



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU



Strategic Equality Plan

April 2012

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Foreword



Welcome to the Wales Audit Office's Strategic Equality Plan, which sets out key things we intend to do in order to help eliminate discrimination, promote equality of opportunity and foster good relations.

As part and parcel of working to hold Welsh public sector bodies to account for the use of resources, the Wales Audit Office works to help those bodies make improvements in the delivery and administration of public services. The Wales Audit Office's work ranges from examining how well Welsh public sector bodies are managed and run through to examining the effectiveness of particular public services, such as the transfers of care for elderly people who have needed hospital treatment to the community. The Wales Audit Office is therefore in a position to identify opportunities for helping eliminate discrimination and promote equality of opportunity in the delivery of public services. In reporting on public bodies, and in making recommendations, the Wales Audit Office has the potential to encourage beneficial changes in terms of equality.

Of course, being an employer has a significant and direct role on people in terms of equality. And I fully recognise that we must be diligent to ensure that we provide equal opportunity across the full range of employment factors: recruitment, training, promotion, ways of working, and terms and conditions, including pay.

This Strategic Equality Plan sets out 10 specific objectives to help us perform the General Equality Duty (ie, having due regard in our work to the need to help eliminate discrimination, promote equality of opportunity and foster good relations). These objectives cover each major area of our work and key areas in terms of the Wales Audit Office as a place of work. I will personally be reviewing our progress in meeting these objectives. I will also personally keep this plan under review so as to improve it as more and better information becomes available on how our work and ways of working may help eliminate discrimination, promote equality and foster good relations.

In developing this Strategic Equality Plan, we have sought to engage with people representing the interests of protected groups, both outside and inside the Wales Audit Office. I am grateful to all those who have given time and effort to engage with us. We recognise, however, that there is more that we can and should do to engage. Indeed, engagement must be an ongoing process. We also recognise that many people who represent the interests of protected groups, particularly in the third sector, have been under great pressure as large numbers of public bodies have also sought to engage with them. We are therefore particularly keen to hear from people representing the interests of protected groups as to how our engagement may most efficiently and effectively be developed, as well as having on-going feedback on this plan. If you have any comments or suggestions on this plan, or wish to raise issues regarding our engagement or equality issues regarding Welsh public services and Welsh public bodies, please email info@wales.gov.uk or write to me at the address below.

Huw Vaughan Thomas
Auditor General for Wales
2 April 2012

Wales Audit Office
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The Auditor General for Wales and the Wales Audit Office – who we are and what we do

- 1** The Auditor General for Wales (the Auditor General) is the external auditor of Welsh public sector bodies. The Auditor General and his staff together make up the Wales Audit Office. Our main functions are:
 - a** auditing the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies in Wales;
 - b** examining and reporting to the National Assembly on the economy, efficiency and effectiveness with which such bodies have used, and may improve the use of, their resources in discharging their functions (these are called value-for-money studies);
 - c** appointing auditors to local government bodies in Wales, and supporting the delivery of those audits;
 - d** studying, and making recommendations to improve, the economy, efficiency and effectiveness of the discharge of functions and provision of services by local government bodies; and
 - e** auditing, assessing and inspecting for local government compliance with improvement requirements under the Wales Programme for Improvement¹.
- 2** In general terms, the main purpose of financial audit is certifying that financial statements (annual accounts) give a true and fair view of the financial affairs of a body. This involves examining the financial systems that produce the accounts and testing samples of transactions. Public sector financial audit, however, often extends into considering whether expenditure is for the purposes intended by the National Assembly (or in the case of local government is accompanied by considerations of lawfulness).
- 3** Our performance audit work consists of two main strands. The first is value-for-money audit work, which encompasses the studies mentioned in paragraph 1(b) and (d) above but also such work as the consideration of whether health bodies have made arrangements for securing value for money as part of the annual audit. Value-for-money work primarily involves consideration of how well public resources have been used or looked after. The second strand is our work under the Wales Programme for Improvement (paragraph 1(e) above), which essentially involves examining whether improvement authorities² have made arrangements to secure improvement in the way they operate and deliver services.
- 4** The results of our work are reported publicly, to management and to those charged with scrutiny. Public sector audit is therefore fundamentally about helping the public and its representatives hold government to account, but it also helps government (which includes the full range of public sector managers) to improve service delivery and the management of resources.

¹ The Wales Programme for Improvement is the name for the improvement arrangements made under the Local Government (Wales) Measure 2009.

² Under the Local Government (Wales) Measure 2009, county councils, county borough councils, national park authorities, and fire and rescue authorities are designated 'Welsh Improvement Authorities'. Such authorities are required, among other things, to make arrangements to secure continuous improvement in the exercise of their functions.

How the Equality Act 2010 and Welsh regulations affect us

5 The Equality Act 2010 replaces a patchwork of anti-discrimination laws with a single Act. It also extends and strengthens anti-discrimination law and provides nine protected characteristics:

- a** age;
- b** disability;
- c** gender reassignment;
- d** race;
- e** religion or belief;
- f** sex (gender);
- g** sexual orientation;
- h** marriage and civil partnership; and
- i** pregnancy and maternity.

