

Information Commissioner's Annual Report and Financial Statements 2022/23

July 2023
HC 1440



Information Commissioner's Annual Report and Financial Statements 2022/23

For the period 1 April 2022 to 31 March 2023

Report presented to Parliament pursuant to Section 139(1) of the Data Protection Act 2018 and Section 49(1) of the Freedom of Information Act 2000 and Accounts Presented to Parliament pursuant to paragraph 11(4) of Schedule 12 to the Data Protection Act 2018.

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Our annual report is split into three sections.

The first section is our **Performance report**, which reviews our work across 2022/23. It sets out our key achievements, with case studies providing an in-depth examination of some of our most impactful work.

This section concludes with statistics covering the full range of our operational performance, summary reports on our financial performance, sustainability, whistleblowing disclosures made to us, and a statement on our status as a going concern.

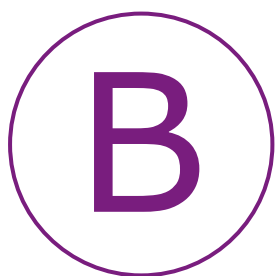
The second section is our **Accountability report**, which includes declarations about corporate governance, remuneration and staffing, and parliamentary accountability and audit reporting. In this section we also provide further details about our internal structures.

The report concludes with our **Financial statements**, comprising our financial performance.



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Information Commissioner's foreword

Welcome to the 2022/23 annual report for the Information Commissioner's Office. This report reflects a year of progress and impact. We have done a lot over the past year to support and make a difference to organisations and people in the UK.

The foundation for much of our work over the last year has been our new three-year strategy, ICO25. It sets out the regulator we want to be, the world we want to shape and the plan of how we get there.

We've already begun delivering against our ICO25 commitments. We have revised our approach to working with the public sector, empowering them to look after people's information whilst supporting them to transform public services and improve people's lives. Part of this approach includes working proactively with senior leaders to encourage compliance and prevent harms before they occur.

We have transformed our approach to our freedom of information and environmental information responsibilities through our "Better FOI" programme. Over the past year I was honest about what we needed to improve upon, and our FOI and EIR performance was one of them. Through recruiting additional staff and making efficiency savings through our casework, our backlog and caseload has reduced to numbers we haven't seen since the early days of the FOI Act.

ICO25 has also led to other changes - for example, as a result of our desire to be a more open and empathetic regulator, we've begun publicising our reprimands and sharing our internal training materials. And our work with reaching new groups of people has included engagement from our regional offices with academics from the Centre for the Study of Islam in the UK at Cardiff University to understand how information rights issues affect Muslim communities.

The overarching thread that runs through our work is that we want to empower people through information. Our work with victims of sexual assault to stop the excessive collection of personal information. Our tailored and specific help for small businesses, helping them understand their obligations under the law. Our international work to encourage lawmakers around the world to introduce legislation similar to our Children's code. All of these projects, introduced in the last reporting year, have showcased our work to support the organisations we regulate and the people we protect.



The last reporting year has also brought changes in terms of the legislation we oversee. The government's draft Data Protection and Digital Information (DPDI) Bill was introduced in July 2022, and we have been involved in the various drafting and committee stages throughout the year. We shared and supported the ambition of the reforms. The Bill is an evolution of existing data protection legislation, not a revolution. The foundations and levels of protection offered to UK people remain the same.

There are positives to law reform and advantages to our independent practices – we can be, to borrow a key phrase from my first year, more fleet of foot than many of our European counterparts. We can identify harms and focus on where we can be most effective, to bring the most benefit to the people and organisations of the UK.

It's been a year of listening, of setting things in motion, of preparing for the year to come and the years after that. Now we are taking action and creating the ICO we want to be – one that empowers you through information, one that is empathetic and transparent, and one that supports the whole of the economy to thrive. Regulation can be a force for good, and we want to ensure all the people we serve understand that the ICO is here to empower them.

I hope this report gives you a sense of the progress we have made in empowering you through information. There is more work to be done, but I hope this shows you how we are continuously developing the ICO into the modern, innovative, empowering regulator that we want to be.



John Edwards

7 July 2023

Senior Independent Director's report

The ICO's purpose to empower people through information is more important than ever.

Our increasingly digital society and economy rely on vast amounts of personal and public information. Seizing the opportunities of innovative information whilst upholding information rights is at the heart of what the ICO does, safeguarding whilst empowering.

Information rights are about people, relationships, trust, equality, democracy and dignity. I am incredibly proud of the work the ICO has done this year to help people confidently take part in our expanding digital world.

Assisting victims of predatory marketing, helping keep children safe online and taking action to support victims of sexual assault, the ICO has been empowering people. We have also been empowering businesses to use information to invest and innovate through guidance around issues such as game design, emerging technologies and direct marketing.

Work this year has included empowering transparency in the public sector. The ICO has changed how it works with the public sector, including how it handles Freedom of Information complaints. This new approach has focussed resources, prioritising issues that will have the greatest impact while also delivering a swifter response than ever to all incoming cases.

Important work is being done to engage more with marginalised groups. This is a key part of ICO25 - working to ensure all the organisations we regulate and all the people we protect understand the ICO is here to empower them through information.

I would like to thank the Board for their contributions this year, not only in providing strategic direction for the ICO but in increasing our co-operation and reach with other public sector bodies. And I would like to thank Peter Hustinx for his contribution as a non-executive director and for continuing to give us the benefit of his expertise by joining our Regulatory Committee as an independent member.

Most of all though I would like to thank the ICO staff for their hard work embarking on the vision set out in ICO25 of the regulator we want to be. From taking action to improve transparency in government, to helping businesses understand cyber threats, to our mission to beat case backlogs, the ICO is showing that regulation can be a force for good.

Nicola Wood

30 June 2023

Our mission, vision, and strategic goals

Our purpose

The ICO exists to empower you through information:

- We empower you as a member of the public to confidently contribute to a thriving society and sustainable economy.
- We empower your organisation to confidently plan, invest, innovate and grow.
- We empower you by promoting openness and transparency by public bodies.
- We empower you to hold us to account for the difference we make when enforcing the laws we oversee.

Our strategic enduring objectives

1. Safeguard and empower people.
2. Empower responsible innovation and sustainable economic growth.
3. Promote openness, transparency and accountability.
4. Driven by our values, we'll continuously develop the ICO's culture, capability and capacity.

Our values and behaviours

Curious

We believe in continuous learning, empowering our teams to experiment and innovate and are eager for new or different perspectives to inform our work.

We are curious enough to consider new ideas and agile enough to explore them effectively.

We are curious, empathetic and actively interested in understanding all perspectives. We particularly use this to make our expectations of those we regulate as simple as possible to implement.

We regularly ask ourselves why, and why not, and seek creative opportunities and solutions to both recurring and new situations.

We challenge each other constructively, supporting each other to find the best outcome.

Collaborative

We work together in ways which enable us to prioritise, support our agility and our collective and individual high performance. This enables us to successfully execute our plans by responding to emerging risks and opportunities at pace but without sacrificing our high standards.

We move fast together so we can fix things in ways which are timely and relevant for our customers, stakeholders and colleagues.

We experiment together, learn and continuously improve. If it doesn't work, we learn from it quickly and make changes.

Impactful

We thrive on delivering at pace and with impact, by being selective to be effective. This will help us to ensure our important work makes a material difference. We take pride in our high performance.

We set clear objectives and make timely, informed decisions, using evidence and insight. We also measure and evaluate our work.

We achieve high performance by empowering people to take personal ownership and accountability. We learn from our mistakes, continuously develop and celebrate our successes.

Respect, equality, diversity and inclusivity

We embrace inclusive ways of working. We respect each other and our stakeholders, customers and colleagues and treat all with dignity.

We want diverse teams that are filled with talent and reflect our society, so our organisation can thrive and perform at our very best.

We are curious to understand all perspectives, recognising the value that they bring. We actively encourage equality, diversity and inclusion in our working and thinking.

The legislation we regulate

The **Data Protection Act 2018** (DPA 2018) and the **UK General Data Protection Regulation** (UK GDPR) give people rights over how organisations collect and use their personal information, ensure organisations are accountable for using personal information safely, and support the social and economic benefits that come from responsible data sharing.

The **Freedom of Information Act 2000** (FOIA) gives people a general right of access to information held by most public authorities. Aimed at promoting a culture of openness and accountability across the public sector, it enables a better understanding of how public authorities carry out their duties, why they make the decisions they do and how they spend public money.

The **Environmental Information Regulations 2004** (EIR) provides a means of access to environmental information. The EIR cover more organisations than FOIA, including some private sector bodies, and have fewer exemptions (referred to as 'exceptions' in the EIR).

The **Privacy and Electronic Communications Regulations 2003** (PECR) regulate the use of electronic communications for the purpose of marketing to people and organisations, using cookies (or similar technologies), keeping public electronic communications services secure, and maintaining the privacy of customers using communications networks or services.

The **Network and Information Systems Regulations 2018** (NIS) establish a common level of security for network and information systems. These systems play a vital role in the economy and wider society, and NIS aims to address the threats posed to them from a range of areas, most notably cyber attacks.

The **Infrastructure for Spatial Information in the European Community Regulations 2009** (INSPIRE) give the ICO enforcement powers over the proactive provision by public authorities of geographical or location-based information.

The **Re-use of Public Sector Information Regulations 2015** (RPSI) gives people the right to request the re-use of public sector information and details how public bodies can charge for re-use and license the information. The ICO deals with complaints about how public bodies have dealt with requests to re-use information.

The **Investigatory Powers Act 2016** (IPA) governs how law enforcement agencies use the investigatory powers available to them, including gathering and using communications data. IPA imposes duties on communications service providers when retaining communications data for third party investigatory purposes where they have been issued with a notice from the Secretary of State.

The ICO has a duty to audit the security, integrity and destruction of that retained data.

The **Electronic Identification and Trust Services for Electronic Transactions Regulations 2016** (eIDAS) sets out rules for UK trust services and establishes a legal framework for the provision and effect of electronic signatures, electronic seals, electronic time stamps, electronic documents, electronic registered delivery services and certificate services for website authentication. The ICO is responsible for supervising the trust service provisions of the UK eIDAS Regulations. We can grant and revoke qualified status for trust service providers established in the UK, approve or reject qualified trust services, report on security breaches, carry out audits and take enforcement action.

The **Enterprise Act 2002** made various reforms to competition law and consumer law enforcement in the UK. Part 8 of the Enterprise Act deals with provisions for the enforcement of consumer protection legislation. The ICO has powers under Part 8 of the Enterprise Act as a “designated enforcer” in relation to domestic infringements and infringements listed in Schedule 13. We are also a “Schedule 13” enforcer which gives us additional powers for infringements listed in that Schedule.

Introduction

A year in review

We have presented our achievements and successes in four categories, aligned to the four enduring objectives set out in our ICO25 plan.

1. Safeguard and empower people

Particularly those at most risk of harm, by upholding our information rights and enabling us all to confidently contribute to a thriving society and sustainable economy.

2. Empower responsible innovation and sustainable economic growth

By providing regulatory certainty about what the law requires, reducing the cost of compliance and clarifying what we will do if things go wrong. This enables those we regulate to plan, invest and innovate with confidence.

3. Promote openness and transparency

Supporting the development of a modern FOIA and EIR practice framework in the UK, inspiring confidence in public services and democracy.

4. Continuously develop the ICO's culture, capacity and capability

To deliver impactful regulatory outcomes, be recognised as an effective provider of public services, a knowledgeable and influential regulator and a great place to work and develop.

The year in review

April 2022

- 11** John Edwards attends IAPP Global event in Washington DC.
- 14** Google revises approach to cookie consent.



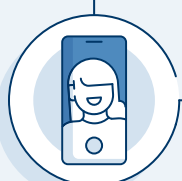
June 2022

- 14** Ability to retain fine income for regulatory activity announced.
- 28** Data protection and privacy authorities provide guidance on threat of credential stuffing attacks.
- 30** Revised approach to public sector enforcement announced.



August 2022

- 05** Former health adviser found guilty of illegally accessing patient records.
- 16** Recruitment begins for our technology advisory panel.
- 18** FlyingBinary's sandbox exit report published.
- 30** Action launched against eight individuals over alleged theft of road traffic accident data from garages.



October 2022

- 03** Four firms fined for making predatory marketing calls.
- 06** Easylife fined for breaking data protection and electronic marketing laws.
- 24** Interserve fined £4.4m for failing to protect personal information of its staff.
- 26** Warning issued to all organisations about risks of using emotional analysis technologies.



May 2022

- 20** Published a blog about how we work with the FOI community to improve future FOI regulation.
- 23** Clearview AI Inc fined more than £7.5m
- 31** Information Commissioner calls for an end to excessive collection of personal information from victims of rape and serious sexual assault.

July 2022

- 08** Joint letter with NCSC to the Law Society asking its members to not advise clients to pay ransomware demands.
- 11** Launch of calls for review into use of private email and messaging apps within government.
- 14** Launch of ICO25 strategic plan.
- 19** Data Protection Practitioners' Conference 2022.

September 2022

- 02** First anniversary of the Children's Code.
- 08** Action taken against DIT and BEIS for persistent failures to respond to information access requests.
- 27** TikTok issued with notice of intent of fine for failing to protect children's privacy.
- 28** Blog published on International Day for Universal Access to Information.

December 2022

- 06** Reprimands issued from January 2022 onwards published on our website.
- 07** Five businesses fined for making unlawful marketing calls.

February 2023

- 02** Launch of toolkit to help public bodies improve their compliance with FOI law.
- 16** Publication of guidance to game developers on protecting children.
- 28** Publication of SME Data Essentials pilot evaluation report.

November 2022

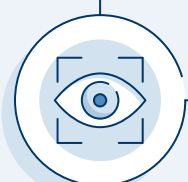
- 06** Department for Education reprimanded over misuse of the personal information of up to 28m children.
- 08** Launch of public consultation on how the ICO prioritises FOI requests.
- 22** John Edwards makes keynote speech at NADPO's annual conference.
- 25** Joint statement with Ofcom to set out partnership between online safety and data protection.

January 2023

- 20** Publication of our tech horizons report, looking at technologies emerging over the next two to five years
- 31** Publication of letter to North Ayrshire Council regarding use of facial recognition technology in school canteens.

March 2023

- 13** Publication of resources to help designers, developers and software engineers embed data protection into their products.
- 16** Reprimand issued to the Metropolitan Police for inadequate handling of files related to organised crime groups.
- 28** Announcement of our new approach to prioritise FOI complaints where there is significant public interest.
- 30** Reprimand issued to NHS Highland for a serious data breach amongst those accessing HIV services.



Section 1: Safeguard and empower people

This section demonstrates how our work has improved the awareness, understanding and effective use of information rights across society.

This included providing clear guidance on how organisations should process personal information in a wide range of settings. We offered guidance in situations where organisations are processing children's information, recruitment or financial information or information collected from victims of rape or serious sexual assault. We have also continued to deepen our understanding of how information affects the lives of everyone in the UK, particularly people at most risk of harm.

If organisations do not follow the rules, we take proportionate action where they have not respected people's rights. During 2022/23, we handled almost 35,000 data protection complaints, working with organisations to make changes and encourage public trust and confidence. We also responded to people's concerns about nuisance calls and texts from organisations that did not comply with the law.

Empowering people to access their personal information

Providing a high-quality service for complaints about personal information

We empower people to assert their data protection rights. We also support organisations, across the span of public, private, policing, judicial and third sectors, to look after people's information.

This year, we strongly focused on service improvement across the ICO, in line with our commitments set out in ICO25 and our shifts in approach. We empowered our case officers to move away from writing templated, prescriptive responses. We encouraged them to take a more empathetic approach and provide a tailored response, aimed at best meeting the customer's needs. Our case officers are now resolving more matters over the telephone and by email, and rely less on lengthy templated letters.

We delivered training to staff on how best to identify and support customers who are at most risk of harm. This links with our ICO25 objectives of safeguarding and empowering people who need extra support to protect themselves. We provided greater clarity over our complaints process and strengthened our online customer journeys for data protection complaints and domestic CCTV.

This resulted in a significant improvement in the time it takes for a customer to receive a full response to their complaint. In April 2022, we were responding to one in three data protection complaints within three months. However, by March 2023, we had significantly improved this and responded to over 95% of data protection complaints within three months (87% during October-December 2022).

A significant proportion of data protection complaints that we receive are from people who feel they have not been given access to the personal information an organisation holds about them. These are called subject access requests (SARs). We started designing and developing improved online SAR tools and guidance. This is to help improve outcomes for people raising SARs, make it easier for organisations to respond to them, and lower complaints to us. We are aiming to launch changes by autumn 2023.

In March 2023, we launched our annual customer satisfaction survey with the Institute of Customer Service. At the time of writing, this survey was ongoing and will be published separately on our website in 2023.

Understanding public sentiment to better serve a diverse population

Conducting insight and research

In September 2022, we published our public awareness survey. This explored people's perceptions of the ICO and the work we do compared to other regulators. It also measured people's awareness of their information rights and how they exercise them. We conducted the online survey in July 2022 with a nationally representative sample of 2,067 adults across the UK.¹

In early 2023, we started our qualitative longitudinal study 'Data Lives'. We want the study to develop our understanding of:

- how people are thinking about and sharing their personal information in their daily lives;
- the value they place on their privacy; and
- how this changes over time.

We want to understand how this changes for people with different backgrounds and experiences. This insight will deepen our understanding of how people talk about the areas we regulate and the role that information rights play in people's lives in the UK.

We jointly commissioned research, along with Ofcom under the Digital Regulation Co-operation Forum (DRCF), to explore families' attitudes to online safety and age assurance methods. We also asked them what they think of privacy, online safety and ease of use. This research helped us to understand how parents, guardians and children balance the benefits and risks of age assurance across different contexts.²

To accurately measure the impact of our work on children's privacy, we undertook further research with children, parents, guardians and schools as part

¹ <https://ico.org.uk/media/about-the-ico/documents/4023742/ico-public-awareness-2022-findings.pdf>

² <https://ico.org.uk/about-the-ico/research-and-reports/age-assurance-research/>

of our Children's code evaluation. The research helped us to understand the awareness, effectiveness and impact of this code. We also learned how to improve our ability to support people to better protect children's personal information.

Community outreach

Our work to support customers at most risk of harm led us to engage with a variety of stakeholders representing or working on specific issues and supporting a range of communities. We engaged these groups through hosting events ourselves or going out to meet them. This is helping us understand how we can work alongside organisations to support them and the communities they represent, particularly those who may need extra support to protect themselves. Examples of organisations include:

- those in the financial sector, to support people facing difficulty in the cost of living crisis;
- faith groups, to ensure that the communities they serve are aware of their information rights and how to exercise them;
- encouraging better data sharing in sectors linked to people at most risk of harm; and
- training within the charity and consumer sectors on information rights to help them better support the communities they represent.

We have set up an internal working group to map out our internal intelligence. This ensures we have a coordinated approach to deliver the best outcomes for those we represent.

Ensuring that we consider equality, diversity and inclusion in all our regulatory activities and decision-making

Our work is most effective and has the greatest impact when we reach, understand and represent people across the whole of society and the economy. We ensure that all our regulatory action considers the needs of different groups, in line with our public sector equality duty and stated equality objectives. This year, we focused on developing our approach in two high-impact areas of our regulatory work:

- our Public Advice and Data Protection Complaints Service (PADPCS); and
- our high priority investigations (HPI) work.

Focusing on these two areas of our regulatory work allows for both reach and lasting effectiveness.

In PADPCS, we started considering whether a customer needs any extra support to protect themselves. We assessed what, if any, harm arose as a result of the processing, and the value in addressing it. This approach allows us to prioritise

action and put in place any additional necessary measures for our engagement with that customer. We consider those at most risk of harm in its widest sense, which includes any protected characteristics of the customer. This approach has meant we have increased focus on sharing good practice across our teams. One example of this was complaints about children's privacy.

Our recent work with the Ombudsman Services allowed us to provide our customers with key information about the cost-of-living crisis, which we recognised may disproportionately impact certain groups. In developing our approach, we recognised the need to improve our understanding of our customer base. We have created surveys to support this, through our membership of the Institute of Customer Service. The work to date has also highlighted that we need to do more to categorise certain complaints within our complaints management system.

In HPI, we have always considered those at most risk of harm and protected characteristics. This year, the team began an ongoing process transformation project. The project aims to develop a robust and specific framework about how we can consider equality, diversity and inclusion (EDI) objectives within these enquiries and safeguard the people who need extra support to protect themselves.

Children's privacy – The Children's code

Our work to safeguard those at most risk of harm means the Children's code remains a key priority, ensuring that platforms make changes in line with the best interests of the child. We conducted a full evaluation, bringing together the lessons learned through developing and implementing the code, as well as the emerging impact evidence. We are in the process of applying the lessons learned to our future work. The code's pioneering approach has been emulated around the world. We have seen some large online platforms implementing measures to make their services more suitable for children, often applying them not just in the UK but globally. In addition, we continue to see take-up from organisations of the ICO-approved Age Check Certification Scheme (ACCS), leading the way globally on data protection authority-approved schemes.

To support Information Society Service providers (ISS) to assess whether children are likely to access their service, we have developed FAQs and case studies. We also launched a consultation on draft guidance on this topic in March 2023.³

We created a set of advertorials, aimed at designers and organisations, to promote compliance with the code. They were published across trade and industry magazines, websites and journals. In addition, we published a set of top

³ https://ico.org.uk/media/about-the-ico/consultations/4024646/consultation-likely-to-be-accessed-v1_0.docx

tips for game developers on protecting children.⁴ We based the top tips on our experiences and findings from a series of voluntary audits of game developers and gaming industry studios and publishers. These top tips set out what the gaming industry could and should do to comply with the code.

In November, we published a joint statement with Ofcom to set out how we will work together to ensure coherence between our respective regimes.⁵ Our joint statement built on our cooperative regulatory approach and on our close working relationship as co-founders of the DRCF. We are conducting joint research and developing systems to collaborate on protecting children online, including work on age assurance and preparing for the Online Safety Bill.

Children's privacy – investigations

As part of our work to protect children online, we finished three out of the 13 open investigations concerning children's privacy, resulting from targeted 'sweep' assessment activity. They are now undergoing our decision-making and legal processes.

We are finalising a further three children's privacy investigations. We also issued an information notice to one organisation to compel them to provide evidence, and the case is ongoing. The remaining six cases are at various stages of the evidence-gathering process.

We issued a notice of intent to TikTok in September 2022 which provisionally found that TikTok had breached multiple articles of the UK GDPR. This included:

- providing its services to UK children under the age of 13 and processing their personal information without consent or authorisation from their parents or carers;
- failing to provide proper information to people using the platform about how their information is collected, used, and shared in a way that was easy to understand; and
- failing to ensure that the personal information belonging to its UK users was processed lawfully, fairly and in a transparent manner.

TikTok provided detailed written representations in response to the notice of intent, which we took into account when determining the final penalty for TikTok⁶.

⁴ <https://ico.org.uk/for-organisations/childrens-code-hub/top-tips-for-games-designers-how-to-comply-with-the-children-s-code/>

⁵ <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2022/11/ico-and-ofcom-strengthen-partnership-on-online-safety-and-data-protection/>

⁶ We imposed a penalty of £12.7m on TikTok in April 2023. More information on this is available on our website: <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2023/04/ico-fines-tiktok-127-million-for-misusing-children-s-data/>

The investigation into TikTok was focused on matters prior to the full roll-out of the Children’s code in September 2021. The threat of similar potential regulatory action following roll-out of the Children’s code has led many online services, including websites, apps and games, to provide better privacy protections for children. This ensures their personal information is protected within the digital world. This has included changes by social media platforms, gaming websites and video streaming services, including:

- targeted and personalised ads being blocked for children;
- children’s accounts being set to private by default;
- adults being blocked from directly messaging children; and
- notifications being turned off at bedtime.

Impact of technology on those at most risk of harm: This was an area of emphasis for us this year, and some of our key work has been:

- **Investigating use of algorithms in recruitment applications:** As part of our ICO25 objectives, we engaged with organisations around the impact of their technology on groups at most risk of harm. For example, we have investigated the market leader, HireVue, for the provision of AI-powered recruitment tools. Our engagement with HireVue was positive and constructive. This work allowed us to gain insight on their processing, whilst gathering intelligence for further work in areas with potentially greater harm. HireVue is now working with customers to make improvements around transparency and their lawful basis. This will have a significant impact on recruitment candidates who do not wish to be assessed by automated means, or who may be adversely impacted by games-based assessments.

In addition, we will conduct an up-to-date scoping exercise on other technology providers and customers using AI in recruitment processes. We will also carry out open-source research to determine whether there is public awareness of or civil society interest in the issues. We will then make a recommendation about whether a broader ecosystem inquiry is of value.

- **Refreshing guidance for AI developers on ensuring algorithms treat people and information fairly:** In March 2023 we launched our updated guidance on AI and data protection. The update provides more detailed guidance on how the fairness requirements of data protection law apply to AI. As part of the update, we created a roadmap specifically targeted at developers. We designed the roadmap to help designers embed both data protection by design and default and the fairness principle across the AI lifecycle.

We worked with other regulators, both within the Digital Regulation Cooperation Forum (DRCF) and beyond, to foster greater regulatory

coherence and certainty for organisations developing and using AI. With our DRCF partners, we published papers on:

- algorithmic harms and benefits;
- the AI auditing landscape; and
- transparency in the procurement of algorithmic systems.

Beyond DRCF, we are working closely with the Equality and Human Rights Commission on topics such as AI and discrimination.

We also continued to work with international counterparts and stakeholders. On a bilateral level, we collaborated with the Office of the Australian Information Commissioner on a joint investigation into Clearview AI. Through the Global Privacy Assembly (GPA), we led work to identify high-risk applications of AI in an employment context.

- **Biometric tech:** We published our reports into emerging biometric technologies in October 2022⁷. The report examines the impact of this rapidly advancing technology on privacy and regulation. Following on from this report, we engaged with both the Citizens' Biometrics Council and the British Youth Council to better understand attitudes towards biometric technologies like facial recognition.
- **Facial recognition technology (FRT):** We wrote to North Ayrshire Council (NAC) in January 2023 reminding them of their data protection responsibilities after they began using facial recognition technology to manage 'cashless catering' in school canteens. The story was first brought to us in October 2021 when NAC introduced FRT into nine of its schools. NAC stopped processing shortly after data protection concerns were raised with us.
- **Online safety:** We continued to strengthen our co-operation with Ofcom ahead of the introduction of the UK's new online safety regime. We published a joint statement in autumn 2022, which recognised the links between data protection and online safety regulation and the need to address any potential tensions. It also outlined our plans to produce data protection guidance for organisations that may need to deploy content moderation, user profiling or behaviour identification technology under the online safety regime.
- **Online tracking:** We continued to work with industry and our regulatory counterparts, particularly the CMA. We are working to improve standards of privacy in online tracking, including around the delivery of online advertising. Through our interventions, we successfully influenced improvements to Google's approach to

⁷ <https://ico.org.uk/about-the-ico/research-and-reports/biometrics-technologies/>

obtaining consent for customisation and personalisation cookies. As part of our collaboration with the CMA, we also continued to scrutinise Google's plans for removing third-party cookies from Chrome and replacing them with its Privacy Sandbox APIs. We received assurances from Google that any developments will result in positive privacy outcomes.

- **CCTV:** As part of our work to protect those at most risk of harm, we did a broad assessment of data protection practices of CCTV use in care homes. This included conducting enquiries with five of the largest care home providers, which collectively operate around 1,000 UK care homes with over 40,000 residents.

Whilst we did not see evidence that would require more formal regulatory interventions, we provided feedback to care home providers through this process. We also highlighted our video surveillance guidance (including guidance for organisations using CCTV)⁸.

Deprivation: We had a particular focus this year on areas linked to deprivation, including:

- **Work with finance industry**

This year, we concluded an investigation into Refinitiv, a global provider of financial markets data and risk assessment tools. We focused on one of its products which aims to help financial institutions, the regulated non-banking sector and companies to comply with regulations. This product also helped organisations meet their due diligence obligations and identify potential financial criminal activity. We welcomed the positive steps the organisation took to comply with data protection legislation, including completing a data protection impact assessment (DPIA) and legitimate interests assessment (LIA). The technical and organisational controls they had in place mirrored those recommended in our guidance on security. We were also satisfied with their retention processes as well as improvements in transparency.

Our inquiry concluded that the company needed to take further steps to improve compliance. We provided detailed recommendations and links to our existing guidance to ensure continued compliance.

- **AI in benefits system**

We conducted an inquiry after we heard concerns about the use of algorithms in decision-making around benefit entitlement and in the welfare system more broadly. We wanted to understand the development,

⁸ <https://ico.org.uk/for-organisations/guide-to-data-protection/key-dp-themes/guidance-on-video-surveillance-including-cctv/about-this-guidance/>

purpose and functions of algorithms and similar systems that local authorities were using. We wanted to make sure people could feel confident in how local authorities were handling their information.

We consulted with technical suppliers, a representative sample of local authorities across the country and the Department for Work and Pensions. Overall, we identified 11 local authorities through a risk assessment process to ensure a representative sample based on geographical location and those with the largest benefits workload.

In this instance, we found no evidence to suggest that claimants are subjected to any harms or financial detriment because of the use of algorithms or similar technologies in the welfare and social care sector. We understand that there is meaningful human involvement before local authorities make any final decision on benefit entitlement. Many of the providers we spoke with confirmed that they do not carry out processing using AI or machine learning. Rather, they use what they describe as a simple algorithm to reduce administrative workload.

We provided guidance on practical steps that local authorities and central government can take when using algorithms or AI. This inquiry has greatly increased our understanding of the development, practical application and use of this technology in this sector.

- **Targeted advertising in gambling sites**

We have been exploring the use of targeted advertising and personal information within the gambling sector. In particular, whether the misuse of people's personal information may contribute to problem gambling. This includes assessing the report submitted to us from the UK campaign group Clean Up Gambling. We expect this work to conclude during 2023/24 and we will publish the outcomes on our website.

- **Predatory marketing calls**

Last financial year, we issued 19 penalties totalling £1.88m for serious breaches of PECR. We also issued 14 enforcement notices, compelling future compliance with the law. Our work focused on tackling harms due to breaches of PECR, such as the predatory marketing of white goods warranties and green energy initiatives, as well as debt management and life insurance products.

We worked in partnership with different law enforcement agencies and regulatory bodies. In particular, we have worked collaboratively and effectively with National Trading Standards and the Insolvency Service to tackle the predatory marketing of white goods warranties, protecting those at most risk of harm against further harms. Significant media coverage of our work in this area has alerted the public to the risks posed

by rogue companies. We particularly focused on our investigations into companies selling white goods insurance⁹ (which built on our work announced in March 2022¹⁰) and energy efficiency products.¹¹

This year, we completed a successful six-month outward secondment from our Financial Recovery Unit to the Official Receiver. This strengthened our partnership and collaborative approach to protecting the public and preventing further harms. In 2022/23, the Insolvency Service disqualified four directors for a total of 27 years following our referral and partnership working. Since we started working with the Insolvency Service in 2016/17, they have disqualified 36 directors for a combined total of 222 years for their involvement in PECR breaches.

- **Personal safety – Data sharing and approach by police to collect data**

In May 2022, we issued a Commissioner’s Opinion following a complex and detailed investigation into the processing of victims’ personal information in rape and serious sexual offence cases. The inquiry followed concerns raised by organisations in the public and voluntary sectors across the UK. They were concerned by the police and the wider criminal justice system’s reliance on statements for consent from victims and about excessive collection of victims’ personal, often sensitive, information. This Opinion built on our previous investigations into the extraction of data from mobile phones.

We found that police forces were telling victims to consent to hand over extraordinary amounts of information about their lives. This included information about their health, social care and education, in the immediate aftermath of a life-changing attack. Following extensive engagement with stakeholders, we concluded that police and other organisations had further work to do to demonstrate that they processed information fairly, lawfully and compliantly.

The Opinion explained that data protection compliance is not a barrier to effective and efficient data sharing, where necessary and proportionate, to conduct a thorough investigation and offer a fair trial. We made recommendations to drive consistency in each of the UK’s jurisdictions. We want to ensure that organisations feel confident about their

⁹ <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2022/12/five-businesses-fined-a-total-of-435-000-for-making-nearly-half-a-million-unlawful-marketing-calls/>

¹⁰ <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2022/03/ico-takes-action-against-companies-over-predatory-marketing-calls-targeting-elderly-vulnerable-people/>

¹¹ <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2022/10/ico-fines-four-firms-targeting-people-with-home-improvement-predatory-marketing-calls/>

compliance with data protection law, in both requesting and providing personal information.

Enabling sector-based resolution of data protection complaints

We have been aiming to reduce the number of organisations that someone with a complaint must deal with. As part of this work, we began working with the Energy Ombudsman and the Communications Ombudsman, so that they would become the first point of contact for data protection complaints in their area. We are supporting this by providing technical advice, where necessary. We are also actively seeking to provide a more joined-up service. We will be looking to roll out this approach to other sector-specific ombudsmen or representative groups during 2023/24.

Section 2: Empower responsible innovation and sustainable economic growth

This section demonstrates how our work has reduced compliance burdens and costs for businesses through providing support, guidance and regulatory clarity.

We have continued to make strides to support organisations to know what they need to do, including making our internal training materials available for free on our website. We also created specific programmes for small businesses.

We also changed our approach to investigations by concluding this part of our work more quickly to give certainty to organisations as soon as possible. We set out our positions on emerging technology and created an advice service to help organisations consider how to use these technologies.

Bringing down the burden and cost of compliance, by enabling those we regulate to learn from us and others

Publishing our internal data protection and freedom of information training materials

We took the information governance and legislation training modules we provide to ICO staff as part of their internal training and made them available for public authorities and businesses to use.¹² Organisations can select the modules that fit their needs and add them to their existing training materials.

We also developed a suite of products to help public bodies improve their FOI compliance and respond to information requests without delay,¹³ including:

- resources to proactively assess compliance;

¹² <https://ico.org.uk/for-organisations/posters-stickers-and-e-learning/training-resources-for-your-business/>

¹³ <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/resources-toolkits-and-training/>

- an action plan for improving services that organisations can easily adapt to different circumstances;
- toolkits that can help public authorities comply with their legal duties; and
- case studies for those we regulate to learn from.

Producing off-the-shelf products and templates

This year, we proactively reviewed and published our internal training modules on our website. Our objective is to provide useful and relevant information, particularly to small organisations.¹⁴

In addition, within our small and medium-sized enterprises (SME) web hub,¹⁵ we published advice and guidance on many topics. The hub links to guidance designed to both support SMEs and to encourage them to engage and comply with data protection to improve their business.

For example, we published content including:

- how to write your own privacy notice and what goes in it, and associated privacy notice FAQs¹⁶;
- whether employee monitoring is right for your business¹⁷;
- information small businesses need to know about dashcams and the UK GDPR¹⁸;
- a subject access request (SAR) template¹⁹; and
- information on making marketing work for you and your customers along with associated marketing FAQs²⁰.

As part of our ICO25 commitments, we are commissioning a piece of work to understand what information we hold that would be beneficial to our external audiences. We are currently defining the scope for this work and the technical solutions we could implement.

¹⁴ <https://ico.org.uk/for-organisations/sme-web-hub/whats-new/e-learning/training-resource-for-small-businesses/>

¹⁵ <https://ico.org.uk/for-organisations/sme-web-hub/>

¹⁶ <https://ico.org.uk/for-organisations/sme-web-hub/make-your-own-privacy-notice/>

¹⁷ <https://ico.org.uk/for-organisations/sme-web-hub/whats-new/blogs/employee-monitoring-is-it-right-for-your-business/>

¹⁸ <https://ico.org.uk/for-organisations/sme-web-hub/whats-new/blogs/dashcams-and-uk-gdpr-what-small-businesses-need-to-know/>

¹⁹ <https://ico.org.uk/for-organisations/sme-web-hub/subject-access-request-template-for-small-businesses/>

²⁰ <https://ico.org.uk/for-organisations/sme-web-hub/whats-new/blogs/making-marketing-work-for-you-and-your-customers/>

- **Creating and hosting forums for organisations**

We conducted research, including surveys, behavioural testing and focus groups, to further explore our stakeholders' expectations and needs around a practitioner forum. This will ensure we create the right service in the right way, to have the greatest impact for people. We are currently analysing the research to determine the next steps of the project.

- **Data Protection Practitioners' Conference (DPPC)**

In July 2022, our annual Data Protection Practitioners' Conference (DPPC) attracted an average audience of 2,700 across the day. This was three times more than our last in-person event in 2019. We increased our reach further and contributed to reducing the burden or cost of compliance by providing recordings of sessions on our website.²¹ 94% of delegates rated the overall agenda as good, very good or excellent (38% said excellent).

We have also begun planning for DPPC 2023, which will take place in October 2023. The theme is "empowering you through information", in support of our ICO25 purpose. Our aim is to deliver exceptional, expert content to attract new delegates from sectors we know need our help, namely health, education and law enforcement. We also want to facilitate networking to share knowledge amongst the data protection community. We'll deliver content around FOI laws, recognising that many practitioners also have an information access role. Further information about DPPC 2023 is available on our website.²²

- **Breach insights and data security incident trends**

We developed an interactive dashboard to provide greater access to a valuable source of information on personal data breaches, aiding the understanding of these incidents.²³

We developed this dashboard partly in response to requests from our customers using feedback from a call for views.²⁴ Respondents interested in using the data included the cyber security industry, journalists and businesses looking to learn and improve their own practices. Publishing this data also supports our aim of promoting data openness and transparency for public sector bodies.

We had high levels of engagement to both our call for views and the dashboard itself, with page views more than doubling between 2021 and

²¹ <https://ico.org.uk/about-the-ico/data-protection-practitioners-conference/highlights-from-last-years-seminars/>

²² <https://ico.org.uk/about-the-ico/data-protection-practitioners-conference/>

²³ <https://ico.org.uk/action-weve-taken/data-security-incident-trends/>

²⁴ <https://ico.org.uk/about-the-ico/ico-and-stakeholder-consultations/call-for-views-data-security-incident-trends/>

2022. The dashboard has supported our work to empower organisations and businesses to grow responsibly. It enables them to bring products and services to market quicker whilst also protecting people's personal information. It also demonstrates what is possible in terms of data analysis, visualisation and the application of economic decision-making frameworks and agile project management. It has enhanced our reputation as a modern, proactive regulator amongst stakeholders.²⁵

Delivering timely regulatory interventions

Tackling casework backlogs

Tackling our backlogs was a key ICO25 commitment. These backlogs were in our FOI, personal data breaches and DP fees departments. The backlogs had arisen primarily as a result of the Covid pandemic and the operational challenges this caused for both ourselves and those we regulate. Between July and September 2022, we evaluated and identified areas of our operational work that required particular focus on backlog reductions. We focused on areas where we could reduce and eliminate these backlogs by taking different approaches and techniques. The work focused on reducing backlogs in:

- FOI (backlog of around 1,000 complaints over our usual caseload of approximately 1,250 cases at the start of 2022/23);
- personal data breaches (caseload of 488 cases); and
- our DP fees departments (caseload of circa 36,000 cases).

These were some of the areas of significant volume and interactions with our external customers.

