

Information Commissioner's Annual Report and Financial Statements 2013/14

Effective, efficient -
and busier than ever

Information Commissioner's Annual Report and Financial Statements 2013/14

Report Presented to Parliament pursuant to Section 52(1) of the Data Protection Act 1998 and Section 49(1) of the Freedom of Information Act 2000 and Accounts Presented to Parliament pursuant to paragraph 10(2) of Schedule 5 to the Data Protection Act 1998.

Ordered by the House of Commons to be printed 14 July 2014

HC 515

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Print ISBN 9781474108614

Web ISBN 9781474108621

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

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Mission

The ICO's mission is to uphold information rights in the public interest, promoting openness by public bodies and data privacy for individuals.

Goal

The ICO's goal is to achieve a society in which:

- All organisations which collect and use personal information do so responsibly, securely and fairly.
- All public authorities are open and transparent, providing people with access to official information as a matter of course.
- People are aware of their information rights and are confident in using them.
- People understand how their personal information is used and are able to take steps to protect themselves from its misuse.

Our vision

To be recognised by our stakeholders as the authoritative arbiter of information rights, delivering high-quality, relevant and timely outcomes, responsive and outward-looking in our approach, and with committed and high-performing staff – a model of good regulation and a great place to work and develop.

Your information rights

The **Data Protection Act 1998** gives citizens important rights including the right to know what information is held about them and the right to correct information that is wrong. The Data Protection Act helps to protect the interests of individuals by obliging organisations to manage the personal information they hold in an appropriate way.

The **Freedom of Information Act 2000** 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 **Privacy and Electronic Communications Regulations 2003** support the Data Protection Act by regulating the use of electronic communications for the purpose of unsolicited marketing to individuals and organisations, including the use of cookies.

The **Environmental Information Regulations 2004** provide an additional means of access to environmental information. The Regulations cover more organisations than the Freedom of Information Act, including some private sector bodies, and have fewer exceptions.

The **Infrastructure for Spatial Information in the European Community Regulations 2009** gives the Information Commissioner enforcement powers in relation to the pro-active provision by public authorities of geographical or location based information.

Information Commissioner's foreword

Upholding information rights in the public interest is what the ICO exists to do. But that must involve more than a traditional regulator's enforcement role. Equally important to securing compliance with data protection and freedom of information law is our work educating organisations and individuals about their rights and responsibilities. We aim to empower citizens and consumers to assert their rights effectively. We seek to enable the development and delivery of new products and services, helping businesses and organisations to innovate without compromising privacy. And we strive to engage with the latest techniques and technologies – to make sure that the optimum balance is struck between privacy and openness.

Effective information rights regulation on the ICO model will be vital in rebuilding necessary public confidence, both in digital services, whether commercial or public sector, and in transparent and accountable government. The Edward Snowden revelations about state surveillance, the botched communications around care.data and access to patient records in the NHS, and the all too common foot-dragging by public authorities around the publication of 'inconvenient truths' about policy and performance – all these serve to make it more difficult to secure the necessary public support for the introduction of new and better ways of delivering services in the cash-strapped public sector. And commercial players too need to win the trust of suspicious and canny consumers who are fed up with being taken for fools by big brands and big business with their often opaque and tricky privacy statements. Effective, well rounded regulation that can keep up with the fast moving world of digital will be needed to restore reputations and rebuild confidence. That is what the ICO offers today – and can offer in the years ahead.

In this report you can read about how the ICO has been processing record numbers of complaints, answering more questions on our help line, and concluding more enforcement actions than ever before. Increased levels of efficiency and productivity have enabled us to deal with cuts to our grant-in-aid and controls on our spending. Our 'Looking Ahead, Staying Ahead' consultation helped us to develop new ways of responding to the growing demand for our services. We are now making better use of the intelligence derived from the mass of customer contacts to identify our priorities for regulatory intervention. And we are seeking to work ever more effectively with other regulatory authorities to secure the biggest impact.

But in order to be an effective partner in delivering modern and innovative services, the ICO needs stronger powers, a more sustainable funding system, and a clearer guarantee of independence.

We need to be able to audit any and all data controllers and public authorities for compliance with information rights laws. People who steal others' personal information need to face the prospect of a prison sentence. And private contractors undertaking public functions should be no less transparent and accountable than their public sector equivalents.

Productivity and efficiency at the ICO are impressive and this year's report shows further progress in delivering 'better for less'. But a new and better 'funding model' for information rights is now urgently required. The mixed system of notification fees for data protection work and grant-in-aid for freedom of information is becoming increasingly difficult to manage. Our

grant-in-aid from the Ministry of Justice, which has been cut in every year since I became Information Commissioner in 2009, is simply not adequate for us to do the work we could and should be doing to promote greater efficiency and accountability in the public service. The apportionment of office overheads between the two funding streams means that we are held back from doing all we could on data protection because of the perverse impacts on our restricted freedom of information budget. There will in any case need to be a new means of funding our data protection work when the new EU Regulation is finally settled. Parliament needs to get on with the task of establishing a single, graduated information rights levy to fund the important work of the ICO as the effective upholder of our vital right to privacy and right to know.

As well as having the powers and the resources to do the job that is needed in this "Brave New World" of both digital opportunities and digital threats, the Information Commissioner needs the guarantee of independence that comes from a more formal relationship with Parliament than is the case at present. We value our involvement in Whitehall policy making, but to be an effective partner the ICO must be recognised as more than just another non-departmental public body.

I look to Parliament to act to strengthen the Commissioner's powers, to enable the adequate resourcing of the Office, and to guarantee the Commissioner's independence.

My thanks are due to all my colleagues at the ICO and to the non-executive members of the Management Board – in particular, Neil Masom, chair of the Audit Committee, who is leaving the Board on the completion of his second term. I congratulate all members of my staff whose performance this year, reported in the following pages, makes a strong case for investing in the ICO as the information rights regulator the UK needs for the future.



Christopher Graham

Information Commissioner

3 July 2014

Our aims

For 2013/14 the ICO identified the following six objectives, achievement against which will enable us to achieve our strategic outcomes.

1. Organisations better understand their information rights obligations.
2. Enforcement powers are used proportionately to ensure improved information rights compliance.
3. Customers receive a proportionate, fair and efficient response to their information rights concerns.
4. Individuals are empowered to use their information rights.
5. The ICO is alert and responsive to changes which impact on information rights.
6. An efficient ICO well prepared for the future.

Our year at a glance

April 2013

We published new freedom of information guidance on the government policy exemption.

We prosecuted an estate agent for failing to register with the ICO.

May 2013

We published new guidance on vexatious requests and the Freedom of Information Act, and on the applicability of the Data Protection Act to social networking and online forums.

Research on the possible implications for businesses of a new European Data Protection Regulation.

We provided written evidence to the Work and Pensions Select Committee on the role of Jobcentre Plus.

June 2013

We issued civil monetary penalties for failing to keep personal data secure against:

- Stockport Primary Care Trust
- Halton Borough Council
- Glasgow City Council
- North Staffordshire Combined Health Care Trust

And for breaches of the Privacy and Electronic Communications Regulations against:

- Nationwide Energy Services
- We Claim you Gain

We served Google Inc. with an enforcement notice over the collection of data by Google's Street View cars.

July 2013

We issued civil monetary penalties against:

- Tameside Energy Services Ltd for unwanted marketing calls
- NHS Surrey for failing to keep personal data secure

.....
An action plan to tackle nuisance calls agreed with Ofcom.

August 2013

We published guidance on datasets under the Freedom of Information Act, and a new code of practice on subject access under the Data Protection Act.

.....
We provided written evidence to:

- The Culture Media and Sports Select Committee on nuisance telephone calls and text messages.
- The Committee into Standards in Public Life on transparency and lobbying.

.....
We launched an investigation into alleged blacklisting in the construction industry.
.....

We issued civil monetary penalties for failing to keep personal data secure against:

- Aberdeen City Council
- Islington Borough Council
- Bank of Scotland

September 2013

We published a report for UK elected representatives setting out good data handling practice in constituency offices, and new guidance on direct marketing.

We issued a civil monetary penalty against Jala Transport Ltd.

We held a media workshop in London with editors and journalists.

Our Director of Operations gave evidence to the Culture Media and Sport Select Committee on nuisance calls and text messages.

The Commissioner appeared before the Home Affairs Select Committee to answer questions about the ICO's investigation into the clients of rogue private investigators.

The ICO submitted written evidence to the Public Administration Select Committee on statistics and open data in government.

October 2013

We issued civil monetary penalties for failing to keep personal data secure against:

- North East Lincolnshire Council
- Ministry of Justice

November 2013

We gave written evidence to:

- All Party Parliamentary Group Select Committee on nuisance calls.
- House of Commons Public Bill Committee on the Immigration Bill.

The Upper Tribunal upheld our issuing of a civil monetary penalty to the Central London Community NHS Trust.

December 2013

We published guidance on mobile phone apps and the Data Protection Act.

We issued a civil monetary penalty against First Financial (UK) Ltd after the company sent millions of spam text messages.

January 2014

We launched a consultation on data protection guidance for the media.

We were invited by NHS Western Isles to deliver talks and workshops focused on data sharing. We also met with other local stakeholders and, over three days, participated in 26 events.

February 2014

We highlighted the challenges faced by independent fostering and adoption agencies when looking after sensitive personal information.

We organised workshops across Wales on good practice in handling personal information, targeted at staff in smaller organisations such as charities, voluntary agencies and the public sector.

New code of practice on privacy impact assessments.

March 2014

First-tier Tribunal upholds ICO decision notices ordering:

- Department for Work and Pensions to disclose a report on Universal Credit; and
- Department of Health to disclose parts of the Secretary of State's diary.

The Court of Appeal allowed the Guardian newspaper's judicial review of the Attorney General's use of the veto on the Upper Tribunal's judgment ordering disclosure of Prince Charles' correspondence with Ministers.

Updated guidance on political campaigning.

The ICO's annual Data Protection Practitioners' Conference held in Manchester with 750 delegates and 35 speakers.

We provided written evidence to the Scottish Parliament's Standards, Procedures and Public Appointments Committee into the procedures for considering legislation.

Operational performance

Our operational performance directly underpins the achievement of most of our aims.

Data protection complaint casework

Record receipts have been exceeded by record closures.