6 The Act prohibits a variety of forms of discrimination, and harassment and victimisation. The basic framework of protection essentially covers all employers and service providers, including the Auditor General (the Wales Audit Office).

7 The Act also introduced the *Public Sector Equality Duty*, which is often known as the General Equality Duty. Under this Duty, like other public authorities, we must in exercising our functions have due regard to the need to:

- a** eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under the Act;
- b** advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- c** foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8 Under the Act, the Welsh Ministers have also set *Specific Public Sector Equality Duties*³. These duties include:

- a** developing specific equality objectives (including considering objectives to address causes of pay differences relating to protected characteristics) to help meet the General Equality Duty, and setting out the steps that we intend to take to meet those objectives;
- b** involving persons representing individuals with protected characteristics in the setting of equality objectives and more widely in the duties;
- c** making arrangements for collecting information about compliance with the general duty, and taking account of such relevant information in the setting of equality objectives;
- d** monitoring progress in fulfilling our equality objectives;

³ See The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 (SI 2011/1064)

- e** making arrangements for promoting knowledge and understanding of the general duty and the regulations among the Auditor General's employees;
 - f** publishing assessment reports setting out, where significant, the likely impact of new policies and practices;
 - g** publishing an action plan setting out any policy to address gender pay differences;
 - h** publishing a *Strategic Equality Plan* (SEP) setting out, among other things, our equality objectives, steps to meet the objectives and the expected time to achieve them, and arrangements for meeting certain other duties (d, e, f and g above);
 - i** publishing each year relevant employment information – eg, recruitment and training statistics by the protected characteristics;
 - j** publishing for each year ending 31 March a progress report covering, among other things, progress towards meeting our specific equality objectives; and
 - k** having regard to the General Duty in procurement processes.
- 9** This Strategic Equality Plan meets the requirements set out under **h** above.

How we have developed this Strategic Equality Plan

- 10 In setting our equality objectives, identifying and assessing compliance information (information relating to compliance with the General Equality Duty), making arrangements for assessing policies and practices, and generally in preparing this Strategic Equality Plan, we have sought to engage both externally and internally with people representing the interests of protected groups.
- 11 Externally, we have contacted representative bodies and sought their views on draft objectives and other material. A list of bodies that we have sought to engage with is in [Appendix 1](#). We have found that many people who represent the interests of protected groups have been under great pressure as large numbers of public bodies have also sought to engage with them. We therefore consider that there is a particular need to seek to engage further with representatives, and to identify efficient and effective means of doing so.
- 12 Internally, we have established an Equality Interest Group, which includes staff from across the Wales Audit Office with interests in representing the views of persons with protected characteristics. This Group will have an ongoing role in representing the views and concerns of staff with protected characteristics; for example, it will have a role in informing the assessment of new and revised office policies and procedures.
- 13 In terms of work to identify and assess information relating to compliance with the General Equality Duty, we have also considered what sources of relevant information we already hold internally in relation to each of our main functions. We have therefore reviewed our post-project learning records, which cover among other things our national studies, to identify, for example, relevant feedback on studies. Generally, however, we have found that we hold rather limited information concerning how our work complies with the General Equality Duty. We have taken this finding into account in developing a specific objective to improve the extent and quality of our compliance information ([Objective 5](#)).

Our Equality Objectives – including monitoring and compliance information arrangements and our gender pay equality plan

- 14** Our equality objectives fall into two categories: those to help us to perform the General Equality Duty in terms of our external work and those to help us internally, though the distinction is not hard and fast. We have also set out under each objective how we intend to monitor progress, and in doing so we have outlined our arrangements for identifying, collecting and publishing information regarding compliance with the General Equality Duty.
- 15** The main elements of our gender pay equality plan are set out under our equality objectives 8 and 9 below. Further information relevant to that plan is set out in [Appendix 2](#).

Meeting the General Equality Duty in terms of our external work

Objective 1

We will seek and take account of the views of people who represent the interests of protected groups in deciding what value-for-money work⁴ we will undertake.

The reasons for setting this objective

- 16** External engagement with representatives of protected groups indicates that our studies are regarded as potentially influential in changing the policies and practices of public bodies. Those views accord with our own work on the impact of our work, such as follow-up on the responses to our recommendations. It is therefore appropriate that in planning

value-for-money audit work we take account of the views of people that represent the interests of protected groups, so as to ensure that our programme includes work that can have a positive effect in terms of eliminating discrimination, promoting equality of opportunity and fostering good relations.

Steps taken, to be taken, and timetable

- 17** Each year, we will make arrangements for obtaining, and taking account of, the views of representatives of protected groups on potential work for inclusion in our forward programme. These arrangements will include seeking the views of organisations that, collectively, represent the interests of all nine protected groups. We have undertaken preliminary work on how such views may most cost-effectively be obtained.
- 18** The requirement for such arrangements will be incorporated into performance audit guidance by 30 June 2012. We have already undertaken some work on the form of these arrangements.
- 19** As forward programmes are usually finalised in the March before the relevant financial year, we expect this objective to be met by 31 March 2013 in respect of the 2013-14 forward programme.

Who this objective is aimed at

- 20** This objective will cover all nine protected characteristics because we will seek views from organisations that represent all nine protected groups.

