

Executive Team – for decision

Meeting agenda title: Annual report approach

Meeting date: 18 December 2023

Time required: 10 minutes

Presenter: Louise Byers

Approved by: Jen Green

1. Objective and recommendation

- 1.1. For the Executive Team to agree the approach to the annual report for 2023/24.
- 1.2. The recommendation is that we should repeat last year's process taking into account the lessons learned from the audit, and retain the alignment to ICO 25 in the report format.

2. History and dependencies

- 2.1. Following laying of the annual report in July 2023, a report was submitted to the Audit and Risk Committee setting out lessons learned from the production of that annual report. This was considered by Audit and Risk Committee in November 2023. The lessons learned have been factored into this report.

3. Developing a common understanding

- 3.1. Under the DPA 2018, the ICO is required to produce an annual report and accounts, which must be presented to Parliament before 31 August each year. The annual report is therefore split into three parts:
 - Part A: Performance Report
 - Part B: Accountability Report
 - Part C: Financial Statements
- 3.2. The 2023/24 annual report will need to be laid before Parliament's summer recess in July 2024, likely to be on or around 17 July. This is reflected by the scheduling of the Audit and Risk Committee meeting on 20 June 2024, at which the Committee will expect to be presented with the final version of the annual report, which has been signed off by the external auditor. The Audit and Risk

Committee will then advise the Commissioner to sign the annual report.

4. Matters to consider to achieve objective

Part A – Performance report

- 4.1. Last year the performance report was structured around ICO 25 which included sections on: safeguarding and empowering people; empowering responsible innovation and sustainable economic growth; promoting openness and transparency; and continuously developing the ICO's culture, capacity and capability.
- 4.2. This approach allowed Directorates to adapt existing published comms products as the basis for the annual report and was successful last year. While it still requires Directorates to articulate the impact of our work, it also means that production of the annual report can be started well in advance of the year end. The Communications Team held the pen on writing the narrative which meant there was a cohesive tone throughout the report.
- 4.3. The lack of content relating to work delivered in the devolved nations in Part A was realised late in the process last year and will be woven into the sections this year to ensure completeness.

Part B – Accountability report

- 4.4. This section of the report includes the directors' report, governance statement and remuneration policy. There is a standard format for each of these areas, with little scope to amend or adjust what we report.
- 4.5. For the EDI part of this section, in each of the last three years we have expanded the section to give more information of the work we had done to achieve the EDI objectives.
- 4.6. Some of the information in this section will not be available until after the year end but we have well established processes to ensure the relevant teams, for example Facilities and People Services, are able to deliver the required content on time.

Part C – Financial Statements

- 4.7. The financial statements are a key part of the annual report and we must comply with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements of Public Sector Entities in the United Kingdom. There is no option for significant deviation from the norm. Last year,

delays in the audit sign-off meant that the final version of this section was not available for the Audit and Risk Committee to review at its usual June meeting, and a second meeting had to be convened - which resulted in a delay to the ICO's planned laying date in Parliament, although this was still done prior to the summer recess.

- 4.8. The lessons learned from the production of the 2022/23 Annual Report and Accounts mainly focused on ways to improve the efficiency of the audit and working relationships, with 10 actions for the ICO and Deloitte (who audit the ICO on behalf of the National Audit Office, NAO) to implement in order to mitigate against the risks of delay this year. Progress with each of these actions will be monitored by the Audit and Risk Committee at each of its meetings.
- 4.9. A further lesson learned action related to the realistic reporting of progress to the Audit and Risk Committee. Deloitte and NAO will communicate with more clarity and identify realistic risks to achieving deadlines should any delays be encountered.

Other matters

- 4.10. A key challenge with delivery of this part of the report for 2023/24 will be the turnover in personnel involved. As a result of the recent machinery of government changes, the NAO team has entirely changed, and a new Audit Manager has been appointed by Deloitte. A detailed handover of responsibilities within these teams should mitigate any risks.
- 4.11. The ICO Head of Finance left in July 2023 and was replaced in December 2023, with an interim appointment in the intervening period. There was also a long-term absence of the ICO Director of Finance during November and December 2023, with an interim appointment in the intervening period. Again, detailed handovers should mitigate any risks. The interim staff will return to their substantive roles within the ICO, and will be available during the audit should any queries arise.
- 4.12. The ERP system (WorkDay) change from April 2023 may result in changes to the financial reporting for this year, and may require additional systems testing during the interim or final audit. Work will be planned well in advance of the financial year end.

4.13. Future governance transition will not affect the reporting period ending on 31 March 2024, but there may be additional complexities in assessing going concern and in reporting future positions.

5. Next steps

5.1. The next steps for this work are:

- Corporate Governance to begin commissioning contributions to the report during January and February 2024.
- Communications to develop first draft of performance narrative during March 2024.
- Communications & Engagement Board to review draft during April 2024.
- Executive Team to review draft on 22 April 2024.
- Management Board to review Part A of the report on 20 May 2024.
- Finalise financial statements during June 2024.
- Audit & Risk Committee to consider Annual Report for sign off on 20 June 2024.
- Target laying date of 2 July 2024.

Author: Fiona Wilcock

Consultees: Chris Braithwaite, Louise Byers

List of Annexes: None

Publication decision: This report can be published internally and externally without redaction.

Outcome reached: