

Audit Scotland

Gender pay gap

31 March 2021



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Contents

Gender pay gap	3
Gender pay gap data	5
Bonuses	6
Proportion of men and women in each quartile	7
Findings and conclusion	8
Written statement	10

Gender pay gap

Introduction and background

- 1.** At Audit Scotland we are committed to independent audit, integrity, objectivity, transparency and quality. We firmly believe in the principles of equality, inclusion and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership status, pregnancy or maternity, sexual orientation, gender reassignment or disability. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). Our flexible working policies and commitment to equality across recruitment, employee development and promotion continue to enable colleagues to flourish at Audit Scotland, whatever their background and circumstances.
- 2.** Under the [Equality Act 2010 \(Specific Duties\) \(Scotland\) Regulations 2012](#), Audit Scotland and the Accounts Commission for Scotland are both listed as public bodies which must adhere to these regulations. Gender pay gap reporting is a requirement intended to spur organisations into addressing inequality between men and women at work. As a listed authority, we publish information on the percentage difference among our employees between men's average hourly pay (excluding overtime) and women's average hourly pay (excluding overtime).
- 3.** Our latest revised [Equality Outcomes 2021-2025 report](#) published in April 2021, sets out how Audit Scotland and the Accounts Commission are addressing our responsibilities under the Equality Act 2010. Specifically, our focus on our outcomes to increase the diversity of people into Audit Scotland and their progression through every level of our organisation and to broaden our culture of diversity and inclusion, so all employees feel valued, engaged and contribute. The next Mainstreaming report is due to be published by April 2023.
- 4.** In conjunction with this report, our [Annual Diversity report for 2020/2021](#) has also been published and our previous [Gender Pay Gap report](#) for the twelve months to 31 March 2020 was published in August 2020.
- 5.** We have continued with our commitment to flexible working for our workforce (this includes location, patterns of working and overall contracted hours), supporting colleagues with caring responsibilities and we have a culture of autonomy and freedom in how our colleagues choose to work. Due to the current Covid-19 pandemic, many of our workforce are continuing to work remotely from home and continuing to do so flexibly around their caring commitments.
- 6.** Audit Scotland's workforce, at the snapshot date of 31 March 2021, comprises of 300 full pay employees.¹ Of this total, 128 are men (42.67 per cent of the workforce) and 172 women (57.33 per cent of the workforce). Included in our overall headcount are 44 graduate trainees within our professional training scheme. The scheme is a key element in support of our talent development and long-term succession planning. Newly qualified auditors progress through their careers into more senior roles and so this represents an important means by which we will achieve greater

¹ This is a technical term used to define the cohort of employees used for the analysis of pay and is designed to ensure that all employer organisations calculate the gender pay gap on a consistent basis – more information can be found [here](#).

balance and female representation at senior levels over time. Within the scheme, 21 (47.73 per cent) of our trainees are men and 23 (52.27 per cent) are women.