How we will monitor our progress

- 21** Internal quality review arrangements will examine the working records of the

⁴ The references to value-for-money work in this plan encompass examinations of value-for-money and improvement studies in all sectors, ie, it includes coverage of Welsh Government, Welsh Government Sponsored Bodies, NHS and local government bodies of all types, ranging from unitary authorities through fire and rescue authorities to community councils. It also encompasses local performance work undertaken as part of consideration of whether bodies have made proper arrangements for securing value for money.

development of the forward programme of value-for-money work in each year in order to check whether (a) appropriate efforts have been made to obtain the views of representatives and (b) whether appropriate regard has been given to such views in the development of the programme. (We will also seek feedback on how individual projects, where relevant, have addressed the needs of protected groups – see **Objective 5**.) The results of internal quality review and external feedback will be taken into account in our annual progress reporting.

Objective 2

In deciding the coverage of any value-for-money work that is relevant to the General Equality Duty, and in devising fieldwork for such projects, we will seek the views of people that represent the interests of protected groups, so as to take account of the needs of those groups.

The reasons for setting this objective

22 As mentioned under **Objective 1**, our studies are potentially influential in changing the policies and practices of public bodies. It is also apparent from such engagement and our post project review information that some studies designed in the past could have adopted approaches that might have made them more relevant or effective in addressing issues that are now of relevance to the General Equality Duty. It is therefore appropriate that in scoping and devising fieldwork we take account of the views of people that represent the interests of protected groups, so as to ensure that the work addresses equality issues, such as the accessibility of particular services to particular protected groups.

Steps taken, to be taken, and timetable

- 23** By 30 June 2012, we will introduce in our performance audit guidance, related training and performance audit planning templates (such as Project Initiation Documents) a requirement for scoping and design work to include, where relevant, the obtaining and taking account of the views and needs of persons with the relevant protected characteristics. We have already undertaken some work on the form of these requirements.
- 24** We expect this objective to be met from 30 June 2012. Value-for-money work developed from that date should take account of the needs of protected groups where relevant.

Who this objective is aimed at

- 25** This objective potentially covers all protected characteristics. Coverage in terms of any particular project will depend upon the subject matter of the project.

How we will monitor our progress

- 26** Internal quality review arrangements will examine the planning records of a sample of relevant value-for-money projects each year in order to check whether (a) appropriate efforts have been made to obtain the views of representatives and (b) whether adequate regard has been given to such views in the scoping and design of each project. In considering whether adequate regard has been given by the project team, the internal quality review will also consider the findings of post project learning, which should include any available external feedback on the project (such as that obtained under **Objective 5**). The results of internal quality reviews will be taken into account in our annual progress reporting.

Objective 3

Each year, as part of our work to assess whether Welsh Improvement Authorities⁵ have met the improvement requirements of the Local Government (Wales) Measure 2009, we will assess whether those authorities have taken the General Equality Duty into account in their arrangements to secure continuous improvement, especially in the development of their Improvement Plans.

The reasons for setting this objective

27 Welsh Improvement Authorities are required by the Local Government (Wales) Measure 2009 to make arrangements for securing continuous improvement in the exercise of their functions, including in providing services. Among other things, the 2009 Measure specifically requires authorities to develop Improvement Plans for each financial year. Such plans are significant in the development of local government services. Undertaking audit work to assess whether authorities have performed the General Equality Duty in making such plans⁶ should therefore be a useful means of ensuring the objectives of the Duty are met in the course of the development of local government services, so, indirectly, helping to eliminate discrimination, promote equality of opportunity and foster good relations.

Steps to be taken and timetable

28 By 31 July 2012, we will introduce into our internal 2009 Measure work guidance and templates tests for considering whether improvement authorities have adequately taken the General Equality Duty into account in their arrangements to secure continuous improvement, including in the development of their Improvement Plans.

29 We expect this objective to be met from July 2012.

Who this objective is aimed at

30 This objective potentially covers all protected characteristics, albeit indirectly, as improvement plans cover most, if not all, improvement authority services.

How we will monitor our progress

31 Internal quality review arrangements will examine the records in respect of a sample of improvement authorities in each year in order to check whether the Measure work has examined the extent to which the improvement authorities have performed the General Equality Duty in making their arrangements to secure continuous improvement. The results of internal quality reviews will be taken into account in our annual progress reporting.

Objective 4

In undertaking our financial audit work, including grant certification, we will consider whether any of the information reviewed indicates significant failures to perform the General Equality Duty on the part of audited bodies, and we will provide feedback on this on an exception basis (ie, where there appears to be a problem) to those bodies.

The reasons for setting this objective

32 Financial audit is in essence a matter of systematically checking whether financial statements (accounts) give a true and fair view⁷ of the financial affairs of audited bodies. While financial audit does not have a direct bearing on the quality and extent of public services, it is the most fundamental means of ensuring that public money is looked after and used properly. It is fundamental

⁵ For the definition of Welsh Improvement Authorities, please see note 2 to paragraph 3.

⁶ In developing Improvement Plans, authorities must have regard to fairness (as defined in section 4 of the 2009 Measure) as an aspect of improvement. Improvement in terms of fairness is achieved if disadvantages faced by particular groups in accessing, or taking full advantage of, services are reduced. Regard to fairness therefore by definition substantially overlaps with the General Equality Duty.