We made good progress on our backlogs and have reduced them to manageable levels. The FOI backlog is now eliminated in practice with our year-end caseload at its lowest ever level. Although, as we have reported elsewhere, we are working with the Cabinet Office to address a tranche of older cases that remain in our system about that single public authority. The personal data breaches live caseload is now at 168, below the target of 174. The DP fees live caseload now stands at 8,260 cases which represents around a week's worth of activity.

Delivering the outcomes of our investigations quicker and being more transparent about the time it will take to reach certain milestones in our investigations

We have taken actions to improve the timeliness and transparency of our investigations, such as providing new information tools to managers to improve case transparency, including those approaching our target length. We also implemented prioritisation reviews of high-profile and complex cases, alongside

²⁵ <https://www.abi.org.uk/news/blog-articles/2022/11/why-the-icos-new-data-security-incidents-dashboard-matters-to-cyber-insurers/>

strategic direction on which cases to take forward. In preparation for implementing ICO25, we reviewed and reduced our current caseloads. This resulted in significant reductions.

Being more transparent about what regulatory action we are taking and why

In November 2022²⁶, John Edwards announced that we would publish all reprimands issued since January 2022 on our website.²⁷ This is part of our drive to offer transparency and clarity about our regulatory activity. In some cases, we publish these reprimands with extra information, giving details about the breaches and how other organisations can avoid similar issues.²⁸

This approach gives greater accountability, allowing people to understand how we hold organisations to account and how they have changed their practices. It gives more information to other organisations about what has happened and, where it is a reprimand to a public authority, an indication of the likely fine that we would issue. Reprimands also provide more regulatory certainty to the public and organisations in understanding what the law requires and when we will take action.

Introducing PACE teams

“PACE” stands for prioritise, act, collaborate and engage. It is a new way of working that we are introducing across the office. It allows us to tackle issues in more autonomous, accountable teams operating at speed, rather than assigning work to functional areas. This means we can increase our effectiveness and make the most of our skills and knowledge.

We consider and apply the lessons learned from our most effective investigations. We also reflect on our responses to some of our most high-profile and important interventions. This helps inform our longer-term ambition to develop a portfolio of cross-functioning teams that draw in expertise and allow for quicker and more informed decision-making. This would then allow us to turn around faster and more impactful outcomes. As we develop the methodology to support this way of working, we expect to address more issues using a fast-moving, collaborative and action-based approach.

Enabling international data flows through regulatory certainty

Adequacy assessments

We provide support and advice to the Government as they assess the adequacy of a country’s data protection arrangements (for both general data protection

²⁶ <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2022/11/how-the-ico-enforces-a-new-strategic-approach-to-regulatory-action/>

²⁷ <https://ico.org.uk/action-weve-taken/reprimands/>

²⁸ <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2022/11/department-for-education-warned-after-gambling-companies-benefit-from-learning-records-database/>

and law enforcement purposes). They do this to allow personal information to flow freely between the UK and other countries. The Government refers to these as “data bridges”.

During this year, the Government announced a positive assessment of the Republic of Korea’s data protection arrangements. We shared our response on the proposed policy position, which was included in the recommendation to support the Secretary of State’s decision-making. We also published a Commissioner’s Opinion²⁹ to inform the parliamentary process.

We continue to provide advice and support to other ongoing assessments around the Government’s stated priority jurisdictions³⁰, including the ongoing discussions about a UK-US data bridge.

Binding Corporate Rules (BCRs)

Binding Corporate Rules (BCRs) are a way for organisations to demonstrate their strong commitments to data protection when transferring information. This reflects our commitment to enabling global trade by making international data flows as frictionless as possible. This increases customer trust in how organisations handle their information and keep it safe by maintaining high data protection standards.

By their nature, BCRs are complex transfer mechanisms designed to protect people’s information. To make the process easier and in consultation with stakeholders, we rolled out new application forms³¹ and ³², along with guidance for data controllers³³ and data processors³⁴ to simplify the process and remove unnecessary duplication. We continued to work through post-Brexit BCR applications and approved three BCRs during the year.³⁵ There is currently a considerable backlog for BCRs and we acknowledge that our performance has fallen short of industry expectations. We will continue to attempt to improve our practice in this area during 2023/24.

²⁹ <https://ico.org.uk/about-the-ico/what-we-do/information-commissioners-opinions-on-adequacy/>

³⁰ These are Australia, Colombia, Dubai International Finance Centre, Singapore and the United States of America.

³¹ <https://ico.org.uk/for-organisations/guide-to-binding-corporate-rules/controller-guidance/application-for-approval-of-uk-binding-corporate-rules-for-data-controllers/>

³² <https://ico.org.uk/for-organisations/guide-to-binding-corporate-rules/processor-guidance/application-for-approval-of-uk-binding-corporate-rules-for-data-processors/>

³³ <https://ico.org.uk/for-organisations/guide-to-binding-corporate-rules/controller-guidance/>

³⁴ <https://ico.org.uk/for-organisations/guide-to-binding-corporate-rules/processor-guidance/>

³⁵ <https://ico.org.uk/for-organisations/guide-to-binding-corporate-rules/bcr-approvals/bcrs-approved-under-uk-gdpr/>

Encouraging public sector standards and efficiency

Revising our approach to public sector fines and enforcement and driving compliance and high standards on information across government

In June 2022, we set out a revised approach to working more effectively with public authorities.³⁶ This approach, which we are trialling over two years, allows the Information Commissioner to use his discretion to reduce the impact of fines on the public sector. In practice, this means an increased use of our wider powers, including warnings, reprimands and enforcement notices. We reserve our fines for the most serious cases. When we consider a fine, the decision notice gives an indication on the fine amount. This provides information to the wider economy about the levels of penalty others can expect from similar conduct.

In support of this approach, we received a commitment from the Cabinet Office and the Department for Digital, Culture, Media and Sport (DCMS) to create a cross-Whitehall senior leadership group to encourage compliance with high data protection standards. Since February 2023, following the change of our sponsoring department, we have been working with the Department for Science, Innovation and Technology (DSIT) on taking this forward. We have created a working group with representatives of departments that process the most personal information to drive forward progress on a day-to-day basis. The working group has agreed an initial workplan with the senior level group. They will report on their progress to the senior level group and the Information Commissioner on a quarterly basis.

Data sharing – promotion and tools

Following a session of the Lords Public Services Committee in 2022, the Commissioner agreed that we would produce a child safeguarding resource tool to complement existing guidance within our data sharing hub. We are planning to publish the resource in Summer 2023.

The resource will focus on the issues raised by practitioners and other key stakeholders. It aims to tackle some of the cultural barriers to data sharing and provide practical advice and best practice case studies. We will develop this resource with input from the Children's Commissioner, the Department for Education, the social work sector and others. It will bring previously issued guidance into one product, and steer practitioners working with children towards existing guidance and resources focused on their needs.

³⁶ <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2022/06/open-letter-from-uk-information-commissioner-john-edwards-to-public-authorities/>

The resource will initially be for England only, but we will work with the devolved administrations to produce bespoke tools for Scotland, Wales and Northern Ireland.

Legislative reform

Providing timely and impactful advice

We engaged constructively with Government as they developed the new draft legislation. The Government introduced the first draft of the Data Protection and Digital Information Bill (DPDI) to Parliament in July 2022. They then paused work on the Bill to allow for new Prime Ministers and Ministerial teams to consider the details further.

In October 2022, the Secretary of State announced her wish to create a new business and consumer-friendly British data protection system. We continued to act as an expert, trusted advisor to Government as it worked with the newly formed Business Advisory Group to develop the additional reforms. We provided timely input, sharing our experience of regulating the current legislation.

On 8 March 2023, the Data Protection and Digital Information (No 2) Bill (DPDI Bill) was introduced to Parliament. We welcomed the re-introduced Bill and supported the ambition to enable organisations to grow and innovate whilst maintaining high standards of data protection rights. The Bill will ensure that we can continue to operate as a trusted, fair and independent regulator. Greater certainty around the reforms brought by the re-introduction of the Bill means we have also started to incorporate implementation plans into our ICO25 priorities and deliverables.

Producing proportionate and transparent guidance to provide regulatory certainty

Producing sector specific guidance

In this year, we produced a wide range of guidance for organisations and sectors to help improve regulatory certainty. We published new guidance for law enforcement organisations on how to comply with subject access requests in respect of Part 3 of the DPA18. This helps them know how to provide access to data in an important and challenging area.³⁷

We also established a new project looking at enhancing and developing our sector-specific guidance and resources, coordinating and identifying needs across sectors. We only recently started this work, but we are making good progress in identifying key areas where we can add value in sectors by providing more regulatory certainty through our guidance.

³⁷ <https://ico.org.uk/for-organisations/guide-to-data-protection/guide-to-le-processing/individual-rights/the-right-of-access/>

For example, we provided new guidance to the research, archiving and statistics community on how they can best make use of the relevant legislative provisions and exemptions. This will help them innovate and operate with increased confidence that they are doing so in a safe and compliant manner.³⁸ We have also published new case studies on the accountability framework, highlighting how organisations have used this important privacy management tool.³⁹

We published new direct marketing guidance⁴⁰, providing greater regulatory certainty to an important part of the UK economy. As part of our support package, we also published various additional products – such as new guidance for regulated private sectors on sending regulatory communications.⁴¹ We updated our Part 3 guidance, including clarifying “strictly necessary”, to provide more certainty where sensitive data is used for law enforcement processing. We also published a series of sector-specific direct marketing resources, tailored to sectoral needs.⁴²

We issued consultations on a wide range of new and developing guidance products. This includes our statutory code of practice on journalism, as well as our new employment hub. Our employment hub will cover topics such as employee monitoring, subject access requests in the workplace and handling mental health crises at work.

Consulting with stakeholders for input into the development of statutory guidance and codes and publishing their recommendations

We are reviewing our current consultation policy and will update this during 2023. We have seen significant engagement on our consultations on topics such as the journalism code of practice, direct marketing, research provisions and employment practices. We also consulted on how we work, for example on our ICO25 plan, our approach to impact assessments and how we prioritise the complaints we receive. In total, we opened 17 consultations last year.⁴³

This year, our research in various areas has allowed us to hear directly from affected groups. This means we can consider a wider range of views as we develop our guidance. For example, we have conducted research on the Children’s code, age assurance, innovation and small businesses.

³⁸ <https://ico.org.uk/for-organisations/guide-to-data-protection/key-dp-themes/the-research-provisions/>

³⁹ <https://ico.org.uk/for-organisations/accountability-framework/case-studies/>

⁴⁰ <https://ico.org.uk/for-organisations/direct-marketing-guidance-and-resources/direct-marketing-guidance/>

⁴¹ <https://ico.org.uk/for-organisations/direct-marketing-guidance-and-resources/direct-marketing-and-regulatory-communications/>

⁴² <https://ico.org.uk/for-organisations/direct-marketing-guidance-and-resources/#Sector>

⁴³ <https://ico.org.uk/about-the-ico/ico-and-stakeholder-consultations/>

We have made good progress on our new guidance pipeline project. This is an external tool that enables organisations to see what guidance we are working on and when we are likely to publish it. We expect to launch this product during 2023/24.

Producing impact assessments

Over the last year, we published a range of impact assessments (IAs). They include:

- detailed assessments for more substantive outputs such as the direct marketing code⁴⁴;
- assessments of packages of guidance and toolkits such as those to enable international data transfer agreements⁴⁵; and
- assessments of specific issues such as our draft guidance on the question of 'likely to be accessed' under the Children's code⁴⁶.

We also consulted on an impact assessment framework⁴⁷, which sets out our approach to using IAs in our decision-making. This forms part of our ongoing commitment to regulatory good practice and providing regulatory certainty.

In addition, we evaluated our work to see whether our actions have had the intended impact. For example, we published an evaluation of the SME Data Essentials⁴⁸ pilot – a programme aimed at empowering organisations to become better equipped to manage their own data compliance. It was our first formal evaluation following the principles of the HM Treasury Magenta Book. It revealed a range of learnings around design and implementation, all of which will be highly valuable for when we consider future phases of SME Data Essentials.

Understanding and responding to emerging technologies and trends

Producing tools that will make it simpler for organisations to use privacy-enhancing technologies to reduce data protection risk

In September 2022, we published our draft guidance on privacy-enhancing technologies (PETs). This guidance supports organisations to make use of emerging technologies which enable more secure data sharing and use. In December 2022, we also published our final chapter in the call for views on anonymisation. We engaged extensively with industry and academic

⁴⁴ <https://ico.org.uk/media/for-organisations/documents/4023507/direct-marketing-impact-assessment-20230104.pdf>

⁴⁵ https://ico.org.uk/media/about-the-ico/impact-assessments/4023264/idta-toolkit-impact-assessment_v1.pdf

⁴⁶ <https://ico.org.uk/about-the-ico/ico-and-stakeholder-consultations/ico-consultation-on-the-draft-guidance-for-likely-to-be-accessed-in-the-context-of-the-children-s-code/>

⁴⁷ <https://ico.org.uk/about-the-ico/ico-and-stakeholder-consultations/ico-consultation-on-the-draft-impact-assessment-framework/>

⁴⁸ <https://ico.org.uk/media/about-the-ico/documents/4024375/sme-data-essentials-final-evaluation-report.pdf>

stakeholders for both pieces of work. In addition, we have promoted the development and adoption of PETs, by co-developing case studies with other regulators both nationally and internationally.

Clearly setting out views on emerging technologies to reduce burdens on business, support innovation and prevent harms

This year we carried out our first annual horizon scan. We identified 11 emerging technologies that will impact privacy regulation in the next five years. We set out our key conclusions in the first tech horizons report, published in December 2022. The report looked in depth at four of these technologies:

- next-generation Internet of Things devices;
- immersive technologies (AR and VR);
- decentralised finance; and
- consumer health technology.

We are planning further analysis of these priority technologies over the coming year. In October 2022, we published a report on emerging biometric technologies. We will publish a further report on neurotech in spring 2023.

Alongside this, we collaborated with the FCA, Ofcom and the CMA through the Digital Regulation Cooperation Forum (DRCF). Together, we are working to convene industry, academia and civil society to examine developments in the metaverse, Web 3 and quantum technologies. These technologies cross our regulatory boundaries and present regulatory challenges that we can work together to address. We followed the events with joint papers setting out our learnings and what regulators need to consider as these technologies develop.

Providing upfront advice and support – early undertakings and regulated self-assurance

Regulatory Sandbox, Innovation Advice and Innovation Hub

Our innovation services provide support and advice to innovators working with new and novel uses of personal information. The Regulatory Sandbox provided in-depth, long-term support to help 11 organisations resolve complex data protection issues to develop their products. The participants include charities, industry, regulators and public sector organisations. They have been working on projects in sectors including finance, mental healthcare, education, travel and gambling.

Our Innovation Hub provided shorter-term, tailored advice and support to cohorts of businesses working with partners to address specific data protection challenges. We supported companies working with government agencies and departments, regulators and innovation bodies. They have been developing propositions and products in areas including child safety online, financial crime prevention, women's economic empowerment, mental health, education and homes for healthy ageing.

We are widening our support provision for innovators with the introduction of a dedicated Innovation Advice service. We piloted the service successfully in 2022 and developed it further through a beta testing phase. This service will answer innovators' individual privacy-related questions. We aim to answer each question within 15 working days. This will help them develop their innovations more quickly, cheaply and compliantly, giving them clarity and more regulatory confidence in their product. We will make the final service available in summer 2023.

With our fellow regulators in the DRCF, we considered how we can increase support for innovators whose products or services cross our regulatory boundaries. These innovators would benefit from consistent, cohesive advice across multiple regulators. We submitted a successful bid to the Regulators' Pioneer Fund to research and pilot a potential multi-agency advice service. This would provide innovators with more regulatory clarity and certainty to help develop their products with confidence. We expect to report on this project during summer 2023.

Data Essentials

During the last 12 months we successfully delivered our SME Data Essentials pilot phase. In February, we published an evaluation of the pilot phase to our external stakeholders. The report detailed the areas we found were successful and lessons learned that we can apply as we develop the product during the next phase.⁴⁹

We have already begun this next phase of activity, looking at how we develop, scale and offer the product using leading technology. We are expecting to complete this by September, before we move into an implementation phase.

Programme of codes and certifications

In December 2022 we approved the 'UK GDPR Compliance Certification Scheme for the Provision of Training and Qualifications Services.' Codes of conduct and certification are specific tools which facilitate regulatory certainty, by transparently setting out and raising data protection standards and compliance within a sector or a processing activity. The approved scheme is to promote confidence in training companies who process personal information. It allows people to make an informed choice when selecting a training company and know that the company will process their personal information compliantly.⁵⁰

UK electronic identification and trust services (eIDAS) regulations

This year we took on a new responsibility around the UK eIDAS regulations. We are now responsible for delivering and maintaining the UK Trusted List. This is a

⁴⁹ <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2023/02/ico-publishes-sme-data-essentials-pilot-evaluation-report/>

⁵⁰ <https://ico.org.uk/for-organisations/provision-of-training-and-qualifications-services/>

piece of machine-readable IT infrastructure that provides a single point for relying parties to use to confirm the status of trust services (such as electronic signatures, seals and timestamps) that we have assessed as compliant with UK eIDAS. We delivered this project on time, within budget and to exacting international standards that govern the use of trusted lists.

We also qualified two new services from GMO GlobalSign as compliant with the UK eIDAS regulations and have added them to the UK Trusted List.

Section 3: Promote openness and transparency

This section demonstrates how we have continued to promote openness and transparency in the public sector. Most notably, we eliminated the backlogs in freedom of information complaints made to us. We also concluded our investigation into the use of private correspondence channels by government officials during the Covid pandemic.

As part of our work to promote openness and transparency, we considered our own response levels to the information requests we receive as an organisation. We delivered our recovery plan to ensure that we achieve at least the same response rate to our information requests as we expect from public authorities. We also published a case study about how we did this to help other authorities learn from our experience.

Enabling people's access to information

This year has been a record one in terms of the delivery of our FOI work.

We delivered 2,822 decision notices this year, around double the level we were achieving in our most productive years pre-pandemic. This helped us eliminate the Covid-related backlogs and reduce our caseload down to a lower year-end level than we have achieved since FOI was implemented in 2005. It is a significant achievement by the team working in this area, well supported by others across the organisation where possible and within the constraints of our grant-in-aid funding.

Traditionally, the grant-in-aid funding we receive for our FOI work has been at a level that means we have struggled to regulate strategically. We could only deal with the complaints we receive about individual cases. But as part of our ICO25 commitments to promote openness and transparency, we want to do more than this. Recently, we secured a small pot of additional funding to deliver more 'upstream regulation'. This is so that we can better support public authorities to handle information requests right the first time. This leads to a better service for those making requests and reduces the time it takes to process requests by authorities.

We have been conducting research to understand what support would be most useful to public authorities, which will help shape our activity for the next two

years. In the meantime, we produced case studies about good practice and a template action plan to improve compliance with statutory timeframes. We also created online training videos and toolkits to support public authorities.⁵¹ The toolkit currently has three topics: timeliness, the cost of compliance and vexatious requests. After completing each topic, we provide a report and action plan template to the public authority. This contributes towards encouraging higher public sector standards and efficiency.

Importantly, this team has also supported the implementation of the new FOI regulatory manual that we published in July 2022. The manual sets out how we plan to use our wider statutory powers more effectively. Since publishing the manual, we have issued our first two enforcement notices in seven years⁵² and multiple practice recommendations to support strategic request handling improvements in public authorities.⁵³ Based on what we have delivered so far, we are on track to deliver as much strategic regulation in the 12 months since we published the new regulatory manual⁵⁴ as we had achieved in the 17 years since the introduction of FOIA. This is a significant achievement, and one that we plan to build on.

Behind the Screens

In July 2022, we also published our 'Behind the Screens' report. This report summarised our year-long investigation into the use of private correspondence channels by Ministers, senior officials and advisors at the Department of Health and Social Care (DHSC) during the pandemic.

We found that:

- there was extensive use of private correspondence channels across DHSC, as well as across the wider government pre-pandemic;
- Ministers were regularly copying information to government accounts to maintain a record of events, but there were clear risks with the approaches taken that they could lose the information;
- DHSC did not have appropriate organisational or technical controls in place to ensure effective security and risk management of private correspondence channels; and
- the use of such channels in this way presents risks to the confidentiality, integrity and accessibility of the data exchanged.

⁵¹ <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/resources-toolkits-and-training/>

⁵² <https://ico.org.uk/action-weve-taken/information-notices/#enforcement>

⁵³ <https://ico.org.uk/action-weve-taken/information-notices/#practice-recommendations>

⁵⁴ https://ico.org.uk/media/about-the-ico/documents/4020912/foi-and-transparency-regulatory-manual-v1_0.pdf

We recommended that the statutory Covid Inquiry should consider the quality of record-keeping during the pandemic as part of its terms of reference. We were pleased that the inquiry's chair, Baroness Hallett, agreed to this. We also recommended that the Government should conduct a strategic review of new technology available to staff. This would maximise the benefits whilst properly managing the risks of these technologies. It is disappointing that the Government has rejected this recommendation so far, although we reiterated it again recently following the 'Lockdown Files' releases reported in the Daily Telegraph.

Responding to requests for our information

Over the last year, we successfully delivered our recovery plan. This was set up to ensure that our response rate to FOI requests made to us as a public authority met our service standards.

We achieved our target of fully clearing our backlog of overdue cases by June 2022. Last year, we completed 96% (2021/22: 73%) of information requests within statutory deadlines. Our timeliness compliance rate since June 2022 has remained above 95% despite request numbers over the last year.

We have implemented measures and lessons learned from our recovery plan to ensure we maintain and continue to improve our performance. You can find further details of our steps to improve and sustain our performance in our case study⁵⁵ about clearing our backlog and our recovery plan⁵⁶. Both are available on our website.

Focusing our FOI and EIR resources effectively

Agile approach to FOI appeals

To support our strategic approach to promoting openness and transparency, as part of ICO25 we established a Better FOI programme to oversee our work. This helped us deliver the reduction in our complaint caseload, while also supporting work to make improvements for the future.

To help with this, we opened a consultation in November about how we can be more agile and better prioritise our work on FOI and EIR complaints to maximise our impact. We received a good range of responses to the consultation from public authorities, civil society and requesters and we made changes to reflect the views we received. Our approach to prioritisation is a key part of how we will deliver a renewed approach to managing complaints and regulating FOI as part

⁵⁵ <https://ico.org.uk/for-organisations/guidance-index/freedom-of-information-and-environmental-information-regulations/case-studies/>

⁵⁶ <https://ico.org.uk/media/about-the-ico/documents/4020773/ico-recovery-action-plan-updated-20220623.pdf>

of ICO25. Prioritising cases now gives us an additional and essential tool. Where we think timeliness is crucial, we can prioritise that case.

Over the last 12 months, we also ensured that we are as open and transparent as possible. We continued publishing all our FOI decision notices and have published all of the wider regulatory action that we have taken on our website. This means that people can see what we have done to hold public authorities to account. We have also responded to requests from civil society and others for more transparency about our caseload. We also started publishing more regular information about this.

The next 12 months will see us implementing, adapting and finalising the new operating model and approach to prioritisation. We are also completing a lessons learned exercise on the new regulatory manual, before finalising and publishing any changes in summer 2023. We are exploring training on alternative dispute resolution methods for our casework team. This will mean we can explore different ways to ensure proportionate and timely outcomes for those making requests and the public authorities dealing with them. We will be publishing the research on upstream regulation and publishing a delivery plan alongside this.

Section 4: Continuously develop the ICO's culture, capacity and capability

To continuously develop how we work to deliver our enduring strategic objectives, we work to continue to develop our culture, capacity and capability to deliver ICO25 successfully.

Increasing our capacity and capability has been a key consideration this year. We have reached agreement with Government to recover costs of litigating data protection investigations from a proportion of fine income. We have also continued our campaign to ensure that all businesses who are required to do so pay the data protection fee.

We have developed new strategies and systems to set us up to deliver ICO25. This has included developing new strategies on high performance and data.

Enabling efficiency, productivity and collaboration

Developing a high performance strategy

We started many of our previous strategies in 2019, such as our Digital and IT strategy and our People strategy. These concluded this year and we have now developed a wider high-performance strategy. This brings together our corporate service functions into one document.

The strategy has close links to our ICO25 plan. It ensures that our services to both internal and external stakeholders are aligned to our overall organisational plan and direction of travel.

We will publish our high-performance strategy in 2023.

Implementing Enterprise Resource Planning (ERP)

This year, we have implemented a modern ERP system, Workday, bringing together our people and finance business capabilities. An ERP system streamlines processes and automates key business tasks. It also improves information accuracy by reducing risks of manual error and ensures a single reliable source for information. As part of this process, we will also bring our payroll systems in house.

We researched common challenges prior to rolling out this ERP system. By addressing these issues upfront, our forecast spend on the project is within 1% of variance of the initial budget. After a successful pilot, we rolled out the system to all staff in April 2023.

Later in 2023/24, we expect to begin the second phase of this project. This will deliver additional functionality, particularly in workforce and financial modelling, forecasting and data analysis.

Enhancing our digital and data capabilities

We continued to invest in building digital and data capacity and capabilities to support staff, to become more efficient and improve digital customer experiences. This year, we created a new Digital, Data and Technology (DDaT) enterprise directorate to accelerate the development and use of these capabilities and have a wider impact on our strategic direction.

We continued to develop the use of digital channels for information, advice and interactive services, for example in how we support SME businesses. During this year we have, via our SME Service Hub on our website, published guidance across a far-ranging number of topics such as data protection tips for landlords.

We also piloted an SME Data Essentials service for organisations, a digital online self-service solution to support SMEs in the correct application of the UK GDPR. From the pilot phase, 92% of final survey respondents would recommend SME Data Essentials or a similar programme to other SME owners and 85% said their knowledge of data protection had increased since starting the pilot.

Our website now attracts over 600,000 sessions each month – more than ten times the number that use our contact centre. Our AI-powered live chat service, launched in 2021, handles around 20,000 queries every month, with an 85% first time response accuracy.

We refreshed and upgraded the modern workplace technology staff use to do their jobs. During the year, we migrated 89% of staff onto the latest technology, with a 94% satisfaction rating for colleagues. We implemented cutting-edge SD-WAN technology across our network to provide a secure end-to-end experience. Staff now have access to richer and more useful data and insights as we

migrated key management reports onto modern data visualisation tools such as Microsoft PowerBI. Further improvements to our data capabilities will follow our data strategy.

Our adoption of cloud technologies took a major step forward as we migrated our main case management system, ICE, to the cloud. This helps us to handle nearly 5,000 cases each month with improved resilience and scalability. We are on track for all our major applications and services to be hosted on the cloud by end 23/24.

Developing a data strategy

We started work to develop an organisation-wide data strategy. The strategy focuses on developing data as a corporate strategic asset. We will approach data in the same way we protect, cultivate and use other “assets”, such as the skills of staff, our finances or our accommodation.

We believe treating data as an asset will underpin the delivery of significant organisational benefits, including:

- empowering staff with knowledge to support decision-making;
- engaging and empowering stakeholders through personalisation and self-service;
- optimising operations through insights and automation; and
- transforming and offering “smart” service offerings through real-time feedback and data-enriched products.

We have another unique opportunity, which is to inspire and engage industry and the public sector through our own use and approach to data. Our strategy will also seek to address new risks as we increase our use of data.

So far in development of our strategy, we have:

- reviewed peer data strategies to understand common themes and approaches;
- evaluated data maturity frameworks and chosen to adopt the Data Maturity Assessment for Government; and
- started to procure the services of a consultant partner to help with developing the strategy.

By October 2023, we intend to complete the strategy development, which will include our vision, costed business case and implementation roadmap. We also expect to have completed the necessary research and engagement activities to inform the strategy.

Reviewing our governance structures

In order to operate effectively, we must have a proportionate and agile governance structure. We also need to prepare for proposed changes in the

DPDI (No 2) Bill which would introduce a statutory Board, with a chair, chief executive and additional non-executive roles.

To ensure our ongoing effectiveness and to prepare for these changes, we are undertaking a review of our current governance arrangements. So far, we have created a new People Committee, which first met in November 2022, and a new Regulatory Committee, due to meet for the first time in 2023. Alongside this, we will continue to plan for the implementation of the statutory Board model. This includes the transition arrangements to ensure continuity of regulatory and organisational decision-making.

Providing value for money for DP fee payers

Recovering the costs of litigation

As set out earlier in this report, we regularly take significant regulatory action against organisations which do not follow data protection laws. It is essential that we keep pace with changing trends and ensure we have the right technical and legal capacity to hold even the largest global organisations to account.

In June 2022, we reached an agreement with DCMS, our sponsor government department, and the Treasury to allow us to retain some of the funds from fines we issue. Previously, we passed all fines to the Government's central consolidated fund.

The agreement, which applies from 1 April 2022 onwards, means we can retain a proportion of fine income to cover legal costs (internal and external). It covers all enforcement action and litigation under the DPA and PECR. It is subject to a cap of £7.5 million per financial year.

The additional funds will allow us to use more of the charges paid by small businesses to fund proactive and upstream support.

We set out further information on fines issued and associated costs in the monetary penalties section later in this report.

Ensuring that all organisations register that are required to do so

This year, we continued our work to increase our profile for organisations who may need to register with us. This is important to give people the reassurance that the information they supply to organisations is managed well and securely.

We contacted more than 2.9 million UK organisations who may need to register. As a result, our public register (which is available to download on our website⁵⁷) has increased from 1.06m in April 2022 to 1.16m in March 2023. This is an increase of over 9%.

⁵⁷ <https://ico.org.uk/about-the-ico/what-we-do/register-of-fee-payers/>

From a digital perspective, the journey to register is completely online, handing over 185,000 new registrations during the last 12 months, supported by our AI Chat functionality.

Further details of our operational performance follow in this report. Details of our focus on the wellbeing of our staff this year can be found in the 'Employee involvement and wellbeing' section, in Part B of the report.

Annex: Operational performance

Key performance indicators

The table below sets out performance on our KPIs for 2022/23. As this is the first year of our ICO25 plan, we do not have data from previous years to compare against for these KPIs. Instead, we have provided information about our performance during the second quarter of 2022/23. This should give an indication of trends and the direction of travel.

Measure	Year ending 31 March 2023	Q2 2022/23 (July to Sept)	Commentary
Objective one: Safeguard and empower people			
We will assess and respond to 80% of data protection complaints within 90 days	65.0%	53.5%	Red. Commentary provided following this table.
We will assess and respond to 90% of data protection complaints within six months	97.1%	96.6%	Green
Less than 1% of our data protection complaints caseload will be over 12 months old	0.4%	0.3%	Green
In 100% of cases, the Parliamentary and Health Service Ombudsman (PHSO) do not uphold a complaint about the ICO	98%	91%	Amber
We will investigate and respond to 90% of service complaints within 30 calendar days	83.4%	85.4%	Amber
95% of investigations close within 12 months of starting	71.6%	72.9%	Red. Commentary provided following this table.
We will respond to 100% of information access requests within statutory deadlines	96%	97%	Amber
We will achieve a customer satisfaction index (CSI) score of 74	Survey results due summer 2023	N/A, annual measure	Commentary provided following this table.
Objective two: Empower responsible innovation and sustainable economic growth			

Measure	Year ending 31 March 2023	Q2 2022/23 (July to Sept)	Commentary
We will resolve 80% of written enquiries within seven calendar days	85.6%	83.8%	Green
We will resolve 99% of written enquiries within 30 calendar days	97.4%	97.2%	Amber
We will answer 80% of public advice calls within 60 seconds	85%	86%	Green
We will answer 80% of public advice live chats within 60 seconds	92%	90%	Green
We will refer or close 80% of personal data breach reports within 30 days	68.8%	79.3%	Red. Commentary provided following this table.
Less than 1% personal data breach reports will be over 12 months old	0.4%	15.9%	Green
90% of our audit recommendations we make are accepted in full or in part	99%	98%	Green
80% of accepted recommendations we make, in full or in part, are completed or being actioned	96%	98%	Green
We will respond to 100% of prior consultation submissions within statutory timeframes	100%	100%	Green
Objective three: Promote openness and transparency			
We will reach a decision and respond to 80% of FOI concerns within six months	66.8%	63.4%	Amber
Less than 1% of our FOI caseload will be over 12 months old	6.3%	9.0%	Red. Commentary provided following this table.
66% of FOI tribunal hearings conclude in our favour	73%	76%	Green
We will publish 100% of our FOI case outcomes	100%	100%	Green
We will publish all recommendations made in our FOI complaints handling and audit work	100% for FOI complaints handling	New measure	Green for FOI complaints handling. Commentary provided following this table.

You can find further information about our key performance indicators on our website⁵⁸.

Commentary on measures rated as red is set out below:

- **We will assess and respond to 80% of data protection complaints within 90 days.** For the full year, we responded to 65% of cases within three months. However, across the year we saw our timeliness significantly improve. This resulted in 95% of cases being closed within three months by March 2023.
- **We will close 95% of investigations within 12 months of starting.** We reviewed our overall caseload following the introduction of the strategic aims and objectives set out in ICO25. We de-prioritised low risk cases and considered other issues that meant cases did not meet the aims set out in the new plan. We have improved our communication processes with the organisations and people who are involved in our investigations, so that they understand the progress we are making. We are also working on how to present the different stages of our investigations and our performance against them. We are aiming to publish that information on our website.
- **We will achieve a customer satisfaction index (CSI) score of 74.** This is an annual measure, with the survey which will provide this score taking place during May and June 2023. At the time of finalising this report, we do not have the results of this survey. Once we have received the results, our CSI score will be published on our website⁵⁹. Our CSI score when we conducted the research for 2021/22 was 69.4.
- **We will refer or close 80% of personal data breach reports within 30 days.** Towards the end of January 2023, around 75% of cases in the personal data breach (PDB) caseload were over 30 days old (488 cases). We have reduced this to less than 50. As these cases were all closed within a short period of time, more cases over 30 days old were closed than newer cases. This resulted in a red measure during 2022/23. However, we have now cleared the majority of the historic caseload. We are now in a good position to respond to customers in a timelier manner going forward.
- **Less than 1% of our freedom of information caseload will be over 12 months old.** We made significant progress to reduce the backlog of cases over 12 months old (reduced from 187 in October-December 2022 to 44 in January-March 2023). Most of the remaining cases are from the Cabinet Office. We have a specific recovery plan to

⁵⁸ <https://ico.org.uk/about-the-ico/our-information/our-performance/>

⁵⁹ This will be published at <https://ico.org.uk/about-the-ico/our-information/our-performance/>

deal with these. We will close almost all the remaining backlog cases shortly. Their closure has been delayed simply due to the machinery of government changes in early 2022. Once closed, and excluding the Cabinet Office cases, we will be within the 1% target.

- **We will publish all recommendations made in our FOI complaints handling and audit work.** All FOI practice recommendations and enforcement notices are published on the ICO website under 'Action we've taken'. We continue to publish executive summary reports for all audits, including summaries of key recommendations. We are developing a database to identify ways in which we can publish all audit recommendations in a meaningful form that does not compromise any confidentiality considerations. In 2022/23 we developed processes to underpin improved future reporting, and from Q1 2023/24 we will report this KPI as a separate measure for FOI and audit recommendations, with supporting percentages and contextual commentary on our progress.

Data protection complaints

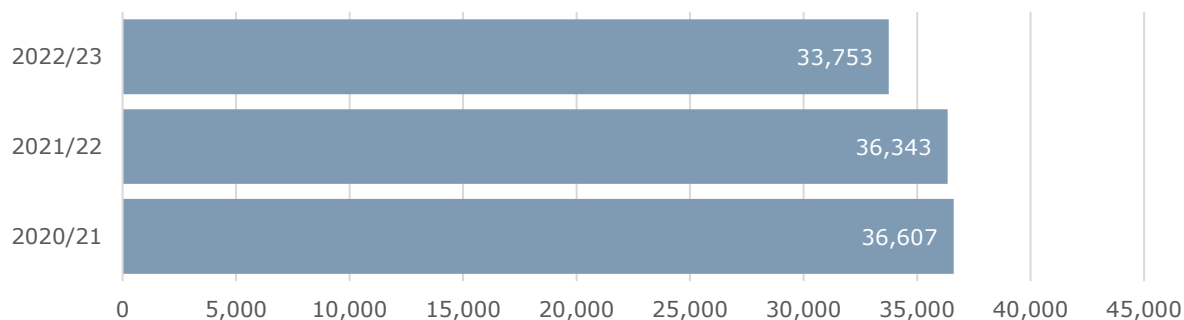
We received 33,753 data protection complaints in 2022/23 compared to 36,343 in 2021/22, indicating a slight downward trend. In part, this may be due to improvements that we've made to our online customer journeys for domestic CCTV and data protection complaints. The changes make it clearer what people need to do before raising a complaint and what we can help them with.

Broadly speaking, the range of complaints and the sector areas they relate to have remained comparable to previous years. Article 15 complaints, about the right of access and providing personal data, account for the most complaints at 36.79%.

We issued 39,724 outcome decisions (2021/22: 41,088), offering advice and recommendations to improve information rights handling on these cases. Some of the cases we received, we didn't think there had been an infringement of the law or the complainant had come to us too early.

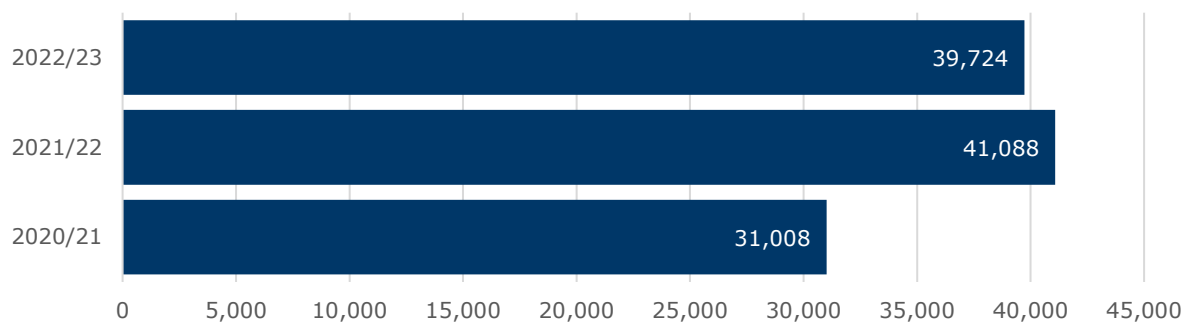
We have reduced our overall caseload to 3,558, which means that we can provide much more timely advice and help to our customers. We have achieved our stated target of issuing over 80% of decisions within three months. Our overarching aim is to look at complaints raised with us with little to no wait for allocation. We expect that we can do this in the months ahead, if we continue to make significant progress. In the meantime, we will focus on complaints from people where there is clear detriment and where our intervention can make the most impact.