Gender pay gap data

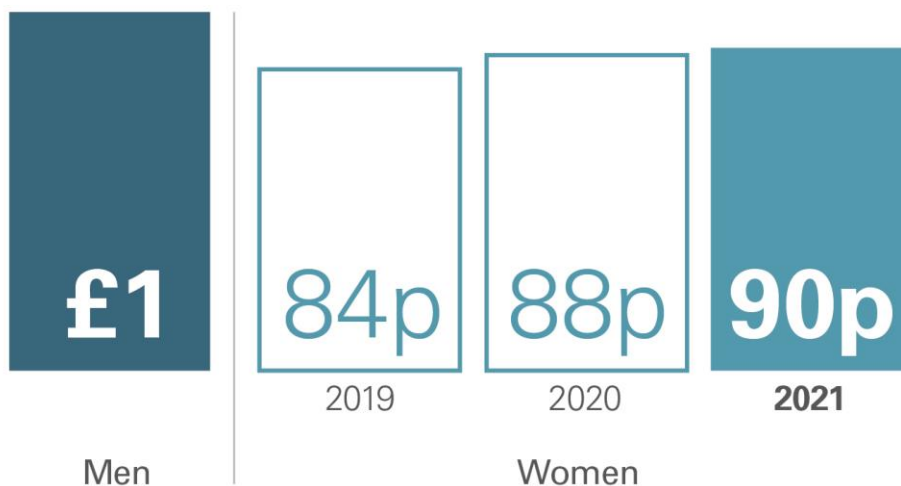
Mean and median gender pay gap

7. Our gender pay gap information is based on a snapshot date of 31 March 2021 and the data is shown below:

Mean² gap: 9.93 per cent

Median³ gap: 10.40 per cent

This data shows that overall, when we examine the whole of our workforce, men are earning more than women. The rest of this report provides more information about our gender pay gap, the reasons why the gender pay gap exists and gives an overview of the steps we are taking to reduce the gap.



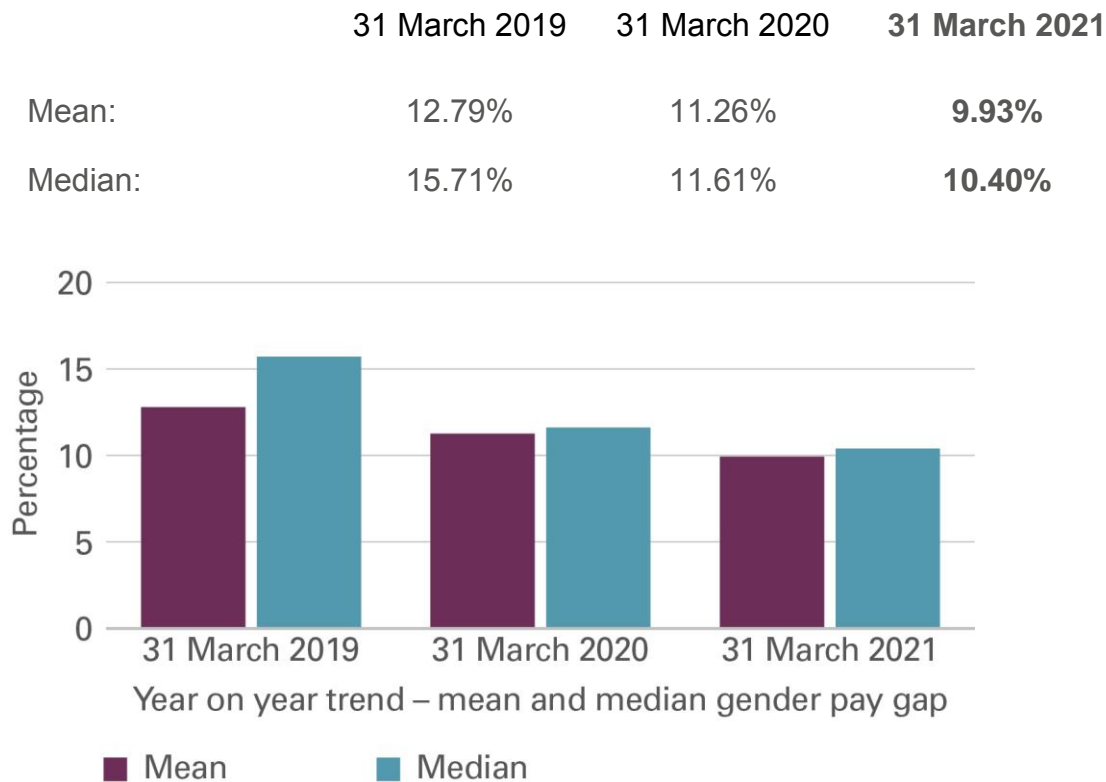
At Audit Scotland, looking at our median pay gap, women earn 90p for every £1 that men earn when comparing median hourly wages. The median hourly wage for women is 10.40 per cent lower than that for men.

We are committed to the principle of equal pay for all our employees and aim to eliminate any bias in our reward systems. We have a clear policy of paying employees equally for the same or equivalent work, underpinned by our job evaluation system. The gender pay gap does not show differences in pay for comparable jobs – this is examined in our separate equal pay report. The gender pay gap is an equality measure that shows the difference in average earnings between women and men.

² Mean: The 'mean', sometimes referred to as the 'average' is where we add up all the numbers and then divide by the number of numbers.