⁷ Or in the case of cash accounts, that the accounts 'properly present'.

to ensuring good public administration, and it is the largest element of the Wales Audit Office's business, with over half of Wales Audit Office staff engaged in it. Accordingly, it is appropriate that auditors perform the General Equality Duty in the course of their work, even though the opportunities for helping to eliminate discrimination, promoting equality of opportunity and fostering good relations in terms of audited bodies' services will usually be limited due to the particular nature of the work.

Steps taken, to be taken and timetable

- 33 We have already included a step in our financial audit recording system (Teammate) that requires auditors to consider what can and should be done in the context of the audit to meet the General Equality Duty. This includes considering whether it is apparent from an examination of the controls and transactions of the audited body that the body is engaging in unlawful discrimination. It also includes a requirement to provide feedback to the body in a form appropriate to any findings.
- 34 By 30 June 2012, we will issue guidance to auditors to provide greater clarification of what information should be considered. By the same time, we will also introduce in our checklist for making grant certification arrangements an item for checking grant terms in relation to the General Equality Duty. Where grant terms appear to have been set with insufficient regard to the objectives of the General Equality Duty, we will provide feedback to the relevant funding bodies.
- 35 We expect this objective to be met from June 2012.

Who this objective is aimed at

- 36 This objective potentially covers all protected characteristics, albeit indirectly.

How we will monitor our progress

- 37 Internal quality review arrangements will examine a sample of *Teammate* files in order to check whether the *Teammate* step has been properly applied. The results of internal quality reviews will be taken into account in our annual progress reporting.

Objective 5

We will improve the extent and quality of information, such as external feedback, that we gather regarding how our work contributes or could contribute to performing the General Equality Duty.

The reasons for setting this objective

- 38 As mentioned under **Objective 1**, our work is potentially influential in changing the policies and practices of public bodies. It is also apparent, however, from a review of our impact measurement information that we hold little in the way of information that provides evidence of the impact of our work in terms of performance of the General Equality Duty. It is therefore appropriate that we seek to improve the extent and quality of such information.

Steps to be taken and timetable

- 39 As mentioned under **Objective 1**, we will seek feedback from representatives of protected groups on how individual pieces of work, where relevant, have addressed the needs of protected groups. This will be done each year from 2012 as part of our engagement with such representatives regarding the forward programme. We will publish a summary of relevant feedback and other compliance information each year.
- 40 By 30 June 2012, we will introduce in our post project learning approach a requirement to consider and record any available information

on the impact of any project (eg, a study) in terms of eliminating discrimination, advancing equality of opportunity and fostering good relations.

- 41** We expect this objective to be met from December 2012.

Who this objective is aimed at

- 42** This objective potentially covers all protected characteristics. Coverage in terms of any particular project will depend upon the nature of the project.

How we will monitor our progress

- 43** Internal quality review arrangements will examine a sample of completed post project learning templates in order to check whether available information has been considered and recorded. The results of internal quality reviews will be taken into account in our annual progress reporting.

Meeting the General Equality Duty internally

Objective 6

In procuring and monitoring externally sourced professional services, we will work to ensure that firms perform the General Equality Duty in the course of relevant work.⁸

The reasons for setting this objective

- 44** As well as employing staff, the Auditor General makes extensive use of externally sourced professional services (accountancy firms) to deliver audit work. Firms undertake 31 per cent of financial audit work falling within the Auditor General's responsibilities, and some 13 per cent of performance audit work. If the General Equality Duty is to be performed across the range of Welsh public audit, it is important that we make arrangements to ensure that firms perform the Duty in the course of such work.

Steps to be taken and timetable

- 45** By 31 March 2013, we will introduce in our new contracts for externally sourced professional services specific requirements for firms to perform the General Equality Duty in the course of work undertaken on behalf of the Auditor General, on behalf of any auditor appointed by the Auditor General and in any appointed auditor capacity. We will also provide guidance by the same time for all auditors and contractors appointed by or working for the Auditor General regarding how to perform the General Equality Duty in the course of such work. (Such guidance is likely to be similar or the same as internal guidance mentioned under preceding objectives.)
- 46** We expect this objective to be met from April 2014.

⁸ In this plan, the term firm includes firms appointed as auditors of local government bodies. Relevant work means the exercise of functions on behalf of the Auditor General, on behalf of any auditor appointed by the Auditor General and in any appointed auditor capacity.

Who this objective is aimed at

- 47 This objective covers all protected characteristics, albeit indirectly.

How we will monitor our progress

- 48 Annual quality review arrangements will examine samples of audits and other projects completed by firms in order to check whether the firms have made arrangements to perform the General Equality Duty. The results of the quality reviews will be fed back to firms, and in significant cases will result in remedial measures under contract. The results will also be taken into account in our annual progress reporting.

Objective 7

We will improve the quality and extent of Wales Audit Office workforce information in respect of the protected characteristics and use this information so as to perform the General Equality Duty.