DP complaint casework received



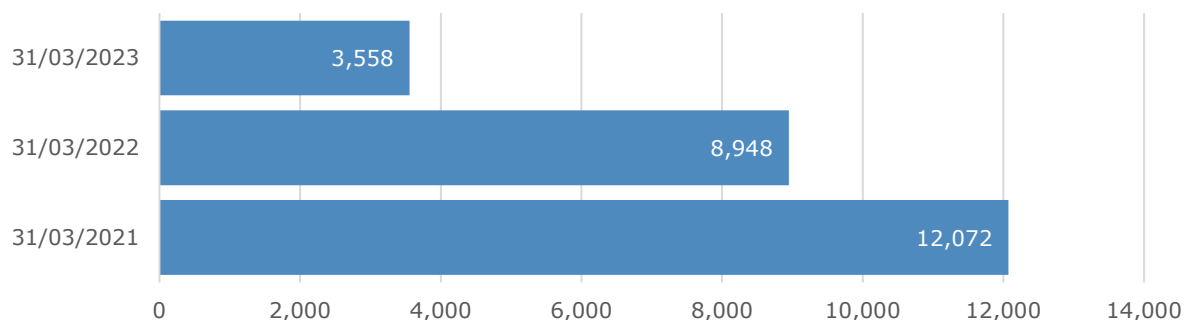
DP complaint casework	2022/23	2021/22	2020/21
Received	33,753	36,343	36,607

DP complaint casework finished



DP complaint casework	2022/23	2021/22	2020/21
Finished	39,724	41,088	31,008

Caseload

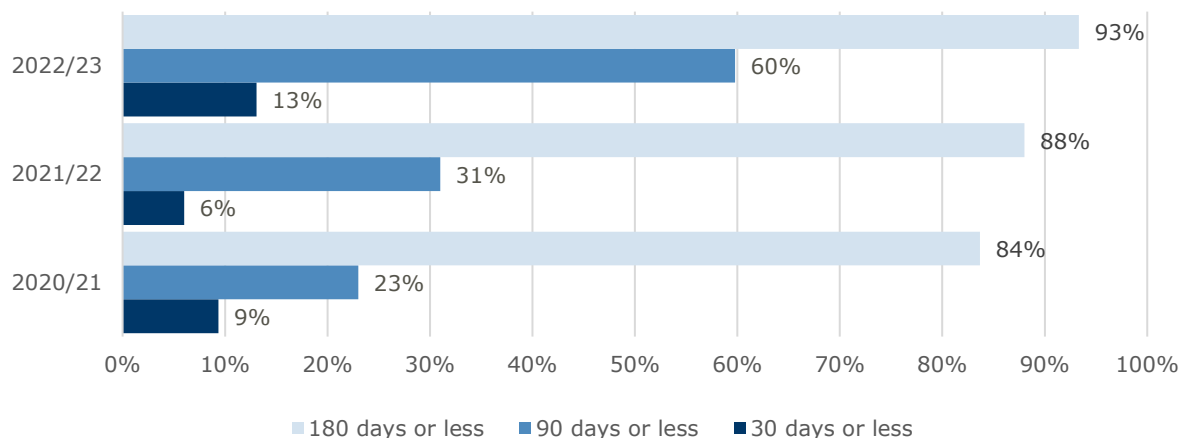


DP complaint casework	31 March 2023	31 March 2022	31 March 2021
Caseload	3,558	8,948	12,072

Note: In our casework system, cases can move between classifications. Therefore, the figure calculated by taking the caseload as of 31 March 2022,

adding cases received during 2022/23 and subtracting cases closed during 2022/23, does not add up to the caseload as of 31 March 2023.

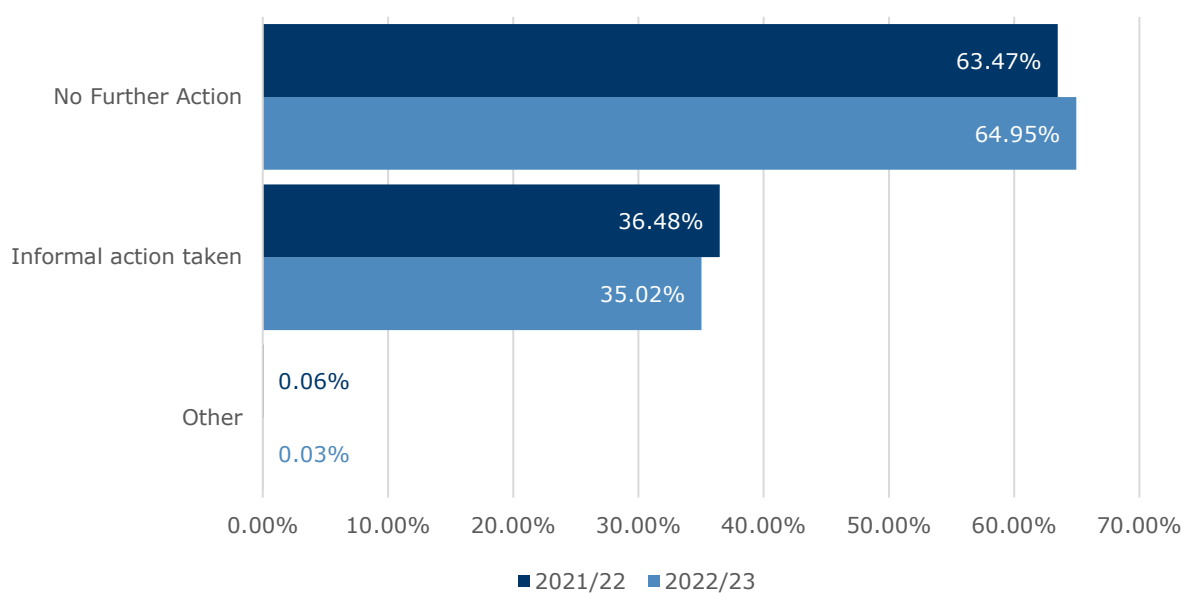
Age distribution of finished cases



Age distribution of finished cases	2022/23	2021/22	2020/21
0-30 days	13.06%	6.25%	9.35%
31-90 days	46.72%	24.78%	13.64%
91-180 days	33.56%	57.25%	60.69%
181-365 days	5.63%	10.57%	15.02%
366+ days	1.02%	1.15%	1.29%

The totals in the chart above do not add up to 100% due to rounding.

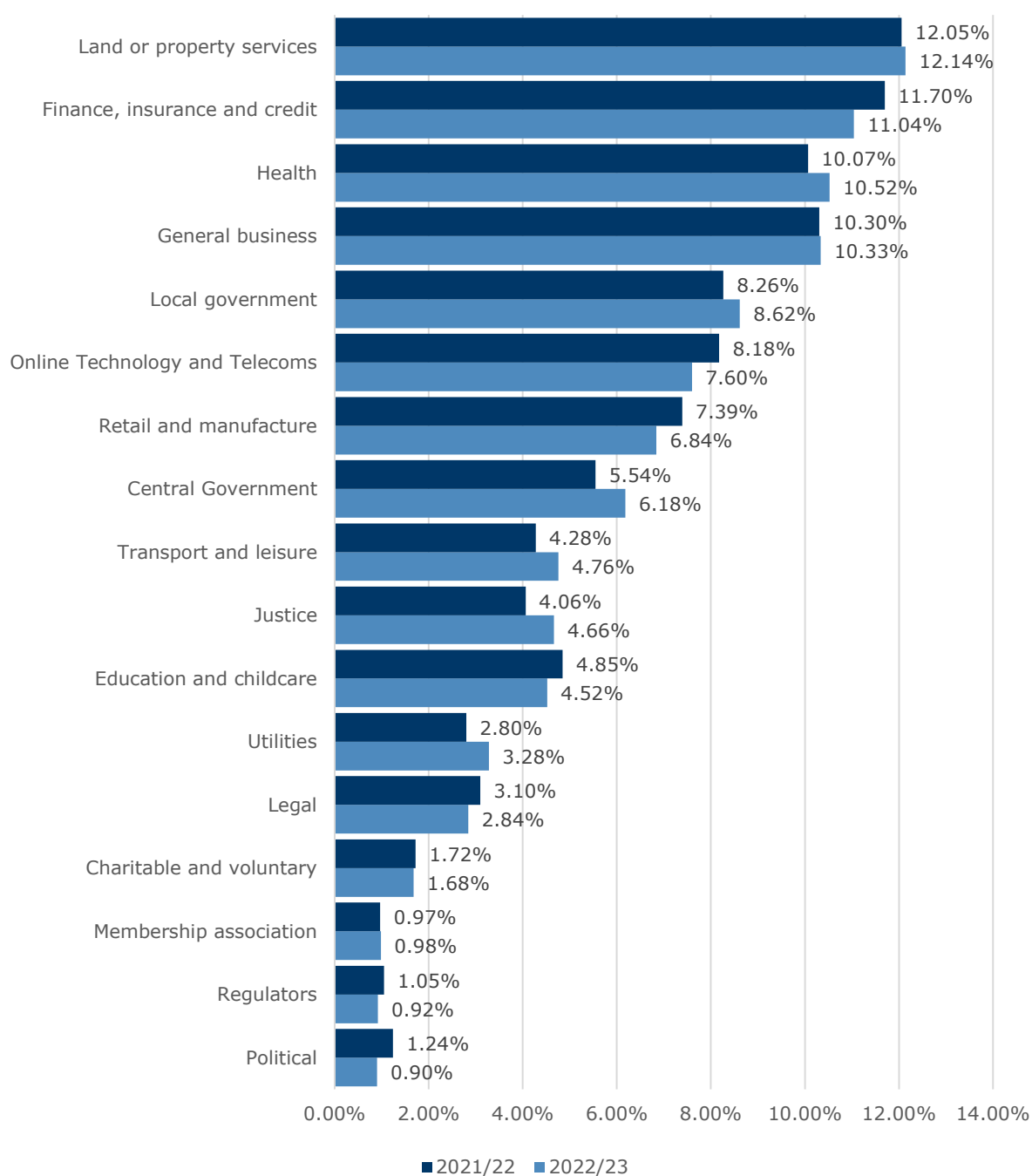
High level outcomes 2022/23



High level outcomes	2022/23	2021/22
Advice given, no further action	64.95%	63.47%
Informal action taken	35.02%	36.48%
Other	0.03%	0.06%

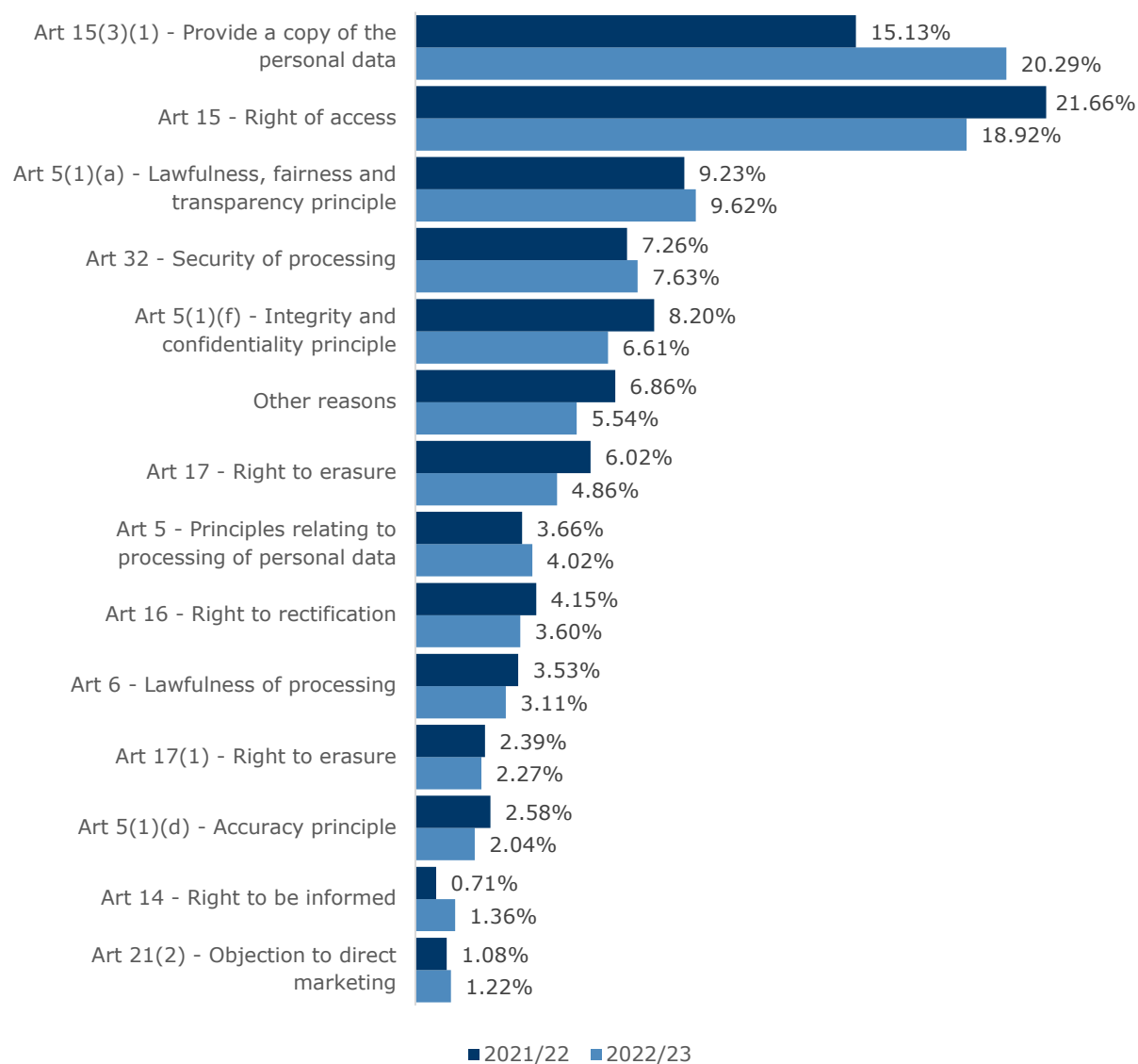
The totals in the chart above do not sum to 100% due to rounding. Due to outcome classification changes made when we moved to a new casework management system for data protection complaints at the start of 2021/22, no comparative data for outcomes is currently available.

Sectors generating most complaints



Sectors generating most complaints	2022/23	2021/22
Land or property services	12.14%	12.05%
Finance, insurance and credit	11.04%	11.70%
Health	10.52%	10.07%
General business	10.33%	10.30%
Local Government	8.62%	8.26%
Online technology and telecoms	7.60%	8.18%
Retail and manufacture	6.84%	7.39%
Central Government	6.18%	5.54%
Transport and leisure	4.76%	4.28%
Justice	4.66%	4.06%
Education and childcare	4.52%	4.85%
Utilities	3.28%	2.80%
Legal	2.84%	3.10%
Charities and voluntary	1.68%	1.72%
Membership association	0.98%	0.97%
Regulators	0.92%	1.05%
Political	0.90%	1.24%

Top Reasons for completed complaints



Top reasons for completed complaints	2022/23	2021/22
Art 15 (3)(1) – Provide a copy of the personal data	20.29%	15.13%
Art 15 – Right of access	18.92%	21.66%
Art 5(1)(a) – Lawfulness, fairness and transparency	9.62%	9.23%
Art 32 – Security of processing	7.63%	7.26%
Art 5(1)(f) – Integrity and confidentiality principle	6.61%	8.20%
Other reasons	5.54%	6.86%
Art 17 – Right to erasure	4.86%	6.02%
Art 5 – Principles relating to processing of personal data	4.02%	3.66%
Art 16 – Right to rectification	3.60%	4.15%
Art 6 – Lawfulness of processing	3.11%	3.53%

Top reasons for completed complaints	2022/23	2021/22
Art 17(1) – Right to erasure	2.27%	3.10%
Art 5(1)(d) – Accuracy principle	2.04%	2.58%
Art 14 – Right to be informed	1.36%	0.71%
Art 21(2) – Objection to direct marketing	1.22%	1.08%

Freedom of information complaints

We saw a fall in the number of complaints we received, with 5,479 complaints compared to 6,361 in 2021/22. This was in part due to improvements to our digital complaint form and changes to how we report complaints. This has reduced time spent on premature complaints that are not ready for our service, freeing up time and resource to focus on cases that we can investigate.

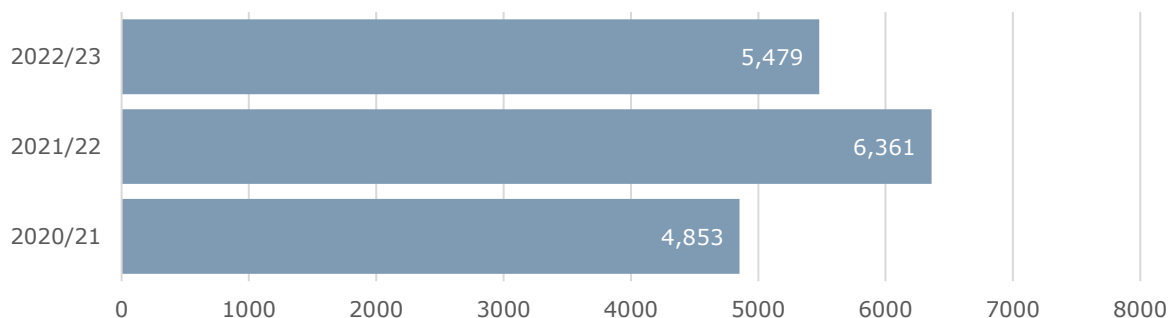
We closed a record high of 7,103 cases this year, compared to 5,932 the previous year and 6,421 in 2019/20. We have delivered our improved performance through a temporary increase in resource and adapting the way we work. This allowed us to tackle the backlog of cases built up during the pandemic. Our active caseload was 1,222 cases in March 2020 and around the same in the two previous years. Due to the pandemic, this increased to 2,227 cases at the end of 2021/22. Our active caseload at the end of 2022/23 is 703 cases, our lowest full end-year position ever. Last year, we issued 2,822 statutory decision notices which is double the 1,409 in 2021/22 and 1,446 in 2019/20.

Our reported performance measures were affected by the age of cases in our backlog and the impact of clearing these on our KPIs related to the timeliness of case handling. We cleared 64% of our cases within six months against a target of 80% and 6.26% of our caseload was over one year old at the end of 2022/23. However, in volume terms this had come down from over 160 at the start of the year to 44 at year-end. The vast majority of the requests concern the Cabinet Office. We will be working with the Cabinet Office, which receives the highest number of complaints, to reduce the volume of cases about them in our system.

We provided a further update about our FOI casework performance on our website at the end of March.⁶⁰ We will continue to update on progress in 2023/24, including about Cabinet Office cases.

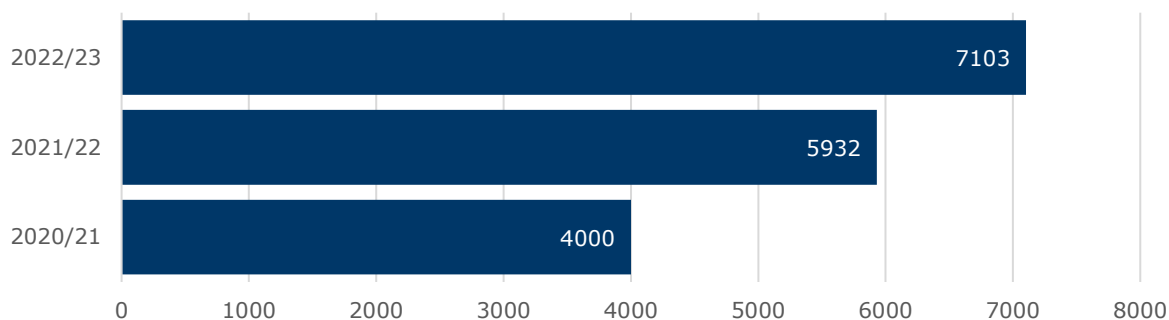
⁶⁰ <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2023/03/director-s-update-celebrating-success-and-challenging-ourselves-for-the-future/>

Received



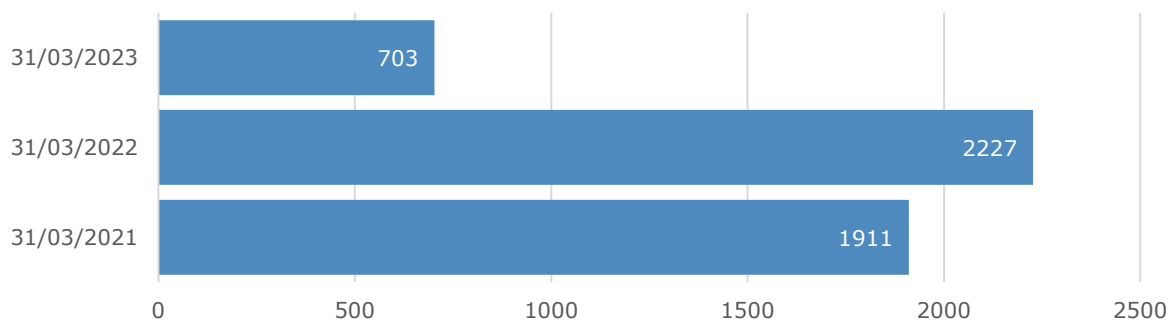
FOI casework	2022/23	2021/22	2020/21
Received	5,479	6,361	4,853

Finished



FOI casework	2022/23	2021/22	2020/21
Finished	7,103	5,932	4,000

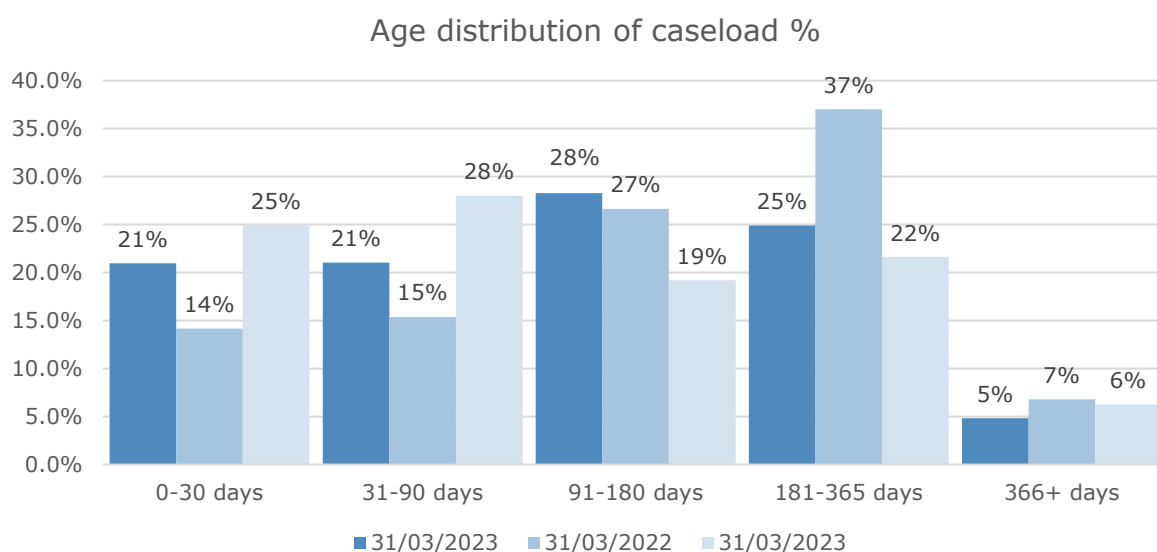
Caseload



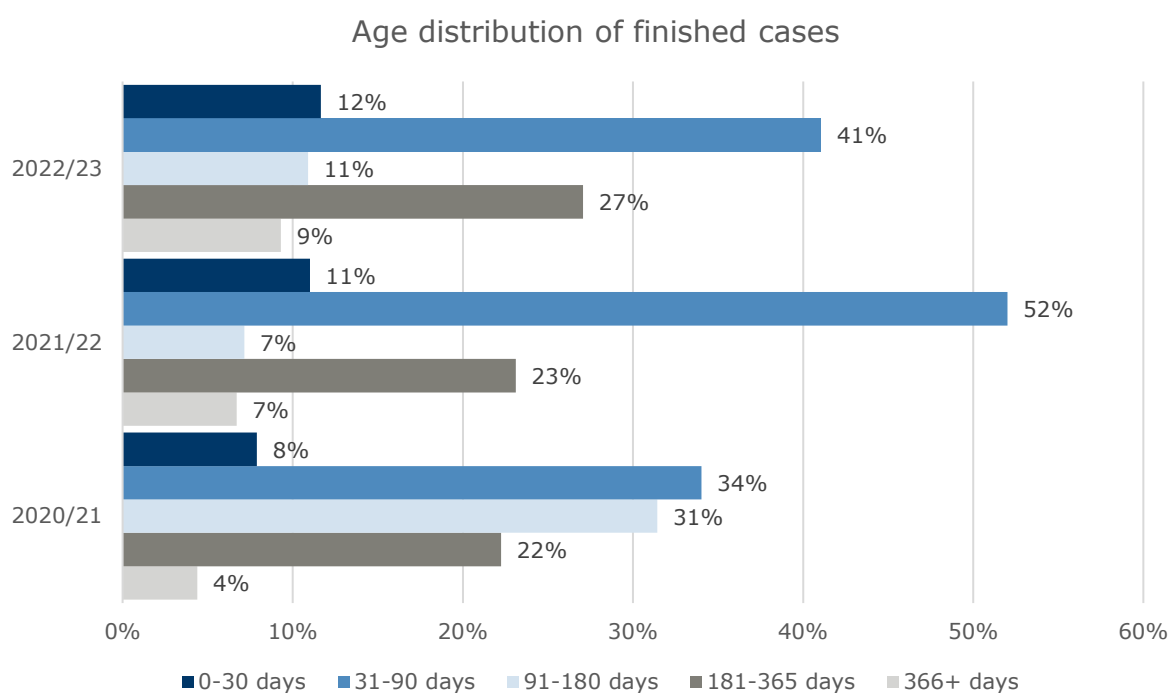
FOI casework	31/03/2023	31/03/2022	31/03/2021
Caseload	703	2,227	1,911

Note: In our casework system, cases can move between caseload classifications. Therefore, the figure calculated by taking the caseload as of 31 March 2022,

adding cases received during 2022/23 and subtracting cases closed during 2022/23, does not add up to the caseload as of 31 March 2023.

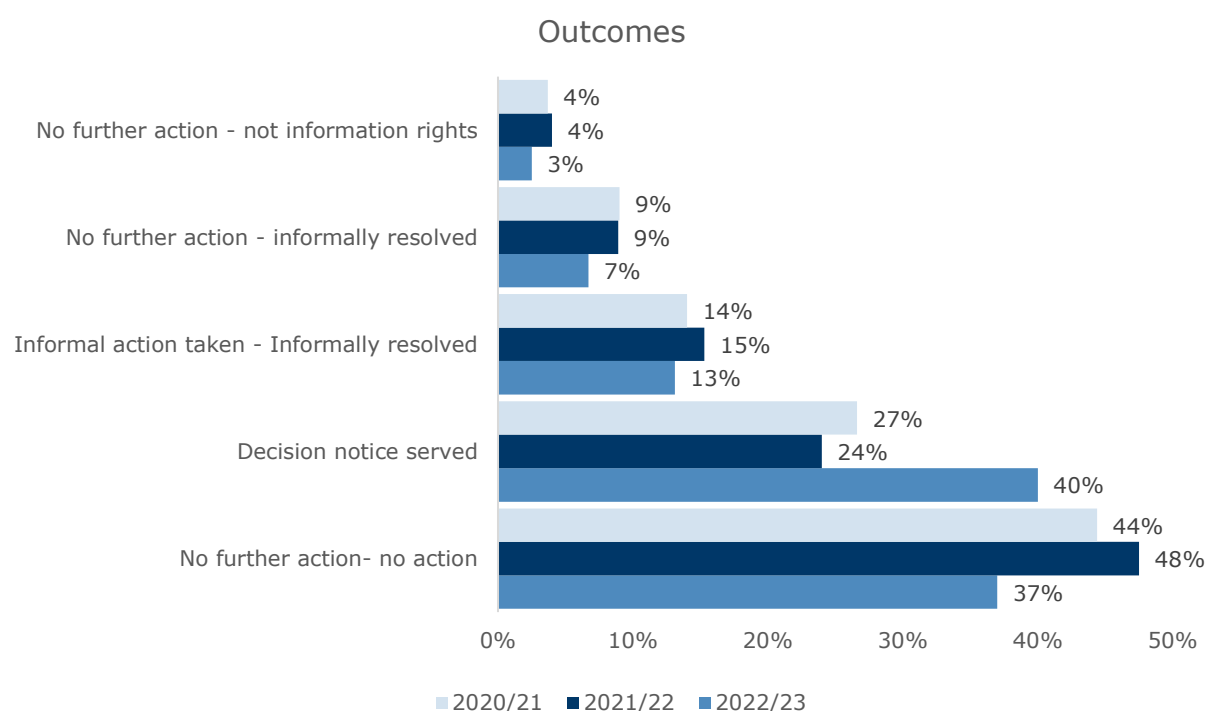


Age distribution of caseload on 31 March	31/03/23	31/03/22	31/03/21
0-30 days	24.89%	14.15%	21.00%
31-90 days	28.02%	15.38%	21.00%
91-180 days	19.20%	26.65%	28.02%
181-365 days	21.62%	37.02%	24.90%
366+ days	6.26%	6.80%	4.80%



Age distribution of finished cases	2022/23	2021/22	2020/21
0-30 days	12%	11%	8%
31-90 days	41%	52%	34%
91-180 days	11%	7%	31%
181-365 days	27%	23%	22%
366+ days	9%	7%	4%

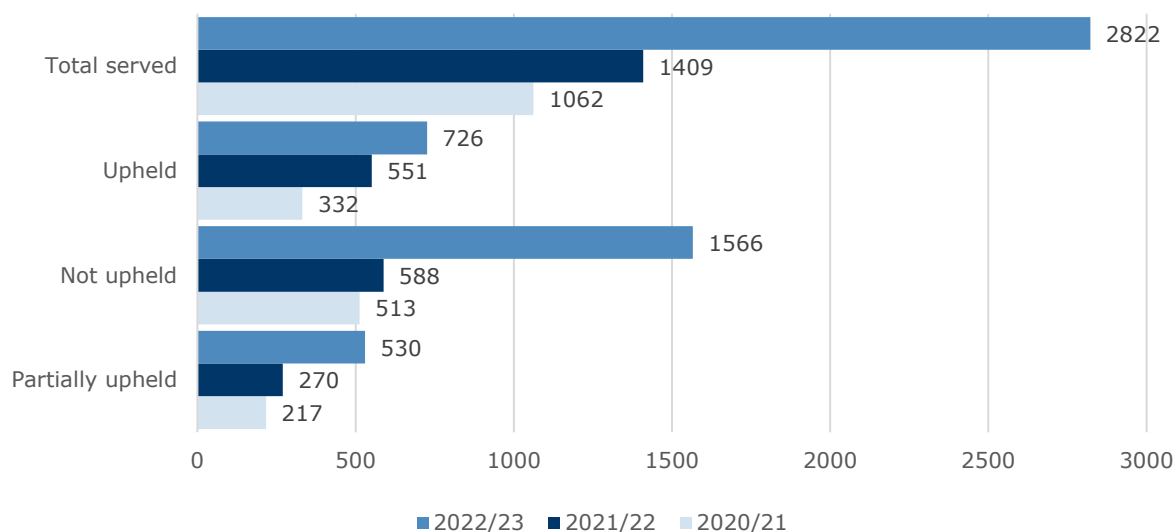
Note: the totals in the chart above do not add up to 100% due to rounding.



Outcomes	2022/23	2021/22	2020/21
No further action – no action	37.0%	47.5%	44.4%
Decision note served	40.0%	24.0%	26.6%
Informal action taken – informally resolved	13.1%	15.3%	14.0%
No further action – informally resolved	6.7%	8.9%	9.0%
No further action – not information rights	2.5%	4.0%	3.7%

Note: the figures for each year may not add up to 100% due to a small number of cases not fitting into these categories.

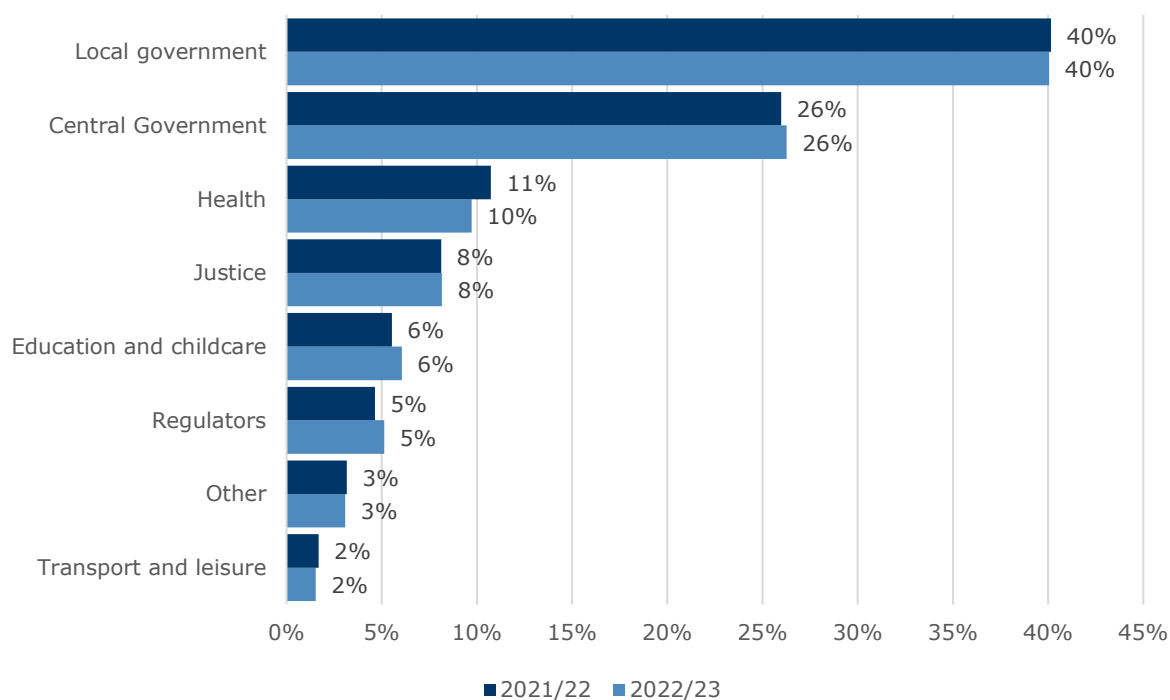
Outcome of a complaint where a decision notice is served



Outcome of a complaint where a decision notice is served

	2022/23	2021/22	2020/21
Total served	2822	1409	1062
Upheld	726	551	332
Not upheld	1566	588	513
Partially upheld	530	270	217

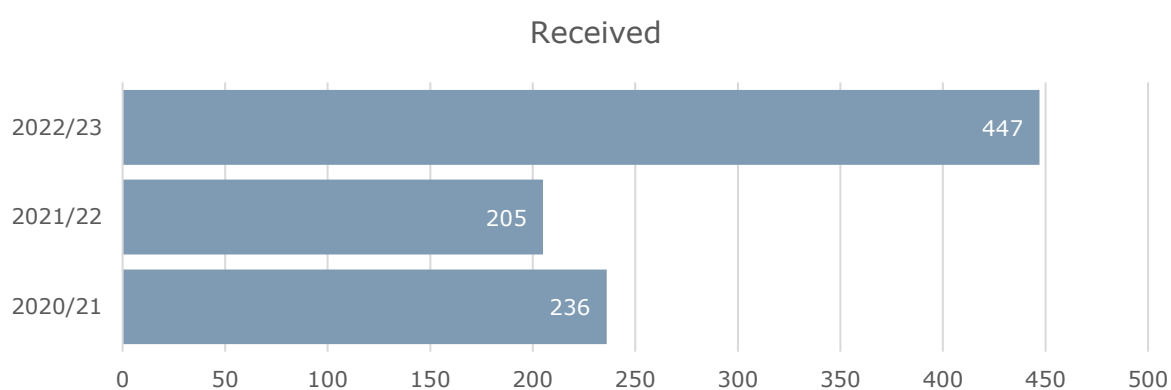
Sectors generating most complaints



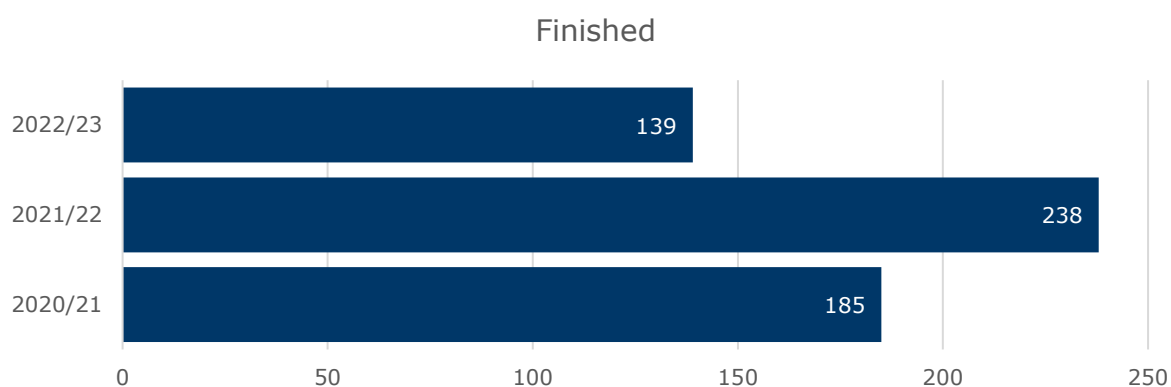
Sectors generating most complaints 2021/22	2022/23	2021/22
Local government	40.05%	40.15%
Central Government	26.27%	25.97%
Health	9.71%	10.74%
Justice	8.17%	8.13%
Education and childcare	6.05%	5.53%
Regulators	5.12%	4.64%
Other	3.08%	3.16%
Transport and leisure	1.53%	1.68%

FOI appeals

Each recipient of a decision notice has the right to appeal the decision to the First-tier Tribunal. Some cases progress to the Upper Tribunal and beyond. The number of appeals to the First-tier Tribunal has risen, most likely due to the increase in decision notices issued. However, the proportion of decision notices appealed (15%) remained similar to last year's figure. Of all First-tier cases closed in 2022/23, we successfully defended 73%.



