

Gender pay gap

31 March 2024



 AUDIT SCOTLAND

Prepared by Audit Scotland
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Gender pay gap

Introduction and background

1. Audit Scotland is committed to independent audit. Our values are at the heart of everything we do, from how we plan our business and approach our audits, to how we behave and treat people.



Equality



Independence



Innovation



Integrity



Respect

2. We firmly believe in the principle of equality for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, 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 as set out).

3. Under the [Equality Act 2010 \(Specific Duties\) \(Scotland\) Regulations 2012](#), Audit Scotland are listed as a public body 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.

4. 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).

5. Our latest [mainstreaming progress report](#) for 2021-23 was published in April 2023. This provides an update against the [Equality outcomes 2021-25 report](#).

6. This report sets out how Audit Scotland are addressing our responsibilities under the Equality Act 2010.

7. Audit Scotland's workforce, at the snapshot date of 31 March 2024 comprises of 341 full pay employees.¹ Of this total, 147 are men (43.11 per cent of the workforce) and 194 women (56.89 per cent of the workforce).

8. Forty-five trainees within our professional training scheme are included in our overall headcount. 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 balance and female representation at senior levels over time. Within the scheme, 22 (48.89 per cent) of our trainees are men and 23 (51.11 per cent) are women.

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](#).

Gender pay gap data

Mean and median gender pay gap

9. Our overall gender pay gap information is based on a snapshot date of 31 March 2024 and the data is shown below for all full pay relevant employees:

- **Mean gap:**² 3.76 per cent
- **Median gap:**³ 2.60 per cent.

10. This data shows that overall, when we examine the whole of our workforce, men are earning more than women.

11. The rest of this report provides more information about our gender pay gap, the reasons why the gender pay gap exists and provides an overview of the steps we are taking to reduce the gap.

12. Looking at our median pay gap, women earn 97 pence for every £1 that men earn when comparing median hourly wages. The median hourly wage for women is 2.60 per cent lower than that for men.

13. It is encouraging that both the mean and median gender pay gaps have decreased in 2024 compared to the previous year.

14. From our analysis, salary sacrifice-related pay elements (in which an employee typically reduces their cash pay in exchange for a non-cash benefit), such as childcare vouchers, cycle to work, and additional voluntary pension contributions have only had a modest impact in the pay differential between men and women.

15. The impact of salary sacrifice arrangements on the gender pay gap will depend on the composition of men and women in a salary sacrifice scheme. It could have the potential to create a lower rate of pay for those who have opted into the scheme in comparison to those who have not. This is because salary sacrifices are not regarded as a proper deduction to an employee's actual pay but rather a negative payment in exchange for

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.

a benefit. They are taken into account when calculating the gender pay gap in accordance with current Government guidance.⁴

16. It has continued that there has not been a significant imbalance between men and women new starters and leavers, and our career progression figures for women in 2023/24 are higher than for men.

17. 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.

18. 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. Our previous [Gender Pay Gap report](#) was published in September 2023.

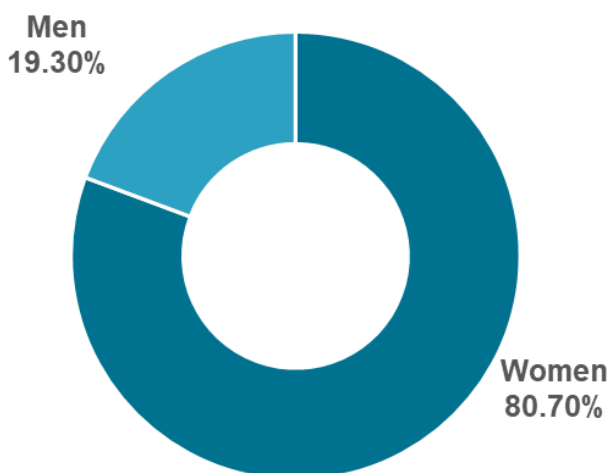
19. Our year-on-year trend in our mean and median gender pay gap data can be seen below:

	31 March 2022	31 March 2023	31 March 2024
Mean:	7.39 per cent	6.19 per cent	3.76 per cent
Median:	12.51 per cent	6.63 per cent	2.60 per cent

Part-time employees only

20. Of our 341 full pay employees, 57 employees work part time, with a working pattern of less than our normal working week of 36.25 hours.

21. The gender split of those working part time is 46 women and 11 men:



⁴ <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/preparing-your-data>

- Mean gap: 8.96 per cent
- Median gap: 7.18 per cent.

22. This additional analysis of our data shows that overall, when we examine our part-time median pay gap, women earn 93 pence for every £1 that men earn when comparing median hourly wages. There is also a higher level of representation of part time women in more junior-level roles compared to men.

Bonuses

23. 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.

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

- Men: 8.16 per cent
- Women: 9.79 per cent
- Bonus mean gender pay gap: 7.37 per cent
- Bonus median gender pay gap: 0 per cent.

