates with disabilities or long-term conditions.

- 40 While not one of the protected characteristics, we consider that taking account of caring responsibilities is a relevant factor in performing our equality duties, as it has strong associations with the protected characteristic of disability, alongside age and pregnancy and maternity. We have therefore collected and analysed information in relation to carers.
- 41 In 2022-23, 21% of employees who completed our diversity questionnaire identified themselves as carers, with a further 3.0% selecting 'Prefer not to say'. The equivalent figures for job applicants over the last three years were 5.0% and 2.0% respectively.
- 42 Published statistics suggest that around one in seven people in the UK workforce are juggling caring responsibilities with work, which indicates that we have a significantly higher proportion of carers among our staff than the wider UK workforce, but a lower proportion amongst job applicants.
- 43 A greater proportion of job applicants who identified themselves as having caring responsibilities were invited to interview, however the proportion successfully appointed, when compared with applicants who did not identify themselves as carers was the same at 5%.
- 44 The distribution of younger staff across pay bands is likely to be a key contributor to the large positive pay gap (20.7%) for staff who identified themselves as carers, with very few of those staff being aged under 35 years. Similarly, the lower proportion of carers among job applicants is perhaps to be expected since nearly three-quarters of applicants were aged under 35 years.
- 45 During 2022-23 we were placed in the Top 30 employers in the whole of the UK in the Working Families benchmarking. We have the Working Families accreditation indicating that we are an employer who works to promote flexibility in working life to ensure caring responsibilities are supported. In 2022-23 we established our Parent and Carer network and employees are able to find support through each other and other mechanisms via the network. The network met regularly throughout the year.
- 46 In our 2022 staff survey, which is based on the Civil Service People Survey core questionnaire, we included two additional questions to explore the extent to which staff who are carers:
- a. know where to access relevant information and support in the organisation; and
  - b. feel supported by their line manager in balancing their work and caring responsibilities.

- 47 The distribution of responses from employees to those questions are provided in **Exhibit 6**. The results show an improved awareness among staff who are carers of where to access relevant information and support. We will continue to raise awareness and ensure managers provide suitable support to carers in balancing their work and caring responsibilities.

## Sexual orientation

- 48 For those employees that completed our diversity monitoring form, 7% identified their sexual orientation as gay or lesbian, bisexual, or 'other' and 2.0% indicated that the 'prefer to use my own term', and a further 7.0% choosing the option 'prefer not to say'. The corresponding figures for job applicants over the last three years were 7.0% who identified their sexual orientation as gay or lesbian, bisexual, or 'other' and 5.0% chose the option 'prefer not to say'.
- 49 The figures both for employees and applicants are higher than those in published statistics for the Civil Service (5.6%) and significantly higher than Estimates for the wider UK population; in 2019, an estimated 2.7% of the UK population aged 16 and over identified themselves as lesbian, gay, or bisexual or did not consider themselves to fit into the heterosexual or straight, bisexual, gay or lesbian categories.
- 50 Our overall pay gap for staff who identified their sexual orientation as gay or lesbian, bisexual or 'other' has increased to 29.9% (from 21.2% in 2021-22); as of 31 March 2023, the mean basic salary of those staff who describe their sexual orientation as gay or lesbian, bisexual or 'other' was £14,451 less than that of staff who identify themselves as heterosexual/straight.
- 51 As illustrated in the salary quartiles charts provided in the Data Tool, the distribution of staff across pay bands is the immediate explanation for our gap. While acknowledging that, due to the small numbers in our dataset, the data is sensitive to even small changes in these cohorts, we consider that the extent of this pay gap and the downward trend over the last five years (see **Exhibit 3**) is a cause for concern.
- 52 However, it should also be noted that higher proportions of job applicants who identified their sexual orientation as gay or lesbian, bisexual or 'other' were invited to interview and were successfully appointed when compared with applicants who identified themselves as heterosexual/straight.