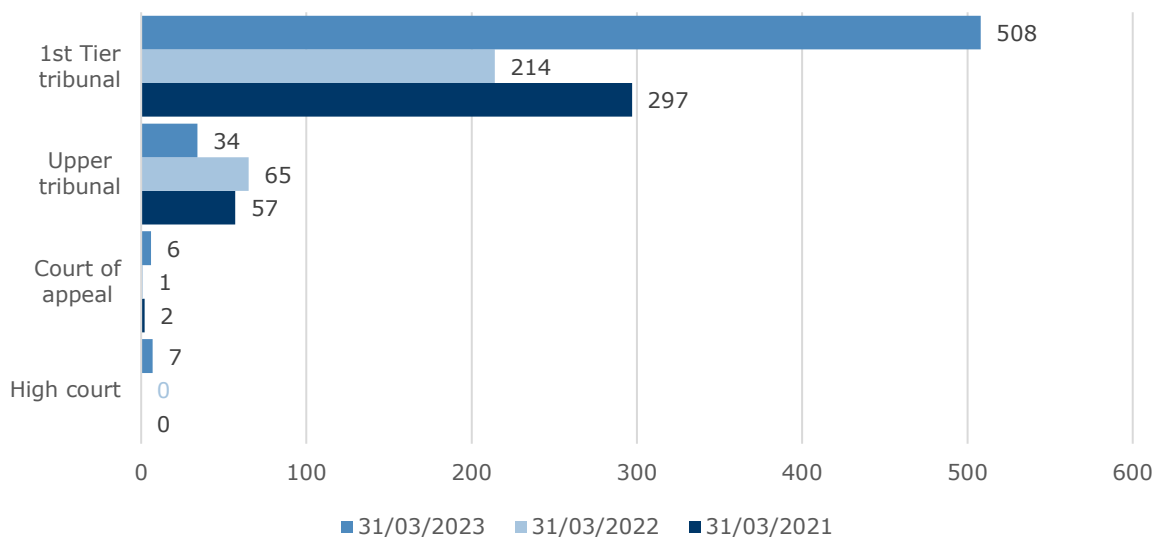
FOI appeals	2022/23	2021/22	2020/21
Appeals made to Tribunal	447	205	236



FOI appeals

	2022/23	2021/22	2020/21
Finished	139	238	185

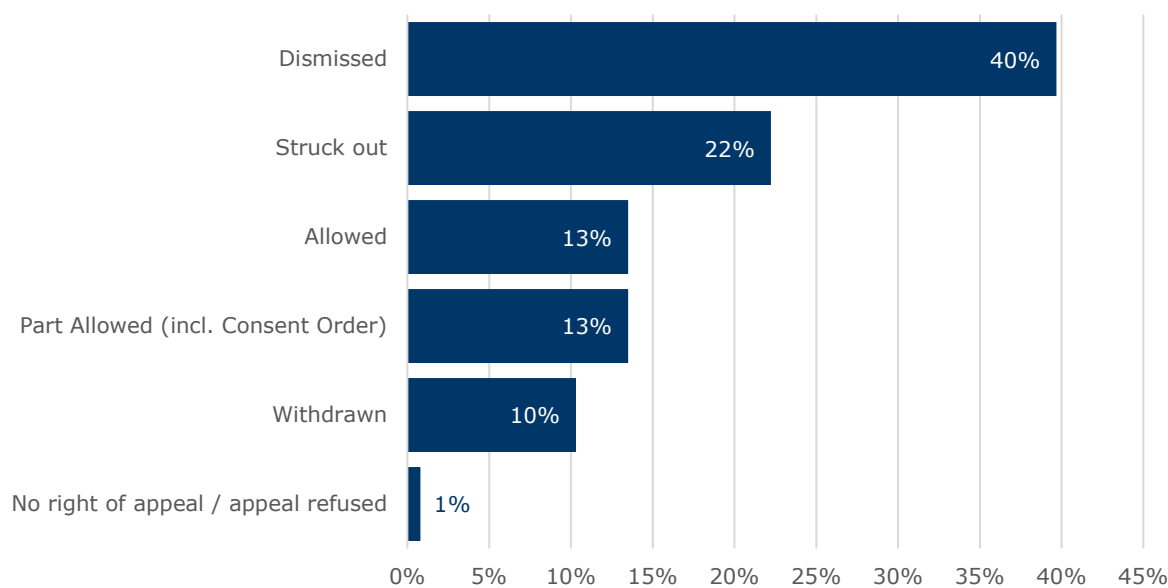
Caseload



Caseload

	31/03/23	31/03/22	31/03/21
First-tier tribunal	508	214	297
Upper tribunal	34	65	57
Court of Appeal	6	1	2
High Court	7	0	0

Outcomes of appeals finished



Outcomes of appeals finished	2022/23
Dismissed	40%
Struck out	22%
Part allowed (including consent order)	13%
Allowed	13%
Withdrawn	10%
No right of appeal / appeal refused	1%

Advice services

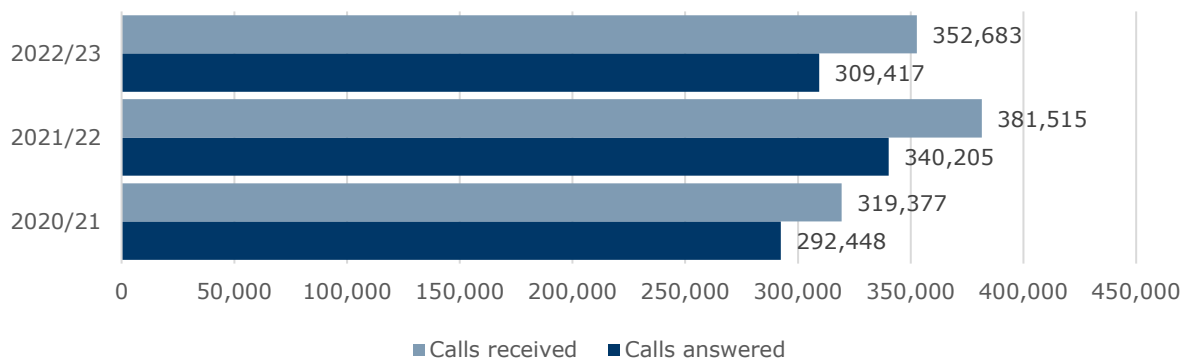
Demand for our advice services remained high during 2022/23. We had a particular focus on requests for help by organisations and the public through our telephone and live chat services.

We received 352,683 calls and answered 309,417. This was fewer than we would have liked. Like many UK organisations, we found it difficult to recruit for some of our frontline services, due to the challenging jobs market. Although some of these challenges are likely to continue into next year, we have made some changes to our processes to help mitigate this risk. Of the calls we answered, 209,781 were from organisations and 99,636 from the public. Our service standards remained high, with people waiting on average just over two minutes for us to answer their call. Live chat was also a high-demand area, with us responding to 70,567 chats.

Requests for written advice slightly reduced this year as we continued to encourage people to contact us via our live services. We have also made improvements to our online customer journeys and bolstered the information available for SMEs to help people find the information they need. In total, we received 9,247 requests for written advice from the public and organisations, with 86% responded to in less than seven days.

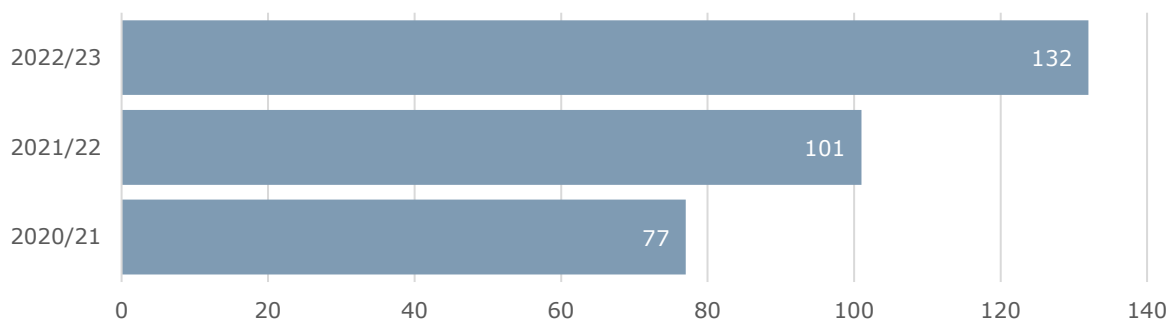
We implemented a digital assistant in August 2021 to help customers with queries about registering or paying the data protection fee. This service continued to allow people to self-serve online. In 2022/2023, the digital assistant responded to 274,790 queries. These queries came from 204,994 separate customer interactions. The digital assistant dealt with 41% of these queries outside our normal business hours. This extends the amount of time our registration customers have to do business with us. We will look at ways in which we can usefully extend customer self-service in 2023/2024.

Calls to the helpline



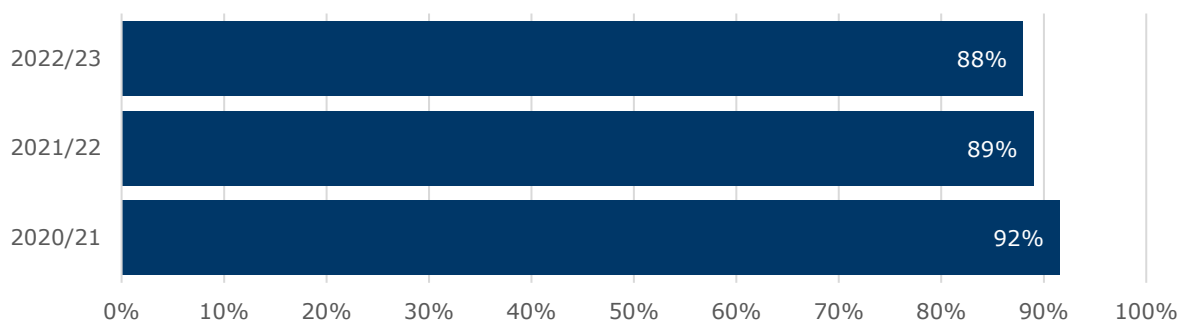
Calls to the helpline	2022/23	2021/22	2020/21
Calls received	352,683	381,515	319,377
Calls answered	309,417	340,205	292,488

Call answer rates - Average wait time (seconds)



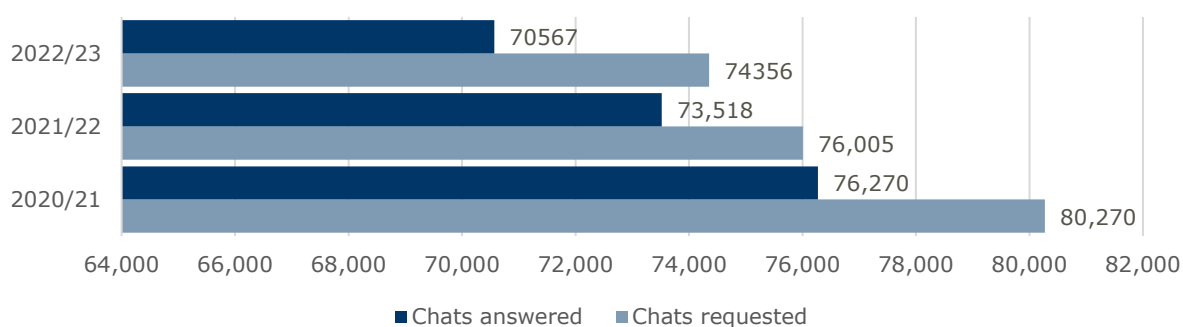
Call answer rates	2022/23	2021/22	2020/21
Average wait time (seconds)	132	101	77

Call answer rates - Percentage answered



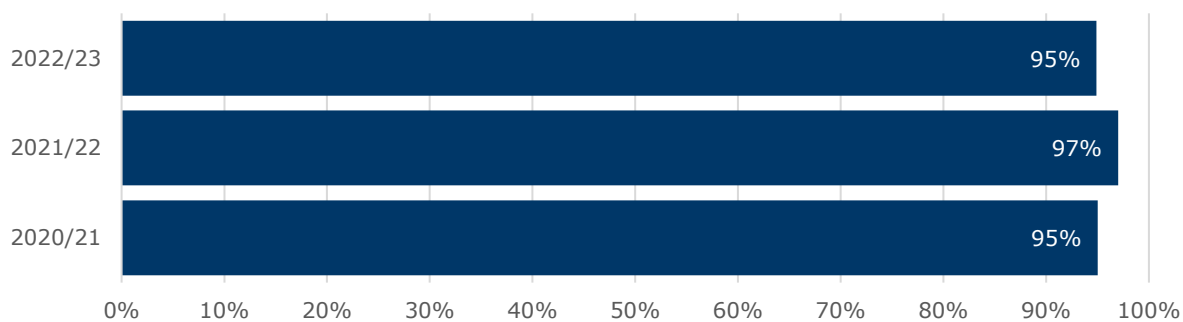
Call answer rates	2022/23	2021/22	2020/21
Percentage answered	88%	89%	92%

Live Chat



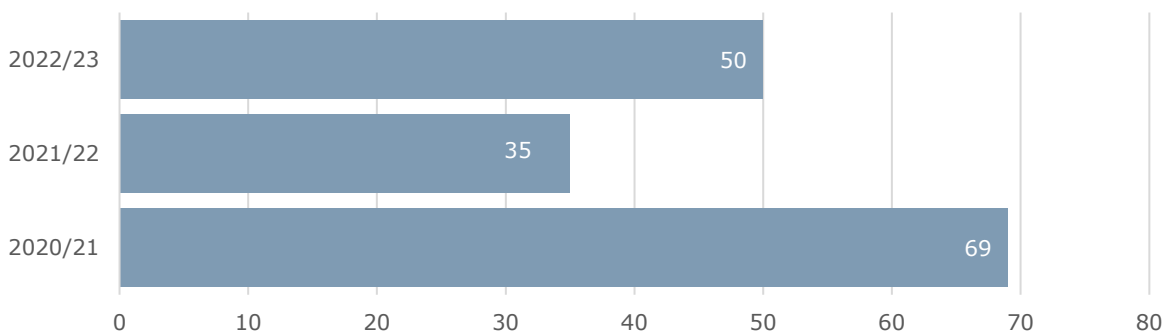
Live chat	2022/23	2021/22	2020/21
Chats answered	70,567	73,518	76,270
Chats requested	74,356	76,005	80,270

Chat answer rates - Percentage answered



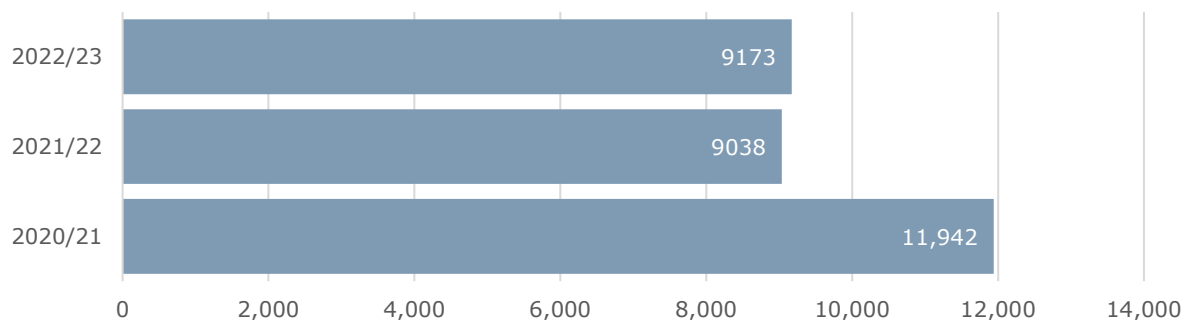
Chat answer rates	2022/23	2021/22	2020/21
Percentage answered	95%	97%	95%

Chat answer rates - Average wait time (seconds)



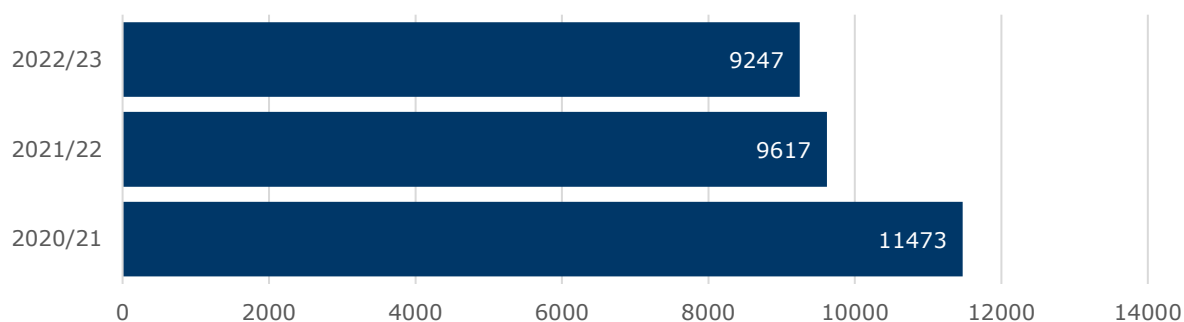
Chat answer rates	2022/23	2021/22	2020/21
Average wait time (seconds)	50	35	69

Written advice - Received



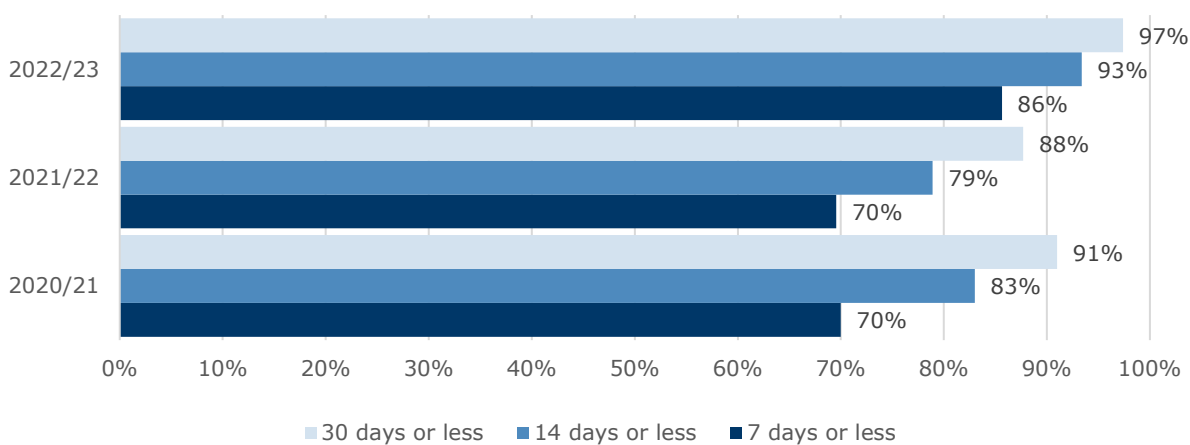
Written advice	2022/23	2021/22	2020/21
Requests received	9,173	9,038	11,942

Written advice - Finished



Written advice	2022/23	2021/22	2020/21
Finished	9,247	9,617	11,473

Age distribution of finished advice work

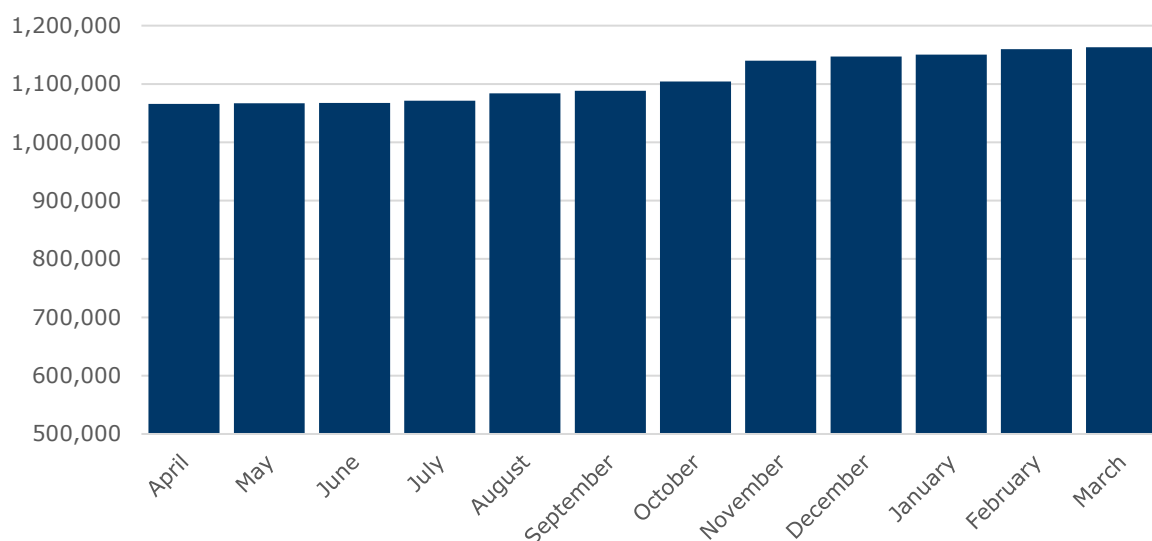


Age distribution of finished advice work	2022/23	2021/22	2020/21
30 days or less	97%	88%	91%
14 days or less	93%	79%	83%
Seven days or less	86%	70%	70%



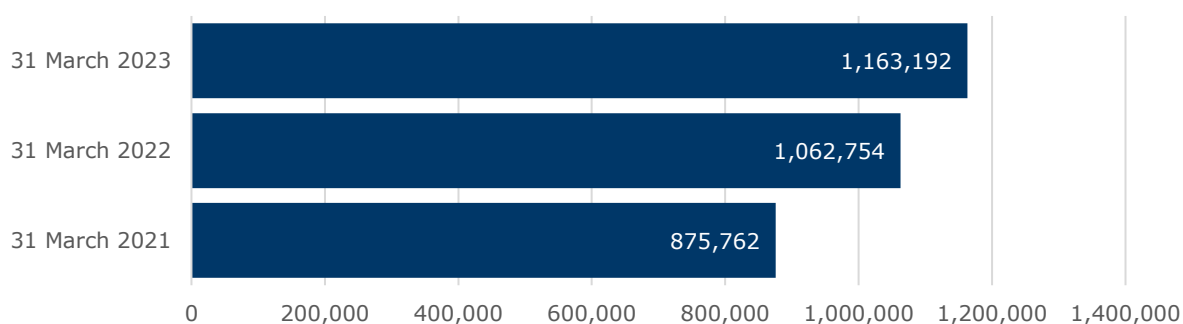
Helpline calls	2022/23 Received	2022/23 Answered
April	19,854	19,285
May	18,727	17,963
June	22,684	21,538
July	28,163	26,564
August	33,419	31,304
September	27,054	25,140
October	38,892	30,636
November	49,824	34,599
December	20,414	19,408
January	29,059	26,579
February	34,313	28,694
March	30,280	27,707

Size of Public Register 2022/23



Size of public register	2022/23
April	1,065,638
May	1,067,097
June	1,067,286
July	1,071,241
August	1,083,956
September	1,088,601
October	1,104,173
November	1,139,697
December	1,147,255
January	1,150,108
February	1,159,563
March	1,163,192

Public Register as at year end



Public register at year end	31/03/23	31/03/22	31/03/21
	1,163,192	1,062,754	875,762

Personal data breach reports

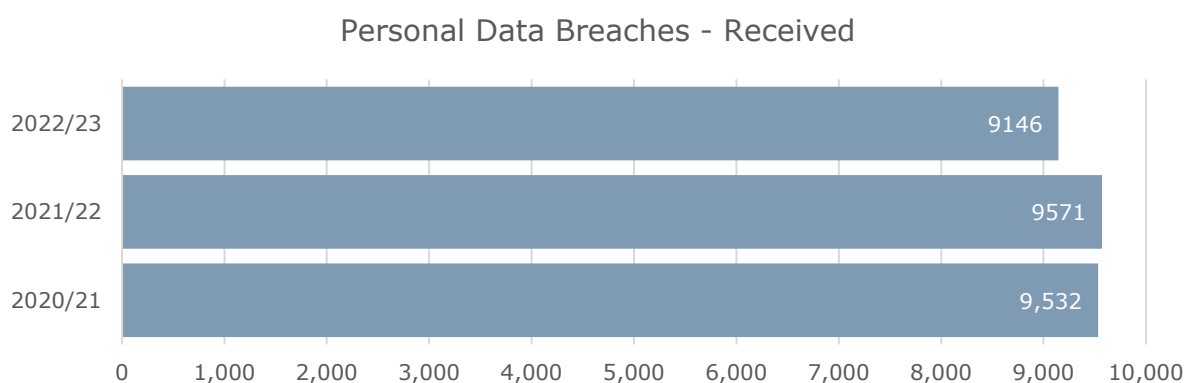
Our personal data breach work was consistent with previous years.

We received a similar number of breach reports compared to the year before. We completed more cases, bringing our caseload within our published service standards, in line with our ICO25 aims.

The highest reporting sectors remained health, education and childcare and local government.

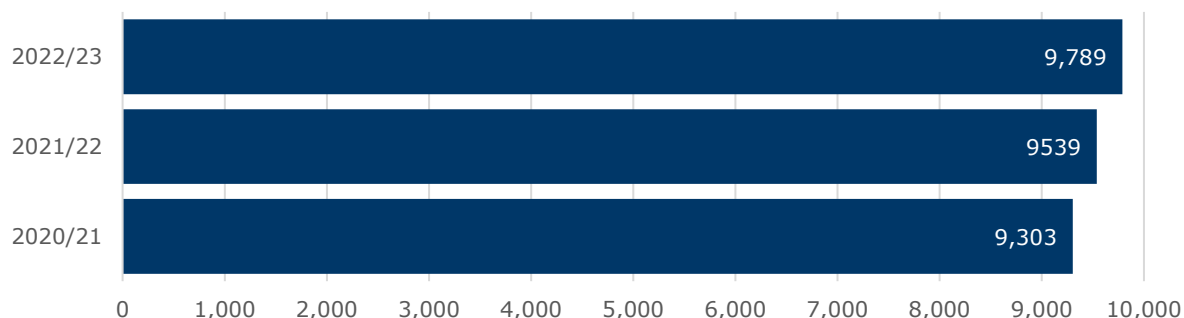
In most cases, we took informal action. This included providing advice to organisations to help them with the current incident, to avoid repeat occurrences and to learn from breaches experienced by similar organisations.

The three most common incident types remain the same as the previous year. Over a quarter of reported breaches relate to emailing, posting or faxing personal data to the wrong person.



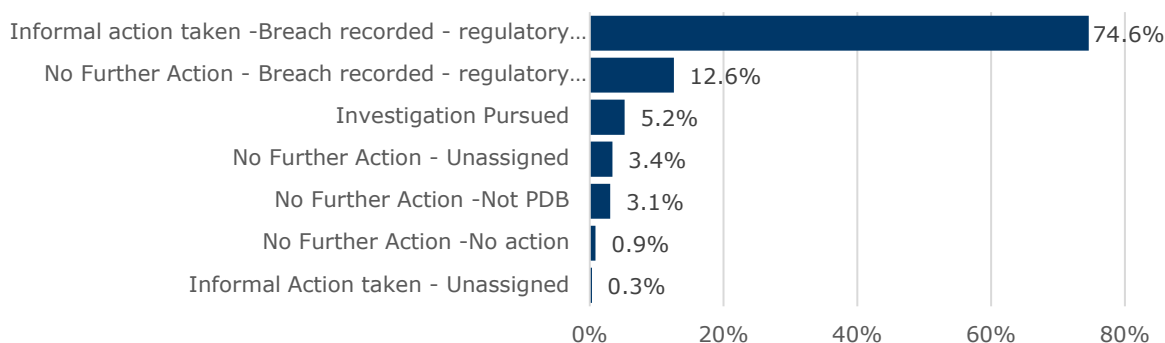
Personal data breaches	2022/23	2021/22	2020/21
Received	9,146	9,571	9,523

Personal Data Breaches - Finished



Personal data breaches	2022/23	2021/22	2020/21
Finished	9,789	9,539	9,303

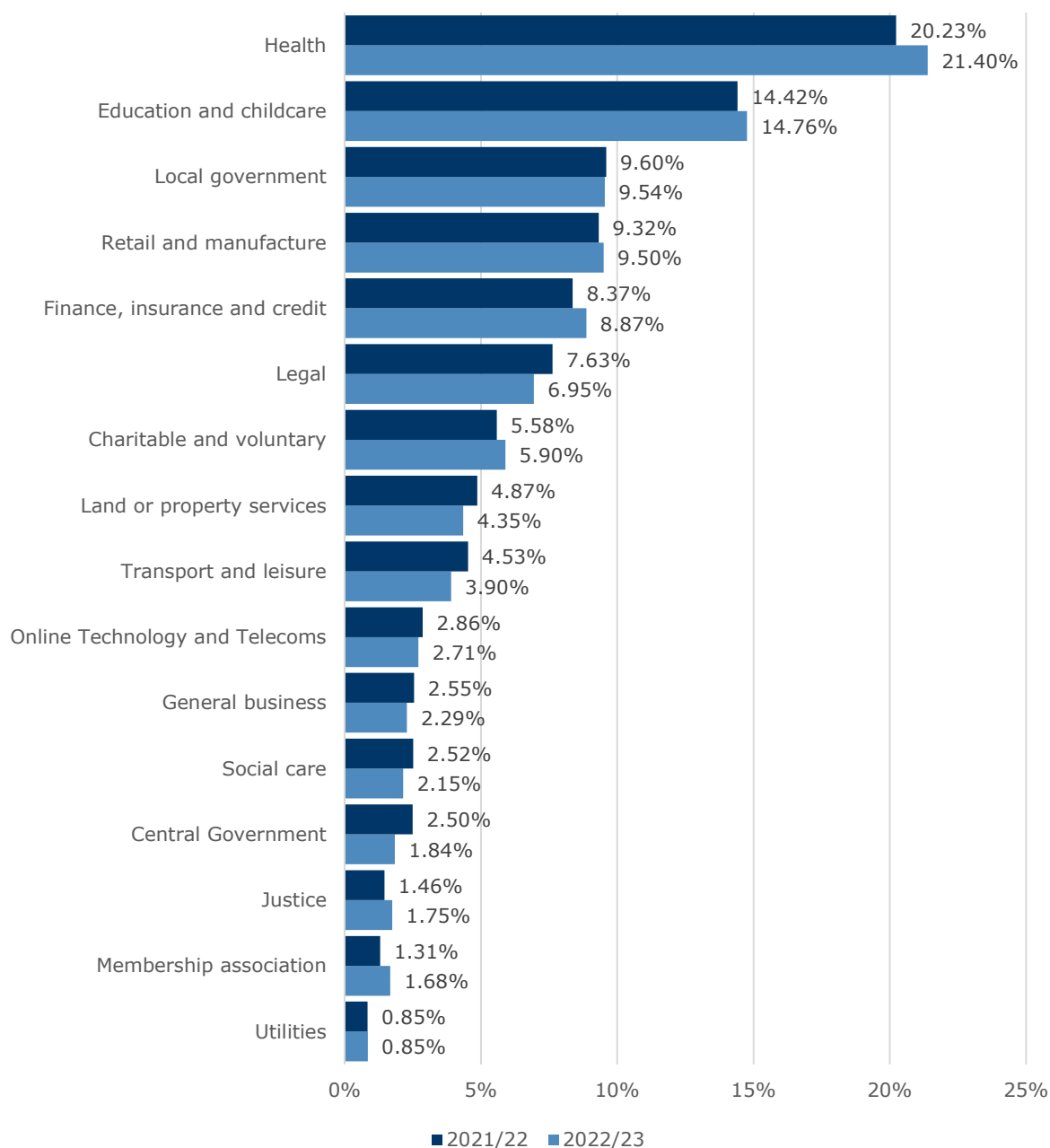
Personal Data Breaches - Outcomes



Personal data breaches- outcomes	2022/23
Informal action taken- breach recorded, regulatory action criteria not met	74.6%
Investigation pursued	5.2%
No further action - breach recorded, regulatory action criteria not met	12.6%
No further action - not PDB	3.1%
No further action - unassigned	3.4%
No further action - no action	0.9%
Informal action taken - unassigned	0.3%

Note: the totals in the chart above do not add up to 100% due to rounding.

Sectors generating most PDB

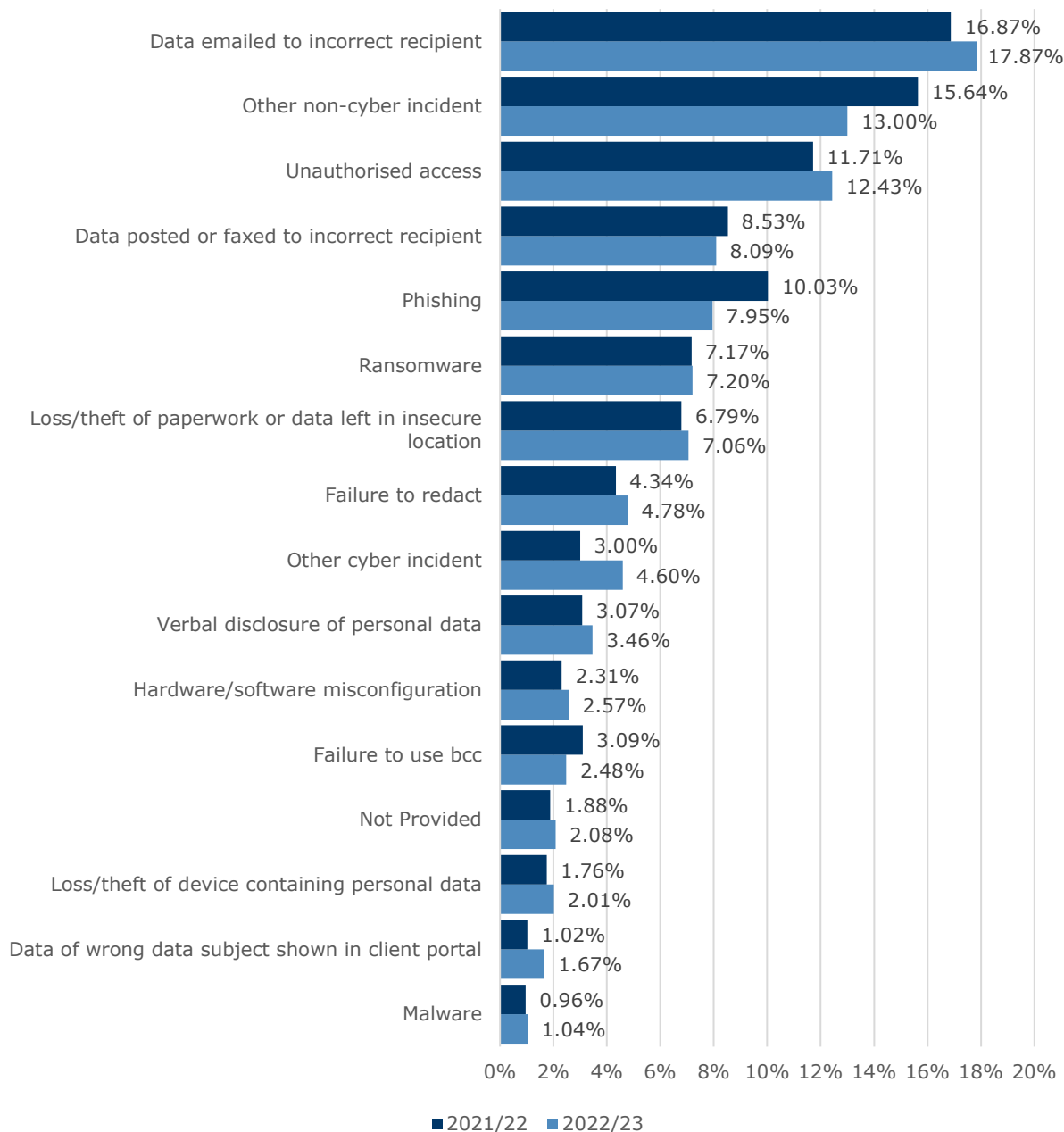


Sectors generating most PDB complaints	2022/23	2021/22
Health	21.40%	20.23%
Education and childcare	14.76%	14.42%
Local government	9.54%	9.60%
Retail and manufacture	9.50%	9.32%
Finance, insurance and credit	8.87%	8.37%
Legal	6.95%	7.63%
Charitable and voluntary	5.90%	5.58%
Land or property services	4.35%	4.87%

Sectors generating most PDB complaints	2022/23	2021/22
Transport and leisure	3.90%	2.86%
Online technology and telecoms	2.71%	2.50%
General business	2.29%	4.53%
Social care	2.15%	2.52%
Central government	1.84%	2.55%
Justice	1.75%	1.46%
Membership association	1.68%	1.31%
Utilities	0.85%	0.85%

Note: this is not an exhaustive list so does not add up to 100%.

Incidents generating most PDBs



Incidents generating most PDBs	2022/23	2021/22
Data emailed to incorrect recipient	17.87%	16.87%
Other non-cyber incident	13%	15.64%
Unauthorised access	12.43%	11.71%
Data posted or faxed to incorrect recipient	8.09%	8.53%
Phishing	7.95%	10.03%
Ransomware	7.20%	7.17%
Loss or theft of paperwork or data left in insecure locker	7.06%	6.79%
Failure to redact	4.78%	4.34%

Incidents generating most PDBs	2022/23	2021/22
Other cyber incident	4.60%	3.00%
Verbal disclosure of personal data	3.46%	3.07%
Hardware or software misconfiguration	2.57%	2.31%
Failure to use BCC	2.48%	3.09%
Not provided	2.08%	1.88%
Loss or theft of device containing personal data	2.01%	1.76%
Data of wrong data subject shown in client portal	1.67%	1.02%
Malware	1.04%	0.96%

Investigations

If a case comes into the investigations directorate and we need to carry out initial fact-finding enquiries to establish the extent of the issue, we may consider it an incident. We would also consider whether it meets the evidential threshold for investigation. If the case meets the threshold, then it progresses to an investigation. If not, then our aim is to conclude 90% of incidents within three months.

The investigations directorate handles the most sensitive, high-profile and complex investigations within the ICO. We offer a flexible and dynamic response to issues of concern, and deliver targeted and proportionate regulatory outcomes. We publish our regulatory action on our website.⁶¹

Civil investigations: We have concluded 306 investigation cases and 89 incidents this year and delivered reprimand outcomes on 44 cases. We issued one enforcement notice and two penalty notices totalling £7,631,200. Without our two-year trial for our approach to the public s⁶², we would have seen a difference in delivery. It would have resulted in three fewer reprimands and the equivalent rise in penalty notices to £10,814,856.

Privacy and digital marketing investigations: A general downward trend in reported concerns has continued into 2022/23, following sustained regulatory pressure in this area. Analysis of reported concerns highlight predatory marketing communications targeting people who are, or may be, at most risk of harm or potentially likely to respond to high-pressure marketing practices. In line with ICO25, we have targeted our resources towards organisations deliberately targeting people at most risk of harm for the purposes of:

- lead generation;

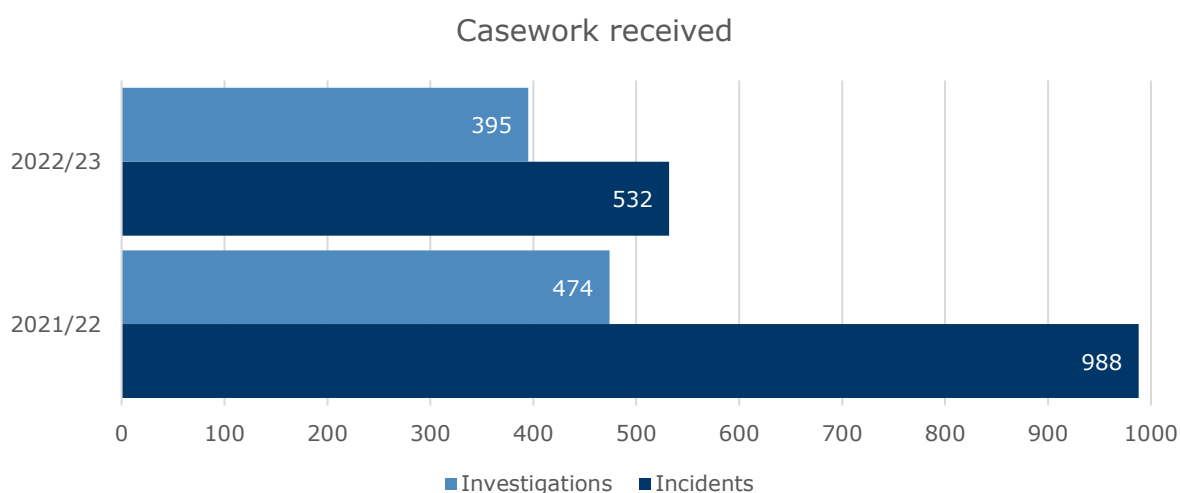
⁶¹ <https://ico.org.uk/action-weve-taken/enforcement/>

⁶² <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2022/06/open-letter-from-uk-information-commissioner-john-edwards-to-public-authorities/>

- so-called energy saving deals;
- cost of living-related products and services;
- inappropriate debt management services; and
- insurance-related products or services.