Complaint casework received



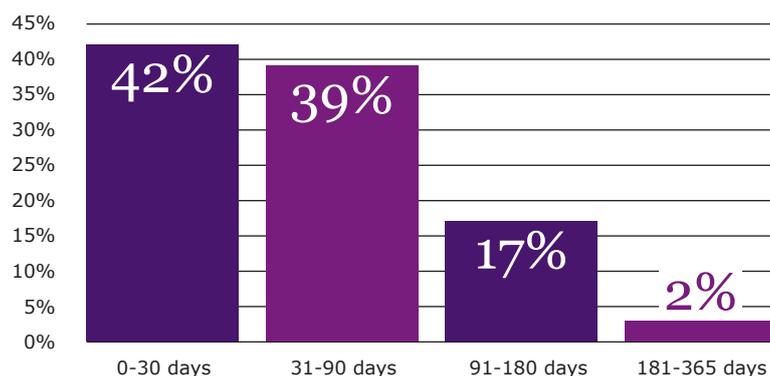
Complaint casework finished

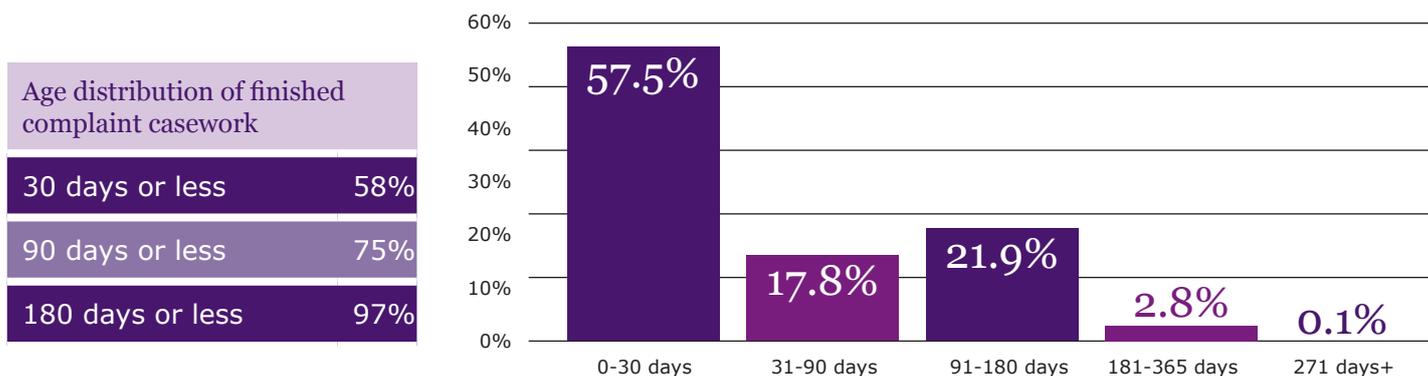


Complaint casework caseload



Age distribution of complaint caseload





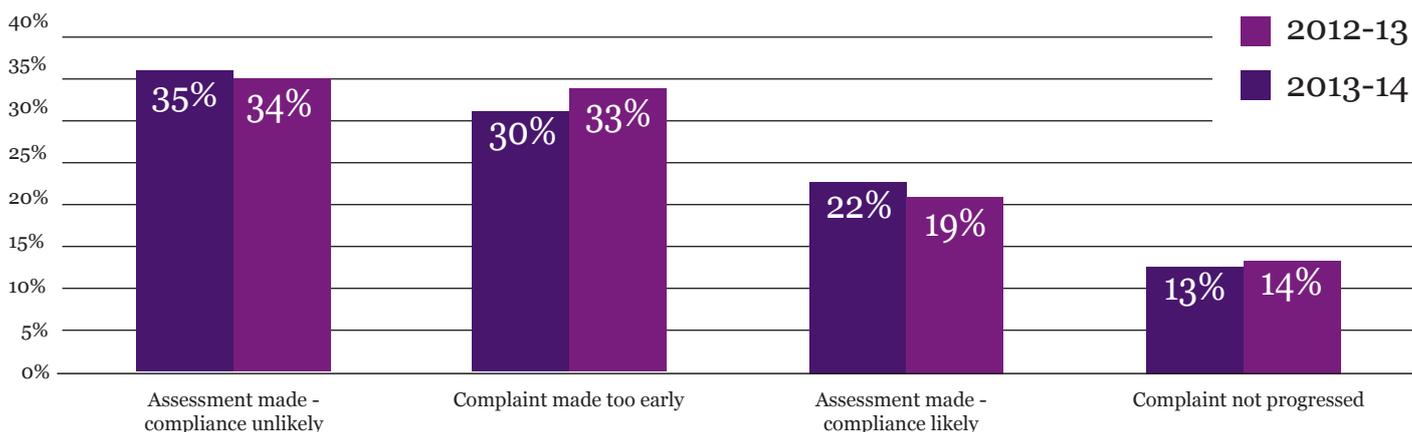
Areas generating most complaints where sector is specified

	2012-13	2013-14
Lenders	17%	17%
Local Government	11%	12%
Health	9%	10%
General Business	9%	9%
Central Government	6%	7%
Policing and criminal records	5%	5%
Telecoms	4%	4%
Education	4%	4%
Insurance	3%	3%
Retail	2%	2%

Reasons for complaining

	2012-13	2013-14
Subject access	47%	50%
Disclosure	19%	17%
Inaccurate data	16%	15%
Security	6%	6%
Fair processing	2%	2%
Use of data	3%	2%
Right to prevent processing	2%	2%
Retention of data	1%	1%
Obtaining data	2%	1%
Excessive / Irrelevant data	1%	1%

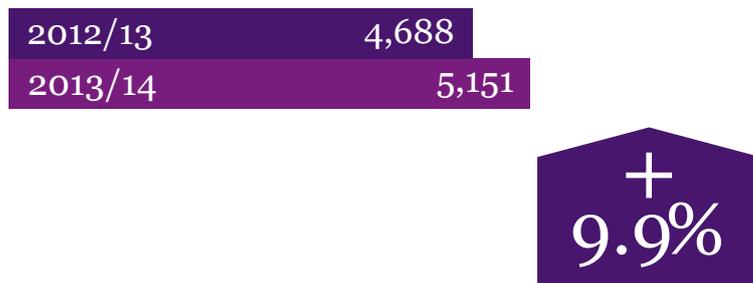
Outcomes of complaint casework



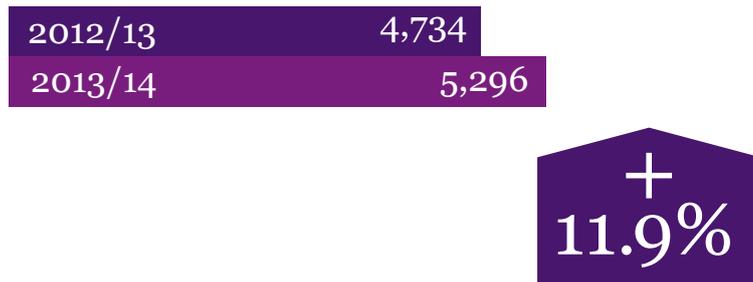
Freedom of information and environmental information casework

Despite a cut in funding for freedom of information work we more than met the challenge of a 10% increase in workload.

Complaint casework received



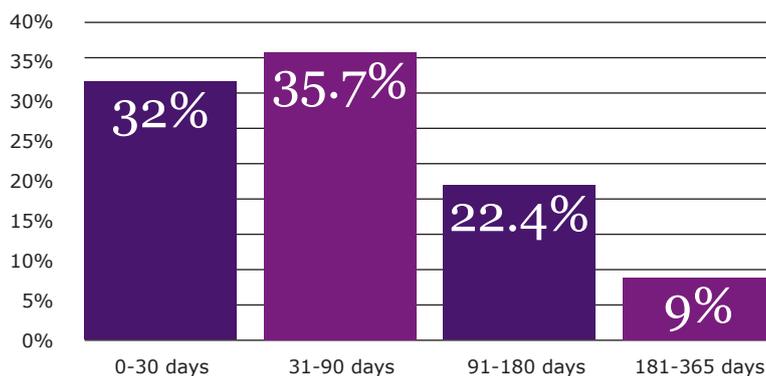
Complaint casework finished



Complaint casework caseload

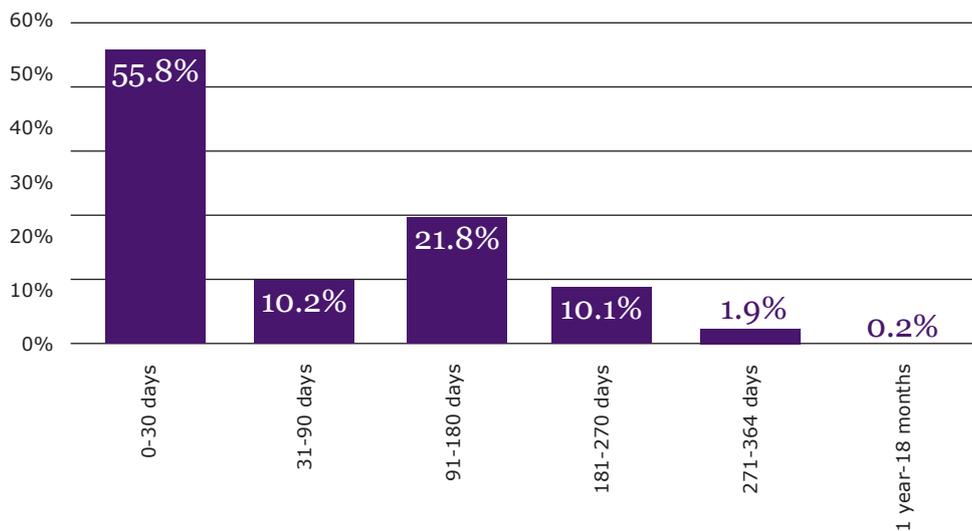


Age distribution of complaint caseload



Age distribution of finished complaint casework 2013/14

30 days or less	55.8%
90 days or less	65.9%
180 days or less	87.8%
365 days or less	99.8%



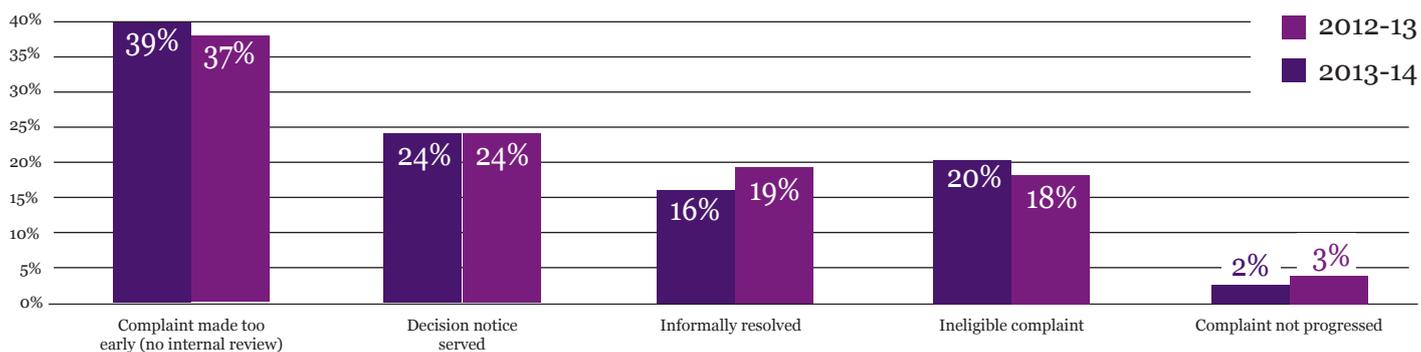
Areas generating most complaints where sector is specified

	2012/13	2013/14
Local government	45%	43%
Central government	24%	26%
Health	9%	9%
Police & criminal justice	8%	8%
Education	8%	8%
Private companies	1%	1%

Outcome of a complaint where a decision notice is served

	2012/13	2013/14
Total served	1106	1261
Upheld	311 (28%)	314 (25%)
Not upheld	615 (56%)	774 (61%)
Partially upheld	180 (16%)	173 (14%)