## Age and marriage/civil partnership

- 53 Perhaps the most obvious change in our workforce over the last seven years is the rapid increase in the proportion of younger staff. In 2016-17, just under one quarter of our workforce was aged less than 35 years, compared with 2022-23, where 38% of the workforce are now in that age group. This marked change reflects the significant expansion of our programme of graduate trainee and apprentice recruitment over the period.
- 54 We have an overall negative pay gap for younger staff of 40.1%; the mean basic annual salary of those staff aged less than 35 years is around £22,125 less than that of staff aged 35 to 54 years.
- 55 As illustrated in the salary quartiles charts provided in the Data Tool, the distribution of younger staff across pay bands is the immediate explanation for this gap; only 5% of Wales Audit Office staff in the upper quartile are aged less than 35 years, and 18% in the upper-mid quartile.
- 56 Clearly, a pay gap in respect of age is to be expected due to skills and experience increasing with age. This is particularly the case in a professional service organisation that requires a substantial proportion of its workforce to be educated to postgraduate professional level and to have judgement skills honed by significant professional experience. As outlined in our recent equality reports, we consider that the extent of this pay gap requires ongoing consideration, but the continued narrowing of the gap is an encouraging sign.
- 57 The distribution of younger staff across pay bands is also likely to be a key contributor to the large positive pay gap (34.4%) for staff who identified themselves as being married or in a civil partnership. In our lower pay quartile, 87% of staff are aged less than 35 years. Nearly four-fifths of staff in this age group identify themselves as not being married or in a civil partnership.