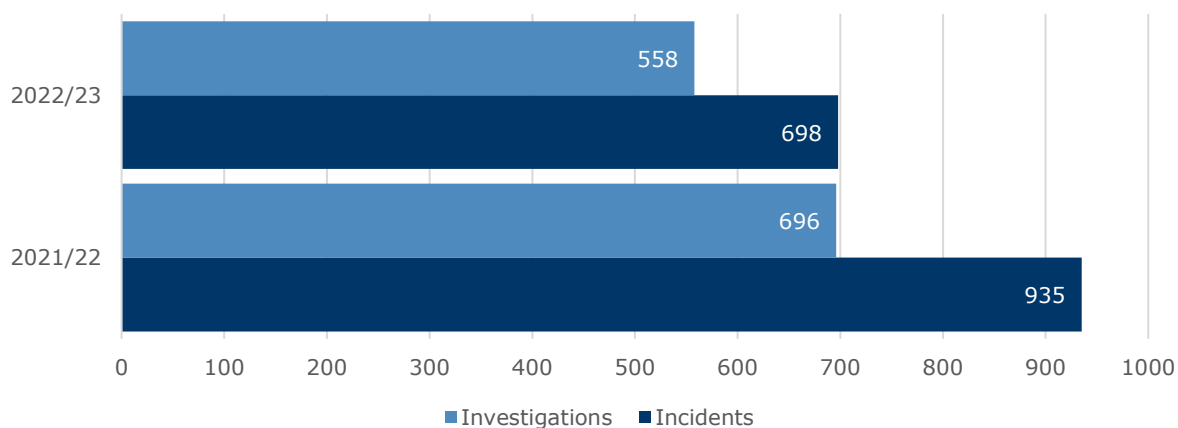
Cyber investigations: Cyber have concluded 79 investigations this year. This has reduced the team’s active caseload by 59% since the beginning of the financial year. This includes closing 337 lower-level incidents and triaging 1,745 reports to determine if the report meets the threshold for assessment as an incident or investigation. At the end of the financial year, the team had reduced their active caseload over the KPI of concluding investigations within 365 days by 15%. Currently, only six of our investigations are over the 365-day KPI.

Within the 2022/23 financial year, the cyber team has delivered seven reprimands, some of which are now published on the ICO’s website. The team also issued one penalty notice, totalling £4.4 million.



Casework received	2022/23	2021/22
Investigations	395	474
Incidents	532	988

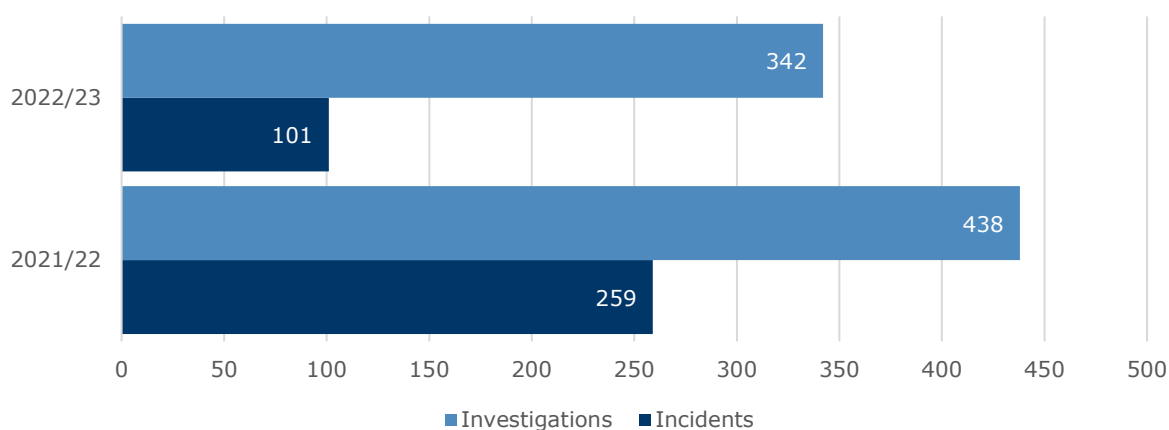
Casework completed



Casework completed

	2022/23	2021/22
Investigations	558	696
Incidents	698	935

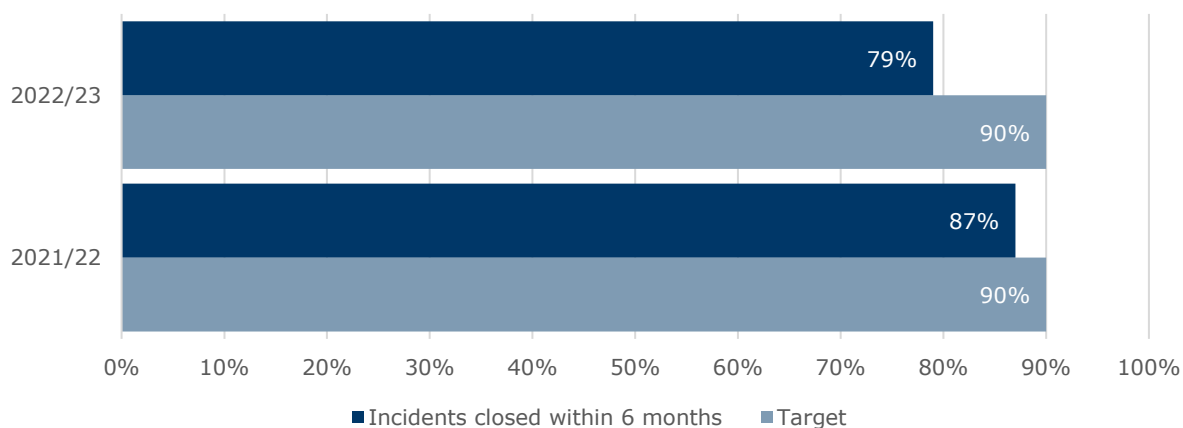
Caseload as at 31 March



Casework completed

	31 March 2023	31 March 2022
Investigations	342	438
Incidents	101	259

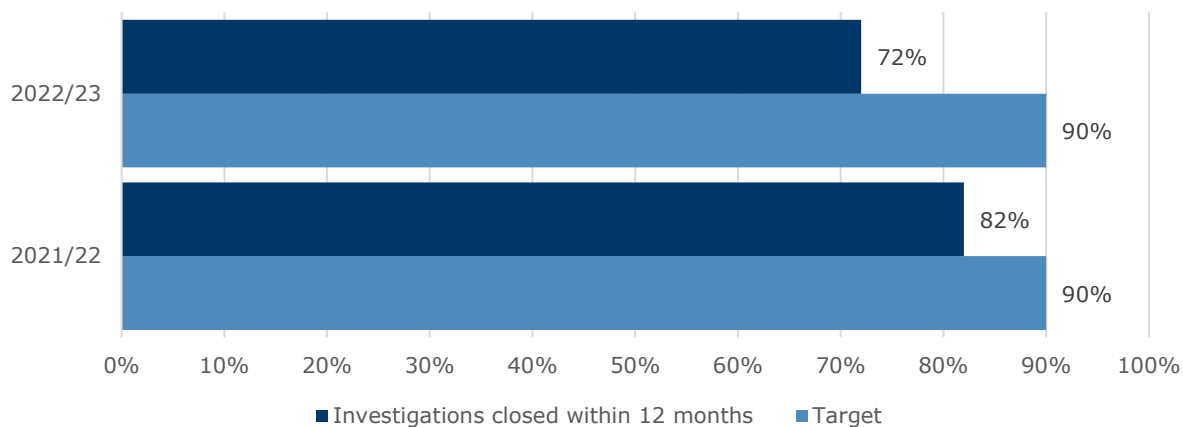
Incidents - closure within 6 months



Incidents – closure within six months

	2022/23	2021/22
Target	90%	90%
Incidents	79%	87%

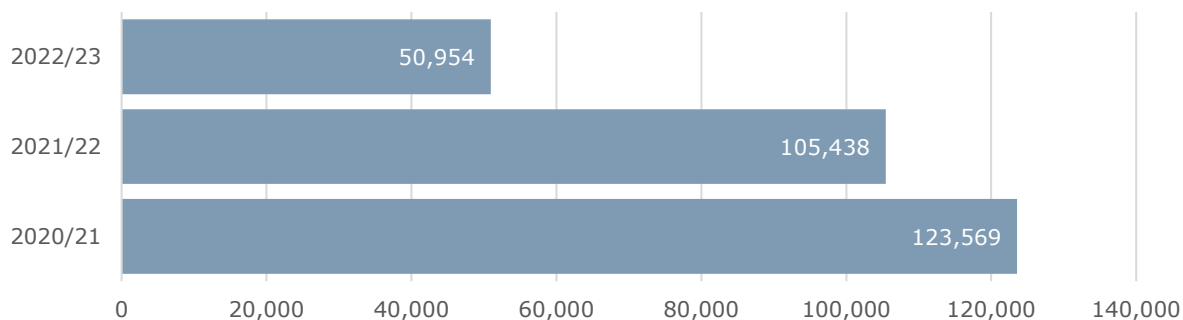
Investigations - closure within 12 months



Investigations – closure within 12 months

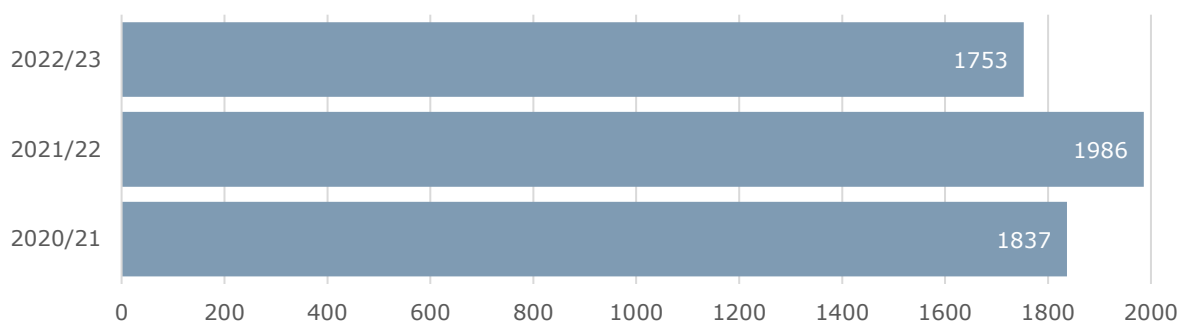
	2022/23	2021/22
Target	90%	90%
Investigations	72%	82%

PECR Concerns - Concerns reported



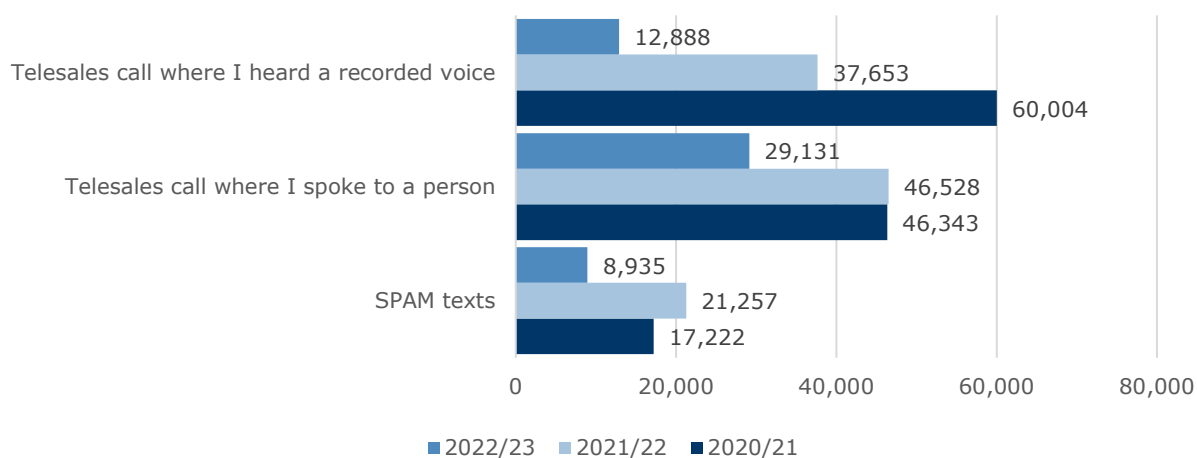
PECR concerns	2022/23	2021/22	2020/21
Concerns reported	50,954	105,438	123,569

PECR Concerns - Cookie concerns reported



PECR concerns	2022/23	2021/22	2020/21
Cookie concerns reported	1,753	1,986	1,837

Nature of telesales and SPAM texts reported



Nature of telesales and spam texts reported	2022/23	2021/22	2020/21
Telesales calls where I heard a recorded voice	12,888	37,653	60,004
Telesales calls where I spoke to a person	29,131	46,528	46,343
Spam texts	8,935	21,257	17,222

Regulatory assurance audits

In 2022/23, we completed a total of 93 audits and follow-up audits across a range of sectors. We published the executive summaries of these audits on our website.⁶³

The audit programme for 2022/23 included a series of audits of video game developers. From this, we created and published some top tips for game designers.⁶⁴ We reviewed the data sharing under the Digital Economy Act 2017. We shared our findings with Parliament and published them on our website.⁶⁵ We undertook a series of audits with the Scottish Government, reviewing the compliance of a number of central government departments. We subsequently published an overview report outlining our findings.⁶⁶

In addition, we have undertaken a series of pilot audits of relevant digital services providers (RDSPs) under the Network and Information System Regulations 2018 (NIS).

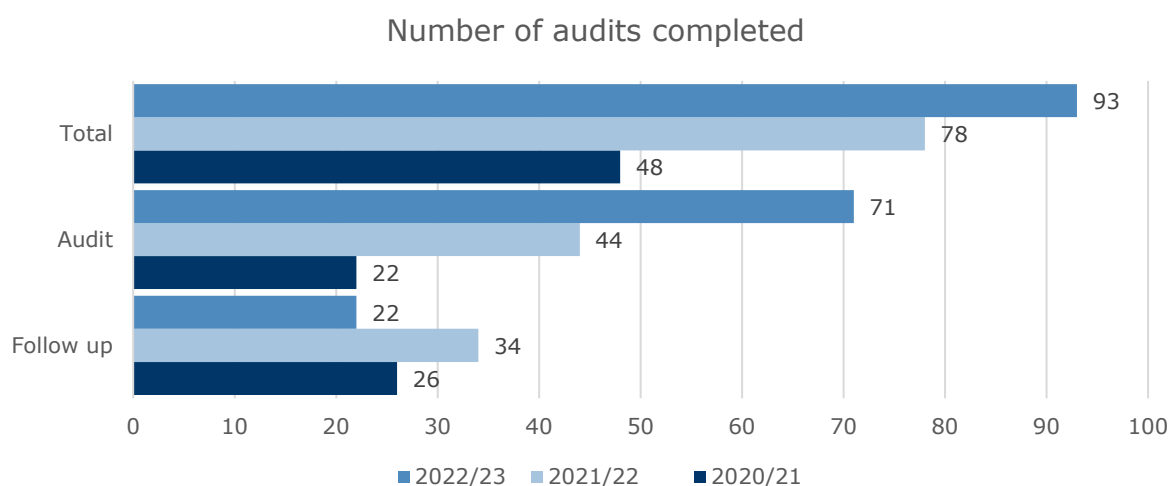
In the course of our audit work, 99% of our recommendations were accepted or partially accepted by the organisations being audited. At the follow-up stage, we found that audited organisations had actioned or partially actioned 96% of our recommendations.

⁶³ <https://ico.org.uk/action-weve-taken/audits-and-overview-reports/>

⁶⁴ <https://ico.org.uk/for-organisations/childrens-code-hub/top-tips-for-games-designers-how-to-comply-with-the-children-s-code/>

⁶⁵ <https://ico.org.uk/about-the-ico/what-we-do/the-ico-s-review-into-data-sharing-under-the-digital-economy-act-2017/>

⁶⁶ <https://ico.org.uk/action-weve-taken/audits-and-overview-reports/scottish-government/>



Number of audits completed	2022/23	2021/22	2020/21
Total	93	78	48
Audit	71	44	22
Follow up	22	34	26

Percentage of accepted and partially accepted recommendations (target: 90%)

	Q1	Q2	Q3	Q4	Total
2022/23	100%	98%	98%	100%	99%
2021/22	99%	99%	98%	99%	99%
2020/21	91%	98%	95%	93%	94%

Percentage of accepted and partially accepted recommendations completed and in progress (target: 80%)

	Q1	Q2	Q3	Q4	Total
2022/23	100%	95%	98%	93%	96%
2021/22	80%	97%	90%	97%	92%
2020/21	87%	84%	66%	78%	78%

Requests for our information

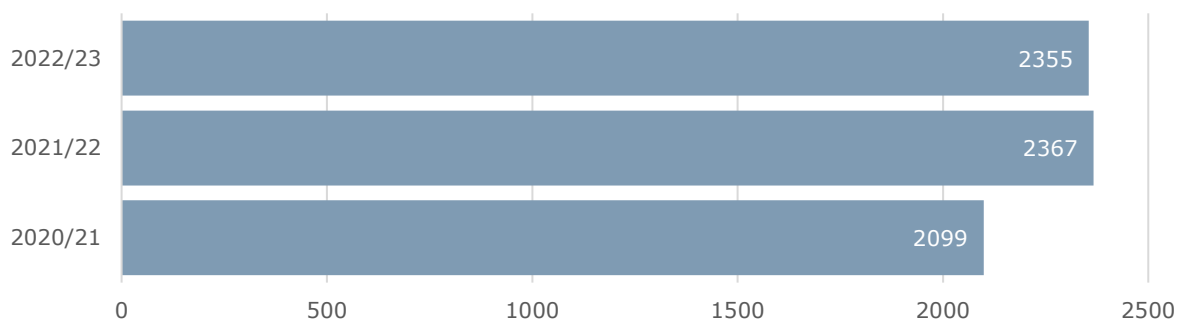
In 2022/23 we successfully delivered our recovery plan. We wanted to ensure that our response rate to information requests made to us as a public authority met our service standards.

We achieved our target of fully clearing our backlog of overdue cases by June 2022. In 2022/23, we completed 96% (2021/22: 73%) of information requests

within statutory deadlines. Since the end of our recovery plan in June 2022, our timeliness compliance rate has remained above 95%.

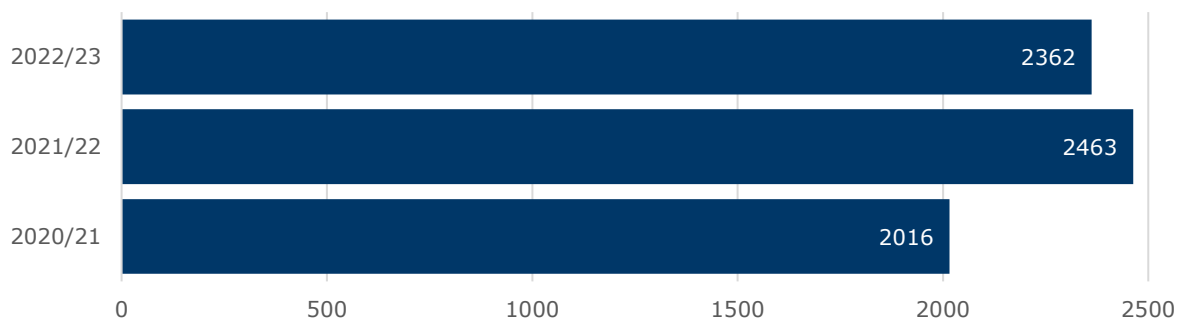
We have implemented measures and lessons learned from our recovery plan to ensure we maintain and continue to improve our performance. Our case study gives further details of how we have done this.^{67 68}

Information Access - Requests received



Information access requests	2022/23	2021/22	2020/21
Received	2,355	2,367	2,099

Information Access - Requests completed

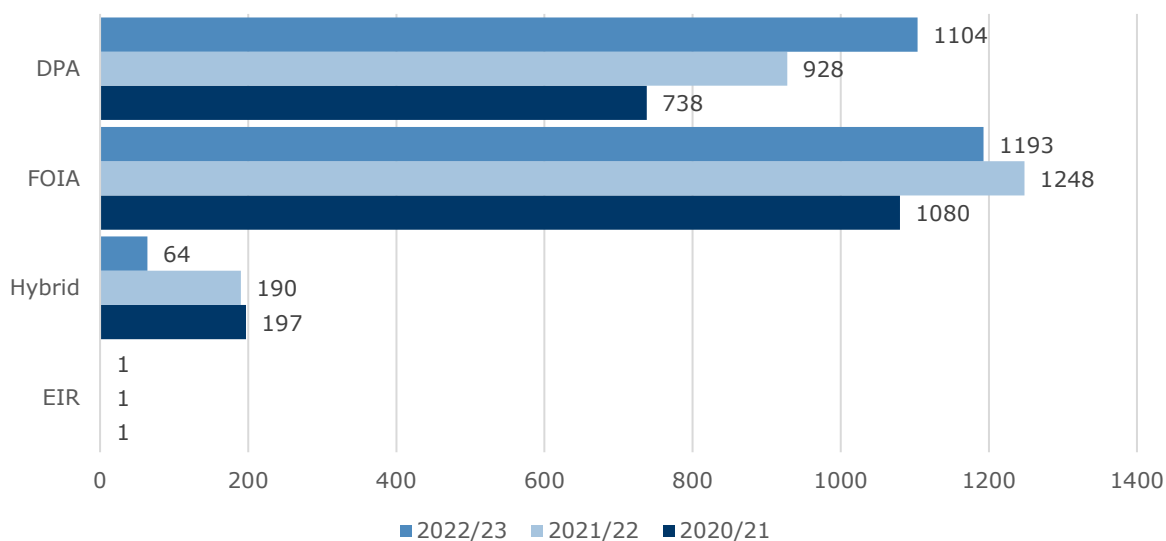


Information access requests	2022/23	2021/22	2020/21
Completed	2,362	2,463	2,016

⁶⁷ <https://ico.org.uk/for-organisations/guidance-index/freedom-of-information-and-environmental-information-regulations/case-studies/>

⁶⁸ <https://ico.org.uk/media/about-the-ico/documents/4020773/ico-recovery-action-plan-updated-20220623.pdf>

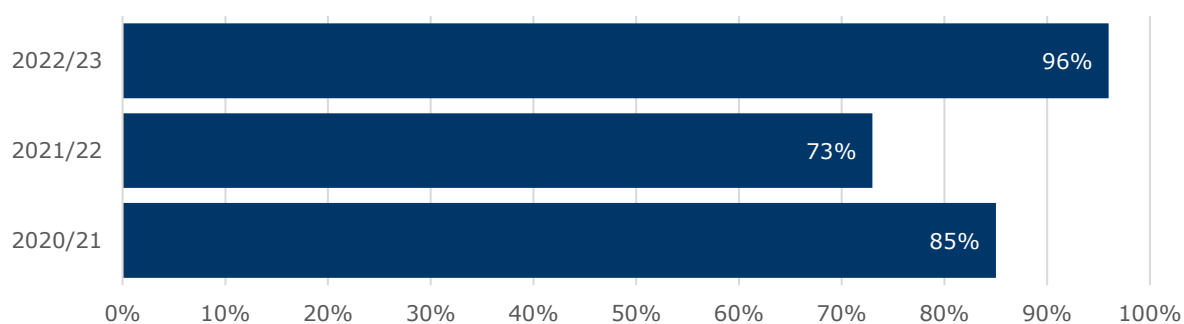
Information Access - Requests by legislation



Information access – requests by legislation

	2022/23	2021/22	2020/21
DPA	1,104	928	738
FOIA	1,193	1,248	1,080
Hybrid	64	190	197
EIR	1	1	1

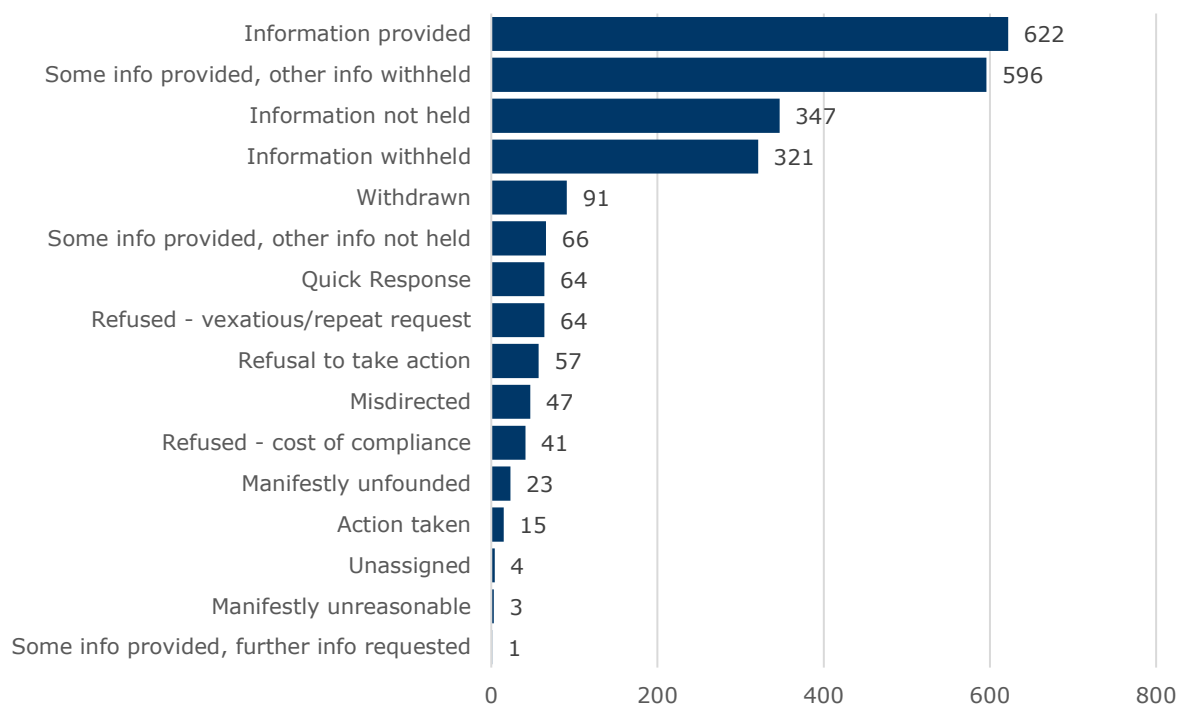
Response times - Time for compliance



Response times

	2022/23	2021/22	2020/21
Time for compliance	96%	73%	85%

Request outcomes

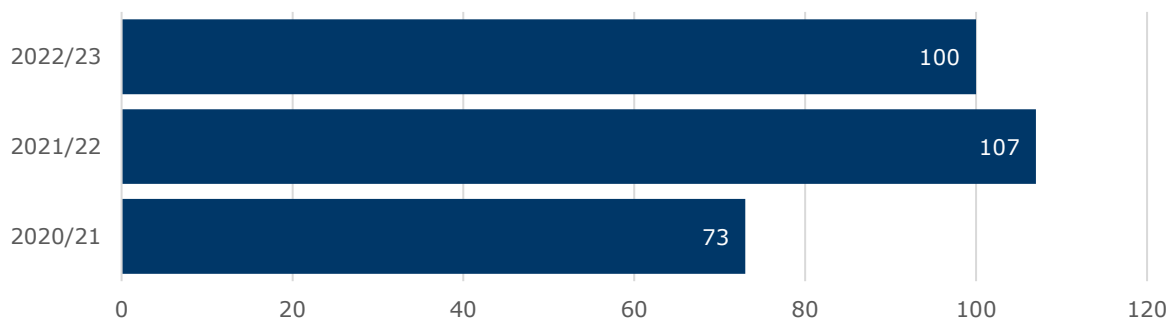
**Request outcomes⁶⁹**

2022/23

Information provided	622
Some information provided, other information withheld	596
Information not held	347
Information withheld	321
Withdrawn	91
Some information provided, other information not held	66
Quick response	64
Refused – vexatious or repeat request	64
Refusal to take action	57
Misdirected	47
Refused – cost of compliance	41
Manifestly unfounded	23
Action taken	15
Unassigned	4
Manifestly unreasonable	3
Some information provided, further information requested	1

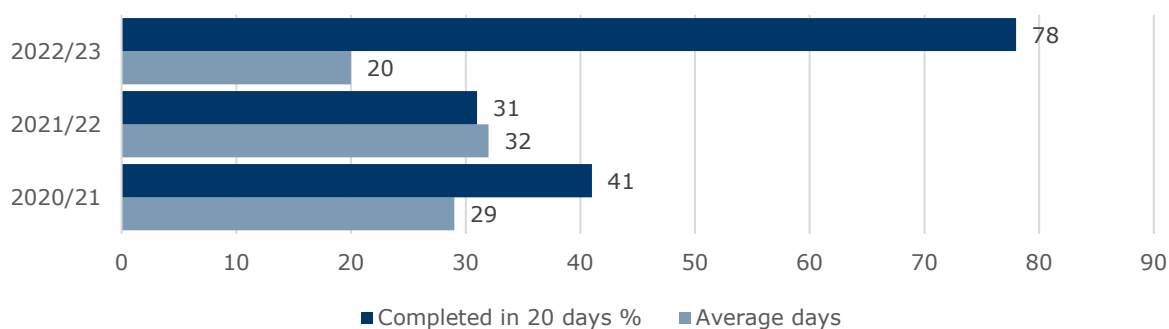
⁶⁹ A more detailed explanation of what our case outcomes mean can be found on our website: <https://ico.org.uk/about-the-ico/our-information/request-information-from-us/information-access-case-outcome-descriptions/>

Internal reviews - Reviews completed



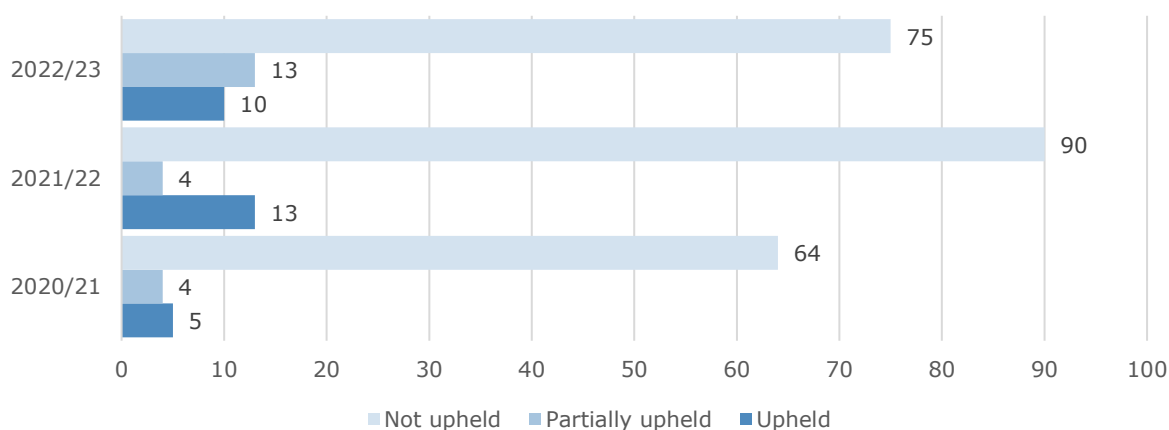
	2022/23	2021/22	2020/21
Internal reviews – reviews completed	100	107	73

Internal reviews - Response times



Internal reviews – response times	2022/23	2021/22	2020/21
Completed in 20 days	78	31	41
Average days	20	32	29

Internal reviews - Review outcomes

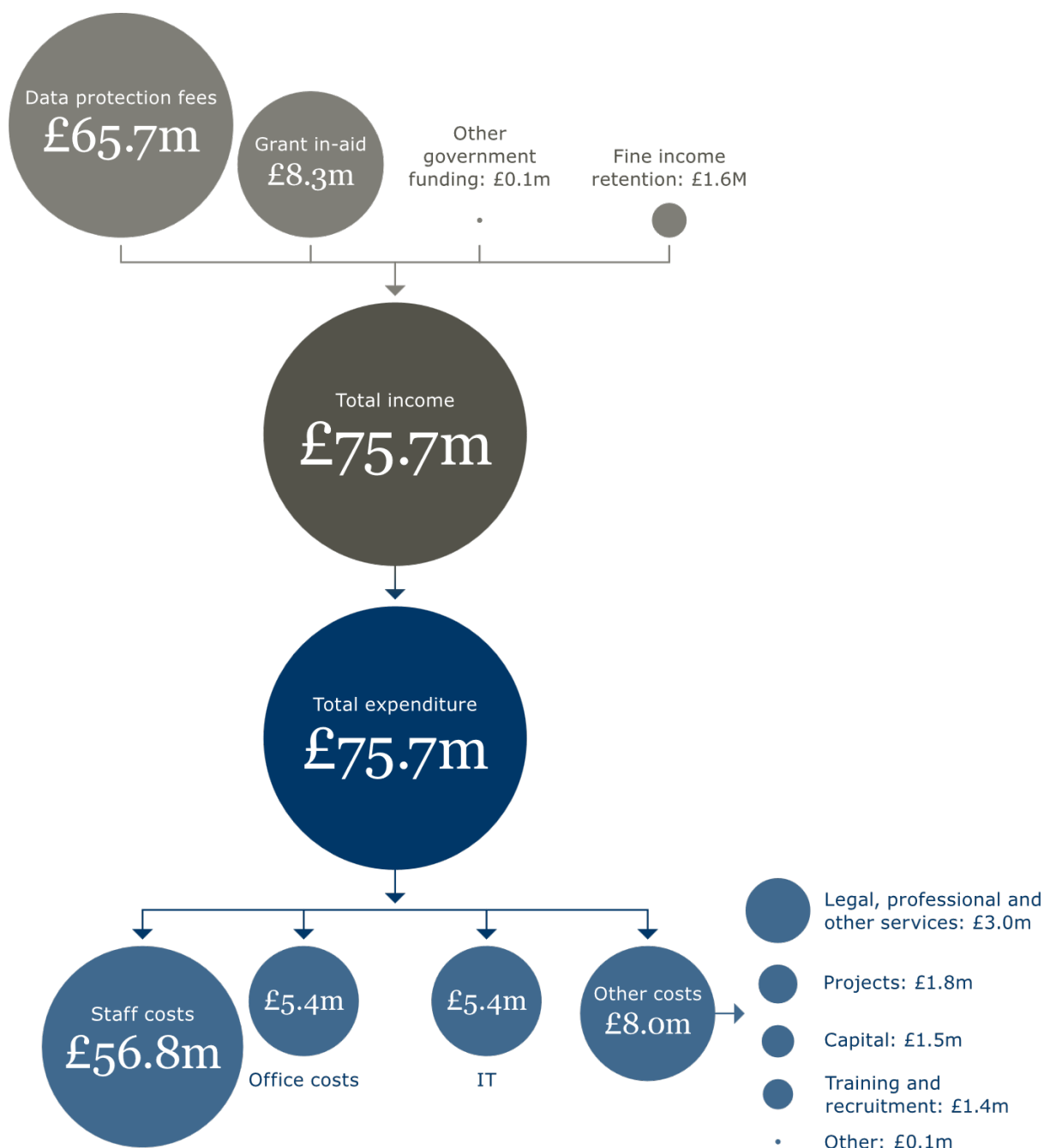


Internal reviews – review outcomes	2022/23	2021/22	2020/21
Not upheld	75	90	64
Partially upheld	13	4	4
Upheld	10	13	5

Financial performance summary

Financial overview

Where we spent our money in 2022/23



Note: the figures in the chart above do not necessarily add up to the total figures due to rounding.

Our expenditure for the year totalled £75.8m. We spent £8.0m of this expenditure on grant-in-aid funded work. We spent £0.4m on additional,

ringfenced Network and Information Systems (NIS) and Electronic Identification and Trust Services Regulations (eIDAS) activity. At financial year-end, DCMS provided additional cash coverage of £0.6m (0.8%).

The significant areas of expenditure recorded included the following:

- £74.4 million on our business-as-usual activities to achieve the strategic goals set out in our ICO25 plan, regulating the legislation which governs the use of personal data and ensuring that organisations use public information appropriately.
- £1.5 million on capital expenditure as we continue to prioritise investment in our digital and IT infrastructure, in addition to relocating our London office.
- £0.4m on additional work to support NIS reforms as well as taking over responsibility for the Trusted List under eIDAS.

Grant-in-aid

Freedom of information expenditure continued to be funded by grant-in-aid. In addition, we funded our work on Network and Information Systems (NIS), the Investigatory Powers Act (IPA), the Electronic Identification and Trust Services Regulations (eIDAS) and adequacy assessments by grant-in-aid. The total grant-in-aid available for 2022/23 was £8.3m (2021/22: £7.6m).

We did not carry forward any grant-in-aid in 2022/23 (2021/22: nil).

Fees

Under the DPA 2018, we continue to finance our data protection-related work through fees collected from data controllers. Under the Data Protection (Charges and Information) Regulations 2018, people and organisations that process personal data need to pay a data protection fee to the ICO, unless they are exempt. The ICO issues a certificate of registration, once they receive the fee. The annual fee structure is:

- £40 for charities or organisations with no more than 10 members of staff or a maximum turnover of £632,000;
- £60 for organisations with no more than 250 members of staff or a maximum turnover of £36 million; and
- £2,900 for all other organisations.

A £5 discount is available for all fees if the organisation pays by direct debit.

Fees collected in the year totalled £65.692m (2021/22: £61.826m), a 6.3% increase on the previous year. As of 31 March 2023, 1,163,192 data controllers were registered to pay the data protection fee, an increase of 100,438 (9.45%) from 31 March 2022 (1,062,754).

We have a strategic objective to ensure that all those required to pay a data protection fee can do so. This ensures that the cost of funding our work is distributed fairly and proportionately amongst those with a legal obligation to pay a fee, as required by Parliament.

To achieve this, we have continued our programme of work to contact organisations not currently paying a data protection fee. This work continued in the financial year 2022/23, where we contacted circa 2.9 million organisations. We grew our public register from 1.06m at the start of the financial year, to 1.16m by the end of March 2023. In addition, the total comprehensive expenditure for the year was higher than the previous year: £8.282m in 2022/23, compared to £3.789m in 2021/22. This is predominantly due to growth in staff numbers to deliver the goals set out in ICO25.

Financial instruments

We set out details of our approach and exposure to financial risk in note nine to the financial statements.

Monetary penalties

The Information Commissioner can impose monetary penalties for serious breaches of the DPA of up to £17.5m, or up to 4% of global turnover, whichever is greater. For breaches of PECR, we can impose penalties of up to £500,000. If an organisation pays their fine within 30 days of us issuing it issued, we reduce the amount by 20%.