Outcomes of complaint casework



Privacy and Electronic Communications Regulation casework

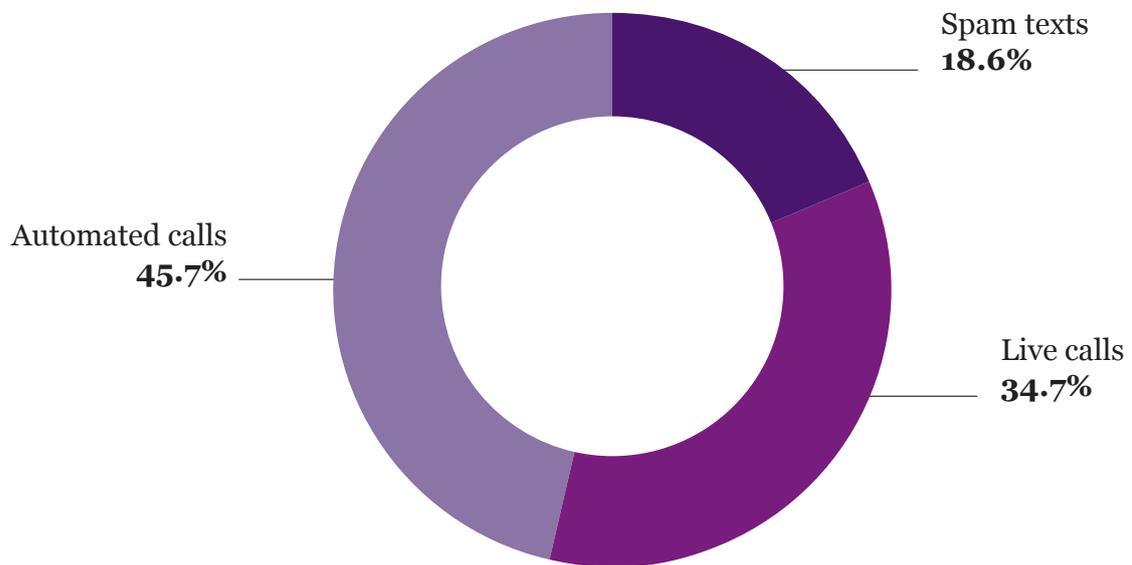
We received a record number of concerns from the public. Using this information we took formal action against those who act outside the law and who cause frustration and distress to so many people.

2012/13	161, 898
2013/14	161, 720

Cookie concerns reported

685	2012/13
278	2013/14

Nature of telesales and SPAM texts reported



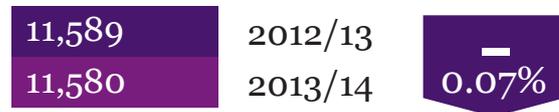
Advice

Dealing with more customers than ever before we made our services more efficient and significantly increased the percentage of written enquiries responded to within 30 days.

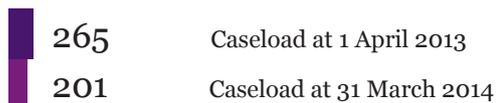
Written advice casework received



Written advice casework finished



Written advice casework received



Helpline advice calls received



Helpline advice calls answered



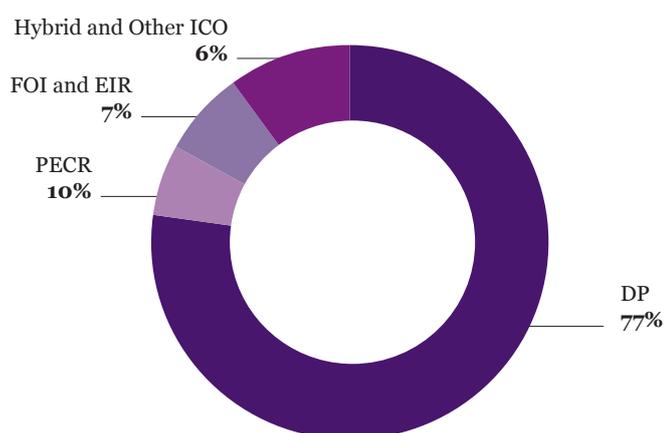
Written advice

Received in year	11,901
Finished in year	11,580
265 Caseload at 1 April 2013	
201 Caseload at 31 March 2014	

Nature of general advice finished in year

How to apply the legislation	36%
General advice about legislation and the role of the ICO	40%
Advice requested is not in the ICO's remit	6%
What rights do I have to access information	9%
Electronic and postal marketing	9%

Type of general advice finished in year



Age distribution of finished advice work

Within 7 days	57%
Within 30 days	98%

Helpline advice

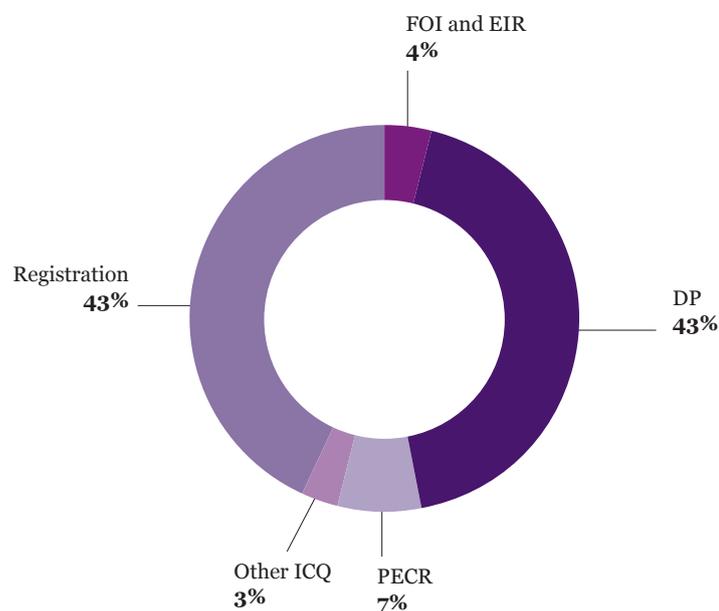
Calls received	259,903
Calls answered	243,437

Call answer rates

Percentage answered	94%
Average wait time	85 seconds

Nature of helpline advice

Registration	43%
General advice about legislation and the role of the ICO	37%
What rights do I have to access information	8%
Security of my data	5%
Electronic and postal marketing	4%
Accuracy and relevance of data held about me	3%
How to apply the legislation	1%



Outcome definitions

FOI and EIR complaint outcome definitions

Informally resolved

Complaint resolved without a formal decision notice being served.

Decision notice served

Complaint resolved with a formal decision notice being served.

Ineligible

This includes the following outcomes:-

- Insufficient evidence - Where the ICO has not received enough relevant information to be able to accept the complaint.
- Not PA - The complained about organisation is not a formal public authority as defined by the FOI Act.
- Not section 50 - The matters raised are not eligible for consideration under the complaints section of the FOI Act.
- Not EIR - The matters raised are not eligible for consideration under the Environmental Information Regulations.
- Vexatious - The complaint is deemed by the ICO to be vexatious.
- Frivolous - The complaint is deemed by the ICO to be frivolous.

Complaint made too early (no internal review)

An internal review that examines the original decision has not been completed by the public authority.

Complaint not progressed

The complaint was raised with the ICO after an undue length of time or the customer no longer wishes to pursue their complaint.

DP complaint outcome definitions

Ineligible / Complaint made too early

Where the ICO has not received enough relevant information to be able to accept the complaint. This may include complaints that have not yet been investigated by the organisation concerned.

Assessment made - compliance likely

The ICO concludes that an organisation is likely to have complied with their obligations under the DPA.

Assessment made - compliance unlikely

The ICO concludes that an organisation is unlikely to have complied with their obligations under the DPA.

Complaint not progressed

The ICO has not been able to pursue the complaint. Examples include where the organisation processing personal information is based outside the UK, where the ICO has been able to address the issue by providing advice, or where the customer wishes to withdraw their complaint.

1. Organisations better understand their information rights obligations

Providing advice

We provided advice to a record number of organisations and individuals this year:

- 260,000 calls received by our helpline (up 15.4%)
- 12,000 written requests for advice received (up 5.7%)

Audits, advisory visits and workshops

To help organisations understand their responsibilities we undertook:

- 63 audits;
- 117 advisory visits aimed at providing small and medium sized organisations with practical data protection advice, and
- held workshops for over 80 organisations.

We explored innovative ways of sharing our findings:

- filming presentations and workshops;
- supporting the sharing of good practice between organisations; and
- working with government departments, umbrella organisations and sector representatives to promote our views.

Guidance

We have expanded and updated our guidance:

- clarifying the approach to vexatious requests under the Freedom of Information Act;
- producing a new code of practice on subject access;
- developing guidance on direct marketing; and
- publishing a new privacy impact assessments code of practice.

Specific issues

Care.data

During the year plans for general practitioners in England to release medical information, to be used mainly for medical research, came under scrutiny. General practitioners are required to do this, and we worked with those responsible for care.data to try to ensure that patients understood what was happening and were given a choice.

Our intervention led to improved patient information and revised timescales, but it became clear that these mechanisms were not effective. We will continue to try to ensure that there are effective mechanisms in place to respect patient choices.

Student loans

The sale of the student loan book to the private sector could have resulted in a lot of unnecessary information about loans being disclosed to credit reference agencies. We ensured that information on accounts which were up to date was not passed to credit reference agencies, and that there are effective safeguards to ensure the accuracy of any information transferred.

Online dating services

Use of online dating services has grown and there are concerns about how personal information is used and shared. We initiated work with the Online Dating Association to provide guidance to the sector.

Midata

There is legislation that could require certain sectors, including energy supply, banking and mobile phones, to release service use data back to customers in a portable and reusable form. We have been working with government and others to ensure that safeguards are in place as services develop.

Internet connected televisions

We are in contact with a television manufacturer to address concerns that information on viewing habits is being collected through internet connected televisions even though privacy settings have been turned on.

The Senior Leaders' Collective Pledge

With the Welsh Government we have taken forward the Senior Leaders' Collective Pledge, to encourage Welsh public sector chief executive engagement in supporting and promoting appropriate data sharing and effective partnership working.

Wales Accord in Sharing Personal Information (WASPI)

We worked closely with the Welsh Government's Sharing Personal Information programme, and supported the use of WASPI's templates for data sharing agreements.

Working with local authorities

Local government holds particularly sensitive personal information. However the high level of security breaches show that local government has much more to do to keep the information secure. We wrote a letter jointly with the Chair of the Local Government Association to remind authorities of their obligations and of the need to improve performance.

2. Enforcement powers are used proportionately to ensure improved information rights compliance.

Our enforcement work

This year, using information we received from the public and our own research, we:

- investigated a record 1,755 data protection cases; an increase of 385;
- issued £1.97m civil monetary penalties;
- issued seven enforcement notices; and
- issued 28 undertakings.

Information on the type of data breaches and the sectors in which they occur shows the high number of incidents within local government and health sectors; in particular the disclosure of personal data in error.

Unsolicited marketing calls and texts

Unsolicited marketing calls and texts remain a major concern. We received just over 160,000 reports about these; the majority relating to PPI and claims management, debt management and green energy deals. In response:

- we issued five civil monetary penalties relating to marketing calls and texts totalling nearly half a million pounds;
- prosecuted nine organisations and their directors under the Data Protection Act for not registering with the ICO;
- undertook seven prosecutions related to breaches of the Privacy and Electronic Communications Regulations, issued four enforcement notices and agreed one undertaking;
- monitored 25 organisations and met with 13 others to ensure they had action plans to reduce the number of complaints we received about them (leading to a 70% reduction in complaints about monitored organisations); and
- we have written to 40 organisations asking them to submit plans for improving their business practices in the area of consent.