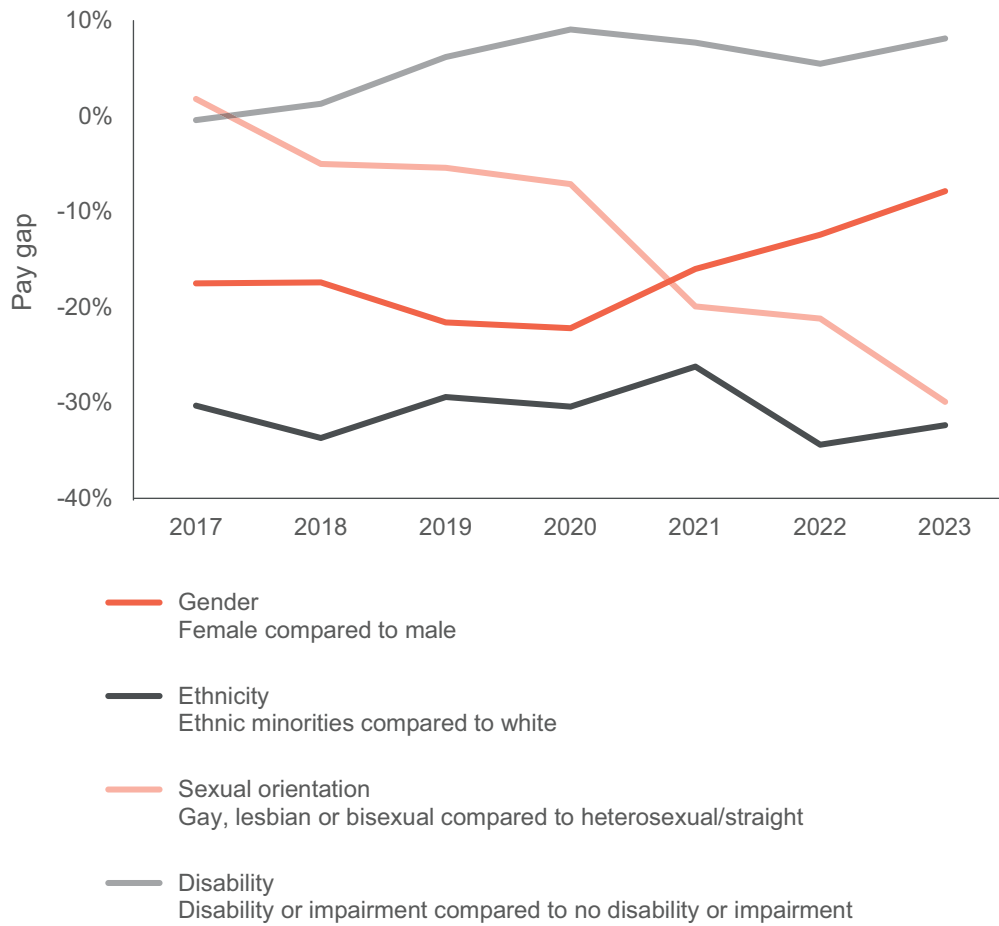
## Religion or belief

- 58 For those employees that completed our diversity monitoring form, around 10% either answered 'prefer not to say' or identified with a religion or belief other than Christian. The remaining 90% are approximately evenly split between those identifying themselves as Christian (all denominations) and people having no religion or belief. These figures broadly align with the latest statistics for the Welsh population. For job applicants over the last three years, 46% identified as having no religion or belief, and 29% identified themselves as Christian.
- 59 While the relatively small sample size should be acknowledged, it is noteworthy that a significantly lower proportion of job applicants who identified with a religion or belief other than Christian were invited to interview (17%) and successfully appointed (2%) when compared to the figures for all applicants. We consider this a continued cause for concern and look for opportunities to address this in the coming year.
- 60 We are flexible and supportive of employees who observe key dates in their religious calendar to engage in such events and occasions. Staff have shared experiences of their different religious celebrations through our internal intranet via blogs and religious festivals communicated through this mechanism also.



### Exhibit 3: pay gaps

Line graph showing mean pay gaps for certain protected characteristics as of 31 March each year for the last six years.



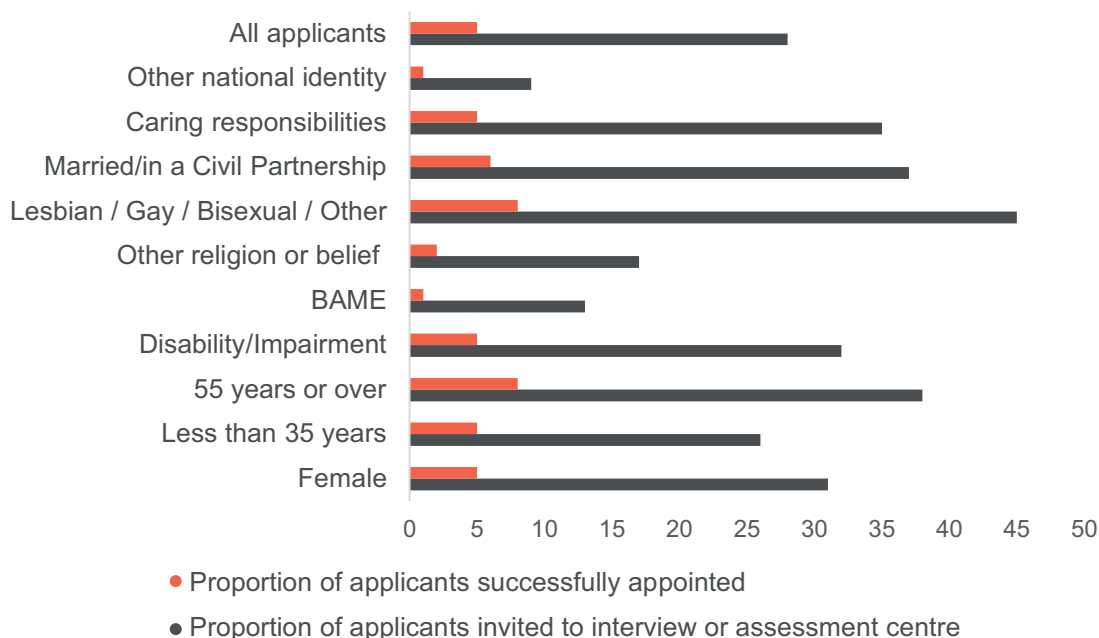
#### Exhibit 4: pay gap benchmarking

Benchmarking of our mean basic pay gender and ethnicity pay gaps as of 31 March 2022 against equivalent latest published data from selected organisations.