25. Proportion of trainees only at Audit Scotland receiving a bonus:

- Men: 38.71 per cent
- Women: 61.29 per cent.

26. 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

27. 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.

28. 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:	50.59 per cent	49.41 per cent
Upper middle quartile:	37.65 per cent	62.35 per cent
Lower middle quartile:	38.82 per cent	61.18 per cent
Lower quartile:	45.35 per cent	54.65 per cent

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

	31 March 2022		31 March 2023		31 March 2024	
	Men	Women	Men	Women	Men	Women
Upper quartile:	50.00%	50.00%	51.28%	48.72%	50.59%	49.41%
Upper middle quartile:	45.71%	54.29%	42.11%	57.89%	37.65%	62.35%
Lower middle quartile:	38.64%	61.36%	38.46%	61.54%	38.82%	61.18%
Lower quartile:	37.35%	62.65%	45.33%	54.67%	45.35%	54.65%

Occupational segregation

30. Occupational segregation, by which women are underrepresented in management and leadership roles, can be the result of a range of societal and employment-related causes. It can be attributed to the gender-based organisation of labour typically attracting lower rates of pay due to stereotypes about women's capabilities. For example, higher representation of women in the clerical, caring and cleaning sectors. Additionally, women taking on more of the caring responsibilities at home.

31. Audit Scotland has already taken steps to combat the effects of occupational segregation. This includes providing leave provisions for parents and carers which exceed the statutory minimum, training our line managers in diversity and equality, promoting our values in support of a positive and inclusive culture, together with promoting flexible and hybrid working options for all, across the organisation. This helps ensure that employees can continue working for us and grow their careers as they move into more senior roles over time.

32. The majority of Audit Scotland's workforce are comprised of auditors across our Audit Services and Performance Audit & Best Value teams. We

also have colleagues working across a variety of roles within our Innovation & Quality and Corporate Services teams.

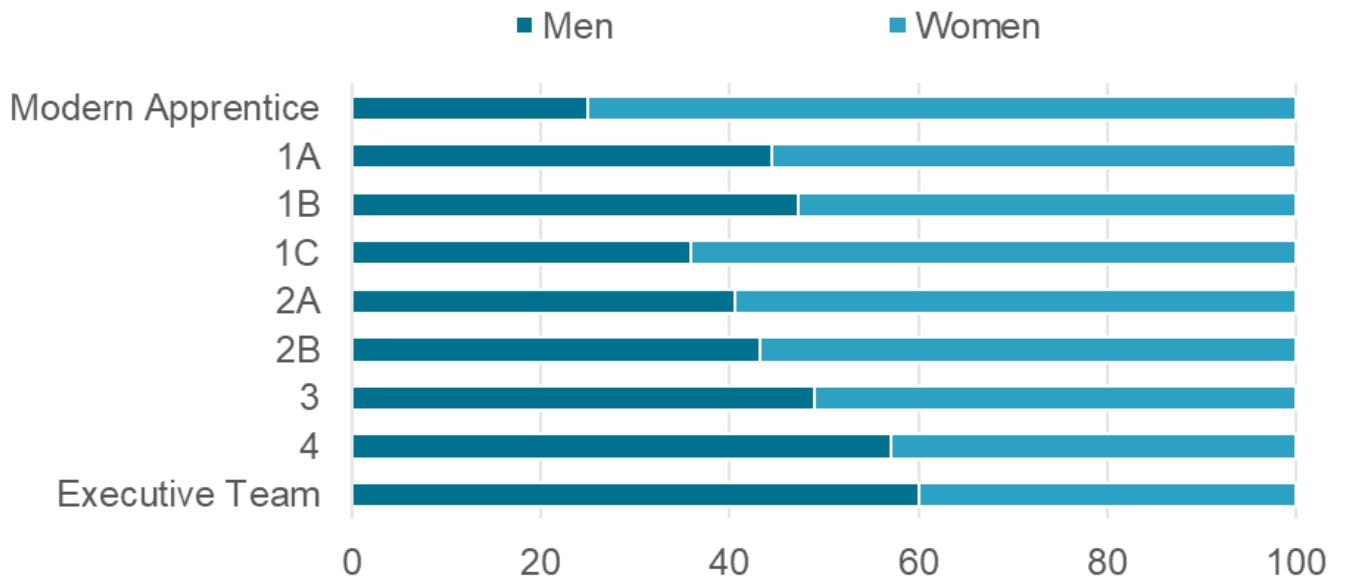
33. The importance of representation and career development is essential to the reduction of gender-based stereotypes about an individual's capability. Although the composition of staff at each grade is not equally gender balanced between men and women, the representation of women in senior level positions (members of staff in band 2A posts and above) demonstrate Audit Scotland's commitment against gender-based divisions of labour.