Self reporting of security breaches

This year we were given responsibility for monitoring the compliance of communications service providers who have to notify us of any security breach within 24 hours. We received and followed up over 260 reports.

Breaches of section 55 of the Data Protection Acts

Section 55 relates to the unlawful obtaining or disclosing of personal data. We secured 12 criminal convictions and issued two cautions:

- We prosecuted a leisure centre employee who obtained sensitive medical details relating to 2,471 people. The defendant was convicted and sentenced to a £3,000 fine plus £15 victim surcharge and prosecution costs of £1,376.50.
- A probation officer pleaded guilty to unlawfully disclosing personal data. She had revealed a domestic abuse victim's new address to the alleged perpetrator. She was sentenced to a £150 fine plus £20 victim surcharge and £250 costs.
- A bank cashier pleaded guilty to 23 offences and was sentenced to a £130 fine per offence, totalling £2,990, plus £120 victim surcharge and £250 costs. She had accessed the accounts of her best friend's partner and disclosed the information to her friend.
- A practice manager accessed the medical records of almost two thousand patients. He pleaded guilty to 12 specimen charges and was fined £83 per offence, totalling £996, plus a £99 victim surcharge and £250 costs.

Other investigations

- We prosecuted a debt tracing company called ICU Investigations Limited, securing convictions for five employees, the company secretary and the director of the company.
- Supported by officers from the National Crime Agency we are investigating organisations on a list provided by what was the Serious and Organised Crime Agency. The organisations had allegedly instructed rogue private investigators to do work for them.
- Along with the police, the Ministry of Justice Claims Management Unit and other regulators, we investigated the unlawful trade in personal data within the claims management industry.
- The Disclosure and Barring Service's criminal record check application process had not kept up with changes in the law and some prospective employers were told about criminal convictions that applicants no longer had to declare. In consequence some job offers were withdrawn. The service signed an undertaking to make the necessary changes to its systems.
- We took action against Hertfordshire Constabulary about their use of automatic number plate recognition equipment around Royston. It was impossible to drive into the town without being recorded. We required the force to undertake a privacy impact assessment on the use of the equipment. This led to the removal of most of the cameras as they did little to help with law enforcement.
- We intervened when Staffordshire Police publicised details of drivers charged with drink driving on Twitter. Whilst releasing some details of people charged with criminal offences is acceptable, using a hashtag '# Drink Drivers' is potentially misleading as it implies guilt. The force quickly amended its approach.
- We reviewed the use of computers in internet cafés. This led to us issuing advice on how to make people better aware of the risks of using shared internet facilities.

3. Customers receive a proportionate, fair and efficient response to their information rights concerns.

Performance

Record receipts were matched by record closures:

- Almost 15,500 concerns about data protection issues and 5,300 freedom of information cases were considered and concluded.
- The majority of customers receive decisions in less than six months and over 65% receive decisions within three months.

Driving improvements in information rights practices

We use individual concerns to drive wider improvements in information rights practices including;

- Requesting an action plan from the UK Banking Authority as an individual's request for their own information had taken over nine months to resolve.
- Ensuring AXA PPP Healthcare revises its procedures for obtaining appropriate consent when processing medical information.
- Agreeing changes to procedures for managing subject access requests used by a data processor working for a number of mortgage companies.
- Working with Care UK Ltd to address the risks it was taking in keeping a large amount of data on spreadsheets.
- Agreed an action plan with a debt management company which was providing inaccurate data to its customers.

Working in the health sector:

- Sussex Partnership NHS Trust provided more resources for their health records team.
- Mid Yorkshire Hospitals Trust agreed to review its arrangements for handling freedom of information requests, resulting in a new post being created and new training for staff.
- Camden and Islington NHS Trust appointed a new governance manager and temporary staff as well implementing a new system for tracking information requests.
- Homerton Hospital signed up to an action plan to implement a subject access request process for its internal customers.
- Luton and Dunstable Trust agreed to an audit after evidence emerged of poor record keeping in relation to off-site storage.

Working in the local government sector:

- Improvements to freedom of information compliance at Liverpool City Council have been agreed including better staff training.
- Following an increase in complaints about Devon County Council an audit was agreed.
- We followed up a previous audit of the London Borough of Southwark and reviewed the authority's performance in handling information requests.

Handling of freedom of information requests

We continue to monitor the performance of public authorities in handling freedom of information requests. All but two of the monitored public authorities showed improvement.

When monitoring we have a range of tools available to help improve performance including:

- Undertakings – the Chief Executive of Wirral Metropolitan Borough Council signed an undertaking committing the authority to making improvements in its processes.
- Engagement – We engaged with the Office of the First Minister and Deputy First Minister, Northern Ireland following an extended period of monitoring. There had been improvement but there remained a handful of significantly overdue responses which have now been cleared and formal monitoring has ended.

The Metropolitan Police Service and the Home Office, although making progress, did not make sufficient improvement within the initial monitoring period and were subject to further monitoring. Both organisations continue to work closely with us.

Freedom of information decision notices

- We issued 1,261 decision notices; more than ever before.
- Around 40% were either partially or fully upheld in the complainants favour.
- Just over 60% of the formal decisions we reach show that the law is being used appropriately.

Cases and issues covered include:

- Requests for information about the national badger culling project.
- The disclosure of higher education strategic and operational risk registers.
- A request made of the Department for Work and Pensions for the Universal Credit project gateway review.
- Budgets for free schools.
- Information in connection with Hs2 from the Department of Transport.

All of our completed freedom of information decision notices are published on our website.

4. Individuals are empowered to use their information rights.

Performance

During the year:

- Record numbers of people visited our website (both as members of the public and as representatives of organisations).
- Over 240,000 customers received advice from our Helpline staff.

Charities and community groups

We worked with charities and community groups supporting some of the most vulnerable people in society by giving presentations, making advisory visits and running workshops. The organisations we visited included ones which provide:

- Support for women and children experiencing domestic violence.
- Life skills training for adults with learning difficulties.
- Mobility equipment and trained sighted guides to help people use shops and services.
- Bereavement counselling services for those under 18.
- Counselling, complementary therapies and advocacy services for people who are affected by past conflict in Northern Ireland.

Consulting Association

Following the seizure of records held by The Consulting Association in 2009 the ICO has been in possession of information which had been used as a black list in the construction industry.

As well as addressing the data protection issues involved we are keen to contact those who may have been black listed. Given the passage of time it seemed unlikely that we would be able to accurately identify individuals. However, working with Equifax and the Department for Work and Pensions, we were able to identify contact details for a number of people.

Many other people have asked us if their details are held. Between 2009 and 31 March 2014 we have provided 776 people with relevant information; 461 during the 2013-2014 reporting year.

Citizens Advice

Many individuals turn to Citizens Advice for help with information rights issues. We have strengthened our own ties with them over the year, particularly as they acquire functions that include freedom of information obligations, and this year we signed a memorandum of understanding to put our work together on a clear footing.

Enforced subject access

A cornerstone of data protection law is that of access to your own data (subject access). However, for some time this right has been misused by organisations forcing individuals to apply for personal information and then to reveal it to the organisation. This enforced subject access is a perversion of rights intended for individuals. Provisions were included in the Data Protection Act 1998 to apply criminal sanctions but these have never been commenced.

We have continued to press for change and the incoming Justice Minister, Rt Hon Simon Hughes MP, has now confirmed that other recent changes in the law now allow enforced subject access to become an offence. We are working with the Ministry of Justice and others to ensure that this happens without further delay.

We are also working with others such as the Association of Chief Police Officers, Criminal Records Office and civil society organisations representing ex-offenders to identify those organisations involved in the practice, to provide them with advice well in advance of the change, and being ready to take action when the law is changed.

5. The ICO is alert and responsive to changes which impact on information rights.

EU data protection reform proposals

We provided advice on the proposed revision of the EU data protection regime to:

- Ministry of Justice officials.
- Members of the European Parliament.

We published research on the impact of the proposals on business which highlighted the uncertainty of many cost estimates being used in the debate:

- 40% of companies not fully understanding any of the ten main provisions being proposed.
- 87% were unable to estimate the cost of proposals to their business.

An in-depth analysis of the latest proposals is on our website. The revision will have far-reaching implications, however, we think that negotiations on it are unlikely to end before 2015.

International obligations

We are a member of the Article 29 Working Party which has focused on:

- The EU data protection reform proposals.
- Implications for data protection of the Snowden revelations on electronic communications' surveillance.
- How best to address concerns about Google's privacy policy.
- Developing an opinion on anonymisation techniques.
- Advising on privacy settings in mobile apps.

Working for greater consistency and coordination in the investigation and enforcement of global data protection issues

- We are a member of the EU level data protection supervisory bodies relating to Europol and the Customs Information System.
- We participate in supervisory arrangements relating to EURODAC, Eurojust, the Schengen Information System and the Visa Information System.
- We have also been subject to a positive evaluation of the data protection measures in place in the UK in preparation for the UK's partial access to the Schengen Information System.

The ICO is also playing a leading role in improving the coordination of enforcement with other privacy regulators:

- Co-chairing an International Enforcement Coordination Working Group; leading to the adoption of a resolution driving this work forward at the International Conference of Data Protection and Privacy Commissioners. We are now leading on the development of rules for the exchange of enforcement activity information.
- Serving on the Executive Committee of the Global Privacy Enforcement Network.
- Being represented on the OECD Working Party on Security and Privacy in the Digital Economy; contributing to its work on updating the OECD's privacy guidelines which have now been adopted.

Data sharing

Although data protection legislation is rarely a block to data sharing between public organisations, and despite our guidance, there are still concerns about the impact of data protection law. We have therefore:

- Worked with the Cabinet Office looking at whether further legislative solutions and safeguards are required.
- Given evidence to the Law Commission in its inquiry into the legal landscape affecting data sharing.

Mobile phone alert system

We worked with the Cabinet Office on proposals for a mobile phone alert system for civil emergencies.

Individual electoral registration

We have continued to work with the Cabinet Office and others on proposals for individual electoral registration; including data sharing to help populate the register and the arrangements for the publication of the edited electoral register.

Surveillance

In 2006 the ICO first asked whether we were in danger of sleepwalking into a surveillance society. Our work on CCTV and automatic number plate recognition highlights how sometimes state surveillance can be unacceptable, and the revelations by Edward Snowden have raised concerns that government efforts to protect national security and fight crime may cross the boundary of what is desirable or acceptable. We have given evidence to the Parliamentary Intelligence and Security Committee emphasising the need for increased transparency and accountability for those involved in the systematic acquisition of personal information.

We have also:

- Worked on the Secretary of State's surveillance camera code of practice.
- Agreed a memorandum of understanding with the Surveillance Camera Commissioner and participate in his advisory council.
- Revised our CCTV code of practice to ensure that it works well with other codes and covered new areas such as body worn video and unmanned aerial surveillance. The code went out for consultation in May 2014.
- Coordinated the publication of a roadmap outlining the functions and responsibilities of other Commissioners with responsibilities in the area of surveillance.