Organisation	Gender pay gap	Ethnicity pay gap
<b>Audit Wales</b>	<b>-7.9%</b>	<b>-32.4%</b>
<u>Senedd Commission</u>	-4.8%	-23.5%
<u>Welsh Government</u>	-6.4%	-5.4%
<u>National Audit Office</u>	-6.4%	-14.5%
<u>Audit Scotland</u>	-7.4%	—
<u>PwC UK</u>	-8.2%	-6.3%
<u>EY UK</u>	-14.5%	-17.7%
<u>Deloitte UK</u>	-32.1%	-42.5%
<u>KPMG UK</u>	-20.5%	-32.6%

### Exhibit 5: success of job applicants

Bar chart showing, for the last three years, the success rates of job applicants that share certain equality characteristics in terms of being invited to interview or assessment centre and being successfully appointed.



### Exhibit 6: carer only staff survey questions

Table showing the distribution of responses from employees who are carers in 2022 to two carer-specific staff survey statements.

How far do you agree or disagree with the following statements?	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
As a carer, I know where to access relevant information and support in my organisation	3%	50%	22%	22%	3%
I feel supported by my manager to balance my work and caring responsibilities	19%	47%	25%	6%	3%



# Appendices

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- 1 Impact assessments completed between 1 April 2022 and 31 March 2023 and the key outcomes from those assessments**
- 2 Notes on our analysis of employment information by equality characteristic**

# 1 Impact assessments completed between 1 April 2022 and 31 March 2023 and the key outcomes from those assessments

## Corporate Services Restructure – Business Services Unit

The restructure was needed to provide a professional, efficient, and effective service equipped to support the delivery of Audit Wales 5-year strategy. Change was needed to enhance service delivery, address capacity issues and for better alignment of resources, skills, knowledge, and experience to support our strategic ambitions and these were subject to the impact assessment process. The main outcome of the impact assessment was the recognition that the proposed restructure would cause some roles to be subject to ring fenced recruitment through an assimilation process, due to additional duties and scope of roles changing the pay band due. A risk of displacement for staff with protected characteristics who were not successful could affect the outcome.

It was recommended that a thorough consultation and appeals process be put in place, providing clear communication and transparency with timescales as well as providing the effected staff with EAP and Trade Union support during the change process.

## Management of Industrial Action Policy

A new policy was prepared in early 2022 to provide clarity on the procedures in relation to industrial action given the national ballots by national trade unions in favour of industrial action.

The impact assessment highlighted that the policy may affect different protected groups in different ways, but no significant adverse effects were identified. The following key points were given consideration.

- Age: there may be a higher proportion of older employees, or older employees who are TU members and so more of this group may have been affected by pay being withheld. Also, younger staff on lower pay grades may be affected by loss of pay and all staff who contribute to a pension will be affected by a loss of pension contribution / pensionable service.
- Disability: specific reasonable adjustments may be needed to ensure access to facilities, e.g., to cross a picket line or carry out work outside normal duties (recognising that only reasonable reallocation of duties will occur)
- Ethnicity: traditional TU membership may have been higher in the white ethnic / Christian groups and membership likely to reflect the ethnic/religious make up of WAO with higher proportions of white / Christian groups.

## Our Future Workplaces

An options paper on the future Audit Wales estate and ways of working was developed, and an outline a business case produced to help inform the development of the estimate on the future workplaces project. The impact assessment process did identify that there was insufficient evidence to make an assessment as to whether the policy decision on moving offices would likely have any significant negative impact on staff with protected characteristics. This was in large part due to the uncertainties around future ways of working, and how frequently staff would be required to travel and attend offices. However, the impact assessment did consider that there may be an effect on staff with protected characteristics, depending on the location, accessibility and travel options for the final estate to be chosen. It highlighted that it was unlikely that a new estate would cause 'significant' disadvantage.