Monetary penalties are subject to a right of appeal to the First-tier Tribunal. Organisations can appeal against either against the imposition of the monetary penalty itself, or the amount of the penalty, or both. If monetary penalties are subject to appeal, they are not recognised until the Tribunal finalises the appeal process and they uphold the penalty. The Tribunal regularly reviews the amounts recognised and subsequently adjusts them if a monetary penalty is varied, cancelled, impaired or written off as irrecoverable. Amounts are only written off as irrecoverable on legal advice. At year end, we reduce the value of fines to reflect our expectation that we cannot recover all fines owed. We give details of how this reduction is calculated in note 1.5.

In previous years, the ICO paid the costs of any legal fees incurred in the imposition and recovery of the monetary penalties. We proposed to government that we recover legal costs concerning enforcement action and litigation under the DPA and PECR from the income of monetary penalties. This ensured that fee-paying organisations did not fund such costs. The government approved this approach in June 2022, and we applied it to the 2022/23 financial year from 1 April 2022. We pay the monetary penalties we collect to the government's consolidated fund, after netting off the appropriate legal costs.

During 2022/23, we imposed in total £15.271m in monetary penalties (2021/22: £3.554m). Of the total penalties that we have not yet collected, £7.6m is for a penalty under the DPA for Clearview AI and £5m for a penalty under the DPA for British Airways. £5.6m of the penalties yet to be collected have agreed payment plans, that they are paying in instalments.

At the year end, the monetary penalties still to be collected and subsequently paid to the consolidated fund is £16.581m (2021/22: £17.934m). The table below provides a summary.

	2022/23
	£m
Monetary penalties due at year end 31 March 2022	17.806
Monetary penalties imposed during financial year	15.271
Discounts due to early settlement	(1.668)
Monetary penalties written off or impaired during the financial year	(8.337)
Monetary penalties collected in financial year and paid to the government's consolidated fund in year	(15.000)
Monetary penalties retained by ICO for enforcement and litigation	(1.648)
Monetary penalties collected in financial year and due to be paid to the government's consolidated fund after the year end	(0.988)
Monetary penalties yet to be collected at year end	5.437
Monetary penalties at year end on agreed payment plan	5.437

Sustainability

Overall strategy

Our environmental policy⁷⁰ sets out our approach to environment and sustainability matters. We understand that undertaking our work as an effective regulator and employer requires the use of natural resources, energy and a wide variety of supplies and services.

We are committed to minimising any of our damaging environmental impacts. We explore and implement ways of working which help us enhance environmental sustainability, minimise harm to our eco-system and continually improve our environmental performance. We use our position as a prominent organisation and significant purchaser of goods and services to encourage stakeholders and suppliers to adopt environmentally responsible practices.

⁷⁰ <https://ico.org.uk/media/about-the-ico/documents/2616517/environmental-policy.pdf>

Our carbon footprint is generated primarily from heating and lighting ICO accommodation, powering our IT infrastructure and from business travel. We have successfully ensured that we do not send any of our general waste to landfill and we have recycled 100% of our cardboard and paper.

We use technology as much as possible to reduce electricity and gas consumption. We provide low energy use IT equipment to staff and our buildings use motion detecting lighting to help reduce energy consumption. We also have smart meters fitted to our gas supply to allow improved management of gas consumption.

There are always increasing demands to engage with external stakeholders both domestically and internationally. We continued to use appropriate communication tools to ensure we could do so. The ICO has taken the lessons learned during the pandemic to review the need for all future domestic and international travel. We considered whether there were suitable alternative ways to fulfil these commitments using technology.

Performance

We have moved to an electricity tariff that uses 100% renewable electricity for most of the estate. We have lower waste production and water usage levels. We also have reduced paper usage, as we continue to use electronic solutions adopted during the pandemic.

We have re-established our Green Group committee involving colleagues across all functions to support in our drive to produce as green an ICO as possible. This included making net carbon zero a core business objective as we reshaped our business post-pandemic.

We also report our sustainability outputs to the Greening Government Commitments. This sets out the actions that UK government departments, and their partner organisations, will take to reduce their impacts on the environment from 2021 to 2025.

Biodiversity action planning

The ICO is not responsible for any outside space and therefore does not have a specific biodiversity action plan. Our environmental policy serves to fulfil the obligations of the requirements of The Environment (Wales) Act 2016 'Biodiversity and Resilience of Eco System Plan'.

The policy sets objectives for the ICO to:

- minimise water and energy usage;
- minimise CO2 production from our activities;
- ensure effective waste management and recycling;

- minimise the use of single use products, plastics and harmful chemicals; and
- raise awareness among staff and influence behaviour.

Sustainable procurement

We ask those tendering for contracts to provide their sustainability statements and policies as standard in most procurement exercises.

Greenhouse gas emissions

Please note: the figures in the tables below do not include any emissions or waste from employees working from home.

Total tonnes CO₂

	2019/20	2020/21	2021/22	2022/23
Scope 1 (gas)	17	44	37	29
Scope 2 (electricity)	275	29	32	42
Scope 3 (travel)	182	1	15	52
Total emissions	474	74	84	123

Tonnes CO₂ per full time equivalent staffing

	2019/20	2020/21	2021/22	2022/23
Scope 1 (gas)	0.02	0.06	0.04	0.03
Scope 2 (electricity)	0.37	0.04	0.04	0.04
Scope 3 (travel)	0.24	0.00	0.02	0.05
Total	0.63	0.10	0.10	0.11*

*Not a direct sum due to rounding.

Waste minimisation and management and finite resource consumption

Total waste, water and paper consumption

	2019/20	2020/21	2021/22	2022/23
Waste (tonnes)	36	3	11	17
Water consumption (m3)	3,182	567	207	413
A4 paper (reams)	4,544	200	140*	310

*Note: in preparing this section we found an error in our 2021/22 annual report which identified this as 30 reams. The correct figure is displayed in this year's report.

Waste, water and paper consumption per full time equivalent staffing

	2019/20	2020/21	2021/22	2022/23
Waste (tonnes)	0.05	0.004	0.01	0.01
Water consumption (m ³)	4.23	0.72	0.23	0.4
A4 paper (reams)	6.03	0.25	0.15	0.3

Details of ICO performance

Total travel

Cars	2019/20	2020/21	2021/22	2022/23
Kms	43,656	1,761	9,097	59,911
Cost (£)	11,506	486	4,132	15,037
Tonnes (CO ₂)	8	0.3	2	11

Rail	2019/20	2020/21	2021/22	2022/23
Kms	1,133,971	8,190	127,834	394,105
Cost (£)	341,668	2,612	41,684	125,262
Tonnes (CO ₂)	51	0.2	5	15

Flights	2019/20	2020/21	2021/22	2022/23
Number	734	0	71	197
Kms	781,541	0	84,247	218,482
Cost (£)	151,422	0	12,711	72,965
Tonnes (CO ₂)	123	0	9	27

Travel summary	2019/20	2020/21	2021/22	2022/23
Cost (£)	504,596	3,097*	58,526*	213,264
Tonnes (CO ₂)	182	0.5	15*	52*

*Not a direct sum of tables above due to rounding.

Travel per full time equivalent staffing

Cars	2019/20	2020/21	2021/22	2022/23
Kms	57.98	2.37	10.29	59.32
Cost (£)	15.28	0.65	4.68	14.89
Tonnes (CO ₂)	0.01	0.00	0.00	0.01

Rail	2019/20	2020/21	2021/22	2022/23
Kms	1,505.94	11.02	144.64	390.20
Cost (£)	453.74	3.52	47.16	124.02
Tonnes (CO ₂)	0.07	0.00	0.01	0.01

Flights	2019/20	2020/21	2021/22	2022/23
Number	0.97	0	0.08	0.19
Kms	1,037.90	0	95.32	216.32
Cost (£)	201.09	0	14.38	72.24
Tonnes (CO ₂)	0.16	0	0.01	0.02

Travel summary	2019/20	2020/21	2021/22	2022/23
Cost (£)	670.11	4.17	66.22	211.15
Tonnes (CO ₂)	0.24	0.00	0.02	0.05*

*Not a direct sum of tables above due to rounding.

Total utilities

Gas	2019/20	2020/21	2021/22	2022/23
Kwh	94,989	244,507	205,653	160,331
Cost (£)	4,151	8,578	6,902	10,350
Tonnes (CO ₂)	17	44	37	29

Electricity	2019/20	2020/21	2021/22	2022/23
Kwh	551,804	413,340	276,409	456,162
Cost (£)	95,410	78,333	58,041	126,664
Tonnes (CO ₂)	275	29	32	42

Utilities summary	2019/20	2020/21	2021/22	2022/23
Cost (£)	99,561	86,912*	64,944*	137,015
Tonnes (CO ₂)	292	73	69	71

*Not a direct sum of tables above due to rounding.

Utilities per full time equivalent staffing

Gas	2019/20	2020/21	2021/22	2022/23
Kwh	126.15	329.10	232.69	158.74
Cost (£)	5.51	11.54	7.81	10.24
Tonnes (CO ₂)	0.02	0.06	0.04	0.02

Electricity	2019/20	2020/21	2021/22	2022/23
Kwh	732.81	556.31	312.74	451.64
Cost (£)	126.71	105.43	65.67	125.40
Tonnes (CO ₂)	0.37	0.04	0.04	0.04

Utilities summary	2019/20	2020/21	2021/22	2022/23
Cost (£)	132.22	116.97	73.48	135.65*
Tonnes (CO ₂)	0.39	0.10	0.08	0.07*

*Not a direct sum of tables above due to rounding.

Whistleblowing disclosures

The ICO is a 'prescribed person' under the Public Interest Disclosure Act 1998. This means that whistleblowers are protected when disclosing certain information to us.

The Prescribed Persons (Reports on Disclosures of Information) Regulations 2017 require prescribed persons to report annually on whistleblowing disclosures made to them.

We received 225 whistleblowing disclosures about external bodies between 1 April 2022 and 31 March 2023 (2021/22: 268). We recorded all information provided and used it to develop our overall intelligence picture.

We took further action on 14 of these disclosures. Such actions may include:

- referral to appropriate departments within the ICO for further consideration;
- referral to external organisations (including other regulators and law enforcement); or
- consideration for use of our enforcement powers.

Between 1 April 2022 and 31 March 2023, this further action on the 14 disclosures resulted in 14 referrals to various departments overall.

The outcomes of these referrals were that:

- our investigations teams took 13 disclosures into consideration; and
- we considered one disclosure for non-payment of the data protection fee.

After review and assessment, 208 of the 225 disclosures resulted in no further action taken at that time. At the time of writing, we are currently assessing three disclosures from this reporting period for potential action.

After receiving a concern, we decide how to respond in line with our regulatory action policy. In all cases, we look at the information provided by whistleblowers alongside other relevant information we hold. For example, if an organisation reports a breach to us, we may use information provided by a whistleblower to focus our follow-up enquiries. More broadly, we may use information from whistleblowers to focus our liaison and policy development within a sector, using the information to identify a particular risk or concern.

Going concern

The Government's proposed data protection legislative reform, the DPDI (No2) Bill, proposes significant changes to the ICO's governance and accountability structures. These include:

- the introduction of statutory objectives;
- a statement of strategic priorities; and
- a move to a statutory board model with a Chair and Chief Executive.

The Chair of the Board would carry the title 'Information Commissioner' and would continue to be a Crown appointment through Letters Patent. At the time of writing, this is subject to the Parliamentary process. If passed into law, this is not expected to take effect during 2023/24. These proposed changes will not affect the ICO's ongoing ability to provide services. All the ICO's assets and liabilities would transfer to the new entity, ensuring continuity of services. Therefore, these accounts are prepared on a going concern basis as a non-trading entity continuing to provide statutory public sector services.

Grant-in-aid funding for both 2023/24 and 2024/25 was captured in the 2021 three-year comprehensive spending review. DSIT will now be providing this instead of DCMS, following government changes during 2022/23. At the time of writing, whilst the ICO has not received formal delegation of the grant-in-aid for 2023/24 and 2024/25, these financial years are provided for within DSIT's estimates. There is therefore no reason to believe that future sponsorship and parliamentary approval will not be forthcoming.

The ICO has budgeted income of £78.4m for the year 2023/24 and budgeted use of £6.9m of reserves to help fund implementation of the ICO25 transformation. The DPA 2018 allows the ICO to fund data protection-related work through fees paid by data controllers. This income has been affected by the impacts to the economy in recent years. However, the budget set has considered the risks within fee income and is based on prudent assumptions. The ICO regularly monitors and reviews the budget. We will regularly test the assumptions underpinning the budget throughout the year, allowing us to adjust plans accordingly. It is therefore appropriate to adopt a going concern basis for the preparation of these financial statements.



John Edwards
7 July 2023



Accountability report

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Directors' report

Directorships and other significant interests held by Board members that may conflict with their management responsibilities

Membership of the ICO's Management Board, along with further information, is detailed in the governance statement.

The ICO maintains a register of interests for the Information Commissioner and the Management Board. We publish the register on our website⁷¹. At Management Board, Audit and Risk Committee, People Committee and Regulatory Committee meetings, we ask for declarations of interest in any of the items on the agenda.

Our values

Our values are central to the way we work. They influence the way we work with stakeholders, make decisions, support and behave towards one another and continually challenge ourselves to achieve our vision.

Our ICO25 strategy sets out our four values, which are:

- curious;
- collaborative;
- impactful; and
- respect, equality, diversity and inclusivity.

Employee involvement and wellbeing

We understand the importance of reflecting the customers and communities we serve. Through our equality, diversity and inclusion (EDI) objectives, we have invested in working practices to ensure we achieved this throughout the organisation.

Employee wellbeing and health has always been at the heart of our people strategy, and this has never been more important than in recent years.

We have actively looked after the health and wellbeing of our staff through hybrid working and the increased cost of living. In 2021/22, we introduced a committee to specifically consider the impact of the pandemic. This committee has now broadened its scope to consider how to effectively support staff through the cost of living increases. This committee plans our organisational response to

⁷¹ <https://ico.org.uk/about-the-ico/our-information/register-of-interests/>

ensure that colleagues work safely whilst remaining focused on their health and wellbeing. We conducted surveys, worked with our established staff forum and the EDI steering group to support staff throughout the year. We also created new communication channels for information and engagement on health and wellbeing.

We launched two pilot initiatives to help colleagues and their families: an essentials pantry, providing free food and household supplies at all our offices for colleagues to access, and a supermarket voucher scheme. In addition to these two pilots, we also supplied free hygiene products for our office bathrooms, promoted existing colleague benefits and provided fresh fruit in our offices. We will be using the results from our cost-of-living staff survey to help us determine and develop new initiatives to assist staff in this difficult time.

We also focused on developing wellbeing workshops, upskilling staff and setting clear expectations of best practice. This included signposting to additional sources of support. We have made flexible arrangements available to staff where needed to support caring responsibilities. We provided equipment to enable colleagues to work effectively from home, as well as running social activities to bring people together and a dedicated wellbeing intranet site.

The results of the health and wellbeing cost-of-living survey we conducted this year showed the positive impact of our approach. We know nationally there has been a higher impact on people from some minority groups and those at most risk of harm. Therefore, our approach is one based on individuality and needs.

We continued to work closely with our staff forum, EDI networks and the recognised trade unions to listen to our employees. We kept in touch with all our staff through virtual town hall events led by the Executive Team, people manager briefings led by the People Services team and regular intranet and email updates from those responsible for delivery. These mechanisms ensured staff felt informed about how we were going to continue delivering services to our customers and stakeholders.

Equality, diversity and inclusion

Equality, diversity and inclusion has continued to be a priority for the ICO in recent years. Whilst we acknowledge that there is still some way to go, we can demonstrate progress and actions we've taken. In 2022/23, we:

- conducted an EDI audit to highlight areas of improvement and development;
- developed our strategic EDI intent through our new objectives and corporate narrative;
- improved our reasonable adjustment process and policy;
- increased representation at all levels of the organisation as shown by our workforce demographic data; and

- delivered against the UKRN diversity and inclusion pledges to ensure we are meeting our public sector equality duty.

Through the development of ICO25, we maximised our opportunity to develop our values. Our new “Respect, equality, diversity and inclusivity” value means that we:

- embrace inclusive ways of working;
- respect each other and our stakeholders, customers and colleagues and treat all with dignity;
- want diverse teams that are filled with talent and reflect our society, so our organisation can thrive and perform at our very best;
- are curious to understand all perspectives, recognising the value that they bring; and
- actively encourage equality, diversity and inclusion in our working and thinking.

We continued to focus on neurodiversity and diversity of thought and perspective. Since March 2020, we have achieved increases in black, Asian and ethnic minoritised representation at senior levels of the organisation. We continued to work towards achieving greater diversity in our workforce, both in terms of our overall demographics and at senior leadership levels.

Further to this, we established the EDI steering group. This ensured that women and women experiencing menopause symptoms, people with disabilities and lesbian, gay, bisexual, transgender, queer or questioning, intersex and asexual (LGBTQIA) colleagues feel included, heard and supported at work.

We continued to provide our people with an inclusive and accessible work environment, providing the most efficient IT equipment to help meet a range of needs. We now promote flexible and part-time working in all our job vacancies and encourage a healthy work-life balance. This has allowed our people to work in the way which best suits them, whilst continuing to meet business needs. This approach has been particularly important in our response to the Covid pandemic, giving people greater control over where and when they work.

We have developed our future ways of working. We moved to a full hybrid working model and have developed guidance for all our people on inclusive behaviours and managing blended teams. This includes suggestions to help team members contribute effectively, regardless of where and when they are working. Our manager training sessions also ensures equity of voice and equal opportunity and contribution for all.

We have continued our work to ensure that our website is fully accessible, in line with the relevant legislation which applies to public bodies. This work ensures that anyone, regardless of their device or their support technology, can access our website. In February 2023, the Cabinet Office audited our website. This audit

found two minor issues around alternative text for an image on the website. We quickly resolved this issue. The full report is available online⁷².

We are developing new EDI objectives and we are due to launch these later in 2023. For 2022/23, our current EDI objectives were:

- **Spreading knowledge and acting:** We will raise awareness of information rights across the community and take action to ensure that organisations fulfil their obligations. We will particularly focus on groups and sectors where knowledge gaps may cause information rights inequalities or vulnerabilities. We will ensure that our actions as a regulator do not create inequalities or unlawfully discriminate.
- **Accessible services:** We will make our services and information accessible for users and potential users. We will provide our staff with the skills and knowledge they need to provide high quality services for all. We will try to anticipate customer needs and will take action to remove barriers to our services when possible.
- **Encouraging others:** We will use our status as a regulator, advisory body and purchaser of services to influence improvements in equality by other organisations and across society.
- **Employer:** We will make our workplaces and practices accessible, flexible, fair and inclusive. We will value the diversity, skills, backgrounds and experience of our people, enabling them to perform to their best in a welcoming and supportive environment.

Through our strategic goal and EDI objectives, we aim to ensure that the ICO is an inclusive, accessible and diverse regulator, service provider and employer. This will help all members of society to have awareness of and access to their information rights and receive appropriate protection if their rights are infringed.

We continued to focus on diversity of thought and perspective. We have achieved increases in staff who are from an ethnic minoritised background at senior levels of the organisation this year.

Further to this, we committed to ensuring that women, disabled and LGBTQIA colleagues feel included, supported at work and have equal opportunity to develop their careers.

We continued to provide our staff with an inclusive and accessible work environment, providing the most efficient IT equipment to help meet a range of needs. We promote flexible and part-time working to encourage a healthy work-life balance. This has allowed staff to work in the way which best suits them, whilst continuing to meet the business needs of the organisation. This approach

⁷² <https://reports.accessibility-monitoring.service.gov.uk/reports/fdaa7d95-7b16-4e83-91f2-afeaffe92266>

has been particularly important in our response to the Covid pandemic, giving people greater control over where and when they work.

As we develop our future ways of working and move to a hybrid working model, we developed guidance for all staff on inclusive behaviours. This includes suggestions to help staff to contribute effectively regardless of where and when they are working and ensure equity of voice and contribution for all.

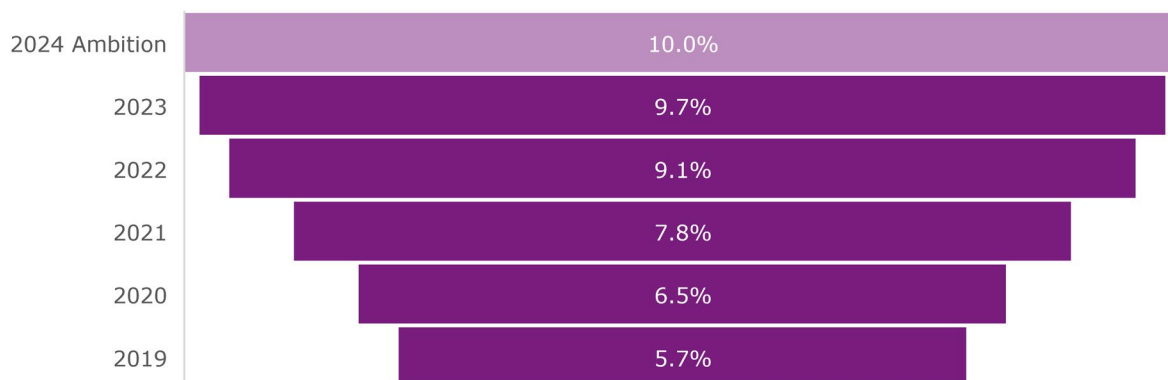
We continued to work towards achieving greater diversity in our workforce, both in terms of our overall staffing and at senior management levels.

In 2020, we established ambitions for the diversity of our workforce by March 2024. Since this time, we have made excellent progress with these ambitions and are on track to achieve them all by 2024. Further information on each of these ambitions follows in the report. During 2023/24, we will be setting further ambitions to maximise the diversity of our workforce. This is particularly important as we undergo a period of strategic change and transformation.

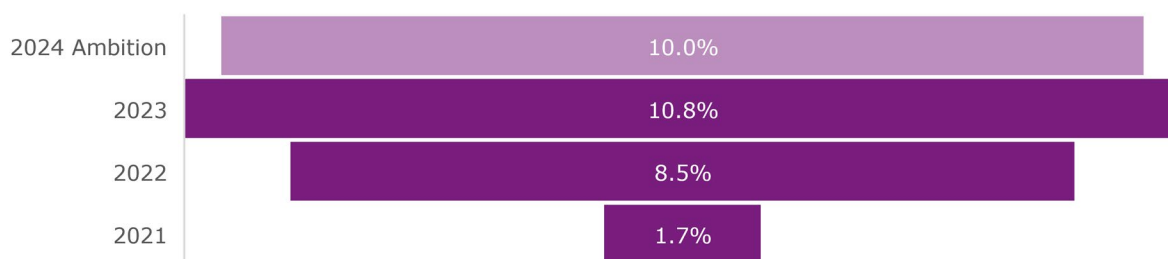
As of 31 March 2023, our staffing demographics consisted of 63% female staff and 37% male staff (31 March 2022: 62% female, 38% male). Our ambition is to achieve a 60/40 balance by March 2024. We aim to achieve 50% female staff comprising the top three grades. As of 31 March 2023, we currently stand at 52% (31 March 2022: 49%).

As of 31 March 2023, 9.7% of our staff are from an ethnic minority background (31 March 2022: 9.1%). 10.8% of people in our three most senior grades are from an ethnic minority background (31 March 2022: 8.5%). We established an ambition that 10% of the ICO's staff are from an ethnic minority background by March 2024. This was from a position in March 2020 where 6.5% of staff and no members in our top three grades were from ethnic minority backgrounds.

% of all staff who are from an ethnic minoritised background (as at 31 March each year)

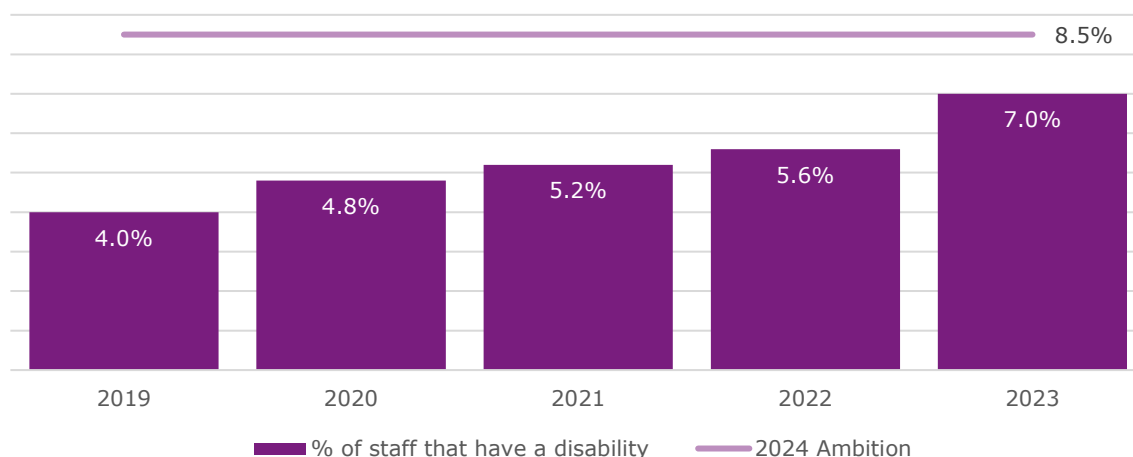


% staff in top 3 grades who are from an ethnic minoritised background (as at 31 March each year)

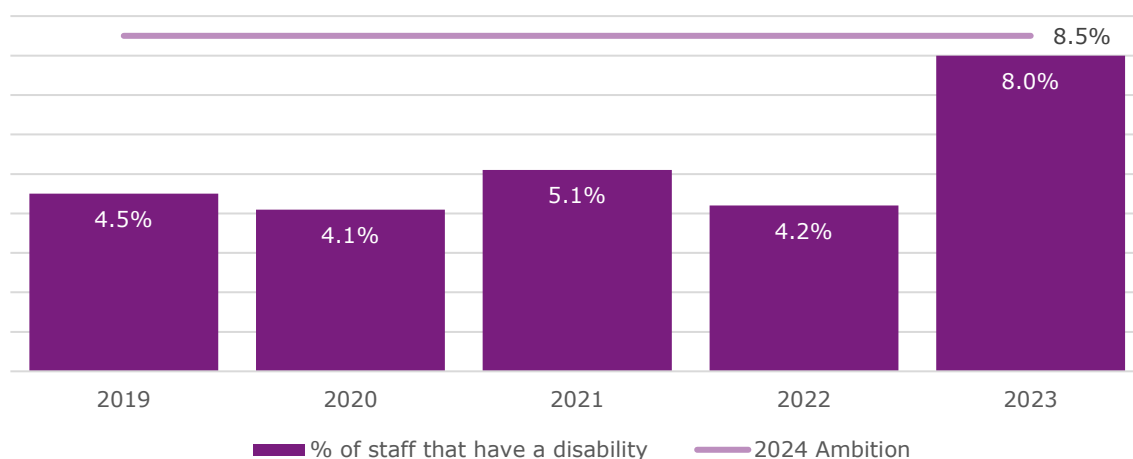


As of 31 March 2023, 7% of our staff are disabled (31 March 2022: 5.6%). 8% of staff in our top three grades have declared that they are disabled (31 March 2023: 4.2%). We have established an ambition to achieve greater staff diversity for staff who are disabled. Our target is to increase this proportion to 8.5% of staff and senior management by March 2024.

% of all staff that have a disability



% of staff in the top 3 grades that have a disability

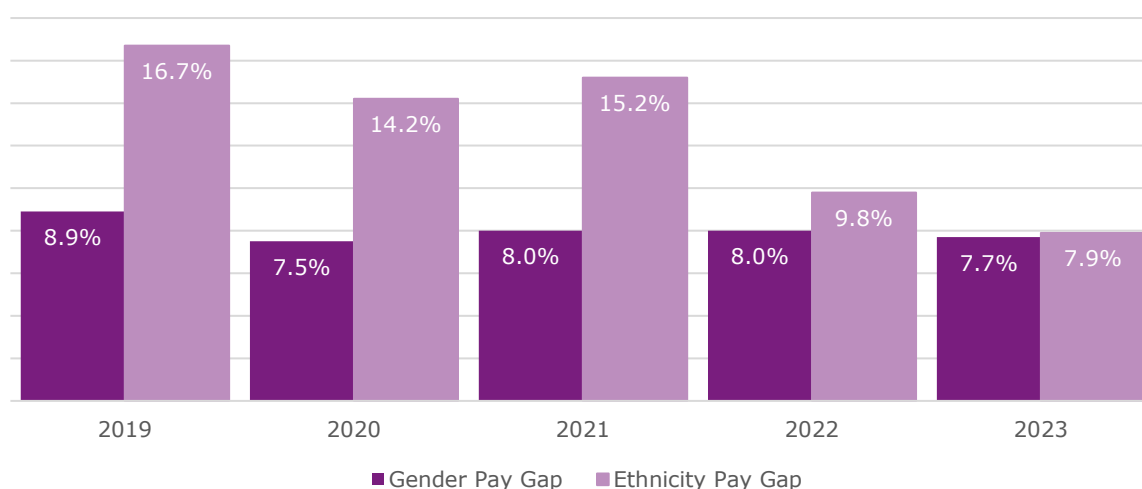


We will continue work towards achieving our ambitions, as well as reviewing them as appropriate, to support our drive for greater diversity in the organisation.

Our pay consistency panel monitors pay awards to ensure that there is consistency of approach for those with protected characteristics. They have confirmed that this is the case.

As of 31 March 2023, our gender pay gap stands at 7.7% (31 March 2022: 8%). Our ethnicity pay gap is 7.9% (31 March 2022: 9.8%).

Gender and Ethnicity pay gaps since 2019



We continue to make progress to increase female and ethnic minority representation at senior leadership level. We have increased the number of female staff in senior leadership roles by 31% in the last 12 months. Female staff now make up 52% of all senior leadership roles. The number of staff from an ethnic minoritised background increased by 50% in the last 12 months. A factor to this increase in diversity among our senior leaders was our active commitment to achieving the EDI targets we set out in 2019. To ensure we reach equal parity sooner, we will continue to progress and evaluate the gender and ethnicity pay gap and measure the impact of our initiatives and objectives.

Our pay data shows that the average salary of disabled staff is 1.8% higher than staff who are not disabled. Overall, on a grade-by-grade basis, our data shows a high degree of consistency of pay rates between people of different protected characteristics.

Equality, diversity and inclusion Board

Our EDI Board oversees our efforts to provide an increasingly accessible service for our customers and an inclusive workplace for our staff.

During 2022/23, the ICO's EDI Board focused on six distinct workstreams:

- Review of people policies.
- Equality impact assessment.
- Health and wellbeing training.
- EDI data, insight and impact.
- Our corporate voice.
- Regulatory remit.

The focus of the Board is technical input, support, challenge and oversight of this work. Many of the EDI Board members chair or attend sub-groups and work collaboratively with colleagues from across the office to further this work.

Review of people policies

We monitor our policies, practices and processes through:

- best practice external benchmarking;
- bi-annual internal pay review reporting;
- consulting with EDI Board and networks;
- people manager groups;
- our staff forum; and
- our recognised trade union.

During 2022/23, we have conducted a full review of our people policies. We approved significant increases to benefits in enhanced maternity, paternity or secondary carer pay provision and adoption leave pay. This has helped to make policies that are inclusive and considerate of issues which may impact upon people from different protected groups.

People and equality impact assessment

The EDI Board reviewed the ICO's equality impact assessment (EqIA) process and form. This ensured that the process, template and guidance documents:

- were fit for purpose;
- met equality legislation;
- adhered to the public sector equality duty; and
- mirrored best practice.

Health and wellbeing training

Wellbeing is at the forefront of everything we do. We have wellbeing champions who are supported by our corporate People Services team. We regularly promote wellbeing activities and guidance on topics such as financial wellbeing and menopause. We introduced e-learning modules during 2022/23 about supporting people through change and inclusion (one module aimed at managers and another for staff).

In addition, we delivered the following training to support staff wellbeing and inclusion:

- Building self-confidence.
- Dignity, diversity and inclusion.
- Disability awareness.
- Equality impact assessment training.
- Know About – behavioural biases and its importance in data protection.
- Know About – creating accessible documents using Microsoft Office.
- Know About – findings from the ICO public awareness research.
- Know About – special category: collecting and using LGBTQ+ data.
- Laughter yoga.
- Menopause: How mood and cognition is affected during the menopause.
- Mental health for everyone.
- Mindfulness (regular sessions).
- Personal resilience.
- Pre and partial retirement planning.
- Promoting inclusion for managers.
- Promoting inclusion.
- Supporting staff wellbeing.
- Wellbeing bus.

We plan to develop refresher training about dignity, diversity and inclusion for all staff to attend every three years.

EDI data, insight and impact

This sub-group reviews the demographic information of the ICO's staff on a regular basis. They use this data to evidence and inform EDI initiatives and interventions. They have established ambitions for how the ICO's staffing profile will change through workforce planning over the next five years to March 2028. These will be demographic targets that are representative of the UK. They are also working to increase EDI data confidence in staff to declare their data in sexuality, gender identity and religion.

Our corporate voice

This sub-group focused on the development of our corporate narrative to promote, respond and engage with social and ethical issues externally and internally.

The EDI Board approved the EDI corporate narrative in January 2023. Since then, the strategy has been instrumental in the way we talk about EDI in the development of our high performance strategy, new EDI objectives and the work of our vulnerability committee. This ensures that the ICO can quickly and

appropriately respond to social and ethical issues that may impact on staff, customers and stakeholders.

We have created a corporate team who are subject matter experts in corporate and internal communications. This is a specialist team that work across the organisation both strategically and operationally.

There has been an increased focus on EDI communications internally this year. We prepared an EDI communications plan which highlights events throughout the year and planned out signposting and workshops. With more opportunities to share the work of the networks, the EDI steering group will continue to raise their profile and engage people in their activities.

Regulatory remit

This sub-group focusses on providing better oversight and strategic direction to ensure we appropriately consider EDI matters in our regulatory activities and decision-making. Our approach focuses on two high-impact areas of our regulatory work which allows for both reach and lasting effectiveness, which are our:

- Public Advice and Data Protection Complaints Service (PADPCS); and
- high priority investigations (HPI) work.

We will take lessons learned from our activity in these areas into other areas of the regulatory work. It will also inform our continually developing approach to the overall EDI agenda, for example further development of our EqIA process.

EDI staff networks

Alongside the EDI Board, we have six staff networks:

- **Women's** focused on gender equality. This network aims to encourage, empower and support women in their careers at the ICO and beyond.
- **Healthy Minds** focused on the importance of good mental health. This network aims to raise awareness and challenge the perceived social stigma linked to mental and emotional health issues, including stress, depression and anxiety.
- **Menopause** focused on supporting colleagues who experience symptoms of menopause to manage and support them in their careers, as well as signposting services that can offer additional support.
- **REACH** (race, ethnicity and cultural heritage) network covered race, ethnicity, and cultural heritage. This network focuses on raising awareness of these issues at the ICO and in the wider community and celebrating diversity.
- **Pride** focused on supporting LGBTQ+ colleagues, raising awareness and celebrating diversity. This network aims to promote a safe, inclusive and diverse working environment that encourages respect and equality for all.

- **Access and inclusion** focused on improving the experience of disabled staff and customers at the ICO. This network promotes positive attitudes towards disabled people and raises awareness of disability equality by identifying and removing barriers to inclusion.

Personal data breach incidents

There have been no substantive security incidents during 2022/23.

Government Functional Standards

During 2022/23 we reviewed our control framework to understand how the Government Functional Standards apply to our work and the extent to which we aligned to these standards. After reviewing each standard, we were able to confirm that we meet all parts of all of the applicable standards and assessed a rating of at least "Good" in each standard.

Public sector information holders

The ICO has complied with the cost allocation and charging requirements set out in HM Treasury guidance.

Pension liabilities

Details on the treatment of pension liabilities are set out in note 3 to the financial statements.

Annual accounts and audit

The annual accounts have been prepared in a form directed by the Secretary of State with the consent of the Treasury in accordance with paragraph 11(1)(b) of Schedule 12 to the DPA 2018.

Under paragraph 11(3) of Schedule 12 to the DPA 2018 the Comptroller and Auditor General was appointed auditor to the Information Commissioner. The cost of audit services for this year was £44k (2021/22: £34k). No other assurance or advisory services were provided.

So far as the Accounting Officer is aware, the Comptroller and Auditor General is aware of all relevant audit information. The Accounting Officer has taken all the appropriate steps to make themselves aware of relevant audit information and to establish that the Comptroller and Auditor General is aware of that information.

Directors' statement

The ICO's leadership team consists of the Information Commissioner, executive directors and non-executive directors. All of these people at the time this report was approved have confirmed that:

- so far as they are aware, there is no relevant audit information of which the auditor is unaware; and
- they have taken all the appropriate steps in their role to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of the Information Commissioner's responsibilities

Under paragraph 11(1)(b) of Schedule 12 to the DPA 2018, the Secretary of State directed the Information Commissioner to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the situation of the ICO at the year end and of the income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Information Commissioner is required to comply with the requirements of the Government Financial Reporting Manual (FRoM) and to:

- observe the Accounts Direction issued by the Secretary of State with the approval of the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FRoM have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICO will continue in operation.

The Principal Accounting Officer of DCMS has designated the Information Commissioner as Accounting Officer for the ICO. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances and for keeping of proper records and for safeguarding the Information Commissioner's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Treasury and published in Managing Public Money.

As Accounting Officer, the Information Commissioner has delegated executive responsibility to the Deputy Chief Executive and Chief Operating Officer for

effective financial stewardship as Accountable Officer. This is a contractual responsibility and allows the Information Commissioner to have a separate, and not term-limited, accountable person charged with stewardship and probity for the ICO's use of public money.

The Accounting Officer confirms that the annual report and accounts is fair, balanced and understandable and that they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Governance statement

Introduction

The Information Commissioner is a corporation sole as established under the DPA 1998 and as confirmed under the DPA 2018. As required by the UK GDPR, the Information Commissioner and their office must be completely independent of government. The Information Commissioner is accountable to Parliament for the exercise of statutory functions and the independence of the ICO is enshrined in legislation.

Relationship with our sponsoring department

The Department for Science, Innovation and Technology (DSIT) was established in February 2023. Sponsorship of the ICO moved to DSIT from DCMS, our previous sponsor department. The relationship with the department is governed by a management agreement. The management agreement for 2018-2021 was agreed in July 2018. In 2021, it was extended through agreement between the ICO and our sponsor department. This agreement sets out our shared responsibilities and the commitment to ensuring the independence of the Information Commissioner and the ICO. The agreement also ensures that appropriate reporting arrangements are in place to enable our sponsor department to monitor the expenditure of public money allocated to the ICO.

Data protection reform

In September 2021, government launched a consultation to review the data protection regime, called 'Data: a new direction'. On 23 June 2022, government published their response to the consultation and committed to implementing it. Their response included new approaches to demonstrating accountability, AI, international data flows and enforcement of the law. The response also confirmed proposals for significant changes to the governance and accountability structures of the ICO, including the introduction of statutory objectives, a statement of strategic priorities and a move to a statutory Board model, with a Chair and Chief Executive. In this model, it is proposed that the chair of the Board would carry the title 'Information Commissioner' and would continue to be a Crown appointment through Letters Patent.

The final proposals should ensure we retain independence from government, particularly around its oversight of information rights legislation in the public sector. This is key to enabling public trust in how their data is used and to support the UK's global ambitions. We will continue to be held to account by Parliament to ensure we are delivering our objectives but will have independence to oversee the legislative framework. We welcomed the DPDI (No 2) Bill when it was introduced to Parliament on 8 March 2023. We will continue to provide

constructive input to government and Parliament through the legislative scrutiny process.