- Worked closely with the new Biometrics Commissioner and ensured that we are active in arrangements under the Protection of Freedoms Act for ensuring that biometric information, such as DNA profiles, is deleted when it is no longer needed.

Privacy seals

During the year we consulted on the feasibility of the ICO accrediting a third party to run a privacy seal or certification scheme. This included work with the UK Accreditation Service. An announcement on the ICO's proposed scheme will be made in 2014/15.

Understanding new and emerging information rights issues

We have developed new partnerships to better understand new and emerging information rights issues, and share good practice:

- In 2012 the ICO initiated the setting-up of the UK Anonymisation Network run by the University of Manchester, the University of Southampton, the Office for National Statistics and the Open Data Institute. Its membership is now over 200 and it has held clinics to assist with difficult anonymisation problems.
- In January we jointly organised a discussion with the Confederation of British Industry and the Institute for Government to discuss the challenges in improving transparency related to public sector.
- We continue to discuss emerging technology developments with our Technology Reference Panel.

6. An efficient ICO well prepared for the future.

Improvements to our services

Significant new initiatives this year helped us work more efficiently and provide an improved service to the public:

- Our new registration system made the public register of data controllers more meaningful for those who visit it. It was also made easier to organisations to register with us, and at the end of the year we launched a fully online registration service.
- We improved our telephone system to help meet increased demand. We were increasingly proactive in disclosing information about our operational work.

Changes to the way we deal with complaints

We spent a lot of time during 2013-2014 getting prepared for making significant changes in the way we deal with complaints and concerns raised by the public. This included consulting on the approach and revising policies and procedures. The changes will allow us to take a more joined up and proportionate approach and will be in place from April 2014.

Future funding arrangements

We made progress in our work with officials at the Ministry of Justice on future funding options, although there remains a lot more to be done.

Contract management

We re-negotiated a range of contracts and achieved significant cost reductions in a number of areas including IT, estates, and communications.

In line with central government IT strategy we reshaped our IT portfolio; moving from an outsourcing contract to a portfolio of more agile supplier partnerships.

Digital communications

A new home page for the ICO's internet site helped generate 4.5 million visits to the site.

Virtual events, such as for the 2014 European Data Protection Day, were used to increase the ICO's reach at minimal cost.

Equality and diversity

We measured staff awareness of equality and diversity, identifying and acting on areas for improvement. This included holding an Equality and Diversity week to improve awareness and understanding.

Information demonstrating compliance with the Public Sector Equality Duty was published in December 2013 and is available on the website.

Expanding our reach

One of our objectives is to improve the reach of information rights in different parts of the community. The work we have done in schools and with third sector organisations provides good examples of our desire to engage and educate a wider range of people.

Learning and development

Ensuring our staff are well trained is key to providing our services. On average 29 hours training per member of staff were provided during the year including training for:

- first line managers,
- staff involved in enforcement work, and
- staff working on information rights.

Engagement with staff

During the year an initiative, Employee Voice, was launched to obtain staff views about working at the ICO. The aim was:

- to improve systems,
- engage and motivate staff, and
- helping the ICO to be a better place to work.

The outcomes will be actioned in the coming year including making changes to the staff performance and development review system, how we reward staff and our recruitment processes.

Information Governance

Total number of information requests received **1,172**

Of those:

Freedom of Information Act	619
Data Protection Act	311
Hybrid	242
Environmental Information Regulations	0

Total number of information requests responded to **1,195**

Outcomes

Information provided in full	447
Information partially provided	371
Information not held	120
Information withheld	194
Further clarification needed	44
Misguided request	5
Request withdrawn	14

Time for compliance **97%**

97% of information requests were responded to within the statutory timescales

Data Protection Act – average time for response was 22 days
 Freedom of Information Act – average time for response was 14 days
 Hybrid – average time for response was 15 days

Internal reviews **53**

53 internal reviews were completed. Of those 40 were dealt with within 20 working days. The average time to complete an internal review was 17 days.

Outcomes

Challenge not upheld	35
Challenge partially upheld	15
Challenge upheld	3

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Foreword

History

The Data Protection Act 1984 created a Corporation Sole in the name of Data Protection Registrar. The name was changed to Data Protection Commissioner on implementation of the Data Protection Act 1998 and again to Information Commissioner on implementation of the Freedom of Information Act 2000.

Statutory background

The Information Commissioner is an independent Non-Departmental Public Body sponsored by the Ministry of Justice (MOJ), but reports directly to Parliament.

The Information Commissioner's main responsibilities and duties are contained within the Data Protection Act 1998, Freedom of Information Act 2000, Environmental Information Regulations 2004, Privacy and Electronic Communications Regulations 2003, and Inspire Regulations 2009.

The Information Commissioner's decisions are subject to appeal to the Information Tribunal and, on points of law, to the Courts.

The Information Commissioner is responsible for setting the priorities of his Office (ICO), for deciding how they should be achieved, and is required annually to lay before each House of Parliament a general report on performance.

Treasury management

Under the terms of the agreed Framework Document between the Information Commissioner and the MOJ, the Commissioner is unable to borrow or invest funds speculatively.

Fee income is collected and banked into a separate bank account, and 'cleared' funds are transferred weekly to the Information Commissioner's administration account to fund expenditure.

In accordance with Treasury guidance on the issue of grant-in-aid that precludes Non Departmental Public Bodies from retaining more funds than are required for their immediate needs, grant-in-aid is drawn in quarterly tranches. In order not to benefit from holding surplus funds, all bank interest and sundry receipts received are paid to the Secretary of State for Justice on a quarterly basis, unless directed otherwise.

Payment of suppliers

The Information Commissioner has adopted a policy on prompt payment of invoices which complies with the 'Better Payment Practice Code' as recommended by government. In the year ended 31 March 2014 98.03% (2012-13: 98.70%) of invoices were paid within 30 days of receipt or in the case of disputed invoices, within 30 days of the settlement of the dispute. The target percentage was 95%.

In October 2008, Government made a commitment to speed up the public sector payment process. Public sector organisations should aim to pay suppliers wherever possible within ten days, and to this end the Information Commissioner pays all approved invoices on a weekly cycle and has monitored payments against a 10 day target from 1 April 2009. For the year ended 31 March 2014 28.8% of payments were paid within 10 days (2012-13: 43.93%).

Future developments and events after the reporting period

The European Commission have published proposals to update the legal framework for data protection in Europe. The proposals include a Regulation, which will replace the existing Directive but have direct effect, and a new Directive applying to the law enforcement and criminal justice sector. The Commission's proposals are now under consideration by the European Council and the European Parliament leading to a co-decision process. It is expected that this process will take at least a further year to complete with two years after that for implementation of any new legal framework. It is likely that a new framework will have a significant impact on the work of the ICO as well as on data controllers and the rights of individuals.

Strategic report

Introduction

It has been business as usual during 2013-2014 with no substantive changes to the ICO duties and objectives which have been rolled forward from the preceding year:

1. Organisations have a better understanding of their information rights obligations.
2. Enforcement powers are used proportionately to ensure improved information rights compliance.
3. Customers receive a proportionate, fair and efficient response to their information rights concerns.
4. Individuals are empowered to use their information rights.
5. The ICO is alert and responsive to changes which impact on information rights.
6. An efficient ICO well prepared for the future.

As this annual report details in the "Achievement against our aims" section, the ICO has processed record numbers of complaints, handled more calls to our helpline and concluded more enforcement action than ever before. All against a background of continuing increases in workloads (complaints etc), slowly increasing notification fee income (for data protection work) and a £250k reduction in grant in aid for freedom of information work.

Areas of uncertainty

Risks identified during 2013-2014 are detailed in the Governance Statement. For the future the main area of uncertainty is around income and expenditure for 2015-2016 and beyond.

- Notification fee income is expected to increase slightly during 2014-2015 but has proved volatile during this last year. In addition the Government has proposed a 5% cut in regulators' fees for 2015/16 which might be imposed on the ICO. The ICO is still in discussion with the MOJ and Treasury about this.
- Grant in aid for 2014-2015 is also uncertain. 2013-2014 has seen the final agreed reduction of £250k pa for the five years of the previous comprehensive spending review; reductions which have been absorbed by the ICO with difficulty. For the next financial year the MOJ has a 10% reduction in its settlement from the Treasury and it is to be seen how much, if any, of this reduction is passed on to the ICO.

Expenditure is also uncertain. Employee national insurance and pension contributions are expected to rise significantly in 2015-2016 and the ICO is currently considering making changes to its pay architecture to remove progression pay; the cost of which is also uncertain.

The ICO is also in discussion with the MOJ over changing its funding model to that of an information rights levy which would take account of possible changes in the European data protection legislative framework.

Financial performance

Grant-in-aid

Freedom of information expenditure continued to be funded by a grant-in-aid from the MOJ, and for 2013-14 £4m (2012-13: £4.25m) was received.

No grant-in-aid was carried forward to 2014-15 (to 2013-14: £nil).

There are no fees collected in respect of freedom of information activities.

Fees

Expenditure on data protection activities is financed through the retention of the fees collected from data controllers who notify their processing of personal data under the Data Protection Act 1998.

The annual notification fee is £35. This remains unchanged from its introduction on 1 March 2000 for charities and smaller entities with fewer than 250 employees. However from 1 October 2009 a higher tier fee of £500 was introduced for data controllers with an annual turnover of £25.9 million or employing more than 250 people, or £500 for public authorities employing more than 250 people.

An information technology project to replace the aged data protection notification system went live in May 2013, which has improved the customer experience and enabled payment of the notification fee by debit and credit card.

Fees collected in the year totalled £16,528K (2012-13: £16,055K) representing a 2.9% increase over the previous year.

The Framework Agreement agreed between the Information Commissioner and the MOJ allows such funds as are necessary to meet any liabilities of the financial year (such as creditors) to be carried forward to the following year. An amount £1,759K (2012-13: £976K) has been carried forward into 2014-15, as was an additional amount of £363K (2012-13: £251K) as 'un-cleared' cash in transit which was not available for spend.

Annual expenditure

The total comprehensive expenditure for the year was £6,055K (2012-13: £4,488K).

Financial instruments

Details of our approach and exposure to financial risk are set out in note 8 to the financial statements.

Going concern

The accounts continue to be prepared on a going concern basis as a non-trading entity continuing to provide statutory public sector services. Grant-in-aid has already been included in the MOJ's estimate for 2014-15, and there is no reason to believe that future sponsorship and parliamentary approval will not be forthcoming.

Gender

There are nine members of the Management Board. As of the end of this financial year eight were male and one female. There are no other members of staff categorised as being of Senior Civil Service level.

Across the ICO as a whole, again at the end of the financial year, 43.8% of staff were male and 56.2% female.

Commentary on sustainability performance

The ICO sustainability reporting meets the requirements in the Financial Reporting Manual 2013-2014 and the Treasury guidance "Public Sector Annual Reports: Sustainability reporting Guidance". Reporting on sustainability also helps the ICO ensure that it is doing all it can to help meet government sustainability targets.

Summary of performance

The ICO is committed to minimising the use of scarce resources.

In 2012 a Green Group was set up to focus on improving the ICO's environmental performance. The group has reviewed the data available, surveyed staff and considered where the ICO can make a real difference. It has identified the following areas to focus on during 2014-2015.

- How can the ICO reduce the amount of paper it currently consumes?
- How can the ICO produce less waste?
- How can the ICO reduce the amount of carbon per head the office currently consumes?

