INTRODUCTION

ICAEW constantly strives to ensure equity and fairness is at the heart of everything we do. One of the five themes of our 10-year strategy is to ‘strengthen the profession by attracting talent and building diversity’ and we know that to attract, develop and retain the very best talent within our own organisation means assessing, understanding and adapting on an ongoing basis.

Although 66% of our people are women, men continue to dominate our most senior positions, which has a significant impact on our gender pay gap. During 2022, we are pleased to report a decrease in both our mean and median gender pay gap calculations. We know that we need to do more to consistently narrow the gap.

While it will take time to achieve parity, we continue to act where needed to ensure that our policies and practices remain fair, and to explore ideas that will help us address these specific challenges.

We want to get better at identifying the diverse talent that already exists within our workforce and ensure everybody has an equitable opportunity to excel in their chosen career path with us. A key area of focus is improving our data monitoring which will also enable us to begin to assess our pay gaps in other important areas such as ethnicity and better target interventions to improve and build on existing organisational culture.

We are working closely with our people to understand what matters most to them, as well as with our employee representative groups to listen, learn and change the ways we work for the better. We are confident that by listening, and working together, we can build greater diversity at all levels within ICAEW and a more inclusive workplace.

Michael Izza, Chief Executive

Alison Davies, Director, People
OUR GENDER PAY GAP

ICAEW’s gender pay gap figures and workforce composition on 5 April 2022:

OUR UK WORKFORCE

OUR GENDER PAY GAP

Gender pay gap: Defined as the difference between the average earnings of men and women in the organisation on the annual snapshot date of 5 April, expressed relative to men’s earnings.

Mean and median: The mean figure is the difference between the average of men’s and women’s pay or bonuses. The median figure is the difference between the midpoints in the ranges of men’s and women’s pay or bonuses.

OUR PAY QUARTILES

Pay quartiles: The regulations on gender pay reporting require us to report equal numbers of employees in four ascending groups based on average pay.
OUR GENDER PAY GAP (continued)

OUR BONUS GAP

Bonus gap: Organisations must report on bonus payments made during the 12 months prior to the snapshot date of 5 April 2022.

PERCENTAGE OF EMPLOYEES RECEIVING A BONUS

MEN 52.7% 57.4% WOMEN
UNDERSTANDING THE GAP

OVERVIEW
ICAEW has a good gender diversity spread across the organisation overall and we remain an employer of choice. We have seen an 8% narrowing of our mean gender pay gap in 2022. This is in part due to an overall reduction in the number of contractors and consultants as well as the number of men located at the top end of the upper pay quartile.

Our gender pay gap is largely influenced by these two, highly sensitive, statistical groupings: contractors and consultants, and our most senior positions. The roles within the upper middle and upper quartiles attract the highest hourly rates and bonus. Any small changes in these areas of just a few employees or workers can significantly impact our gender pay gap overall.

CONSULTANTS AND CONTRACTORS
• Contractors and consultants generally fall within the upper pay quartile. On 5 April 2022, we had 11 contractors and consultants, (7 men and 4 women) compared to a total of 29 in April 2021 (19 men and 10 women). This overall reduction in contractors and consultants, the majority of whom were men, plus an increase in women at the top end of the upper quartile in 2022, contributed to the 8% narrowing of our mean gender pay gap.

QUARTILES
• In 2022, we have seen a narrowing of the gaps across all pay quartiles. This is because we have more women at the top end of the upper quartile compared to 2021 (including contractors and consultants).

• Representation in the pay quartiles remained largely unchanged from 2021, however there has been a small increase in the number of women (by 3) and men (by 2) in the upper quartile. Modest changes in this statistically sensitive upper pay category - which can also attract larger bonus potential - skews our overall gender pay gap.

BONUSES
• Although more women than men received bonuses in 2022 our bonus gender pay gap remains high because men are disproportionately represented in our most senior positions. Bonuses are usually paid proportionate to salary; therefore, a higher salary may result in a larger bonus.

• Our mean and median bonus gender pay gap figures were significantly lower in 2021 as only contractual bonuses were paid because of the pandemic, and there was less difference in pay between the men and women within this median group receiving a bonus. In 2022 discretionary bonuses were paid, increasing the number of employees receiving a bonus overall.

EQUAL PAY
It is important not to confuse Gender Pay with Equal Pay. Equal pay is defined as men and women being paid the same for same or similar work. We are confident that ICAEW does not have an equal pay issue and we regularly and proactively review and benchmark salaries to ensure that men and women are rewarded equally for the same or similar work.

We are aware that men are more likely to negotiate salaries when compared to women and we follow principles of equal pay in our recruitment strategies when appointing into comparable roles.

We also conduct bi-annual Equal Pay reviews, and this work is supported by ensuring role profiles are up to date and accurate, which also assists us in benchmarking consistently.
NARROWING THE GAP

We are committed to narrowing our gender pay gap and we are developing a targeted Gender Pay Gap action plan. Taking steps to narrow the gap can not only make organisations more attractive in a competitive recruitment market but can also positively affect retention and progression of talented women.

WOMEN IN FINANCE CHARTER

ICAEW is a signatory to HM Treasury’s Women in Finance Charter, pledging to support the progression of ICAEW women into senior roles in the financial services sector. In 2017, we committed to having 40% of our senior management team made up of women by March 2020. We exceeded this target in June 2019 (44%) and women now comprise 55.36%* of our senior management team (as of September 2022). The Charter sets an annual plan to address areas relevant to this report, in particular the longer-term approach to developing employees in middle grades to progress to higher positions.

*The data for the Women in Finance Charter includes our international employees and excludes contractors.
Chartered accountants are talented, ethical and committed professionals. ICAEW represents more than 202,450 members and students around the world. All of the top 100 global brands employ ICAEW Chartered Accountants.*

Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading improvement regulator, we supervise and monitor around 12,000 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

We promote inclusivity, diversity and fairness and we give talented professionals the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet’s resources are managed sustainably.

ICAEW is the first major professional body to be carbon neutral, demonstrating our commitment to tackle climate change and supporting UN Sustainable Development Goal 13.

ICAEW is a founding member of Chartered Accountants Worldwide (CAW), a global family that connects over 1.8m chartered accountants and students in more than 190 countries. Together, we support, develop and promote the role of chartered accountants as trusted business leaders, difference makers and advisers.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create sustainable economies and a better future for all.

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* Includes parent companies. Source: ICAEW member data
March 2023, Interbrand, Best Global Brands 2022

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