Management Board

Under the existing governance model, the Information Commissioner is a corporation sole, accountable to Parliament. The Information Commissioner has responsibility for setting the strategic direction for the ICO. They achieve this through the work of the ICO's Management Board, which they chair.

The Management Board's terms of reference identify five primary areas of focus for the Board, which cover the ICO's:

- position;
- culture;
- capability;
- reputation; and
- performance.

The Board provides strategic direction to ensure the ICO successfully and sustainably meets its long-term objectives. It operates collectively, holding the executive team to account for the day-to-day leadership and regulatory outcomes of the ICO.

The Board is based on majority decision-making principles. As the Information Commissioner is a corporation sole, they retain the right to override a recommendation of the Management Board and take another course of action. There were no such instances during 2022/23.

The Board comprises of executive and non-executive directors, with non-executive directors outnumbering executive directors. Information about each of the Board members, as well as executive team members, is available on our website⁷³.

The Board has a Senior Independent Director, designated by the Information Commissioner from the non-executive directors. Nicola Wood holds this role. The Senior Independent Director is responsible for chairing Board meetings in the Commissioner's absence and for representing the views of the non-executive directors.

The Board meets a minimum of four times annually (six meetings took place during 2022/23). It considers risk management and operational, financial, organisational and corporate issues. It also receives reports from the Audit and Risk Committee and People Committee.

⁷³ <https://ico.org.uk/about-the-ico/who-we-are/management-board/>

The following changes took place to the membership of the Management Board in 2022/23:

- Three new non-executive directors, Ranil Boteju, Jeannette Lichner and Tracey Waltho, were appointed to the Board on 5 September 2022.
- Steve Wood left his role as Deputy Commissioner (Regulatory Strategy) on 18 April 2022. Emily Keaney was appointed as acting Deputy Commissioner (Regulatory Policy) on 20 June 2022 and was appointed to this role permanently on 29 November 2022.
- James Dipple-Johnstone left his role as Chief Regulatory Officer (Deputy Commissioner – Regulatory Supervision) on 2 October 2022. Stephen Bonner was appointed to the role of Deputy Commissioner – Regulatory Supervision on 29 November 2022. The role of Chief Regulatory Officer was disestablished. Stephen Bonner had previously been a member of the Board in his previous role as Deputy Commissioner (Regulatory Futures and Innovation).
- Peter Hustinx’s term as a non-executive director ended on 31 March 2023. Peter has joined our Regulatory Committee as an independent member.

In addition to these changes in membership of the Board, the following people were appointed to executive team roles during the year and attend Board meetings:

- Rob Holtom was appointed as Executive Director (Corporate Digital, Data and Technology) on 28 November 2022.
- Angela Balakrishnan was appointed as Executive Director (Strategic Communications and Public Affairs) on 25 January 2023.
- Stephen Almond was appointed as Executive Director (Regulatory Risk) on 15 March 2023. This is a fixed term appointment for a maximum of nine months.

There are no changes due to take place to the membership of Management Board in 2023/24.

The table below details attendance of members at the Management Board meetings during the year.

Dates	16 May 2022	18 July 2022	3 Oct 2022	21 Nov 2022	23 Jan 2023	20 March 2023
John Edwards	Yes	Yes	Yes	Yes	Yes	Yes
Paul Arnold	Yes	Yes	Yes	Yes	Yes	Yes
Ailsa Beaton	Yes	Yes	No	Yes	Yes	Yes
Stephen Bonner	No	Yes	Yes	Yes	Yes	Yes
Ranil Boteju	-	-	Yes	Yes	Yes	Yes

Dates	16 May 2022	18 July 2022	3 Oct 2022	21 Nov 2022	23 Jan 2023	20 March 2023
David Cooke	Yes	Yes	Yes	Yes	Yes	Yes
James Dipple- Johnstone	Yes	Yes	-	-	-	-
Peter Hustinx	Yes	Yes	No	Yes	Yes	Yes
Emily Keaney	-	Yes	Yes	Yes	Yes	Yes
Jeannette Lichner	-	-	Yes	Yes	Yes	Yes
Jane McCall	Yes	No	Yes	Yes	Yes	No
Tracey Waltho	-	-	Yes	Yes	Yes	Yes
Nicola Wood	Yes	Yes	Yes	Yes	Yes	Yes
Steve Wood	-	-	-	-	-	-

Audit and Risk Committee

The Audit and Risk Committee meets quarterly and provides a structured, systematic oversight of the ICO's governance, risk management and internal control practices. The committee assists the Board and management team by providing independent advice and guidance on the adequacy and effectiveness of the organisation's management practices detailed below. This includes any potential improvements to these practices:

- governance structure;
- risk management;
- internal control framework;
- oversight of the internal audit activity, external auditors and other providers of assurance; and
- finance statements and public accountability reporting.

The committee has three non-executive members. It is chaired by Ailsa Beaton. Jane McCall was a member until 3 October 2022, when she stood down from the committee to become chair of the People Committee. Ranil Boteju joined the committee at this point. Jayne Scott is the independent member.

The table below shows attendance of Audit and Risk Committee members at the meetings during the year.

Dates	25 April 2022	20 June 2022	10 Oct 2022	17 Jan 2023
Ailsa Beaton	Yes	Yes	Yes	Yes
Ranil Boteju	-	-	Yes	Yes
Jane McCall	Yes	Yes	-	-
Jayne Scott	Yes	Yes	Yes	Yes

Both external and internal auditors attend the Audit and Risk Committee and have pre-meetings with committee members before each meeting.

The Audit and Risk Committee publishes its own annual report. Each annual report, including the 2022/23 report, is available on the ICO website (ico.org.uk). The report states that the committee is satisfied with the quality of internal and external audit and believes that it can take a measured and diligent view of the quality of the systems of reporting and control within the ICO.

The chair of the Audit and Risk Committee attends regular meetings of the chairs of the Audit and Risk Committees of DCMS arms-length bodies. These meetings include discussions with senior DCMS staff and senior National Audit Office (NAO) staff and provide opportunities to share issues of interest.

The Audit and Risk Committee receives a quarterly report on incidents of fraud, security breaches and whistleblowing incidents as assurance that the reporting mechanisms are in place and effective.

People Committee

In May 2022 we established a People Committee. This replaced the Nomination Committee, which had been established in 2021. The People Committee has a broader remit than the Nomination Committee. It oversees the effective mitigation of all people-related corporate risks and assures the Management Board of the effective execution and delivery of their associated strategies and plans. The People Committee met twice in 2022/23. It will usually meet four times a year.

The committee has three members, all non-executive directors. It is chaired by Jane McCall. The other members are Jeannette Lichner and Tracey Waltho.

The table below shows attendance of People Committee members at the meetings during the year.

Dates	7 Nov 2022	2 Feb 2023
Jane McCall	Yes	Yes
Jeannette Lichner	Yes	Yes
Tracey Waltho	Yes	Yes

The meetings of the People Committee in 2022/23 have focused on:

- the mitigating strategies and plans in place to address people-related risks;
- leadership management;
- organisational design and development to deliver our ICO25 objectives;
- development of our high performance strategy;

- workforce planning; and
- professions mapping.

Remuneration Advisory Sub-Committee

The Remuneration Advisory Sub-Committee provides challenge, advice and scrutiny to the Information Commissioner on matters of executive team pay and development. The sub-committee met once during 2022/23. The sub-committee was previously constituted as an advisory panel, but during 2022/23 this was changed to be a sub-committee of People Committee.

The panel has five members, all non-executive directors. The Information Commissioner also attends every meeting. It is chaired by Nicola Wood, the Senior Independent Director. The other non-executive director members are David Cooke, Jane McCall, Jeannette Lichner and Tracey Waltho.

The table below shows attendance of Remuneration Advisory Panel members at the meeting during the year.

Dates	23 January 2023
David Cooke	Yes
Jeannette Lichner	Yes
Jane McCall	Yes
Tracey Waltho	Yes
Nicola Wood	Yes

Regulatory Committee

In 2022, we agreed to establish a Regulatory Committee. This committee will provide strategic oversight of regulatory methodologies, decision making and processes in line with our strategic objectives, to ensure that these are effective and fit for purpose.

The terms of reference, membership and work programme for this committee were agreed in March 2023. The Regulatory Committee did not meet during 2022/23. The first meeting of the committee took place in April 2023.

Executive team

The executive team provides day-to-day leadership for the ICO and as such is responsible for developing and delivering against ICO25. At the start of 2022/23, the team consisted of:

- Information Commissioner;
- Deputy Chief Executive Officer and Chief Operating Officer;

- Chief Regulatory Officer (Deputy Commissioner – Regulatory Supervision);
- Deputy Commissioner (Regulatory Strategy);
- Deputy Commissioner (Regulatory Futures and Innovation);
- Executive Director (Strategic Change and Transformation); and
- General Counsel.

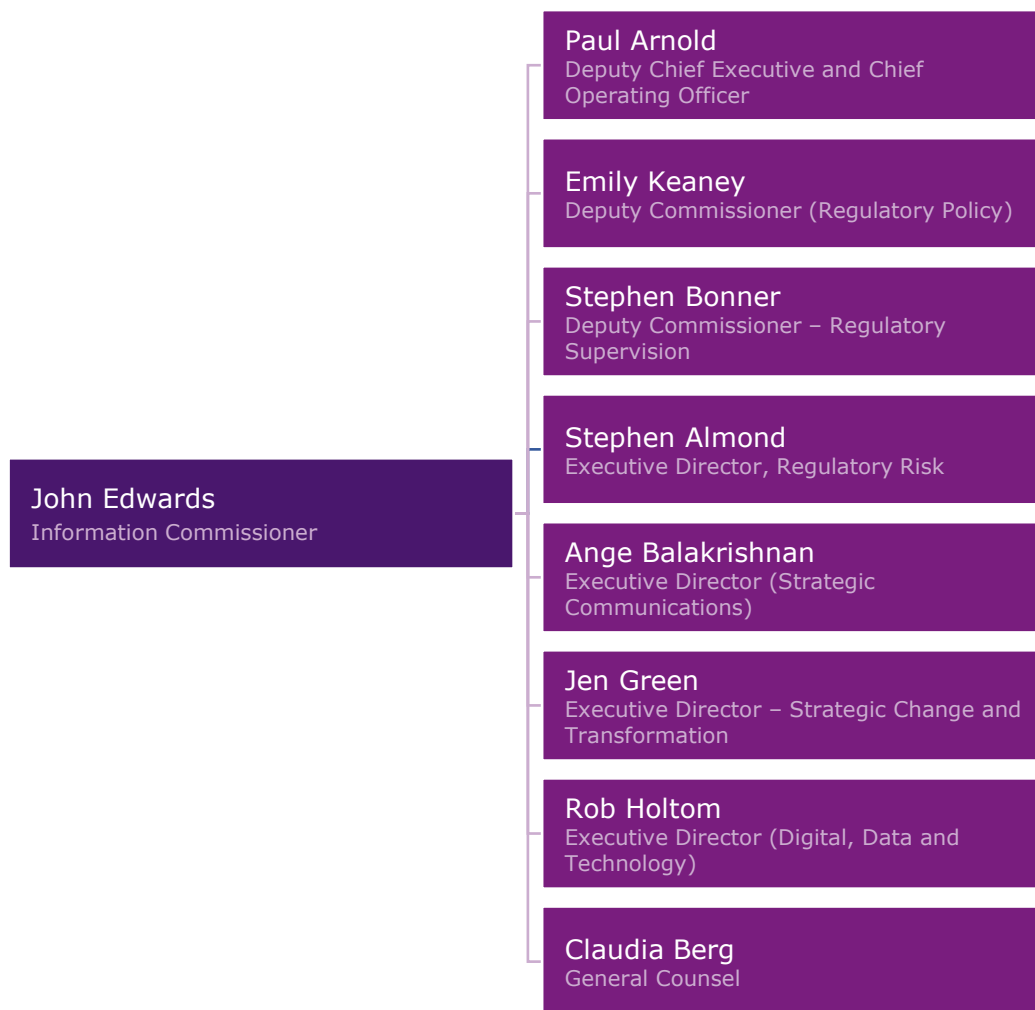
During 2022/23 the following changes took place on the Executive Team:

- Steve Wood left his role as Deputy Commissioner (Regulatory Strategy) on 18 April 2022. Emily Keaney was appointed as acting Deputy Commissioner (Regulatory Policy) on 20 June 2022 and was appointed to this role permanently on 29 November 2022.
- James Dipple-Johnstone left his role as Chief Regulatory Officer (Deputy Commissioner – Regulatory Supervision) on 2 October 2022. Stephen Bonner was appointed to the role of Deputy Commissioner – Regulatory Supervision on 29 November 2022. The role of Chief Regulatory Officer was disestablished. Stephen Bonner was already a member of the Executive Team in his previous role as Deputy Commissioner (Regulatory Futures and Innovation). Stephen’s previous role of Deputy Commissioner (Regulatory Futures and Innovation) was not recruited to.
- Rob Holtom was appointed as Executive Director (Corporate Digital, Data and Technology) on 28 November 2022.
- Angela Balakrishnan was appointed as Executive Director (Strategic Communications and Public Affairs) on 25 January 2023.
- Stephen Almond was appointed as Executive Director (Regulatory Risk) on 15 March 2023. This is a fixed term appointment for a maximum of nine months.

There are three changes due to take place to the executive team in 2023/24:

- We will be reviewing the role of Executive Director (Regulatory Risk) to determine whether this should be a permanent role in our structure. We intend to decide this by the end of July 2023. If the role is made permanent, we will conduct a full recruitment campaign for it.
- We will be recruiting to two new executive team roles: Executive Director (Customer Service) and Executive Director (Corporate Resources).

A structure chart illustrates the executive team structure as of 31 March 2023.



The executive team is supported in its role by the senior leadership team. This team consists of 22 directors across the organisation. This increased by three directors in 2022/23. The additional director roles were in Litigation, Regulatory Design and Cyber Security Regulation, as well as two new directors in Legal Services. Existing directors in Communications and Technology and Innovation moved into executive team roles.

Board effectiveness

The Management Board has considered its compliance with the 'Corporate governance in central government departments: Code of good practice 2017'. The ICO is not required to adopt all aspects of the code. However, we have aligned to the code of practice as far as practical. Where there is divergence, the Board considers that there are good reasons for this given the nature of the organisation as a corporation sole. In particular:

- The Board does not have the powers and duties of a Board which has the ultimate authority of the organisation. This is because the Information Commissioner is a corporation sole. However, in line with the scale and

complexity of the ICO's role and remit, the Commissioner discharges their responsibility for the strategic leadership of the organisation through the Management Board, comprising non-executive and executive directors, of which the Information Commissioner is the Chair. The Board operates based on collective decision-making principles and a 'majority vote' in circumstances where the Board cannot reach a consensus view. The Commissioner, as a corporation sole, will always have the right to set a course of action that is contrary to the majority view of the Board. There have been no such instances in 2022/23.

- Although the ICO has a Remuneration Advisory Sub-Committee to advise the Information Commissioner on remuneration policies about executive team pay, as a corporation sole, the Information Commissioner retains ultimate authority in this area.
- The Board operates within the overall system of corporate governance at the ICO.

The Board has reviewed the information it receives and is satisfied with its quality. The Board is also satisfied that it is operating effectively.

Issues and highlights

Through our corporate governance framework, we considered various issues of substance during the year. These included:

- the development and delivery of our ICO25 plan, taking account of the results of the Information Commissioner's listening tour to understand the priorities and views of external stakeholders and our teams;
- the proposed data protection reform and the impact of our stakeholders and the ICO;
- establishing our new People Committee and Regulatory Committee;
- our corporate scorecard reporting, to provide assurance and challenge of operational performance and our KPIs;
- our risk appetite, to empower teams to work confidently and make effective choices and decisions;
- our collaborative work through the DRCF and the UKRN (UK Regulators Network); and
- organisational planning matters, including organisational design, budgeting and resourcing, particularly around financial scenario planning in the cost-of-living crisis.

Risk assessment

Risk management, identifying risks and assessing our response to risk and opportunities is integral to how we make decisions about our priorities and

resources. Senior managers and project teams regularly review our risk and opportunity registers, supported by risk champions throughout the organisation. The Audit and Risk Committee considers our corporate risks at every meeting and the Management Board conducts an annual deep dive into the corporate risk register. In addition, the ICO has a Risk and Governance Board, which is responsible for organisational governance and risk management. The Board considers all matters concerning the development, maintenance and implementation of the ICO's risk and governance management frameworks, including monitoring and reporting arrangements.

In October 2022, the Audit and Risk Committee conducted a full review of all the ICO's risks and opportunities. The committee receives updates on the ICO's corporate risks at each meeting and commissions 'deep dives' into specific areas. At its March 2023 meeting, the committee also received a substantial assurance internal audit report regarding the ICO's risk management processes. The report highlighted areas of good practice, including:

- the clarity of our risk management procedure;
- our risk management training;
- the risk management tools made available to teams; and
- our risk escalation and de-escalation processes.

In January 2023, the committee reviewed and agreed the ICO's risk management policy. In March 2023, the Management Board approved a new risk appetite statement. The Board does this on an annual basis.

The main changes to our risks and opportunities identified during 2022/23 were to:

- increase the financial resilience risk, to reflect the impact of the cost-of-living crisis and the wider economic environment on our data protection fee income;
- decrease the risk about litigation resourcing, following HMT approval of fine income retention to fund this work;
- re-articulate our work with SMEs as an opportunity, given the focus on engagement and support for SMEs;
- re-articulate our capacity and capability risks as opportunities and focus our actions on innovative and progressive workforce planning approaches; and
- introduce an industrial relations risk, to recognise the potential impact of ongoing strike action on our operations.

In addition, we reviewed the corporate risk register considering the new ICO25 organisational objectives. We have identified some new corporate risks, including prioritisation and utilisation of research, analysis and intelligence.

Risk theme	What we did in 2022/23 to address the risk	What more we'll do in 2023/24
Capacity and capability	Reviewed resourcing options, in particular in areas of high demand. Redeployment of staff to priority areas. Review of employee value proposition to enhance external recruitment. Oversight of this area is through the SLT Resources Board.	Allocation and capacity planning through workforce planning framework and implementation of professions for job roles. Continued development of people dashboards with key people-related measures and data.
Major incident	Business continuity strategy reviewed by Audit and Risk Committee, with oversight from the SLT Risk and Governance Board. IT resilience and disaster recovery plans in place and tested.	Review of business impact assessments considering ICO25 and organisational design changes. Run exercises for senior management to test the policy and procedures.
Regulatory action and activity	Oversight of all ICO regulatory activity through the SLT Regulatory Delivery Board and Policy Board. ICO scheme of delegations supports effective decision-making and was reviewed in the year. Prioritisation framework review to ensure we are focussing on areas of greatest harm.	Establish the Regulatory Committee. Review the Regulatory Action Policy. Implement a revised prioritisation framework.
Financial resilience	Regular monitoring of fee income collection. Monthly management accounts tracking income and expenditure. Quarterly budget reviews reported to SLT Resources Board. In year reforecasting of income where needed.	Constantly review three-year income and expenditure forecasts to ensure up-to-date assumptions and sensitivities. Review of funding model, led by DSIT.

Risk theme	What we did in 2022/23 to address the risk	What more we'll do in 2023/24
Cyber security	<p>Cyber Essentials accreditation.</p> <p>Exercises to test defences and incident response.</p> <p>Training and awareness programme for colleagues.</p> <p>Oversight of this area is through the SLT Risk and Governance Board.</p>	<p>Continued review of threat and risk assessments considering the external threat environment.</p> <p>Continued testing, including disaster recovery testing.</p>

Sources of assurance

As Accounting Officer, the Information Commissioner has responsibility for reviewing the internal control system's effectiveness, including the risk management framework. This review is informed by the internal auditors and senior managers who develop and maintain the internal control framework. The review also considers external auditor comments, made in their management letter and other reports.

Mazars provide internal audit services. 2022/23 was the final year of our contract for internal audit with Mazars. For 2023/24 onwards, the Government Internal Audit Agency will provide internal audit services.

In Mazars' annual audit opinion for 2022/23, they stated that: "On the basis of our audit work, our opinion on the framework of governance, risk management, and control is Substantial in its overall adequacy and effectiveness. Certain weaknesses and exceptions were highlighted by our audit work. No 'High' priority findings have been raised, however, Limited Assurance was provided in respect of Corporate Charge Card processes. These matters have been discussed with management, to whom we have made several recommendations. All of these have been, or are in the process of being addressed, as detailed in our individual reports. An internal audit of Risk Management was completed in the year with a Substantial Assurance opinion given. The ICO has continued to perform well with the implementation of recommendations, with 100% of recommendations closed."

"Substantial" is the highest of the four ratings offered by Mazars, who provide annual report opinions of "substantial", "moderate", "limited" and "unsatisfactory". The definition of "substantial" is: "the framework of governance, risk management and control is generally adequate and effective".

Mazars made 32 formal recommendations in the six areas audited during 2022/23. There were also 26 audit recommendations from audits in 2021/22 which had not been due for completion before the end of that year.

Of the 58 recommendations, 25 recommendations were due for implementation by 31 March 2023, and 33 recommendations were not due for implementation until after the year end.

Mazars published an interim review in July 2022, and confirmed that we had implemented five recommendations. Mazars published a year-end review in April 2023, considering the remaining 20 recommendations which had been due for implementation by 31 March 2023. They also considered three recommendations which had not been due for completion by this date, but that we completed early. Of these 23 recommendations, Mazars confirmed that 22 had been implemented (96%) and one was agreed to be closed (4%). In addition, Mazars made three new recommendations.

We will consider 33 recommendations in the next follow-up review, at the end of 2023/24.

The Information Commissioner is satisfied that a plan to address weaknesses in the system of internal control and to ensure continuous improvement of the system is in place. The Information Commissioner is also satisfied that we have identified all material risks and that we are effectively managing those risks.

Overall assessment of control environment

It is the view of the Information Commissioner and the Management Board that, based on the information provided in this section of the annual report and the discussions at their various meetings, there is a strong system of controls throughout our governance system which is operating effectively. This is supported by the finding of substantial assurance from our internal audit provider.

Remuneration policy

Schedule 4 to the DPA 2018 states that the salary of the Information Commissioner be specified by a Resolution of the House of Commons.

The current Information Commissioner was appointed in January 2022. The rate of salary paid to them is £200,000 per annum, which is paid directly from the Consolidated Fund.

The ICO is bound to the standard public sector pay policy guidelines issued by Cabinet Office. We conducted our annual pay review in line with the requirements of this guidance. Staff appointments are made on merit, based on fair and open competition and, unless otherwise stated, are open-ended. People who are made redundant are entitled to receive compensation as set out in the Civil Service Compensation Scheme.

In matters relating to executive team pay, the Information Commissioner also considers the advice of the ICO's independent Remuneration Advisory Sub-Committee.

Non-executive directors are appointed for an initial term of three years, renewable by the Information Commissioner by mutual agreement.

In 2022/23, we typically expected our non-executive directors to contribute 26 days per annum to their role at the ICO. Non-executive directors receive an annual fee of £22,464. We typically expect our Senior Independent Director to contribute 40 days per annum to their role at the ICO. They receive an annual fee of £34,560.

There may also be times when, due to the workload of the Management Board, our non-executive directors need to contribute significantly more time than we typically expect to their role at the ICO. In these circumstances, our non-executive directors may be paid for these additional days.

Remuneration and staff report

Salary and pension entitlements (audited)

Details of the remuneration and pension interests of the Information Commissioner and the Management Board members are provided below.

Remuneration (salary, bonuses, benefits in kind and pensions)

	Salary (£'000) (in bands of £5,000)		Benefits in kind (nearest £100)		Compensation schemes (£'000)		Accrued pension benefits (£'000) (nearest £1,000)		Total (£'000)	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Officials										
John Edwards, Information Commissioner (Note 1)	200-205	45-50 (200-205 full year)	19,900	19,300	-	-	77	19	295-300	85-90
Paul Arnold, Deputy Chief Executive and Chief Operating Officer	145-150	145-150	-	-	-	-	30	109	175-180	250-254
Stephen Bonner, Deputy Commissioner (Regulatory Supervision) (Note 2)	125-130	120-125	-	-	-	-	-	-	125-130	120-125
James Dipple-Johnstone, Chief Regulator Officer (Deputy Commissioner – Regulatory Supervision) (Note 3)	80-85 (135 full year)	135-140	-	-	-	-	12 (Note 4)	23	90-95	155-160

	Salary (£'000) (in bands of £5,000)		Benefits in kind (nearest £100)		Compensation schemes (£'000)		Accrued pension benefits (£'000) (nearest £1,000)		Total (£'000)	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Officials										
Emily Keaney, Deputy Commissioner (Regulatory Policy) (Note 5)	80-85 (100-105 full year)	-	-	-	-	-	39	-	120-125	-
Steve Wood, Deputy Commissioner (Regulatory Strategy) (Note 6)	5-10 (110-115 full year)	120-125	-	-	-	-	2	53	5-10	175-180
Ailsa Beaton, non-executive director	20-25	30-35 (Note 7)	-	-	-	-	-	-	20-25	30-35
Ranil Boteju, non-executive director (Note 8)	10-15 (full year 20-25)	-	-	-	-	-	-	-	10-15	-
David Cooke, non-executive director	20-25	20-25	-	-	-	-	-	-	20-25	20-25
Peter Hustinx, non-executive director	20-25	20-25	-	-	-	-	-	-	20-25	20-25
Jeannette Lichner, non-executive director (Note 9)	10-15 (full year 20-25)	-	-	-	-	-	-	-	10-15	-

	Salary (£'000) (in bands of £5,000)		Benefits in kind (nearest £100)		Compensation schemes (£'000)		Accrued pension benefits (£'000) (nearest £1,000)		Total (£'000)	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Officials										
Jane McCall, non-executive director	20-25	20-25	-	-	-	-	-	-	20-25	20-25
Tracey Waltho, non-executive director (Note 10)	5-10 (full year 20-25)	-	-	-	-	-	-	-	5-10	-
Nicola Wood, Senior Independent Director	30-35	25-30	-	-	-	-	-	-	30-35	25-30

Notes:

1. John Edwards' term began on 3 January 2022.
2. Stephen Bonner's remuneration figures include his remuneration as Deputy Commissioner (Regulatory Futures and Innovation) and Deputy Commissioner (Regulatory Supervision).
3. James Dipple-Johnstone left the ICO on 2 October 2022.
4. James Dipple-Johnstone was a member of a Partnership pension scheme. The accrued pension benefits disclosure is of employer contributions to his pension.
5. Emily Keaney moved into this role on 20 June 2022. Prior to this she had been employed by the ICO as Director of Regulatory Strategy. The salary and benefits data reflects only her remuneration while in her current executive team role. The pensions data also includes pensions accrued from her previous role.
6. Steve Wood left the ICO on 18 April 2022.
7. Ailsa Beaton was required to undertake some additional duties as part of her role as Chair of Audit and Risk Committee. For these duties she received additional remuneration.
8. Ranil Boteju joined the ICO on 5 September 2022.
9. Jeannette Lichner joined the ICO on 5 September 2022.

10. Tracey Waltho joined the ICO on 5 September 2022. However, to mitigate a potential conflict of interests when she joined the ICO, Tracey began receiving remuneration from 1 November 2022 when this potential conflict was resolved.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Salary comprises gross salary and any other allowance to the extent that it is subject to UK taxation. There were no bonus payments to Board members in 2022/23.

A relocation package of up to £45,000 was instructed to the ICO by the DCMS minister (plus up to eight return flights per year to and from New Zealand for the Commissioner and for his immediate family throughout the period of his term) to be paid by the ICO, to cover John Edwards' relocation expenses. The actual spend from this allocation has been reflected as a benefit in kind. All other benefits in kind relate to the organisation's contribution to the ICO's health care plan provided by BHSF.

Pension benefits (audited)

	Accrued pension at pension age as of 31 March 2023 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2023	CETV at 31 March 2022	Real increase in CETV
	£'000 (in bands of £5,000)	£'000 (in bands of £2,500)	£'000	£'000	£'000
John Edwards, Information Commissioner	5-10	2.5-5	81	15	49
Paul Arnold, Deputy Chief Executive and Chief Operating Officer	50-55 plus lump sum of 90-95	0-2.5 plus lump sum of 0	813	717	6
Stephen Bonner, Deputy Commissioner (Regulatory Supervision)	-	-	-	-	-

	Accrued pension at pension age as of 31 March 2023 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2023	CETV at 31 March 2022	Real increase in CETV
	£'000 (in bands of £5,000)	£'000 (in bands of £2,500)	£'000	£'000	£'000
Emily Keaney, Deputy Commissioner (Regulatory Policy) (Note 1)	5-10	0-2.5	65	40	16
James Dipple-Johnstone, Deputy Commissioner (Regulatory Supervision) (Note 2)	-	-	-	-	-
Steve Wood, Deputy Commissioner (Regulatory Strategy) (Note 3)	30-35	0-2.5	460	456	1

Notes:

1. Emily Keaney moved into this role on 20 June 2022. Prior to this she had been employed by the ICO as Director of Regulatory Strategy. The pensions data also includes pensions accrued from her previous role.
2. Member of partnership pension scheme. James Dipple-Johnstone left the ICO on 2 October 2022.
3. Steve Wood left the ICO on 18 April 2022.

The Cash Equivalent Transfer Value (CETV) figures are provided by MyCSP, the ICO's Approved Pensions Administration Centre, who have assured the ICO that they have been correctly calculated following guidance provided by the Government Actuary's Department.

Partnership pensions

There was one member of staff (2021/22: one) included in the list of the Commissioner's most senior staff during 2022/23 who was a member of the partnership pension scheme.

Civil Service pensions

Further details about the Civil Service pension arrangements are available at civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It represents the amount paid made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown are about the benefits that the person has accrued because of their total membership of the pension scheme, not just their service in a capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement that the person has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member because of their purchasing additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pensions Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Pay multiples (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The Information Commissioner is deemed to be the highest paid director and no member of staff receives remuneration higher than the highest paid director. The Information Commissioner's salary is set by Parliament.

The banded remuneration of the highest paid director of the ICO in the financial year 2022/23 was £215k to £220k (2021/22: £215k to £220k). The banded remuneration for the highest paid director remained unchanged from the previous year (2021/22: 19.1% increase). The average percentage change in remuneration for all other staff was 3.4% (2021/22: 1.91% increase).

The median, 25th percentile and 75th percentile total remuneration is calculated by ranking the annual full-time equivalent salary as of 31 March 2023 for each member of staff. The tables below set out this information.

Salary

		25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
2022/23	Ratio	6.77:1	5.22:1	4.00:1
	Amount	£29,895	£38,818	£50,664
2021/22	Ratio	6.98:1	5.33:1	4.09:1
	Amount	£29,024	£37,964	£49,549

Total pay and benefits

		25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
2022/23	Ratio	7.25:1	5.59:1	4.28:1
	Amount	£29,995	£38,918	£50,764
2021/22	Ratio	7.59:1	5.81:1	4.46:1
	Amount	£29,224	£38,164	£49,749

The reduction in pay ratios in 2022/23 is attributable to the Information Commissioner's salary remaining fixed, while all other salaries were increased through annual pay uplifts. By contrast, the increase in pay ratios in 2021/22 is attributable to the increased pay which was set by Parliament in the recruitment of the new Information Commissioner. This set a new salary of £200,000 for the Commissioner as the highest paid director, increasing from £180,000 in 2020/21. The Commissioner's pay is expected to remain the same for the duration of their term and therefore the ratios are expected to continue to

reduce in future. Our employees' pay is consistent with our pay, reward and progression policies.

Staff remuneration ranged from £21,810 to £219,920 (2021/22: £21,175 to £219,400).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions or the CETV of pensions.

Number of senior civil service staff (or equivalent) by band

As at 31 March 2023, the following staff are at a grade equivalent to the senior civil service (SCS) bands:

- SCS Band 3: Information Commissioner
- SCS Band 2: Executive team members:
 - Deputy CEO and Chief Operating Officer
 - Deputy Commissioner (Regulatory Supervision)
 - Deputy Commissioner (Regulatory Policy)
 - Executive Director (Strategic Change and Transformation)
 - Executive Director (Corporate Digital, Data and Technology)
 - Executive Director (Strategic Communications and Public Affairs)
 - Executive Director (Regulatory Risk)
 - General Counsel
- SCS Band 1: 22 Directors.

Staff composition

As of the end of 2022/23 there were 12 members of the Management Board, of whom six were female and six were male. Among staff at a grade equivalent to SCS, at the end of 2022/23 18 were female and 13 were male. In total in the ICO at the end of 2022/23, 63% of staff were female and 37% male.

Sickness absence

The average number of sick days taken per person during the year was 6.2 days (2021/22: 6.7 days).

Staff turnover

The staff turnover for the ICO during 2022/23 was 9.9% (2021/22: 8.2%). Staff turnover has been around 8% annually since 2018.

Staff engagement

The level of engagement in our staff surveys during 2022/23 was 68% (2021/22: 75%). We launched a new survey tool called Pulse 360 in May 2022. We use the tool to enable engagement with colleagues to tell us about their experiences to help us shape our plans for the future. We also use this tool to support consultations.

During 2022/23 we used Pulse 360 to consult staff on our future priorities and values as part of our ICO25 plan. We also used Pulse 360 to obtain feedback to enable colleagues to let us know what they think about specific topical subjects. To date, we have conducted surveys about:

- our ICO25 plan;
- support for staff during the cost-of-living crisis;
- our internal communications products and approaches; and
- car parking for our Wilmslow office.

During 2023/24, we expect to survey staff on customer service, cyber security, and equality, diversity and inclusion, as well as any other issues which arise during the year.

Staff policies relating to the employment of disabled applicants

The ICO's recruitment processes ensure that shortlisting managers only assess the applicant's skills, knowledge and experience for the job. All personal information is removed from applications before shortlisting.

The ICO applies the Disability Confident standard for job applicants who are disabled. It has also assisted in the continued employment of disabled people by providing a work environment that is accessible and equipment that allows people to perform effectively. Our disabled staff are given equal access to training and promotion opportunities. We adjust work arrangements, work patterns and procedures to ensure that people who are, or become, disabled, are treated fairly and can continue to contribute to the ICO's aims.

Staff numbers and costs

As of 31 March 2023, we had 1044 permanent staff (990.1 full time equivalents).

Average number of full-time equivalents during 2022/23 (audited)

	Permanently employed staff	Temporarily employed staff	2022/23 Total	2021/22 Total
Directly employed	956.2	17.4	973.6	833
Agency staff	0	24.6	24.6	50
Total employed	956.2	42	998.2	883

Staff costs (audited)

	Permanently employed staff £000	Others £000	2022/23 Total £000	2021/22 Total £000
Wages and salaries	39,948	1,535	41,483	36,893
Social security costs	4,736	0	4,736	3,786
Other pension costs	10,701	0	10,701	9,021
Sub-total	55,385	1,535	56,920	49,700
Less recoveries in respect of outward secondments	(76)	0	(76)	(91)
Total net costs	55,309	1,535	56,844	49,609

Included in staff costs above are notional costs of £244k (2021/22: £256k) in respect of salary and pension entitlements of the Information Commissioner and the associated employer's national insurance contributions (which are credited directly to the General Reserve). It also covers temporary agency staff costs of £1.333m (2021/22: £1.974m) and inward staff secondments of £202k (2021/22: £321k), as well as the amounts disclosed in the Remuneration section above.

Expenditure on consultancy

During 2022/23 there was expenditure totalling £270k on consultancy as defined in Cabinet Office spending controls guidance (2021/22: £936k).

This expenditure primarily relates to work developing our ICO25 plan and target operating model to achieve this.

Off-payroll engagements

There were no off-payroll engagements during 2022/23 (2021/22: none).

Exit packages (audited)

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Information Commissioner has agreed early retirements, the additional costs are met by the Information Commissioner and not by the Principal Civil Service Pension Scheme (PCSPS). Ill health retirement costs are met by the pension scheme and are not included in the table above.

There were no compulsory redundancies in 2022/23 (2021/22: none) and no other exit packages (2021/22: none).

Ex-gratia payments made outside the provisions of the Civil Service Compensation Scheme are agreed directly with the Treasury.

Gifts and hospitality

There were no instances of gifts being given by the ICO to any person or organisation that was in excess of the maximum gift limit of £30 set out in our Gifts and Hospitality Policy.

Trade union facility time

Relevant union officials	2022/23	2021/22
Number of employees who were union officials during the relevant period	21	22
Full time equivalent employee number	1.03	1.63
Percentage of time spent on facility time	2022/23	2021/22
0%	1	0
1-50%	20	21
51%-99%	0	0
100%	0	1
Percentage of pay bill spent on facility time	2022/23	2021/22
Total cost of facility time	£37,859.38	£55,462.23
Total pay bill	£41,679,000	£36,584,000
Percentage	0.09%	0.16%
Paid trade union activities	2022/23	2021/22
Time spent on trade union activities as a percentage of total paid facility time hours	20%	20%

Parliamentary Accountability and Audit Report

Regularity of expenditure (audited)

There were no regularity of expenditure issues this reporting year.

During 2022/23, the ICO assessed that a number of historic staff costs and legal cost recoveries were irrecoverable. In accordance with IFRS 9 Financial Instruments, the ICO, using an expected loss model, made the decision to write-off the value owed. The table below details the value written-off.

Write-offs and losses	2022/23	2021/22 (£)	2020/21 (£)
GDPR fee income write-off	-	26,940	-
Staff and other cost recovery write-off	17,471	-	-
Total	17,471	26,940	-

In accordance with managing public money, we are required to disclose individual losses over £300,000 separately. No individual or cumulative events breached the disclosure level of £300,000.

Staff and other cost recovery write-offs relate to historical balances for which any benefit derived from recovery efforts is outweighed by the associated costs.

Fees and charges (audited)

Information on fees collected from data controllers who notify their processing of personal data under the DPA is provided in the financial performance summary, as part of the performance report earlier in this document. Further information on data protection fees is also set out in notes 1.5 and 2 to the financial statements.

Remote contingent liabilities (audited)

There are no material remote contingent liabilities. Please see note 18 to the accounts for information about contingent liabilities.



John Edwards
7 July 2023

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Information Commissioner's Office for the year ended 31 March 2023 under the Data Protection Act 2018.