The ICO's environmental performance is shaped by its employees and its operating environment. It employs almost 400 people in five locations. It has small offices in government buildings in Cardiff, Edinburgh and London. The ICO also leases a small office in Belfast. However the bulk of the ICO's staff (370 staff) are based in Wilmslow, near Manchester.

In Wilmslow the ICO operates out of leased accommodation which was refurbished in 2010. At that point the ICO invested in the most appropriate environmental solutions available. The Wilmslow site has a government Energy Performance Operation Rating of 62. Anything below 100 is an above average (ie positive) outcome.

The ICO is not responsible for any outside space and therefore does not have a biodiversity plan.

The ICO's main environmental impacts are associated with the amount of paper used in the office (above average); electricity used by IT; travel for staff required to engage with key national, European and international stakeholders; and waste generated by the ICO's office operations.

The challenge for the ICO then is that in the short term there are no big wins available. Rather, the ICO needs to take multiple small steps to reduce the environmental impact of its operations. Examples of these types of changes in 2013-2014 included stopping the use of electric hand dryers in washrooms; IT changes to prevent duplicate printing; the introduction of new recycling bins; and the re-shaping of shredding supplier contracts to improve control.

The ICO also asks those tendering for contracts to provide their sustainability statements and policies as a standard part of most procurement exercises.

2013/14 Performance

The ICO's 2013/14 environmental performance indicates the continued progress that has been made in improving performance, although the story is not that simple.

In summary, the ICO's environmental performance for the year was:-

TonnesCO ₂	Annual figures			Annual figures per full time equivalent staffing		
	2011/12	2012/13	2012/14	2011/12	2012/13	2012/14
Total	343	288	207	1.04	0.80	0.59
Scope 1 (gas)	33	35	10	0.10	0.10	0.03
Scope 2 (electricity)	263	210	153	0.80	0.58	0.43
Scope 3 (travel)	47	43	48	0.14	0.12	0.12
Waste / tonnes		9.2	8.0		0.03	0.02
Water consumption / m ³		1,597	2,196		4.44	6.2
A4 paper /reams		3,572	9.93		3,580	10.11

Compared to 2012/13 the overall consumption of carbon dioxide per head has reduced by a quarter and there has been a 13% reduction in waste. However, emissions from travel have gone up.

In respect of carbon consumption the reduction is due in the main to the mild winter in 2013-2014 which reduced the need for heating, and the cool summer which reduced the use of air-conditioning and hence electricity.

The bulk of electricity consumption is used for operating and cooling IT equipment, both to support the central server estate in Wilmslow and employees' workstations. The 27% reduction per head in electricity consumption reflects both investment in new IT equipment and a campaign to persuade staff to switch-off devices at the end of the day. Similarly the reduction in waste results from the strategies pursued by the Green Group, described above.

Reductions in electricity use are partially sustainable where they are not related to air-conditioning.

There were plumbing problems at the ICO's Wilmslow offices during 2013. The solution required a significant increase in water pressure and therefore, per head water consumption at the ICO has increased by 40%.

In recent years the ICO has increased the number of employees who need to travel as part of their roles; for example those providing good practice advice and working on enforcement. There has also been an increase in international and European engagement. This is reflected in the 11% increase in distance travelled in 2013-2014.

The details of the ICO's environmental performance are:-

	Annual figures			Annual figures per full time equivalent staffing		
	2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
Cars						
Petrol miles	42,149	15,737	15,088	127.72	43.71	42.62
Petrol kms	67,818	25,321	24,277	205.51	70.34	68.58
Cost		£7,042	£6,310		£19.57	£17.82
TonnesCO2	13	5	5	0.04	0.01	0.01

Rail						
Miles	316,838	380,251	410,711	960.12	1,056.99	1,160.20
Kms	509,792	611,824	660,834	1,544.83	1,700.69	1,866.76
Cost		£157,551	£180,585		£437.95	£510.13
TonnesCO2	30	36	32	0.09	0.10	0.09

Flights						
Number		34	23		0.09	0.06
Miles	14,522	9,950	24,176	44.01	27.66	68.29
KMs	23,366	16,010	38,899	70.81	44.50	109.88
Cost		£2,390	£4,238		£6.64	£11.97
TonnesCO2	4	3	7	0.01	0.01	0.02

Travel summary						
Total TonnesCO2	47	43	44	0.14	0.12	0.12
Total cost		£166,983	£191,133		£464.16	£539.92

Gas						
Gas kwh	181,190	187,937	56,941		522.41	160.85
Cost		£7,741	£2,271		£21.52	£6.42
TonnesCO2	33	35	10	0.10	0.10	0.03

Electricity						
Electricity kwh	501,298	404,454	316,058		1,124.26	892.82
Cost		£48,126	£50,328		£133.78	£142.17
TonnesCO2	263	210	153	0.80	0.58	0.43

	Annual figures			Annual figures per full time equivalent staffing		
	2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
Utilities summary						
Total tonnesCO2	296	245	163	0.90	0.68	0.46
Total cost		£55,867	£52,599		£155.29	£148.58

Total emissions

TonnesCO2	343	288	207	1.04	0.80	0.59
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Waste

Cost		9	8.0		0.03	0.02
TonnesCO2		£4,000	£4,000		£11.12	£11.30

Shredding

Tonnes		2	12		0.00	0.03
Cost		£8,000	£8,012		£22.24	£22.63

Water

Consumption/m3		1,597	2,196		4.44	6.20
Cost		£10,433	£12,806		£29.00	£36

Notes:

- Information on waste and shredding is provided by the contractors.
- Travel costs and mileage are collated by the Finance Team.
- The information is collated quarterly. If figures are not consistent with expectations they are checked.
- The bulk of ICO waste goes to recycling. A residual 1% goes to landfill.

Christopher Graham**Information Commissioner****3 July 2014**

Directors' report

Introduction

Membership and more details of the ICO Management Board are detailed in the Governance Statement.

A Register of Interests is maintained for the Information Commissioner and his Management Board. It is published on the Commissioner's website

www.ico.org.uk

Employee involvement and well being

The ICO has a policy of co-operation and consultation with recognised trade unions over matters affecting staff. Senior managers meet regularly with the trade union side to discuss issues of interest. In addition staff involvement in the work of the office is actively encouraged as part of the day-to-day process of line management.

The average number of sick days taken per person during the year was 7 days (2012-13: 6 days).

Equal opportunities and diversity

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

The ICO continues to apply the 'Two Ticks' standard for job applicants who are disabled. This means that job applicants who are disabled and meet the minimum criteria for the role will receive an interview. Human Resources arrange this by reviewing the application scores of disabled applicants after line managers have completed their assessment and, if necessary, additional interview times are made available.

The ICO has facilitated 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. Adjustments are made to 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 organisation's aims.

The community

ICO staff have engaged in fund raising activities for a local charity East Cheshire Hospice which provides respite care for communities within East Cheshire.

Pension liabilities

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

Personal data incidents

There has been one non-trivial data security incident. The incident was treated as a self-reported breach. It was investigated and treated no differently from similar incidents reported to us by others. We also conducted an internal investigation.

It was concluded that the likelihood of damage or distress to any affected data subjects was low and that it did not amount to a serious breach of the Data Protection Act. A full investigation was carried out with recommendations made and adopted. The internal investigation was also concluded.

Annual accounts and audit

The annual accounts have been prepared in a form directed by the Secretary of State for Justice with the consent of the Treasury in accordance with paragraph (10)(1)(b) of Schedule 5 to the Data Protection Act 1998.

Under paragraph (10)(2) of Schedule 5 to the Data Protection Act 1998 the Comptroller and Auditor General is appointed auditor to the Information Commissioner. The cost of audit services in the year was £30K (2012-13: £30K). No other assurance or advisory services were provided.

So far as the Accounting Officer is aware, there is no relevant audit information of which the Comptroller and Auditor General is unaware, and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of relevant audit information and to establish that the Comptroller and Auditor General is aware of that information.

Directors' statement

Each of the persons who are directors at the time this report is approved:

(a) so far as the director is aware there is no relevant audit information of which the auditor is unaware, and

(b) the director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Christopher Graham

Information Commissioner

3 July 2014

Remuneration report

Remuneration Policy

Schedule 5 to the Data Protection Act 1998 provides that the salary of the Information Commissioner is to be specified by a Resolution of the House of Commons.

On 24 November 2008 the House of Commons resolved that in respect of service after 30 November 2007 the salary of the Information Commissioner shall be at a yearly rate of £140,000.

The salary of the Information Commissioner is paid directly from the Consolidated Fund in accordance with the Schedule.

Prior to the 1 September 2013 the remuneration of staff and other officers was determined by the Information Commissioner with the **approval** of the Secretary of State for Justice. However, following the commencement of Section 108 of the Protection of Freedoms Act, which amended the Data Protection Act, such decisions are now made **in consultation with** the MOJ and Treasury.

In reaching the determination, the Information Commissioner has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- government policies for improving the public services;
- the funds available to the Information Commissioner; and
- the government's inflation target and Treasury pay guidance.

A Remuneration Committee comprising two non-executive Board members considers and advises the Management Board on remuneration policies and practices for all staff, and will, on behalf of the Board, determine appropriate remuneration for Executive Team members.

There is no formal performance pay or bonus scheme for Executive Team members. Performance is one of a number of factors reflected in the overall level of remuneration determined by the Remuneration Committee.

Service Contracts

Unless otherwise stated below, staff appointments are made on merit on the basis of fair and open competition, and are open-ended until the normal retiring age. Early termination, other than for misconduct, should result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Non-executive Board members are paid an annual salary of £12,000 and are appointed for an initial term of three years, renewable by mutual agreement for one further term of a maximum of three years.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Information Commissioner and the most senior officials employed by the Information Commissioner.

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

Single total figure of remuneration

Officials	Salary (£'000) (£5k bands)		Bonus payments (£,000) (£5k bands)		Benefits in kind (£,000) (nearest £100) ¹		Pension benefits (£'000) (£5k bands) ²		Total (£'000) (£5k bands)	
	2013/ 14	2012/ 13	2013/ 14	2012/ 13	2013/ 14	2012/ 13	2013/ 14	2012/ 13	2013/ 14	2012/ 13
Christopher Graham, Information Commissioner & Chief Executive	140-145	140-145	-	-	-	-	50-55	-5-0	190-195	135-140
David Smith, Deputy Commissioner & Director for Data Protection	75-80	75-80	0-5	0-5	0.1	0.1	-5-0	10-15	75-80	85-90
Graham Smith, Deputy Commissioner & Director for Freedom of Information	80-85	80-85	0-5	0-5	-	-	10-15	15-20	95-100	100-105
Daniel Benjamin, Director of Corporate Services	70-75	70-75	0-5	0-5	0.1	0.1	65-70	55-60	140-145	130-135
Simon Entwisle, Director of Operations	85-90	85-90	0-5	0-5	0.1	0.1	-5-0	5-10	80-85	90-95
Andrew Hind, Non- Executive Board Member Director of Corporate Services	10-15	10-15	-	-	1.2	0.7	-	-	10-15	10-15
Neil Masom, Non-Executive Board Member	10-15	10-15	-	-	-	0.9	-	-	10-15	10-15

Enid Rowlands, Non-Executive Board Member	10-15	10-15	-	-	1.1	1.6	-	-	10-15	10-15
Ian Watmore (appointed 1 September 2013), Non- Executive Board Member	5-10 (full year 10-15)	-	-	-	-	-	-	-	5- 10	-
Jane May (retired 31 July 2013), Non-Executive Board Member	1-5 (full year 10-15)	10- 15	-	-	1.0	1.5	-	-	0-5	10- 15

¹ Restated

² 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 decreases 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. Bonuses are based on performance levels attained and are made as part of the appraisal process. Benefits in kind relate to the organisation's contribution to the BHSF health care plan and to travel and subsistence.

