

Audit Committee– minutes

21 June 2021

Members:

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| Ailsa Beaton (chair) | Non-Executive Director |
| Roger Barlow | Independent Audit Committee member |
| Jane McCall | Non-Executive Director |

Attendees:

ICO

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| Elizabeth Denham | Information Commissioner |
| Louise Byers | Director of Corporate Affairs and Governance |
| Andrew Hubert | Director of Resources |

Internal Auditors

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| Peter Cudlip | Mazars |
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External Auditors

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| Robert Buysman | National Audit Office |
| David Eagles | BDO |
| Sebastian Evans | BDO |

Secretariat

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| Chris Braithwaite | Senior Corporate Governance Manager |
| Caroline Robinson | Corporate Governance Officer |

1. Introductions and apologies

- 1.1. Apologies were received from Paul Arnold and Darren Jones.
- 1.2. Ailsa Beaton confirmed that Sid Sidhu will now be stepping away from ICO work and that Robert Buysman will be representative for NAO on the Committee.
- 1.3. The Committee thanked Sid Sidhu for his help and advice over the years.

2. Declaration of interests

- 2.1 There were no declarations made.

3. Matters arising from the previous meeting

- 3.1 The minutes of the previous meeting were approved.

4. Information Commissioner's update

- 4.1 Elizabeth Denham reflected on the work of the Audit Committee over the past 5 years and the changes that have happened at the ICO since 2016, including GDPR, Brexit, the expansion of the organisation and, most recently, business continuity issues due to COVID-19.
- 4.2 She commented that the Audit & Risk Committee has provided her with significant assurance over the years by expanding its work to include governance structures and cyber risk and she thanked Ailsa Beaton for her work as Chair of the Audit & Risk Committee.
- 4.3 The Commissioner also thanked Roger Barlow for his work during his term as the Independent Audit Committee member. She thanked Roger for his commitment and service, as well as the advice he has provided to her and the Committee over the past 9 years.

5. Internal Audit

- 5.1 Peter Cudlip presented the Annual Report and confirmed the formal opinion of Moderate, which he explained was a positive finding.
- 5.2 He also confirmed that 100% of the recommendations for the follow up report have been completed.
- 5.3 Ailsa Beaton and Roger Barlow commented that having 100% of recommendation completed for the follow up report is a first and thanked everyone involved for ensuring that the outstanding actions were completed to time.

6. Outstanding audit recommendations

- 6.1 Chris Braithwaite confirmed that good progress has been made on actions since the last meeting.
- 6.2 He explained that corporate governance will be gathering evidence throughout the year as actions are completed to help ease the follow up process next year.

7. External Audit

- 7.1 Robert Buysman explained that the NAO had recently published a best practice guide on the principles of regulation to help with the challenges that many regulators are facing, and that the NAO will be organising a session alongside DCMS for regulators later in the year.

Action: The Committee to consider the NAO’s best practice guide on principles of regulation at its October meeting.

- 7.2 David Eagles confirmed that BDO are coming to the final stages on the audit and do not expect any issues to be raised which may affect the Annual Report. BDO are very grateful for the support received on the audit from the teams across the ICO
- 7.3 Sebastian Evans presented the external audit annual report and highlighted the depreciation policy, correction to the note on lease liabilities and unadjusted misstatements. It was confirmed that the figures in the unadjusted misstatements do not reach the materiality threshold, however it was recommended that a process of quantifying credit loss be considered in the future and carried out prior to next year’s audit.
- 7.4 The Audit & Risk Committee recommended that the Commissioner sign the letter of representation.

8. ALB Audit Chair’s Assurance Letter

- 8.1 The Committee were comfortable for Ailsa Beaton to sign the ALB Audit Chair’s Assurance letter on behalf of the Audit & Risk Committee.

9. 2021 Annual Report and Financial Statements

- 9.1 Louise Byers presented the Audit Committee Annual Report and the Annual Report and Accounts 2020/21 for final sign off.
- 9.2 It was confirmed that the Annual Report needs to be laid before Parliament by 7 July at the very latest and the target date should be 5 July.

Action: Louise Byers and Chris Braithwaite to liaise with BDO and NAO and review the timeline for the Annual Report.

- 9.3 The Committee formally agreed the Audit Committee Annual Report and the Annual Report and Financial Statements 2020/21.

10. Risk and Opportunity Management

- 10.1 Louise Byers presented the Risk and Opportunity report which provides the Committee with assurance on the ICO's corporate risk and opportunity register and outlines the outcomes from the recent risk review.
- 10.2 The Committee discussed whether cost inflation was being considered as part of the finance risk. Louise Byers explained that the risk would be closely monitored throughout the financial year and cost inflation would be a factor that was considered.
- 10.3 The Committee was keen to look at the risks relating to ransomware and similar issues as part of the deep dive exercise at the October meeting.
- 10.4 The Board also noted the recent publication of the Taskforce on Innovation, Growth and Regulatory Reform's (TIGRR) independent report.

Action: Corporate Governance to circulate a copy of the TIGRR report to the Committee alongside the minutes.

11. Finance

Management Accounts

- 11.1 Andrew Hubert presented the management accounts to the end of May and confirmed that a full deep dive review of the budget will be carried out at the end of Quarter 1.
- 11.2 Currently the budget lines are on track however the fee income and staffing vacancies will be monitored throughout the year.

Single Tender Awards

- 11.3 The Committee discussed oversight of expenditure and Louise Byers explained that the Risk & Governance Board had oversight of publishing transactions.

12 Any other Business

- 12.1 Ailsa Beaton echoed the Commissioner's tribute to Roger Barlow at the beginning of the meeting and thanked Roger for his advice and counsel over the past 9 years.
- 12.2 Roger Barlow thanked the Committee and encouraged the ICO in its quest for best practice and he looks forward to reading next year's Annual Report.
- 12.3 Ailsa Beaton formally thanked David Eagles and the team at BDO for all their hard work and advice to the Committee.