³ Median: The 'median' is the 'middle' value in the list of numbers. To find the median, we list our data in numerical order from smallest to largest, so we can identify the middle entry from the list and find the median.

8. Our year-on-year trend in our mean and median gender pay gap data can be seen below:



Bonuses

9. The only bonuses paid at Audit Scotland are for members of our professional trainee auditor scheme. When a trainee auditor successfully completes all examinations in each syllabus at the first attempt, a bonus of £300 is paid. A final bonus of £300 is also paid to trainee auditors when they successfully gain membership to ICAS if all examinations across the syllabus are passed first time throughout. No other roles are eligible for bonus payments.

Proportion of all men and women at Audit Scotland receiving a bonus:

Men: 7.81 per cent

Women: 6.40 per cent

Bonus mean gender pay gap: 0 per cent

Bonus median gender pay gap: 0 per cent

Proportion of trainees only at Audit Scotland receiving a bonus:

Men: 47.62 per cent

Women: 47.83 per cent

This data shows that, across our professional training scheme, more women have received a bonus than men. Due to the timing of examinations in the professional training scheme syllabus and the distribution of men and women across each year's intake of trainees, these figures will vary each year.

Proportion of men and women in each quartile

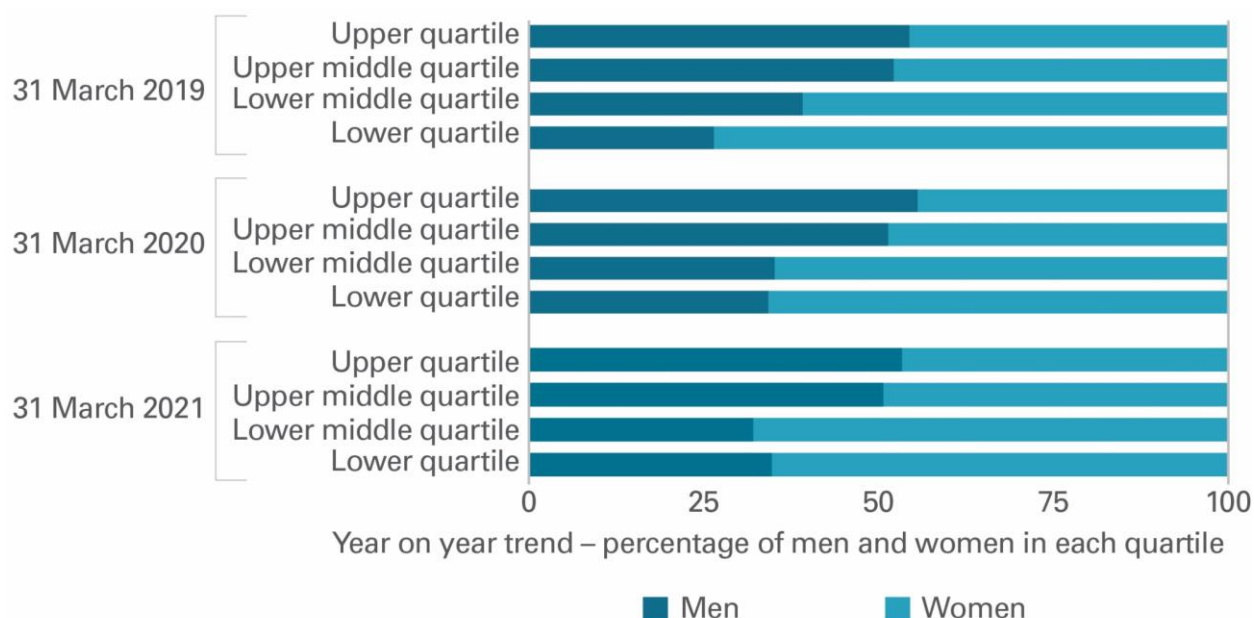
10. The following information gives the percentage of men and women in each pay quartile. This is based on the hourly pay rate of all our organisation's full-pay relevant employees in the pay period that covers the snapshot date.