Pay multiples

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 banded remuneration of the highest-paid director of the Information Commissioner in the financial year 2013-14 was £140K to £145K (2012-13: £140K to £145K). This was 5.7 times (2012-13: 5.9 times) the median remuneration of the workforce, which was £24,401 (2012-13 £23,750). The median total remuneration is produced by ranking the annual full time equivalent salary as at 31 March 2014, for each member of staff.

Staff remuneration ranged from £13,820 to £140,000 (2012-13: £13,162 to £140,000).

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

There have been no significant changes to the number or composition of the general workforce complement (for example through restructuring, downsizing and outsourcing), other than the reorganisation and expansion of the enforcement teams.

A pay freeze was in place from 1 July 2009 and pay scales have not been revalorised since then, except for the scale maximum which were increased by 1% from 1 July 2013. The overall increase in pay from 1 July 2013 was capped at 1% plus the payment of contractually entitled increments within the pay scales for staff within their first three years of service.

Pension Benefits (audited)

	Accrued Pension at pension age as at 31 March 2014 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 March 2014 £'000	CETV at 31 March 2013 £'000	Real increase in CETV £'000
Christopher Graham Information Commissioner	15-20	2.5-5.0	279	212 ³	45
David Smith Deputy Commissioner and Director for DP	35-40 +lump sum 115-120	0-2.5 +lump sum 0-2.5	884	871	0
Graham Smith Deputy Commissioner and Director for FOI	10-15 +lump sum 40-45	0-2.5 +lump sum 0-2.5	276	246	10
Simon Entwisle Director of Operations	35-40 +lump sum 110-115	0-2.5 +lump sum 0-2.5	812	762	-2 ⁴
Daniel Benjamin Director of Corporate Services	5-10	2.5-5.0	92	40	43

The 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 were no employer contributions for the above executives to partnership pension accounts in the year.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, employees could be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

³ The CETV at 31 March 2013 has been recalculated by MyCSP and differs from the corresponding figure disclosed in last year's remuneration report.

⁴ Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Employee contributions are salary related and range between 1.5% and 6.25% of pensionable earnings for classic and 3.5% and 8.25% for premium, classic plus and nuvos. Increases to employee contributions will apply from 1 April 2014. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is up-rated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/pensions

Pension auto-enrolment

From 1 February 2014 the ICO went live with pension auto-enrolment. If a member of staff is not a member of any pension scheme they are auto-enrolled into the nuvos scheme.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (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. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result 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.

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.

Christopher Graham

Information Commissioner

3 July 2014

Statement of the Information Commissioner's responsibilities

Under paragraph 10(1)(b) of Schedule 5 to the Data Protection Act 1998 the Secretary of State for Justice has 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 state of affairs of the Information Commissioner at the year end and of his 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 and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Justice 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 Government Financial Reporting Manual 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 Information Commissioner will continue in operation.

The Accounting Officer of the MOJ has designated the Information Commissioner as Accounting Officer for his Office. 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.

Governance statement

The governance framework

Introduction

The Information Commissioner is a corporation sole as established in the Data Protection Act 1998 (as amended). Under the terms of the EU Data Protection Directive the Information Commissioner and his office must be completely independent of Government. I am accountable to Parliament for the exercise of my statutory functions and the independence of the ICO is enshrined in legislation.

Relationship with the Ministry of Justice

The MOJ is the sponsoring department for the ICO. The relationship is governed by a Framework Agreement which sets out the responsibilities of both the MOJ and the ICO to support the work of both organisations and to help ensure my independence and that of my office. The Agreement also ensures that appropriate reporting arrangements are in place to enable the department to monitor the expenditure of public money allocated to the ICO.

The Agreement was made during passage of what became the Protection of Freedoms Act 2012 and anticipated the commencement of various sections which helped reinforce the independence of the ICO. These sections were commenced on 1 September 2013 and the Agreement reflects this.

Management Board

I have a Management Board to support me in the role of Accounting Officer. The Board is responsible for developing strategy, monitoring progress in implementing strategy, providing corporate governance and assurance and for managing corporate risks. It comprises four members of my Executive Team, and four non-executive members.

The Board meets quarterly and considers risk management and reports on operational, financial, organisational and corporate issues. It also receives reports from the Audit Committee and Remuneration Committee.

Membership of the Board has changed during 2013-2014. The non-executive directors were recruited in an open competition on three year contracts extendable for a further three years. A strategy to refresh non-executive membership of the Board on a rolling basis has been agreed and two new non-executive directors were recruited following an open recruitment process during 2013-2014. Ian Watmore started in the summer of 2013, replacing Jane May on both the Management Board and Audit Committee. The other new non-executive director is due to start in the summer of 2014.

Board members complete a register of interests which is published on the ICO's website. Declarations of interest in any of the items coming to a meeting are also asked for at Board and Audit Committee meetings.

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

Dates	22-Apr-13	22-Jul-13	04-Nov-13	27-Jan-14
Daniel Benjamin	1	1	1	1
Simon Entwisle	1	1	1	1
Christopher Graham	1	1	1	1
Andrew Hind	1	1	1	1
Neil Masom	1	1	1	1
Jane May	0	1		
Ian Watmore			1	1
Enid Rowlands	1	1	1	0
David Smith	1	1	1	1
Graham Smith	1	1	0	1

After the year end, the Commissioner announced a re-organisation of his Executive Team to take effect from 1 July 2014. It involved the creation of a new position of Deputy Chief Executive to combine the roles of the Director of Operations and Director of Corporate Services. The Director of Operations Simon Entwisle was appointed to the new position. Daniel Benjamin, the Head of Corporate Services, decided to take voluntary redundancy.

Audit Committee

The Audit Committee meets quarterly and provides scrutiny, oversight and assurance in respect of risk control and governance.

The Audit Committee consists of two non-executive Board members, the chair Neil Masom, and Ian Watmore (replacing Jane May in the summer of 2013). In addition there is an independent member, Roger Barlow.

The table below demonstrates the attendance of each of the Audit Committee members at the meetings during the year.

Dates	03-Jun-13	09-Sep-13	02-Dec-13	10-Mar-14
Neil Masom	1	0	1	1
Jane May	1			
Ian Watmore		1	1	1
Roger Barlow	1	1	1	1

The Audit Committee has published its own Annual Report for 2013-2014 on the ICO website (www.ico.org.uk). The report states that the Committee is satisfied with the quality of internal and external audit and believes that it is able to take a measured and diligent view of the quality of the systems of reporting and control within the ICO.

The external and internal auditors attend the Audit Committee and have pre-meetings with Committee members.

Remuneration Committee

The Board is supported by a Remuneration Committee consisting of two non-executive Board members. Enid Rowlands is the chair and Andrew Hind the member. There were two committee meetings during the year on 24 May 2013 and the 19 December 2013. There was 100% attendance.

The Committee advises me and my Board on the ICO's remuneration policies and practices for all staff, and will on behalf of the Board determine the appropriate remuneration for Executive Team members.

Board effectiveness

The Board formally evaluated its performance during the year by way of a questionnaire and discussion. Members considered that the Board was effective and was generally satisfied with the quality of data it received.

There have been minor changes to the terms of reference. Similarly the Audit Committee and Remuneration Committee reviewed their performance. Again there were no significant improvements identified.

The Management Board has previously considered its compliance with the "Corporate governance in central government departments: Code of good practice 2011". The ICO does not fully comply with the code, but the Board consider that there are good reasons for this given the size and nature of the organisation as a corporation sole. For example:

- The Board does not have the powers and duties of a Board in which is vested the ultimate authority of the organisation. This is because the Commissioner is the "corporation".
- The ICO Board does not have a lead non-executive director, but given the size of the Board and the ICO and its responsibilities, this is not felt necessary.
- Non-executive members do not have a specific section in the ICO's Annual Report but this is not currently considered necessary.
- Composition of the Board reflects the nature, responsibilities and size of the ICO.
- The ICO does not have a Nominations and Governance Committee but the Board's focus on governance, and the Remuneration Committee's overview of remuneration policies in general is considered to provide the necessary coverage.
- In respect of an operating framework the Board has terms of reference supported by an annual work plan.

In addition the internal auditors conducted a review entitled "Governance and decision making during periods of uncertainty" to assess the structures and processes in place to make key decisions within the organisation and the basis on which the decisions had been made and communicated. In respect of Management Board the auditors considered that discussion at and the agenda for Management Board should be aligned with the Information Rights Strategy and the ICO Plan. The Management Board are to discuss how best to take forward the recommendations in the review at their July meeting.

Issues and highlights

The ICO's corporate governance structure has considered various issues of substance during the course of the year. These include:

- The Audit Committee ensuring regular reports on the taking forward of integrated assurance at the ICO, with an initial assessment in the information governance and finance areas starting in December 2013.

- Both the Board and Audit Committee having an active interest and input into development of the IT strategy, developed following the re-procurement of the IT service contracts in May 2013.
- Regular reports to the Management Board on progress in developing a future funding model for the ICO.
- Consideration by the Remuneration Committee of succession planning for senior managers; high staff turnover; Executive Team member performance reports and scrutiny of proposed changes to the pay distribution.
- Re-procurement of the internal audit function for three years from 2014-2015 which was agreed by the Audit Committee and confirmed by the Management Board.
- Discussion of the tightening fiscal environment, uncertainties over the future EU data protection regulation, and increased workloads at Management Board.

A risk assessment

Risks are routinely refreshed by the Executive Team with a major review each spring. The register is also discussed at Management Board, Audit Committee and at the quarterly meetings with the MOJ.

The main risks identified during the year related to the areas of:

- Budgeting for 2014-2015 and beyond
- Implementing proposed changes to the EU data protection regulatory regimes
- ICO reputation
- Recruitment and retention of staff and gaps in skills and expertise caused by loss of key staff
- IT strategy and
- Rising workload.

In terms of budgeting the ICO has an agreed budget for 2014-2015 which includes a further reduction in grant in aid for freedom of information work of £250,000. However there remains continuing uncertainty about future income and about how the ICO is funded, within the context of expected future cuts in government expenditure and rising ICO workloads. My office is actively taking forward the matter of the future funding model for the ICO with the MOJ.

There was similar uncertainty over the future of the proposed EU data protection regulation. Proposed changes could have had (and could still have) a large impact on how the ICO undertakes its data protection work. Over the course of the year the ICO was engaged with the process for considering the regulatory regime and actively considered the possible financial and management issues that would arise if the proposals had been taken forward.

Given the relatively small size of the ICO and the condition of the employment market in the North West, the recruitment and retention of staff, and gaps in skills and expertise caused by the loss of key staff, have become a risk. Further consideration is being given to how best to ensure minimal disruption when senior managers move.