The reasons for setting this objective

- 49 It is necessary to collect and analyse workforce information in respect of the protected characteristics in order to meet the specific public sector duties (the Welsh Equality Regulations) and so tackle any workforce discrimination and promote equality of opportunity. While we hold reasonable information in relation to Wales Audit Office staff age and sex (gender), in terms of other characteristics, the extent and quality of information are variable.

Steps taken, to be taken and timetable

- 50 By 30 April 2012, we will conduct an updated equality monitoring information gathering exercise. We will repeat this exercise in 2013 and from time to time thereafter. We

will also introduce new forms for capturing characteristics information for new starters so as to ensure all relevant information is obtained.

- 51 We will use this information to re-perform the provisional pay gap analyses undertaken in early 2012 and to undertake further analyses to investigate whether any groups are subject to unwarranted discrimination. Such analyses will be completed by 30 November of each year. We will publish a summary of the updated workforce information as required by the Regulations.
- 52 We will also by 1 May 2012 collect staff views on matters such as whether there are any Wales Audit Office practices that hinder us in meeting the objectives of the General Equality Duty, such as working conditions that impede the advancement of equality of opportunity.
- 53 To help promote a good response rate, the Equality Compliance project team will work with the Wales Audit Office Equality Interest Group (which represents the interests of Wales Audit Office staff in terms of protected characteristics). In particular, the project team will seek the group's views on the survey mechanisms and seek its support to encourage staff to complete the questionnaire.
- 54 We expect this objective to be met by 30 November 2012.

Who this objective is aimed at

- 55 This objective will cover all protected groups represented within our workforce.

How we will monitor our progress

- 56 The Wales Audit Office's Executive Committee will monitor the progress of the equality survey in terms of meeting the timetable and the overall quality of the resulting information.

A further check on the quality of the survey mechanisms and anonymised results will be obtained through feedback from the Wales Audit Office's Equality Interest Group. We will take account of Executive Committee monitoring and the views of the Wales Audit Office's Equality Interest Group in our annual progress reporting.

Objective 8

We will remove significant gender pay differences (and other significant pay differences in relation to characteristics) within Wales Audit Office pay bands through the continued application of the Wales Audit Office's current pay alignment arrangements.

The reasons for setting this objective

- 57 Following a job evaluation exercise in 2007-09, all Wales Audit Office staff were assigned to pay bands reflecting their responsibilities, skills and experience. Alongside this, pay alignment arrangements were introduced under which all staff in post at or before 1 April 2009 move incrementally up or down to a target pay level by 1 April 2015 (with the exception of staff who would be due to move up but have not obtained a satisfactory performance rating in the prior year). Overall, this results in a situation where staff who have been assessed as underpaid in relation to their responsibilities, skills and experience have their pay increased (green circles), and those who have been assessed as overpaid have their pay frozen for four years and if necessary reduced over a further period of two years (red circles). These arrangements should therefore over the period to 1 April 2015 help eliminate differences in pay that are not justifiable in terms of responsibility, skills and experience.

Steps taken, to be taken and timetable

- 58 We will continue the pay alignment arrangements outlined above.
- 59 We expect this objective to be met by 1 April 2015.

Who this objective is aimed at

- 60 The focus of this objective is sex (gender pay differences), but the mechanisms outlined above should also address pay differences in respect of other characteristics.

How will we monitor our progress

- 61 Progress to reduce gender pay differences (and other characteristic pay differences) will be assessed through further gender and other characteristic pay analyses in each year.

Objective 9

We will seek to address structural gender pay differences caused by recruitment and promotion arrangements, and ongoing working conditions.

The reasons for setting this objective

- 62 Our provisional gender pay analysis work indicates that an overall gender pay difference in the Wales Audit Office arises from a preponderance of women in support roles and a preponderance of men in senior management roles. The causes of this are not known with certainty, and some likely causes, such as the inherited effects of employment practices of several decades ago, are not matters that can be remedied quickly. Nevertheless, it is appropriate that we work to ensure that current recruitment and promotion arrangements, terms and conditions and working practices are not discriminatory.

Steps taken, to be taken and timetable

- 63** In order to identify problems in recruitment and promotion arrangements, terms and conditions and working practices, we will seek the views of staff (by 31 May 2012). Using such views of staff, we will review relevant HR policies with a view to amending them by 30 September 2013 so that any undue discriminatory effects are eliminated as far as practicable within the constraints of business needs.
- 64** We expect this objective to be met by 30 September 2013.

Who this objective is aimed at

- 65** The focus of this objective is sex (gender pay differences), but the mechanisms outlined above should also address pay differences in respect of other characteristics.

How we will monitor our progress

- 66** Progress to reduce gender pay differences will be assessed through further gender pay analyses in each year.

Objective 10

We will seek to foster good relations between Wales Audit Office staff sharing relevant protected characteristics and those that do not by providing senior staff 'allies'.

The reasons for setting this objective

- 67** Feedback from the Wales Audit Office Equality Interest Group indicates that staff from protected groups do not necessarily trust the organisation to treat them fairly. There is therefore a need for measures to increase the level of trust, as well as working to ensure fair treatment.