This is divided into four quartiles, with an equal number of employees in each section. From the highest paid to the lowest paid, these quartiles are:

	Men	Women
Upper quartile:	53.33 per cent	46.67 per cent
Upper middle quartile:	50.67 per cent	49.33 per cent
Lower middle quartile:	32.00 per cent	68.00 per cent
Lower quartile:	34.67 per cent	65.33 per cent

11. Our year-on-year trend in the distribution of gender across the quartiles can be seen below:

	31 March 2019		31 March 2020		31 March 2021	
	Men	Women	Men	Women	Men	Women
Upper quartile:	54.41%	45.59%	55.56%	44.44%	53.33%	46.67%
Upper middle quartile:	52.17%	47.83%	51.35%	48.65%	50.67%	49.33%
Lower middle quartile:	39.13%	60.87%	35.14%	64.86%	32.00%	68.00%
Lower quartile:	26.47%	73.53%	34.25%	65.75%	34.67%	65.33%



Findings and conclusion

12. Equal pay for work of equal value is achieved at Audit Scotland through our approach to job design. We use an analytical job evaluation system to assess the relative value of all jobs across our organisation. By contrast, our gender pay gap fluctuates with the changing composition of our workforce from year to year.

13. The voluntary turnover rate of 2.94 per cent at Audit Scotland remains significantly lower than the median voluntary figure for the UK of 10.7 per cent and the average of 12.4 per cent⁴. While this helps ensure the retention of knowledge and experience within Audit Scotland, it also means that career progression into more senior roles for newer employees takes time. Our Career Development Gateway⁵ policy is an example of how employees can make a greater contribution to Audit Scotland and grow their careers with us, remaining in employment with us throughout.

14. We are confident that many women currently beginning their professional careers with Audit Scotland will develop and progress into senior roles in future years. This is because our pay structure, pay progression, flexible working policies and development opportunities are free of gender bias and have been Equality Impact Assessed (EQIA). In the year 2020/21, there were 31 permanent promotions made across Audit Scotland, 15 employees transitioned through a career development gateway. The total percentage of women promoted or transitioning through a career development gateway was 60 per cent.

15. Our median gender pay gap has continued to decrease from our 2019 and 2020 reports which is encouraging. A key element of our resource and succession planning is the operation of our professional training scheme for auditors. The year-on-year trend analysis indicates that women are progressing with their careers from the training scheme and into more senior roles with correspondingly higher levels of pay. A typical trainee will take four years at Audit Scotland to become qualified, at which point our newly qualified trainees progress further through our pay structure into more senior roles. Achieving a good representation of men and women across our professional training scheme is an important part of closing the gender pay gap in future years. Our HR team review the graduate scheme each year and consider updating our attraction strategy, if necessary, to support this trend.

16. Where recruitment for any roles takes place, we deploy recruitment and selection techniques which are designed to eliminate bias and support decisions which are based upon objective criteria. All panel members for recruitment receive training which includes an awareness of unconscious bias and protected characteristics. During 2021 we have also refreshed our training content and reintroduced essential and desirable criteria to our job profiles.

17. We will continue to monitor our equalities duties and seek feedback from our employees within Audit Scotland, along with our Equalities and Human Rights Steering Group, our People

⁴ [Labour turnover rates: 2021 XpertHR survey | Survey analysis | Tools | XpertHR.co.uk](#)

⁵ Career Development Gateways are our mechanism for internal career development, promotion and professional advancement. They allow our colleagues to undertake work of a greater complexity and risk.

Focus Group, our internal diversity employee network groups, the Public and Commercial Services (PCS) union and our employee pulse surveys so that we can continue to improve. We will also continue to benchmark and share good practice with other similar organisations, including the other UK audit agencies.

18. We acknowledge that it may be several years before the gender pay gap is reduced or removed completely due, in part, to our relatively low employee turnover and the pace of societal change across the UK. In the meantime, Audit Scotland will continue to report each year about our commitment to reduce the gender pay gap and the progress that we are making.

Written statement

I can confirm the gender pay gap calculations are accurate and have been carried out in line with the guidance provided by the UK Government⁶.

Signed:

A handwritten signature in black ink, appearing to read 'Stephen Boyle', with a long horizontal flourish extending to the right.

Stephen Boyle – Accountable Officer

⁶ <https://www.gov.uk/government/collections/gender-pay-gap-reporting>

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

Phone: 0131 625 1500 Email: info@audit-scotland.gov.uk

www.audit-scotland.gov.uk