Key things that were raised as part of the impact assessment were:

- continued engagement with those representing staff with protected characteristics throughout the decision-making process i.e. trade unions and Pawb, considering any pertinent issues arising, namely travel centre clarification, weight given to public transport and parking availability and mobility or other issues, and in such circumstances whether reasonable adjustments could be made.
- if an office move results in a period of enforced home working, to carry out analysis on whether any protected characteristics are relevant to office attendance patterns, e.g. are staff of a certain age more likely to be at a disadvantage. Consider whether any interim option could be put in place to support staff.

## Our Future Workplaces Project – Design Phase of Cardiff Office

In 2022, we finalised our estate move to new offices in the centre of Cardiff.

The impact assessment recommended that the design of the new office must meet all of Audit Wales requirements and assist us to perform the general equality duty. It also highlighted the potential to impact on staff with protected characteristics - both through the design of the new office and the suppliers we needed to engage with.

Other recommendations of the impact assessment included considering:

- Age – mobility issues, accessibility e.g., school run
- Disability – accessibility and inclusivity, neurodiversity considerations
- Gender reassignment / gender– inclusivity, health provisions, privacy
- Pregnancy / post-natal – accessibility, health provisions
- Religion or belief – inclusivity, faith and/or ritual space
- Implement reasonable adjustments for staff where needs were already known, and to engage others where specific requirements were not yet known (in relation to neurodiversity or pregnancy for example),
- Committed to review supplier responses to tenders and seeking assurance suppliers met our requirements and comply with equality legislation.

## Health and Safety on-line training package

The impact assessment identified that the health and safety online training package was unlikely to have a negative impact on Audit Wales's ability to comply with the Gender Equality Duty. The impact assessment process did find:

some of the online training modules in particular did not make reasonable adjustment for individuals with visual impairments.

The materials displayed on screen as part of the course material supported and were committed to diversity, inclusivity and equality in the images portraying society.

## Recruitment and Retention Policy

Following an impact assessment of the recruitment and retention policy and a review of the Audit Wales staff survey results for 2022 we identified significant potential for the new and revised recruitment and retention policy to help improve some staff perceptions of unfairness - thus creating an opportunity for the potential to eliminate any perceived discrimination, promote equality of opportunity and to foster good relations – including any perceived inequality by staff.



## 2 Notes on our analysis of employment information by equality characteristic

We launched our current diversity monitoring question and category framework and e-recruitment system in November 2014. Our age data is sourced separately within our HR system.

To perform our equality duties effectively in terms of pay and conditions, the scope of our pay gap analysis covers the broad range of equality characteristics considered by our diversity monitoring questionnaire. While the Wales Audit Office is not listed as a relevant employer for the purposes of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we have nonetheless reported our pay gaps using a similar format to that required by the Regulations, including through providing information on the proportion of employees by quartile pay bands.

We report on the following over a three-year rolling period, to enable an increased sample size and more meaningful analysis:

- the number of persons who applied for a job at the Wales Audit Office;
- the number of staff who applied to change position;
- the number of staff who left the organisation.

To prevent unfair processing of personal information through deduction, in the data tool, figures for numbers of persons have been rounded to the nearest ten, and where the number is fewer than five (except where zero), the number is shown as five.

No figures can be provided in respect of gender reassignment, or for grievance or disciplinary proceedings in respect of all equality characteristics, without risking unfair processing of personal information through deduction. Pregnancy, maternity, and adoption information held by the Wales Audit Office is confined to records of maternity and adoption leave.

We do not currently gather employment information on the number of staff who have applied for, are successful or unsuccessful in their application, or who have completed training, in a way that facilitates analysis by equality characteristic.



Audit Wales  
1 Capital Quarter  
Tyndall Street  
Cardiff CF10 4BZ

Tel: 029 2032 0500

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.