Steps to be taken and timetable

- 68** Allies will be confidants for people with protected characteristics to raise concerns with. They will also use their influence within the organisation to foster a culture where people can be themselves. In practice, this will involve such things as offering to meet staff sharing a relevant protected characteristic individually or in a group so as to find out about their experiences and concerns and then using that information on a confidential basis to press for beneficial changes in working practices.
- 69** The Auditor General will invite senior staff to volunteer to be allies for particular characteristics. The designation of allies will be informed by the results of staff feedback collected along with updated workforce information under **Objective 7**. The allies will be announced by 30 November 2012. To be accepted, the allies will need to show that they are committed to the principle that people with a characteristic should have full equality in the workplace. Allies will generally not share the relevant characteristics themselves.
- 70** These arrangements will not replace, and are not to be confused with, existing governance arrangements for compliance with the equality legislation.
- 71** We expect to meet this objective over a period starting from 30 November 2012.

Who this objective is aimed at

- 72** This objective covers all protected characteristics.

How we will monitor our progress

- 73** The effectiveness of the allies will be monitored by the Auditor General seeking the views of the Wales Audit Office's Equality Interest Group and through the staff survey.

Our Equality Impact Assessment Arrangements

74 To help ensure that our external work and internal policies and practices help tackle discrimination, promote equality of opportunity and foster good relations in relation to people with protected characteristics, we have developed arrangements for assessing the impact of relevant new policies. These arrangements also apply to relevant existing policies that are being revised.

The essence of our equality impact assessments

75 Assessing the likely impact of proposed policies on the ability to perform the General Equality Duty entails considering relevant evidence in order to identify the likely impact of policies and practices on persons with the protected characteristics set out in the Equality Act 2010. Assessment includes:

- a** identifying whether the policy or practice unlawfully discriminates;
- b** identifying any adverse impacts on persons with the protected characteristics;
- c** considering how the policy or practice could better advance equality of opportunity; and
- d** considering whether the policy or practice will affect relations between different groups.

76 To perform the General Equality Duty, the Wales Audit Office must have 'due regard' (ie, give appropriate weight) to the results of such assessments. This requires us to consider taking action to address any issues identified, such as addressing negative impacts, where possible.

Our approach to equality impact assessment

77 We have introduced a graded approach to equality impact assessment. This graded approach should help ensure that those policies that are significant in their relevance to performance of the General Equality Duty are assessed in a meaningful way, while helping ensure that resources are not consumed by unnecessary consideration of policies that are of little or no relevance.

78 Policies will in the first instance be considered for selection for assessment by policy authors themselves using a standard form. Where authors consider their draft policy should be assessed, they will perform the assessment, again using a standard form. The Private Office Legal Gateway (POLG) will also operate identification procedures so as to help ensure that relevant policies that are being developed are identified and, where appropriate, assessed. Policy authors will also be required to send completed selection and assessment forms to POLG for review and recording. All staff are requested to inform POLG of any policies they consider may be substantially relevant to the General Equality Duty and which they feel should be considered for assessment but believe have not been assessed. Staff may also raise concerns with the Wales Audit Office Equality Interest Group, which may raise them with POLG on their behalf.

79 To minimise unnecessary work, such as extensive revision of draft policies, the authors of policies are required to take account of the General Equality Duty at the outset of designing or revising any policy. If POLG finds that an author has not done a selection review, and, if applicable, not done an assessment, POLG may require these to be done. The POLG may in any event decide to undertake a

review and assessment in place of those done by the author. The POLG will take account of any views raised by the Wales Audit Office Equality Interest Group in deciding whether to undertake reviews and assessments.

- 80** If POLG determines that a policy is particularly significant, the assessment will be done by an Equality Impact Assessment Group (EIAG) convened by POLG. The EIAG will consist of three or four members, including, in the case of policies that relate to staff, a representative of the Wales Audit Office's Equality Interest Group, the author of the policy, a POLG chair and, if necessary, another member with relevant subject knowledge.

Action and monitoring following assessment

- 81** The authors of policies are required to make arrangements for putting into effect any actions identified as necessary by the assessments. Such actions include arrangements for collecting information to enable the Wales Audit Office to monitor the impact of policies and procedures. The relevant Wales Audit Office committees or persons responsible for approving policies must ensure that such arrangements are adopted and that POLG is notified accordingly.

Reporting on assessments

- 82** Where an assessment of a proposed policy shows that the likely impact on the Wales Audit Office's ability to perform the General Equality Duty is substantial (regardless of any diminution of impact that would occur on the implementation of changes to the policy identified in the assessment), the Wales Audit Office will publish a report in respect of the assessment. The POLG will compile such reports in accordance with statutory requirements drawing on the relevant completed assessment and selection forms.

Promoting knowledge and understanding of the Equality duties amongst our staff

- 83** In the past two years we have provided all staff with equality legislation awareness training, chiefly in relation to internal employment matters. In December 2011, we provided a concentrated update session on the 2010 Act and the Welsh Regulations to South Wales financial audit staff. We intend to provide such sessions to other financial audit staff, and performance audit and corporate enabler staff in the early summer of 2012.
- 84** We are also planning to provide all staff with updated general equality-issue training. In connection with this, we are working with Estyn, Care and Social Services Inspectorate Wales and Healthcare Inspectorate Wales jointly to develop an electronic learning package.
- 85** We are also developing specific training for each part of our business so that, for example, performance auditors are fully aware of what they should do to engage with representatives of groups with protected characteristics in the design of value-for-money work (see **Objective 2**). We plan to roll such training out in September 2012. Specific training will also cover how to undertake equality impact assessments in accordance with the Wales Audit Office's arrangements.