34. Additionally, staff represented at more junior pay grades will include modern apprentices, school and college leavers and graduates, whose early years career development is supported with the view of upward mobility through the pay bands upon qualification or gaining the required levels of experience.

35. Audit Scotland's pay structure is based on a tiered banding system from modern apprentices up to director level remuneration at band four. There are executive positions which fall outside the scope of this pay scale structure.

36. On 31 March 2024, employee composition by pay bands can be seen below:

	Men	Women
MA	25.00 per cent	75.00 per cent
Band 1A	44.44 per cent	55.56 per cent
Band 1B	47.22 per cent	52.78 per cent
Band 1C	35.85 per cent	64.15 per cent
Band 2A	40.63 per cent	59.38 per cent
Band 2B	43.24 per cent	56.76 per cent
Band 3	48.98 per cent	51.02 per cent
Band 4	57.14 per cent	42.86 per cent
Executive Team	60.00 per cent	40.00 per cent



Findings and conclusion

Gender pay gap findings

38. Our mean gender pay gap of 3.76 per cent has continued to decrease from the previous two years.

39. The majority of our part time employees (80.70 per cent) are women, which may account for the differential rates of pay in relation to the part time gender pay gap. The reduction in the mean gender pay gap is encouraging as Audit Scotland continues its efforts to embed gender equality across the organisation.

40. Our median gender pay gap has continued to decrease in 2024 compared to 2023. This is derived from a quartile analysis of Audit Scotland's pay grade structure which takes into account calculated rates of pay irrespective of role seniority (for example, staff in senior positions who may work on a part-time basis).

41. We have included analysis on occupational segregation in our workforce. This shows that women have higher levels of representation in seven out of nine pay bands (bands Modern Apprentices to band three) with this trend reversing at the two highest pay bands (band four and Executive Team).

42. In 2023/24, 58.33 per cent of new starters were men and 41.67 per cent were women, while 44.12 per cent of men left Audit Scotland in comparison to 55.88 per cent of women during the same period.

43. Members of staff not currently at their band maximum can self-initiate their own career development through the Career Development Gateway process to move up a pay band. This process is separate from our formally managed recruitment and selection process based on meeting targeted resourcing needs. This involves the member of staff setting out the basis on which they demonstrate the requisite behavioural and technical competencies required of a more senior post. The number of staff who transitioned through the Career Development Gateway process in 2023/24 is too low to disclose.

44. It is positive to note that in the year 2023/24, there were 37 permanent promotions made across Audit Scotland, of which 56.76 per cent were women and 43.24 per cent were men.

A culture of inclusion and equality of opportunity

45. Audit Scotland has a public sector equality duty to mitigate socio-economic inequalities. There are various initiatives to support existing members of staff and attract candidates from communities as diverse as Audit Scotland represents.

46. Opportunities for flexible working are promoted at Audit Scotland to ensure staff are able to better manage their own pursuits and personal lives around their work commitments. As women still assume disproportionate responsibility for caring and unpaid forms of working, flexible working can support retention rates in cases where the alternative may be a departure from the workforce, or higher levels of representation in lower paid employment.

47. There are a number of equality network groups at Audit Scotland to promote a culture of inclusion on the grounds of race and ethnicity, sexual and gender diversity, disability status, and carer status. It is understood greater steps towards gender pay equality must be harmonised alongside tackling other forms of inequality and disadvantage.

48. In order to achieve this ambition of future intersectional equalities reporting (an analysis of the overlapping relationships between characteristics such as gender, age, social class and race rather than being considered in isolation), Audit Scotland has a number of prospective proposals to enhance workforce data capture and identify targeted areas of investment and improvement to our existing staff and applicants. This includes the development of new equality outcomes for 2025-28.

Organisational design and resource planning

49. 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.

50. A key element of our resource and succession planning is the operation of our professional training scheme for auditors. 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.

Recruitment and career development

51. 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 2023/24, we have continued to refresh our training content and continued the use of essential and desirable criteria on our job profiles.

52. Examining recruitment data from 2023/24, while the majority of applicants were by men (50.72 per cent), 57.41 per cent of all applicants shortlisted were women, and 54.69 per cent of all offers made were to women. We will continue advertising our vacancies across a diverse range of media and highlighting our flexible, hybrid working approach.

53. The voluntary turnover rate of 5.83 per cent at Audit Scotland for 2023/24 remains lower than the voluntary figure for the UK of 11.7 per cent in 2023.⁵ 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.

54. 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 Development and Wellbeing 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.

Conclusion

55. Audit Scotland has continued to make positive advancements towards gender pay parity in 2023/24, however, it is recognised there is still ongoing effort required to further reduce the imbalance. 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.

56. We have also published a report with further information and guidance for other employers which can be found on our website [here](#).

⁵ [Labour turnover data: HR & Compliance Centre 2023 analysis | Survey analysis | Tools | HR & Compliance Centre.co.uk \(brightmine.com\)](#)

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 Government.⁶

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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