The financial statements comprise the Information Commissioner's Office

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK Adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Information Commissioner's Office's affairs as at 31 March 2023 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Data Protection Act 2018 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the

Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Information Commissioner's Office and in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Information Commissioner's Office's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Information Commissioner's Office's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Information Commissioner with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Information Commissioner's Office is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Information Commissioner is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Data Protection Act 2018.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Data Protection Act 2018; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Information Commissioner's Office and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Information Commissioner's Office or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of the Information Commissioner's Responsibilities, the Information Commissioner is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Information Commissioner's Office from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Data Protection Act 2018;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the Data Protection Act 2018; and
- assessing the Information Commissioner's Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Information Commissioner anticipates that the services provided by the Information Commissioner's Office will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Data Protection Act 2018.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Information Commissioner's Office's accounting policies, key performance indicators and performance incentives.
- inquired of management, the Information Commissioner's Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Information Commissioner's Office's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Information Commissioner's Office's controls relating to the Information Commissioner's Office's compliance with the Data Protection Act 2018 and Managing Public Money;
- inquired of management, the Information Commissioner's Office's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant internal specialists, including Information Technology specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Information Commissioner's Office for fraud and identified the greatest potential for fraud in the following areas: revenue

recognition, capital expenditure, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Information Commissioner's Office's framework of authority and other legal and regulatory frameworks in which the Information Commissioner's Office operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Information Commissioner's Office. The key laws and regulations I considered in this context included Data Protection Act 2018, Managing Public Money and employment law.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing the risk of fraud through capital expenditure, I tested the appropriateness of the recognition and classification of capital expenditure transactions.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies 11 July 2023
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP



Financial statements

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Statement of comprehensive net expenditure

for the year ended 31 March 2023

		2022/23	2021/22
	Note	£'000	£'000
Expenditure			
Staff costs	3	56,844	49,609
Other expenditure	4	18,848	16,373
Total expenditure		75,692	65,982
Income			
Income from activities	5a	(65,762)	(62,193)
Income from fines retained	2	(1,648)	-
Total income		(67,410)	(62,193)
Net expenditure		8,282	3,789
Total comprehensive expenditure for the year ended 31 March		8,282	3,789

Note: All income and expenditure relates to continuing operations. There was no other comprehensive expenditure for the year ended 31 March 2023 (31 March 2022: nil).

The notes on pages 153 to 178 form part of these financial statements.

Statement of financial position

as of 31 March 2023

	Note	31 March 2023		31 March 2022	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	6	870		985	
Right of use assets	7	4,585		3,457	
Intangible assets	8	1,464		797	
Total non-current assets			6,919		5,239
Current assets					
Trade and other receivables	5b, 10	7,044		20,150	
Cash and cash equivalents	5b, 11	17,820		20,721	
Total current assets			24,864		40,871
Total assets			31,783		46,110
Current liabilities					
Trade and other payables	5b, 12		(12,397)		(30,313)
Provisions	13		(35)		(3)
Lease liability	14		(1,454)		(997)
Total assets less current liabilities			17,897		14,797
Non-current liabilities					
Provisions	13		(1,085)		(993)
Lease liability	14		(3,345)		(2,596)
Assets less liabilities			13,467		11,208
Taxpayers' equity					
General reserve		13,467		11,208	
			13,467		11,208

Note: The notes on pages 153 to 178 form part of these financial statements.



John Edwards

7 July 2023

Statement of cash flows

for the year ended 31 March 2023

	Note	2022/23 £'000	2021/22 £'000
Cash flows from operating activities			
Net expenditure		(8,282)	(3,789)
Adjustment for non-cash items	2, 3, 4, 13	856	1,380
Decrease/(increase) in trade and other receivables	5b, 10	726	637
Decrease in trade payables	5b, 12	(1,020)	(32)
Non-cash movement in provisions	13	123	(123)
Net cash (outflow)/inflow from operating activities		(7,597)	(1,927)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(383)	(379)
Purchase of intangible assets	8	(1,117)	(303)
Net cash outflow from investing activities		(1,500)	(682)
Cash flows from financing activities			
Right of use assets – lease payments	14	(1,234)	(822)
Grant-in-aid received from DCMS	1.3	10,298	7,578
Net cash inflow from financing activities		9,064	6,756
Net increase/(decrease) in cash and cash equivalents during the year before adjustment for receipts and payments to the Consolidated Fund		(33)	4,147
Receipts due to the Consolidated Fund which are outside the scope of the Information Commissioner's activities		17,661	12,803
Payments of amounts due to the Consolidated Fund		(20,529)	(12,344)
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the Consolidated Fund		(2,901)	4,606

		2022/23	2021/22
	Note	£'000	£'000
Cash and cash equivalents at the start of the year		20,721	16,115
Cash and cash equivalents at the end of the year	5b, 11	17,820	20,721

Note: The notes on pages 153 to 178 form part of these financial statements.

Statement of changes in taxpayers' equity for the year ended 31 March 2023

	Note	General reserve £'000
Changes in taxpayers' equity 2021/22		
Balance at 31 March 2021		7,162
Grant-in-aid from DCMS	1.3	7,578
Comprehensive expenditure for the year		(3,789)
Non-cash charges – Information Commissioner's salary costs	3	256
Balance at 31 March 2022		11,207
Changes in tax payers' equity 2022/23		
Balance at 31 March 2022		11,207
Grant-in-aid from DCMS	1.3	10,298
Comprehensive expenditure for the year		(8,282)
Non-cash charges – Information Commissioner's salary costs	3	244
Balance at 31 March 2023		13,467

Note: The notes on pages 153 to 178 form part of these financial statements.

Notes to the accounts

1. Statement of accounting policies

We have prepared these financial statements on a going concern basis in accordance with the 2022/23 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, we selected the most appropriate accounting policy to the particular circumstances of the ICO for the purpose of giving a true and fair view. The particular policies adopted by the ICO are described below. We have applied these policies consistently in dealing with items that are considered material to the accounts.

1.1. Accounting convention

We have prepared these accounts under the historical cost convention.

1.2. Disclosure of IFRS in issue but not yet effective

IFRS 17 – ‘Insurance Contracts’ replaces IFRS 4 – ‘Insurance Contracts’. The IASB announced the deferral of IFRS 17 until 1 January 2023 and therefore, the effective implementation date in the public sector was extended to the earliest of 1 April 2023. The Financial Reporting Advisory Board (FRAB) has since agreed a further two-year deferral to require adoption on 1 April 2025.

The scope of the standard covers insurance contracts issued and reinsurance contracts issued or held. Salix does not have any insurance contracts under IFRS 4 and does not expect to recognise any contracts under IFRS 17.

1.3. Grant-in-aid

Grant-in-aid is received from the Department for Digital, Culture, Media and Sport (DCMS) to fund expenditure on Freedom of Information (FOI), Investigatory Powers Act (IPA), security of Network & Information Regulations (NIS), the Electronic Identification and Trust Services (eIDAS) regulatory work, and for Adequacy assessments, and is credited to the General Reserve on receipt.

1.4. Cash and cash equivalents

Cash and cash equivalents recorded in the Statement of Financial Position and Statement of Cash Flows include cash-in-hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

1.5. Income from activities and Consolidated Fund income

Income collected under the Data Protection Act 2018 (DPA 2018) is surrendered to the DCMS as Consolidated Fund income, unless the DCMS (with the consent of the Treasury) has directed otherwise, in which case it is treated as Income from activities.

There are three main types of income collected:

Data protection notification fees

Fees are collected from annual notification fees paid by data controllers required to register their processing of personal data under the DPA 2018. The Information Commissioner has been directed to retain the fee income collected to fund data protection work and this is recognised in the Statement of Comprehensive Net Expenditure as income. At the end of each year, the Information Commissioner may carry forward to the following year sufficient fee income to pay year-end creditors. Any fees in excess of the limits prescribed within the Management Agreement with DCMS are paid over to the Consolidated Fund. Under IFRS 15, the ICO has a single performance obligation, which is to issue a certificate of registration as a result of receiving the DP fee. The ICO follows a five-step approach to recognising the fee income under IFRS 15 this is as follows:

- **Step one:** Identify contract with a customer – in line with guidance from HMT, DP fee income will be treated as the transactional price paid by data controllers (the customer) for the issuing of a certification of registration (performance obligation) by the ICO.
- **Step two:** Identify performance obligations – the ICO's performance obligation in the DPA 2018 is to present a registration certificate to data controllers at the point of receipt of the DP fee.
- **Steps three and four:** Determine transaction price and allocate the transactional price to each performance obligation – the cost of the DP fee is based on a tier system of size and complexity of an organisation and is set by the Secretary of State based on consultation with the ICO on the forecasted costs of delivering all regulatory services to both organisations and the general public. The single obligation of the ICO remains to provide a certificate of registration upon receipt of the DP fee based on the tier of the customer's organisation.
- **Step five:** Recognise revenue when performance obligations are met – this is deemed to be at the point of registration and receipt of the DP fee.

Civil monetary penalties

The Information Commissioner can impose civil monetary penalties for serious breaches of the DPA of up to 4% of an organisation's global

turnover. For breaches of PECR, the Information Commissioner can impose penalties of up to £500k. A penalty can be reduced by 20% if paid within 30 days of being issued.

In prior years these civil monetary penalties were paid over to the Consolidated Fund in full. However, in June 2022 the ICO received approval from the Treasury to retain a portion of the penalties collected during the year to cover legal costs (internal and external) for all enforcement action and litigation under the DPA and PECR. The agreement was effective from the start of 2022/23 and covers costs related to:

- external experts, for example technical reports, forensic analysis;
- external counsel;
- external paralegals;
- external solicitors;
- internal legal staff costs directly attributable to enforcement, litigation and prosecutions (to include the cost of secondees and temporary staff);
- court fees;
- costs of court proceedings;
- settlement of adverse costs; and
- specific training for staff and know-how resources.

The agreement is capped at £7.5 million per financial year.

The Information Commissioner can also impose fines for not paying the data protection fee, up to a maximum of £4,350 under the DPA 2018. These are paid over in full to the Consolidated Fund.

The Information Commissioner does not take action to enforce a civil monetary penalty unless and until:

- the period specified in the notice as to when the penalty must be paid has expired;
- the penalty has not been paid;
- all relevant appeals against the monetary penalty notice and any variation of it have either been decided or withdrawn; and
- the period for the data controller to appeal against the monetary penalty and any variation of it has expired.

Civil monetary penalties collected by the Information Commissioner are recognised on an accruals basis when issued. They are paid over to the Consolidated Fund net of any early payment reduction and fines retained by the ICO under the new agreement with the Treasury. The retained element is recognised in the Statement of Comprehensive Net Expenditure as income from activities whilst the remainder are not recognised in the

Statement of Comprehensive Net Expenditure but are instead treated as a receivable and payable in the Statement of Financial Position.

Under IFRS 15 the revenue through fines and penalties is recognised as the fine is the equivalent of a taxable event. The revenue can be measured reliably and it is probable that the fine will be paid. If the fines are subject to appeal, they are not recognised until the appeal process is finalised and the fine is confirmed as valid.

The amounts recognised are regularly reviewed and subsequently adjusted if a civil monetary penalty is varied, cancelled, impaired or written off as irrecoverable. Amounts are written off as irrecoverable on the receipt of legal advice. Legal fees incurred in recovering debts are currently covered by the ICO.

IFRS 9 requires determination of an amount in respect of expected credit losses, reflecting management's forward-looking assessment of the recoverability of debts. Under IFRS 9 expected credit losses within 12 months of balance sheet date are accounted for initially. If there is a significant increase in credit risk, the expected lifetime losses are recognised as appropriate. A provision for expected credit losses has been incorporated into the financial statements this year. The expected credit losses are based on those CMP cases still being investigated by the enforcement department at year-end and where there is yet to be a payment plan put in place. Historic data shows that cases with payment plans in place present very low risk and so no provision is made unless there is a failure to adhere to the plan. The estimate of expected credit losses considers the Insolvency Service estimate of recovery on non-preferential creditors. If there is a significant increase in credit risk, the expected lifetime losses are recognised.

Sundry receipts

The Information Commissioner has been directed to retain certain sundry receipts such as other legislative funding, grants, management charges, reimbursed travel expenses and recovered legal costs. This is recognised in the Statement of Comprehensive Net Expenditure as income.

The Information Commissioner has interpreted the FReM to mean that he is acting as a joint agent with DCMS. This means that income not directed to be retained as income from activities falls outside of normal operating activities and is not reported through the Statement of Comprehensive Net Expenditure but disclosed separately within the notes to the accounts. This included receipts such as bank interest, which is paid to the Consolidated Fund.

1.6. Notional costs

The salary and pension entitlement of the Information Commissioner are paid directly from the Consolidated Fund and are included within staff costs and reversed with a corresponding credit to the General Reserve.

1.7. Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pensions Scheme.

1.8. Property, plant and equipment

Assets are classified as plant and equipment if they are intended for use on a continuing basis. Their original purchase cost, on an individual basis, must be over £2,000, except for laptop and desktop computers, which are capitalised even when their individual cost is below £2,000. The ICO do not own property, i.e. land and buildings. All property is leased by the ICO from private landlords, apart from the Edinburgh and London offices which are leased from other government bodies.

Plant and equipment (excluding assets under construction) is valued under a depreciated historical cost basis as a proxy for current value in existing use or fair value for assets that have short useful lives or low values.

At each reporting date, the carrying amount of each asset will be reviewed where there is evidence of impairment in line with the accounting standard IAS 36 Impairment of Assets.

If the carrying amount is less than the assets recoverable amount, then an impairment loss is recognised in the Statement of Comprehensive Net Expenditure (SoCNE).

An item of plant and equipment is derecognised in line with IAS 16, either on disposal or when no future economic benefit is expected from its use.

1.9. Depreciation

Depreciation is the charge applied to SoCNE to reduce the value of assets on the Statement of Financial Position (SoFP), to reflect the reduction in the value due to use and wear and tear.

The depreciation charge is provided on a straight-line basis to write off the cost or valuation evenly over the asset's estimated useful economic life. It begins when the asset is made available for use.

The principal rates in use for each class of asset are:

Information technology	Between three and 10 years
Plant and equipment	Between five and 10 years
Leasehold improvements	Over remainder of the property lease
Right of use assets	Over the remainder of the lease period

Assets in the course of construction are not depreciated in line with the accounting standard IAS 16 Property, Plant and Equipment. These assets are not available for use.

Assets that have been fully depreciated will remain on the Fixed Asset Register at a nil net book value when still in use.

The depreciation policy is reviewed annually when preparing the ICO's annual accounts. Prior to 2021/22, a full year's depreciation was charged in the year the asset was made available for use, with no charge in the year of disposal. This was reviewed in 2021/22 and updated. It now aligns with the accounting standard IAS 16 Property, Plant and Equipment, which requires depreciation to commence when an asset is made available for use and cease on the date an asset is disposed of by an entity.

All assets on the fixed assets register have been reviewed in line with this change in policy.

1.10. Intangible assets and amortisation

Intangible assets including computer software licences are capitalised where expenditure of £2,000 or more is incurred. All intangible assets are held at current value in existing use, which is the market value in existing use. Depreciated historical cost is used as a proxy for fair value on short life or low value assets, which is considered not to be materially different from fair value. Intangible assets are amortised over their useful economic life, which is estimated as four years or the length of the contract, whichever is shorter term.

IAS 38 Intangible assets requires an intangible asset to be derecognised either on disposal or when no future economic benefit is expected from its use.

Additional guidance in April 2021 from the International Financial Reporting Interpretation Committee removed any element of judgement by providing clarity on the treatment of configuration and customisation costs regarding cloud computing arrangements. In cloud computing arrangements, the ICO does not have possession of the underlying software but has access to the use of the software.

1.11. Leases

IFRS 16 "Leases" has been implemented from 1 April 2019. This introduces a single lessee accounting model that requires a lessee to recognise a right of use asset and lease liability for all leases, except for the following:

- intangible assets;
- non-lease components of contracts where applicable;
- low value assets (these are determined to be in line with capitalisation thresholds on property, plant and equipment except vehicles which have been deemed to be not of low value); and
- leases with a term of 12 months or less.

At inception of a contract, the ICO assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, the ICO assesses whether:

- the contract involves the use of an identified asset;
- the ICO has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- the ICO has the right to direct the use of the asset.

The policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception, or on reassessment of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of the relative standalone prices.

The ICO assesses whether it is reasonably certain to exercise break options or extension options at the lease commencement date. The ICO reassesses this if there are significant events or changes in circumstances that were anticipated.

Right of use assets

The ICO recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease liability (present value of minimum lease payments), and subsequently at the amount less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. Right of use assets are held at current cost in accordance with HMT IFRS 16 guidance. Depreciated historic cost is used as a proxy for current value as directed by HMT guidance on IFRS 16, including for property leases,

because property leases are sufficiently short in term and are not expected to fluctuate significantly due to changes in market prices. Lease payments only include the direct cost of the leases and do not include other variables. Lease terms are determined based on advice from commercial property agents. The ICO works with the Government Property Agency to align the business needs of the ICO to the wider government property strategy.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the right of use asset, or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of property plant and equipment assets.

The group applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or where that is not readily determinable, the discount rate as provided by HM Treasury.

Leases entered into:	Discount rate applicable
Prior to 31 December 2019	1.99%
After 1 January 2020	1.27%
After 1 January 2021	0.91%
After 1 January 2022	0.95%
After 1 January 2023	3.51%

The lease liability only includes the direct lease cost and excludes any service charges and VAT. The length of each lease is determined on signing the contractual terms following agreement with the landlord and after gaining permission from the Government Property Unit.

The lease payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the group's estimates of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension, or termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.

- Variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee.
- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the ICO is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the ICO is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in the future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is re-measured, a corresponding adjustment is made to the right of use asset or recorded in the SoCNE if the carrying amount of the right of use asset is zero.

1.12. Provisions

Provisions are recognised when there is a present obligation as a result of a past event where it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. These obligations are set out below:

Dilapidations

Dilapidation provisions are the anticipated future cost to return leased properties to their condition as at the commencement of the lease.

Bad debt provision

In accordance with IFRS 9 Financial Instruments, the ICO has created a bad debt provision based on an expected loss model for outstanding data protection fees.

1.13. Value added tax

The Information Commissioner is not registered for VAT as most activities of the ICO are outside the scope of VAT. VAT is charged to the relevant expenditure category. For leases VAT is excluded in the capitalised purchase cost of right to use assets and then is expensed as a finance cost.

1.14. Segmental reporting

The policy for segmental reporting is set out in note 2 to the financial statements.

1.15. Critical accounting estimates and judgements

The preparation of the accounts requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenditure. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Expected credit losses

IFRS 9 requires determination of an amount in respect of expected credit losses, reflecting management's forward-looking assessment of the recoverability of debts. The forward impairment assessment includes estimates and judgements on the likelihood of default on civil monetary penalties imposed. The quantum of these estimates and judgements is included within notes 5 and 10. The methodology for determining the estimate provision is described in note 1.5 above.

Sensitivity Analysis

A sensitivity analysis for the expected credit loss model has been undertaken to identify the impact of any changes to assumptions. Each assumption in the expected credit loss model has been identified and an analysis to show the rate of change required for a material impact to occur is shown in the table below:

	£000s	Receivables £000s	Payables £000s	Net impact £000s
Statement of Financial position	11,145			
% change in the recovery of fines issued where the payee has a payment plan set up				
- 25%	1,359	-1,359	-1,359	0
- 30%	1,631	-1,631	-1,631	0
- 35%	1,903	-1,903	-1,903	0
% change in the recovery of fines issued where the payee does not have a payment plan set up				
+ 10%	-1,114	1,114	1,114	0

	£000s	Receivables £000s	Payables £000s	Net impact £000s
+ 15%	-1,672	1,672	1,672	0
+ 20%	-2,229	2,229	2,229	0

2. Analysis of net expenditure by segment

	Data protection fee £'000	Grant-in- aid £'000	Fine retention £000's	Other £'000	2022/23 Total £'000
Gross expenditure	63,676	10,298	1,648	70	75,692
Income	(65,692)	-	(1,648)	(70)	(67,410)
Net expenditure	(2,016)	10,298	-	-	8,282

	Data protection fee £'000	Grant-in- aid £'000	Fine retention £000's	Other £'000	2021/22 Total £'000
Gross expenditure	56,512	7,578	1,525	367	65,982
Income	(61,826)	-	-	(367)	(62,193)
Net expenditure	(5,314)	7,578	1,525	-	3,789

Expenditure is classed as administrative expenditure.

The analysis above is provided for fees and charges purposes and for the purpose of IFRS 8: Operating Segments.

The expenditure segments have been analysed aligned to the ICO's source of funding, data protection fee income and grant-in-aid. For 2022/23, the ICO also retained fine income (treated as a non-cash adjustment in the cash flow statement) and received a grant from the Regulatory Pioneers Fund. The ICO's expenditure is reported against these three sources of income.

Grant-in-aid funding provided in 2021/22 is utilised to fund our freedom of information (FOI) objectives under FOIA as well as the ICO's objectives for Network Infrastructure and Systems regulation (NIS), electronic identification and trust services regulation (eIDAS), Investigatory Powers Act 2016 (IPA) and funding for adequacy. Grant-in-aid also provides a contribution to Pensions costs and back-office expenditure.

Funding to cover the ICO's data protection work is provided by collecting an annual registration fee from data controllers under the DPA. The data protection notification fee was set by the Secretary of State. In making any fee regulations under section 134 of the DPA 2018, as amended by paragraph 17 of Schedule 2 to FOIA, the Secretary of State had to have regard to the desirability of securing that the fees payable to the Information Commissioner were sufficient to offset

the expenses incurred by the Information Commissioner, the Information Tribunal and any expenses of the Secretary of State in respect of the Commissioner of the Tribunal, and any prior deficits incurred, so far as attributable to the functions under the DPA 2018.

These accounts do not include the expenses incurred by the Information Tribunal or the Secretary of State in respect of the Information Commissioner. Therefore, they cannot be used to demonstrate that the data protection fees offset expenditure on data protection functions, as set out in the DPA 2018.

Other income was received in 2022/23 from civil monetary fines retained to cover the cost to the ICO of enforcement and litigation costs. The ICO also received a grant from the Regulators' Pioneer Fund, as part of our work with the DRCF. The DRCF brings together the ICO, Ofcom, the Competition and Markets Authority (CMA) and the Financial Conduct Authority (FCA). It was established to deliver greater co-operation and coherence, given the unique challenges posed by the regulation of digital platforms and online services.

The DRCF's grant was to deliver a project to research and pilot a multi-agency advice service for digital innovators who need joined-up guidance from multiple regulators. With close collaboration between all four DRCF partners, the project will report by August 2023 on whether and how it can deliver this service.

Expenditure is apportioned between the data protection and grant-in-aid work on the basis of costs recorded in the ICO's accounting system. This allocates expenditure to various cost centres across the organisation. A financial model is then applied to apportion expenditure between data protection and grant-in-aid on an actual basis, where possible, or by way of reasoned estimates where expenditure is shared.

3. Staff numbers and related costs

Staff costs comprise:	2022/23			2021/22		
	Permanently employed staff £'000	Others £'000	Total £'000	Permanently employed staff £'000	Others £000's	Total £'000
Wages and salaries	39,948	1,535	41,483	34,598	2,295	36,893
Social security costs	4,736	-	4,736	3,786	-	3,786
Other pension costs	10,701	-	10,701	9,021	-	9,021
Sub-total	55,385	1,535	56,920	47,405	2,295	49,700
Less recoveries in respect of	(76)	-	(76)	(91)	-	(91)

outward
secondments

Total net costs	55,309	1,535	56,844	47,314	2,295	49,609
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Included in staff costs above are notional costs of £244k (2021/22: £256k) in respect of salary and pension entitlements of the Information Commissioner and the associated employer's national insurance contributions which are credited directly to the General Reserve. It also includes temporary agency staff costs of £1.333m (2021/22: £1.974m) and inward staff secondments of £202k (2021/22: £321k), as well as the amounts disclosed in the Remuneration report.

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was:

	2022/23			2021/22		
	Permanently employed staff	Temporarily employed staff	2022 /23 Total	Permanently employed staff	Temporarily employed staff	2021 /22 Total
Directly employed	956.2	17.4	973.6	823	10	833
Agency staff	0	24.6	24.6	-	50	50
Total employed	956.2	42.0	998.2	823	60	883

Pension arrangements

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes, but the ICO is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office Civil Superannuation⁷⁴.

For 2022/23 employers contributions of £10.502m (2021/22: £8.773m) were payable to the PCSPS at one of four rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of benefits accruing

⁷⁴ <https://www.civilservicepensionscheme.org.uk/about-us/scheme-valuations/>

during 2022/23 to be paid when the member retires and not the benefits paid during the period to existing pensioners.

Employees can opt to open a 'Partnership' account, a stakeholder pension with an employer contribution. Employers' contributions of £18.3k (2021/22: £187k), were paid to the appointed stakeholder pension provider. Employers' contributions are age-related and range from 8% to 14.75% of pensionable pay. In addition, employer contributions of £2.9k (2021/22: £6k), 0.8% of pensionable pay, were payable to the Principal Civil Service Pension Scheme to cover the cost of future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the Partnership pension provider at the Statement of Financial Position date were £22.4k (2021/22: £6k). Contributions prepaid at this date were £nil (2021/22: £nil).

Other pension costs include notional employers' contributions of £44k (2021/22: £52k) in respect of notional costs in respect of the Information Commissioner.

One individual (2021/22: one) retired early on health grounds during the year.

4. Other expenditure

	2022/23	2021/22
	£'000	£'000
Accommodation (business rates and services)	1,045	949
Rentals under operating leases	754	739
Office supplies and stationery	211	264
Carriage and telecommunications	1,904	1,647
Travel and subsistence	453	131
Staff recruitment	528	650
Specialist assistance and policy research	2,498	3,351
Communications and external relations	322	228
Legal costs	957	1,071
Learning and development, health and safety	722	458
IT service delivery costs	5,082	4,064
Business development costs	1,829	1,421
Finance cost on leased assets	55	66
Audit fees	44	36
Grants fund	106	240
	16,510	15,315

Non-cash items

Depreciation	1,888	835
Amortisation	450	179
Loss on disposal of assets	0	44
	2,338	1,058
Total expenditure	18,848	16,373

Other expenditure has increased in year by £2,475k. This is driven by increased activity in digital infrastructure projects, in particular the implementation of our new enterprise resource planning (ERP) system which went live in April 2023, and depreciation on new right-of-use assets.

5. Income

5a. Income from activities

	2022/23		2021/22	
	£'000	£'000	£'000	£'000
DP fees	65,692		61,787	
Sundry receipts	70		406	
	65,762		62,193	
Sundry receipts				
Receipts under the Proceeds of Crime Act	-		7	
Bank interest received	20		-	
Recovered legal fees	(2)		11	
Reimbursed travel expenses	5		-	
Management fee from Telephone Preference Service	14		14	
Income received from the Regulators' Pioneer Fund	30		367	
Marketing income	3		6	
Total sundry receipts	70		405	
Sundry receipts retained under direction as Income from Activities	(70)		(405)	

5b. Consolidated Fund income

	2022/23		2021/22	
	£'000	£'000	£'000	£'000
Fees				
Collected under the DPA	65,692		61,787	

	2022/23		2021/22	
	£'000	£'000	£'000	£'000
Retained under direction as Income from activities	(65,692)		(61,787)	
		-		-
Civil monetary penalties – investigations				
Penalties issued	15,270		3,554	
Early payment reductions	(1,668)		(316)	
Repaid following a successful appeal	-		-	
Uncollectable, cancelled after successful appeals	(715)		(1,076)	
Re-issued after appeal	-		-	
Impairments	(7,621)		(533)	
		5,266		1,629
Civil monetary penalties – non-payment of fees				
Penalties issued	8		115	
Uncollectable, cancelled after successful appeals	(2)		-	
Impairments	10		(232)	
		16		(117)
				-
Income payable to Consolidated Fund		5,282		1,512
Balances held at the start of the year	23,360		34,192	
Income payable to the Consolidated Fund	5,282		1,512	
Fines retained for ICO enforcement activity	(1,648)		-	
Payments to the Consolidated Fund	(20,529)		(12,344)	
Balances held at the end of the year including bank interest (note 12)		6,465		23,360

As set out in note 1.5, income payable to the Consolidated Fund does not form part of the Statement of Comprehensive Net Expenditure except for the income retained to cover costs of enforcement and litigation. Amounts retained under direction from DCMS with the consent of the Treasury are treated as income from activities within the Statement of Comprehensive Net Expenditure.

The amounts payable at 31 March 2023 were £6,465m (31 March 2022: £23.360m). In year the ICO received £17.661m (2021/22: £19.072m).

The civil monetary payment figure at the year-end date includes all civil monetary payments unpaid at that date. These include payments due to DCMS for monetary penalties, being where entities or persons or both have breached GDPR, and for payments due to DCMS for fines where entities or persons or both are found not to have registered with the ICO when they were required by GDPR to do so.

6. Property, plant and equipment

	Information technology	Plant and equipment	Leasehold improvements	2023 total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2022	2,083	251	2,910	5,244
Additions	142	60	181	383
Disposals	-	-	-	-
At 31 March 2023	2,225	311	3,091	5,627
Depreciation				
At 1 April 2022	1,453	198	2,608	4,259
Charged in year	330	47	121	498
Disposals	-	-	-	-
At 31 March 2023	1,783	245	2,729	4,757
Net book value at 31 March 2023	442	66	362	870
Owned	442	66	362	870
Net book value at 31 March 2022	630	53	302	985

	Information technology	Plant and equipment	Leasehold improvements	2022 total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2021	2,138	242	2,760	5,140
Additions	220	9	150	379
Disposals	(275)	-	-	(275)
At 31 March 2022	2,083	251	2,910	5,244

Depreciation

	Information technology	Plant and equipment	Leasehold improvements	2022 total
	£'000	£'000	£'000	£'000
At 1 April 2021	1,575	191	2,520	4,286
Charged in year	108	7	88	203
Disposals	(230)	-	-	(230)
At 31 March 2022	1,453	198	2,608	4,259
Net book value at 31 March 2022	630	53	302	985
Owned	630	53	302	985
Net book value at 31 March 2021	563	51	240	854

7. Right of use assets

	Property £'000	IT equipment £'000	2023 total £'000
Cost or valuation			
At 1 April	7,021	-	7,021
Additions	1,624	835	2,459
Adjustments*	59	-	59
Disposals	(2,034)	-	(2,034)
At 31 March	6,670	835	7,505
Depreciation			
At 1 April	3,564	-	3,564
Charged in year	1,251	139	1,390
Disposals	(2,034)	-	(2,034)
At 31 March	2,781	139	2,920
Net book value at 31 March	3,889	696	4,585
Asset financing			
Leased under IFRS 16	3,889	696	4,585

*During the year the accuracy of the amount recognised as a right-of-use asset was improved by discounting payments on a monthly periodic basis rather than annually. This necessitated an adjustment to asset values.

	Property £'000	IT equipment £'000	2022 total £'000
Cost or valuation			
At 1 April	5,434	-	5,434
Additions	1,587	-	1,587
At 31 March	7,021	-	7,021
Depreciation			
At 1 April	2,932	-	2,932
Charged in year	632	-	632
At 31 March	3,564	-	3,564
Net book value at 31 March	3,457	-	3,457
Asset financing			
Leased under IFRS 16	3,457	-	3,457

Right of use assets consist of nine office leases plus a car park lease and a new lease for laptops.

Irrecoverable VAT is not recognised in the value of the lease liabilities and corresponding right of use assets.

8. Intangible assets

	Software licences £'000	Assets under construction £'000	2023 total £'000
Cost or valuation			
At 1 April 2022	4,377	351	4,728
Additions	603	514	1,117
Transfers	860	(860)	-
Disposals	(51)	-	(51)
At 31 March 2023	5,789	5	5,794
Amortisation			
At 1 April 2022	3,931	-	3,931
Charged in year	450	-	450
Disposals	(51)	-	(51)
At 31 March 2023	4,330	-	4,330

	Software licences	Assets under construction	2023 total
	£'000	£'000	£'000
Net book value at 31 March 2023	1,459	5	1,464
Asset financing			
Owned	1,459	5	1,464
Net book value at 31 March 2023	1,459	5	1,464
	Software licences	Assets under construction	2022 total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2021	4,338	87	4,425
Additions	39	264	303
Disposals	-	-	-
At 31 March 2022	4,377	351	4,728
Amortisation			
At 1 April 2021	3,752	-	3,752
Charged in year	179	-	179
Disposals	-	-	-
At 31 March 2022	3,931	-	3,931
Net book value at 31 March 2022	446	351	797
Asset financing			
Owned	446	351	797
Net book value at 31 March 2022	446	351	797

9. Financial instruments

As the cash requirements of the Information Commissioner are met through fees collected under the DPA 2018 and grant-in-aid provided by the DCMS, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The ICO does hold material cash balances on deposit. The movement in cash balances is detailed in note 11 and included in the cash balance on the statement of financial position. The ICO has no loans and does not use financial instruments to make investments. The financial instruments used relate to contracts to buy non-financial items in line with the ICO's expected purchase and usage requirements and the ICO is therefore exposed to little credit, liquidity or market risk. The credit risk connected to civil monetary penalties is deemed to be low risk to the ICO. A lifetime impairment model of expected loss is used in valuing all creditors to the ICO.

10. Trade receivables and other current assets

	31 March 2023 £'000	31 March 2022 £'000
Amounts falling due within one year:		
Trade debtors	108	79
Prepayments and accrued income	1,422	2,220
Sub-total	1,530	2,299
Consolidated Fund receipts due	12,922	16,376
Less: amounts impaired (note 5b)	(7,611)	(3,545)
Other	6	20
Sub-total	5,317	12,851
	6,847	15,150
Amounts falling due later than one year:		
Prepayments and accrued income	-	-
Sub-total	-	-
Consolidated Fund receipts due	197	5,000
Less: amounts impaired (note 5b)	-	-
Other	-	-
Sub-total	-	5,000
	197	5,000
	7,044	20,150

The receipts due to the Consolidated Fund relate to monetary penalties and fines that have been levied against entities or persons or both at 31 March 2023 but are yet to be received by the ICO. The ICO collects these monies on behalf of the Consolidated Fund and then passes these payments on. This creates a

resulting payable detailed in note 12: Trade payables and other current liabilities.

11. Cash and cash equivalents

	31 March 2023 £'000	31 March 2022 £'000
Balance at 1 April	20,721	16,114
Net change in cash and cash equivalent balances	(2,901)	4,607
Balance at 31 March	17,820	20,721
Split:		
Commercial banks and cash in hand	6,346	9,544
Government Banking Service	11,474	11,177
	17,820	20,721

12. Trade payables and other current liabilities

	31 March 2023 £'000	31 March 2022 £'000
Amounts falling due within one year:		
Taxation and social security	1,281	1,092
Trade payables	1,255	915
Other payables	2,722	2,866
Accruals and deferred income	674	2,080
Sub-total	5,932	6,953
Amount payable to consolidated fund (note 5b)	6,268	13,360
	12,200	20,313
Amounts falling due later than one year:		
Taxation and social security	-	-
Trade payables	-	-
Other payables	-	-
Accruals and deferred income	-	-
Sub-total	-	-
Amount payable to consolidated fund (note 5b)	197	10,000
	12,397	30,313

The amount payable to the sponsor department represents the amount which will be due to be paid to the Consolidated Fund when all of the income due from monetary penalties and fines is collected. The payable value is larger than receivables detailed in note 10: Trade receivables and other current assets due to timing differences of the ICO collecting the monies and paying to the consolidated fund.

The amount payable to government is being held by the ICO for additional funds to cover a predicted deficit position in year. This will be released in the next financial year.

13. Provision for liabilities and charges

	Bad debt re trade debtors	Dilapidations	Bad debt re fines	Total
	2022/23	2022/23	2022/23	2022/23
	£'000	£'000	£'000	£'000
Balance at 1 April 2022	-	993	3	996
Provided in year	32	92	-	124
Provision utilised in year	-	-	-	-
Balance at 31 March 2023	32	1,085	3	1,120

	Bad debt re trade debtors	Dilapidations	Bad debt re fines	Total
	2021/22	2021/22	2021/22	2021/22
	£'000	£'000	£'000	£'000
Balance at 1 April 2021	-	859	14	873
Provided in year	-	134	14	148
Provision utilised in year	-	-	(25)	(25)
Balance at 31 March 2022	-	993	3	996

Analysis of expected timing of discounted flow:

	Dilapidations		Bad debts		Total	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Not later than one year	-	-	35	3	35	3
Later than one year and not later than five years	1,085	993	-	-	1,085	993

	Dilapidations		Bad debts			Total
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Later than five years	-	-	-	-	-	-
Balance at 31 March	1,085	993	35	3	1,120	996

Dilapidations' provision

The lease on the ICO main premises at Wycliffe House in Wilmslow was renewed 2 January 2022 with a break clause in five years' time. A provision has been made for dilapidations based upon the assessment by Avison Young (the trading name of GVA), commercial property advisers, dated January 2022 for the full Wilmslow estate with the exception of Venture House.

The ICO also occupies government property in Edinburgh under Memorandum of Terms of Occupation agreements ending in 2044 and direct leases with landlords for Belfast and Cardiff offices. The ICO may have dilapidations liabilities at the end of the terms of these occupations, but these are considered immaterial to recognise further. No dilapidation provision has been made for the new London lease due to the ICO not yet occupying or altering the space in 2022/23.

14. Lease liabilities

Maturity analysis – contractual undiscounted cashflows	31 March 2023	31 March 2022
	£'000	£'000
Less than one year	1,454	997
Between two and five years	3,345	2,597
Later than five years	-	-
	4,799	3,594
Lease liabilities included in the balance sheet		
Current	1,454	997
Non-current	3,345	2,597
	4,799	3,594
Movement in lease during the year		
As at start of financial year	3,594	2,764
Interest charged to the income statement	55	66
Adjustments*	(75)	-
Lease liability in relation to new leases	2,459	1,586
Lease rental payments	(1,234)	(822)

Maturity analysis – contractual undiscounted cashflows	31 March 2023	31 March 2022
	£'000	£'000
At end of financial year	4,799	3,594

*During the year the accuracy of the amount recognised as a lease liability was improved by discounting payments on a monthly periodic basis rather than annually. This necessitated an adjustment to the liability balance.

15. Capital commitments

There were no capital commitments in the year ended 31 March 2023 (2021/22: £0).

16. Commitments under operating leases

The 2022/23 presentation under IFRS 16 Leases includes all leases on the statement of financial position as right-of-use assets with a corresponding lease liability, other than leases which are short leases (terms of 12 months or less) or low value leases (asset value of less than £5,000). Leases that qualify for these exemptions are included within the disclosure below for 2022/23.

The future aggregate minimum lease payments under non-cancellable leases not accounted for elsewhere under IFRS 16 are as follows:

	31 March 2023	31 March 2022
Total future minimum lease payments under operating leases are:	£'000	£'000
Not later than one year	-	372
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	372

The minimum lease payments are determined from the relevant lease agreements and do not reflect possible increases as a result of market-based reviews. The lease expenditure charged to the Statement of Comprehensive Net Expenditure during the year is disclosed in note 4.

17. Related party transactions

The Information Commissioner confirms that he had no personal business interests which conflict with their responsibilities as Information Commissioner.

During the financial year 2022/23, DCMS was a related party to the Information Commissioner.

During the year no related party transactions were entered into, with the exception of providing the Information Commissioner with grant-in-aid, other funding and the appropriation-in-aid of civil monetary penalty.

In addition, the Information Commissioner has had various material transactions with other central government bodies, most of these transactions have been with the Principal Civil Service Pension Scheme (PCSPS). For list of transactions see the remuneration and staff report.

None of the key managerial staff or other related parties has undertaken any material transaction with the Information Commissioner during the year.

18. Contingent liabilities

There are no contingent liabilities at 31 March 2022 (31 March 2021: none).

19. Events after the reporting period

There were no events between the Statement of Financial Position date and the date that the Accounting Officer authorised the accounts for issue, which is the date of the Certificate and Report of the Comptroller and Auditor General. The accounts do not reflect events after this date.

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