Appendix 1: Persons with whom we have sought to engage

Age Cymru

Stonewall Cymru

Disability Wales

Learning Disability Wales

The Inter-Faith Council for Wales

LGBT Excellence Centre (Wales) Ltd

Deafblind Cymru

Welsh Womens Aid

Chwarae Teg

BAWSO (Black Association of Women Step Out)

Wales Council for the Blind

Wales Council for Deaf People

Save the Children (Wales)

Children in Wales

Scope Wales

Race Equality First

Diverse Cymru

Relate Cymru

North Wales Race Equality Network (NWREN)

North Wales Public Sector Equality Network

British Humanist Association

National Childbirth Trust Cardiff

Welsh Language Board

Appendix 2: Gender Pay Equality Plan – further information

Gender Pay Analysis

We have undertaken a provisional analysis of pay by gender using payroll information and other remuneration information held by our HR department as at 31 January 2012. For the purposes of equal pay legislation, pay includes benefits-in-kind. We have therefore taken account of items such as lease car allowances.

Our analysis indicates significant gender pay differences within some pay bands as shown in [Exhibit 1](#) below. Some of these differences have specific justifiable causes. For example, the trainee pay band includes individuals who are paid at one of three standard rates according to their exam progress. Gender pay differences therefore arise from gender differences in individuals' exam results. As each exam cohort is small, individuals' exam results have very marked effects.

Exhibit 1 – Average total full-time equivalent remuneration by gender and differences (pay gap)

| Pay band | Female average remuneration (£) | Male average remuneration (£) | Remuneration gap (£ – negative if women paid less) | Remuneration gap as a percentage of male (negative if women paid less) |
|----------------------|---------------------------------|-------------------------------|--|--|
| 1 | 19,554 | 18,511 | 1,043 | 6% |
| Trainee | 20,395 | 23,440 | - 3,045 | -13% |
| 2 | 26,728 | 25,582 | 1,146 | 4% |
| 3 | 33,844 | 35,713 | - 1,869 | -5% |
| 4 | 45,121 | 46,695 | - 1,574 | -3% |
| 5 and 6 | 54,663 | 54,732 | -69 | 0% |
| 7 and 8 | 63,671 | 66,149 | -2,478 | -4% |
| Director and above | 105,485 | 91,035 | 14,450 | 16% |
| All pay bands | 41,358 | 52,875 | - 11,517 | -22% |

(Please note that the -22 per cent difference across all pay bands is not an error. The difference across all pay bands is larger than the differences in particular pay bands because of the pattern of gender distribution across pay bands, as set out in paragraphs 3 and 4.)

Average total remuneration of men and women by Wales Audit Office pay band (January 2012)

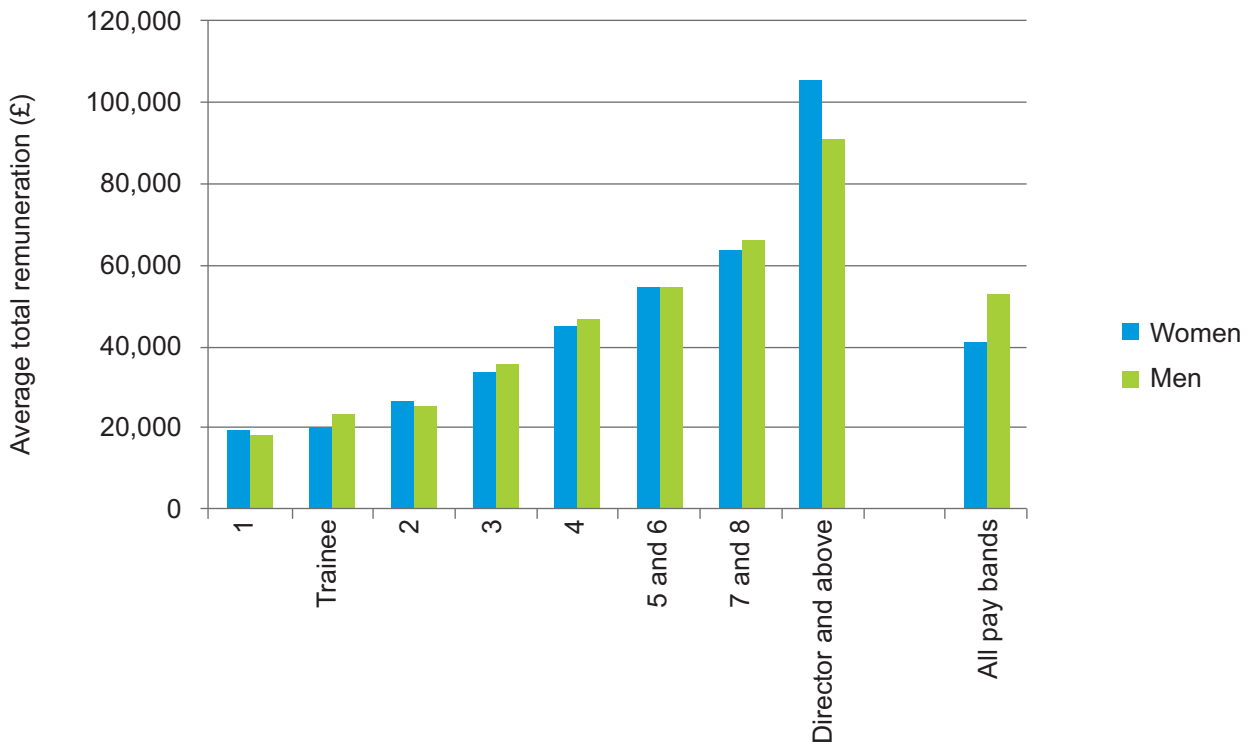
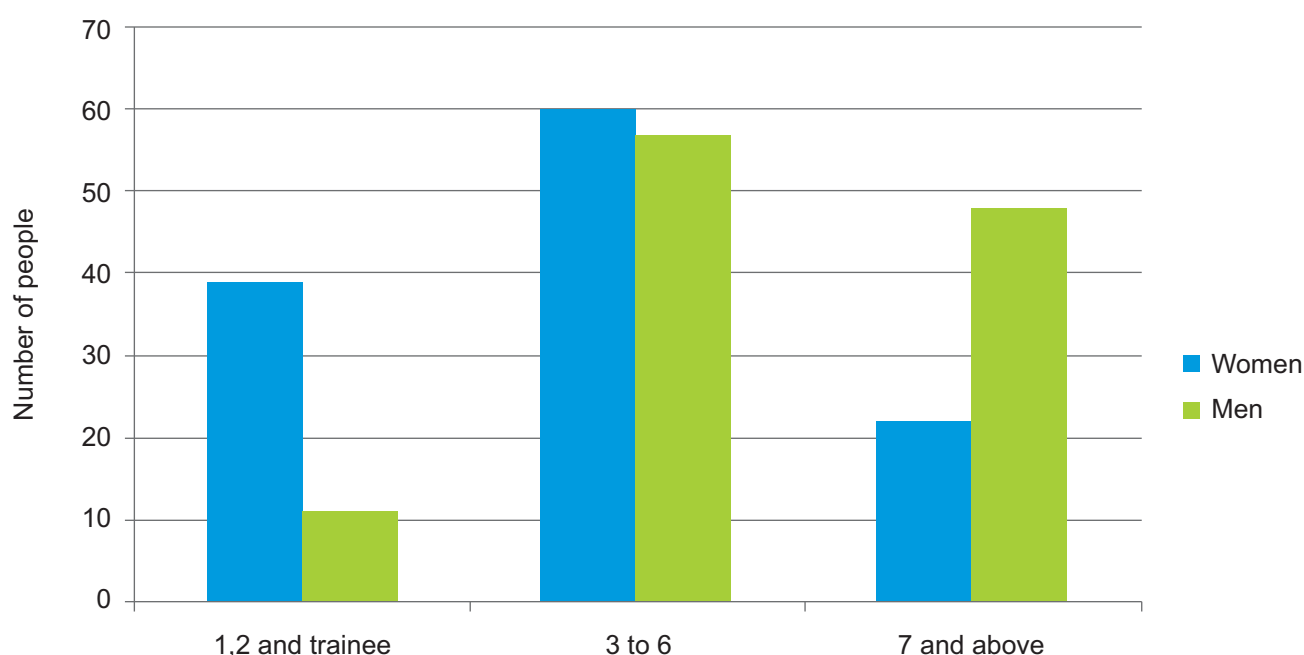


Exhibit 1 also indicates an overall pay gap of some -22 per cent, ie, average remuneration of women across the whole organisation is 22 per cent lower than the average remuneration of men. To help explore the causes of this difference, we have also considered the distribution of men and women across Wales Audit Office pay bands. As Exhibit 2 shows, there is a preponderance of women in support and trainee roles (band 1 etc) and a preponderance of men in senior management roles.

Exhibit 2 – Gender distribution in Wales Audit Office pay bands

| Pay band | Number of women | Number of men | Percentage of Women | Percentage of Men |
|------------------|-----------------|---------------|---------------------|-------------------|
| 1, 2 and trainee | 39 | 11 | 17% | 5% |
| 3 to 6 | 60 | 57 | 25% | 24% |
| 7 and above | 22 | 48 | 9% | 20% |

Distribution of men and women in Wales Audit Office pay bands as at January 2012



The distribution of women and men across pay bands is therefore the main immediate explanation of the overall pay gap in the Wales Audit Office. It is not, however, in itself a cause of the pay gap. Possible underlying causes include job segregation, ie, where a particular gender dominates a particular role, which itself may be caused by the effects of family and caring roles or stereotyping, and the inherited effects of past employment practices, some of which may extend back several decades.

Equal pay policies and objectives

Our Equal Opportunities Policy states that the aim of the Wales Audit Office is to ensure that no employee receives unfavourable treatment on the grounds of gender (among other characteristics). To further address gender pay differences we have set two specific objectives – see [Objectives 8](#) and [9](#).