In respect of the rising caseload, the Operations Directorate has over the course of the year been considering how it operates and making changes to focus on the largest information rights risks. The result was the roll out of new processes and procedures as of the beginning April 2014.

Sources of assurance

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control, including the risk management framework. My review is informed by the work of the internal auditors and the Executive Team members who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. In their annual report, our internal auditors have given an overall assurance that they are satisfied that sufficient internal audit work has been undertaken to allow them to draw a reasonable conclusion as to the adequacy and effectiveness of the ICO's risk management, governance and control processes.

I have been advised on the implications of the result of my review by the Board and the Audit Committee. I am satisfied that a plan to address weaknesses in the system of internal control and ensure continuous improvement of the system is in place. I am also satisfied that all material risks have been identified and that those risks are being properly managed. Although the budget we have received for 2014-2015 means that we are confident we will be able to meet our objectives, the uncertainty of funding remains a major long term concern.

Christopher Graham

Information Commissioner

3 July 2014

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

I certify that I have audited the financial statements of the Information Commissioner's Office for the year ended 31 March 2014 under the Data Protection Act 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of the Information Commissioner's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Data Protection Act 1998. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Information Commissioner's Office's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Information Commissioner's Office; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Financial Statement section of the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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.

Opinion on regularity

In my opinion, in all material respects 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.

Opinion on financial statements

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 2014 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Data Protection Act 1998 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under Data Protection Act 1998; and
- the information given in the strategic and director's reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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 or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse 7 July 2014

Comptroller and Auditor General

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

Statement of comprehensive net expenditure for the year ended 31 March 2014

	Note	£'000	2013-2014 £'000	£'000	2012-13 £'000
Expenditure					
Staff costs	3		12,948		12,732
Other expenditure	4	6,969		6,755	
Depreciation and other non-cash costs	4	1,629	8,598	1,103	7,858
Total expenditure			21,546		20,590
Income					
Income from activities	5a		(15,775)		(15,724)
Net expenditure			5,771		4,866
Other comprehensive expenditure					
Net loss/(gain) on revaluation of property, plant and equipment			284		(378)
Total comprehensive expenditure for the year ended 31 March			6,055		4,488

All income and expenditure relates to continuing operations.

Statement of financial position

as at 31 March 2014

	Note	31 March 2014		31 March 2013	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	6	2,729		3,738	
Intangible assets	7	1,854		2,194	
Total non-current assets			4,583		5,932
Current assets:					
Trade and other receivables	9	629		1,340	
Cash and cash equivalents	10	2,903		1,586	
Total current assets			3,532		2,926
Total assets			8,115		8,858
Current liabilities					
Trade and other payables	11		(2,697)		(2,077)
Non-current assets plus net current assets			5,418		6,781
Non-current liabilities					
Provisions	12		(580)		(78)
Assets less liabilities			4,838		6,703
Taxpayers' Equity					
Revaluation reserve			283		541
General reserve			4,555		6,162
			4,838		6,703

Christopher Graham

Information Commissioner

3 July 2014

Statement of cash flows

for the year ended 31 March 2014

	Note	2013-14 £'000	2012-13 £'000
Cash flows from operating activities			
Net expenditure		(5,771)	(4,866)
Adjustment for non-cash items	3,4,12	2,329	1,293
Decrease in trade and other receivables	9	126	152
Increase in trade payables	11	783	57
Use of provisions	12	(8)	(6)
Net cash outflow from operating activities		(2,541)	(3,370)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(172)	-
Purchase of intangible assets	7	(392)	-
Net cash outflow from investing activities		(564)	-
Cash flows from financing activities			
Capital element of payments in respect of on-Statement of Financial Position PFI contracts	7	-	(1,001)
Grant-in-aid received from the Ministry of Justice		4,000	4,250
Net cash flows from financing activities		4,000	3,249
Net increase/(decrease) in cash and cash equivalents during the year before adjustment for receipts and payments to the Consolidated Fund		895	(121)
Receipts due to the Consolidated Fund which are outside the scope of the Information Commissioner's activities		2,239	2,190
Payments of amounts due to the Consolidated Fund		(1,817)	(2,277)
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the consolidated fund		1,317	(208)
Cash and cash equivalents at the start of the year		1,586	1,794
Cash and cash equivalents at the end of the year	10	2,903	1,586

The notes on pages 65-81 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2013

	Note	Revaluation reserve £'000	General reserve £'000	Total reserves £'000
Balance at 31 March 2012		207	6,544	6,751
Changes in tax payers' equity 2012-13				
Grant-in-aid from the Ministry of Justice		-	4,250	4,250
Transfers between reserves		(44)	44	-
Comprehensive expenditure for the year		378	(4,866)	(4,488)
Non-cash charges – Information Commissioner's salary costs	3	-	190	190
Balance at 31 March 2013		541	6,162	6,703
Changes in tax payers' equity 2013-14				
Grant-in-aid from the Ministry of Justice		-	4,000	4,000
Transfers between reserves		26	(26)	-
Comprehensive expenditure for the year		(284)	(5,771)	(6,055)
Non-cash charges – Information Commissioner's salary costs	3	-	190	190
Balance at 31 March 2014		283	4,555	4,838

The notes on pages 65-81 form part of these accounts.

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2013-14 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, the accounting policy which is judged most appropriate to the particular circumstances of the Information Commissioner for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Information Commissioner are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets at their value to the business by reference to current costs.

1.2 Disclosure of IFRSs in issue but not yet effective

The Information Commissioner has reviewed the IFRSs in issue but not yet effective, and has determined that there are no new IFRSs relevant or likely to have a significant impact.

1.3 Grant-in-aid

Grant-in-aid is received from the MOJ to fund expenditure on freedom of information work, and is credited to the General Reserve on receipt.

1.4 Income from activities and Consolidated Fund income

Income collected under the Data Protection Act 1998 is surrendered to the MOJ as Consolidated Fund income, unless the MOJ (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 notify their processing of personal data under the Data Protection Act 1998.

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 or 3% of the annual cleared fees collected (whichever is the greater). Any fees in excess of these limits are paid over to the Consolidated Fund.

Civil Monetary Penalties

The Information Commissioner can impose civil monetary penalties for serious breaches of the Data Protection Act 1998 or Privacy and Electronic Communications Regulations 2003 of up to £500K, which can be reduced by 20% if paid within 30 days of the penalty being issued.

The Information Commissioner does not take action to enforce a civil monetary penalty unless the period specified in the notice as to when the penalty must be paid has expired and 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 when received. Civil monetary penalties are not recognised in the Statement of Comprehensive Net Expenditure, but are treated as income in the Statement of Financial Position.

The amounts recognised are regularly reviewed and subsequently adjusted in the event that 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 borne by the ICO.

Sundry receipts

The Information Commissioner has been directed to retain certain sundry receipts such as reimbursed travel expenses, recovered legal costs and receipts under the Proceeds of Crime Act 2002, and 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 the MOJ, and that income not directed to be retained as Income from Activities falls outside of normal operating activities and are 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.

1.5 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.

1.6 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pensions Scheme.

1.7 Property, plant and equipment

Assets are classified as property, plant and equipment if they are intended for use on a continuing basis, and their original purchase cost, on an individual basis, is £2,000 or more, except for laptop and desktop computers, which are capitalised even when their individual cost is below £2,000.

Property, plant and equipment (excluding assets under construction) are carried at fair value. Depreciated modified cost is used as a proxy for fair value by using appropriate indices published by the Office for National Statistics, due to the short length of the useful life of information technology and furniture and fittings, and the low values of items of plant and machinery.

At each balance sheet date the carrying amounts of property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment

loss. If any such indication exists the fair value of the asset is estimated in order to determine the impairment loss. Any impairment charge is recognised in the Statement of Comprehensive Net Expenditure account in the year in which it occurs.

1.8 Depreciation

Depreciation is provided on property, plant and equipment on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated life. A full year's depreciation is charged in the year in which an asset is brought into service. No depreciation is charged in the year of disposal.

The principal lives adopted are:

Information technology: between 5 and 10 years

Plant and machinery: between 5 and 10 years

Leasehold improvements: over the remainder of the property lease

1.9 Intangible assets and amortisation

Intangible assets are stated at the lower of replacement cost and recoverable amount. Computer software licences and their associated costs are capitalised as intangible assets where expenditure of £2,000 or more is incurred. Software licences are amortised over their useful economic life which is estimated as four years or the length of the contract, whichever is the shorter term.

1.10 Operating leases

Amounts payable under operating leases are charged to Comprehensive Net Expenditure Account on a straight-line basis over the lease term, even if the payments are not made on such a basis.

1.11 Service concessions

Up to July 2013, Information Services were procured through a Managed Services Agreement which exhibited many of the characteristics typifying a Private Finance Initiative arrangement, and was therefore accounted for under International Financial Reporting Interpretations Committee (IFRIC) 12: Service Concession Arrangements.

From July 2013, the contract was replaced by several smaller contracts which do not fall within the service concession definitions within IFRIC 12.

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.

1.13 Value added tax

The Information Commissioner is not registered for VAT as most activities of the Information Commissioner's Office are outside of the scope of VAT and fall below the registration threshold. VAT is charged to the relevant expenditure category, or included in the capitalised purchase cost of non-current assets.

1.14 Segmental reporting

The policy for segmental reporting is set out in note 2 to the Financial Statements.

2. Analysis of net expenditure by segment

	Data protection £'000	Freedom of information £'000	2012-14 Total £'000
Gross expenditure	17,299	4,247	21,546
Income	(15,775)	-	(15,775)
Net expenditure	1,524	4,247	5,771

	Data protection £'000	Freedom of information £'000	2011-12 Total £'000
Gross expenditure	16,019	4,571	20,590
Income	(15,724)	-	(15,724)
Net expenditure	295	4,571	4,866

All 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 factors used to identify the reportable segments of data protection and freedom of information were that the Information Commissioner's main responsibilities are contained within the Data Protection Act 1998 and Freedom of Information Act 2000, and funding is provided for data protection work by collecting an annual notification fee from data controllers under the Data Protection Act 1998, whilst funding for freedom of information is provided by a grant-in-aid from the MOJ, as set out in the Framework Agreement agreed between the Information Commissioner and MOJ.

The data protection notification fee is set by the Secretary of State for Justice, and in making any fee regulations under section 26 of the Data Protection Act 1998, as amended by paragraph 17 of Schedule 2 to the Freedom of Information Act 2000, he shall have regard to the desirability of securing that the fees payable to the Information Commissioner are 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 Data Protection Act 1998.

These accounts do not include the expenses incurred by the Information Tribunal, or the Secretary of State in respect of the Information Commissioner, and therefore cannot be used to demonstrate that the data protection fees offset expenditure on data protection functions, as set out in the Data Protection Act 1998.

Expenditure is apportioned between the data protection and freedom of information work on the basis of costs recorded in the Information Commissioner's management accounting system. This system allocates expenditure to various cost centres across the organisation. A financial model is then applied to apportion expenditure between data protection and freedom of information on an actual basis, where possible, or by way of reasoned estimates where expenditure is shared. This model is monitored by the MOJ.

3. Staff numbers and related costs

Staff costs comprise:

	2012-14 Total £'000	Permanently employed staff £'000	Others £'000	2012-13 Total £'000
Wages and salaries	10,563	9,981	582	10,299
Social security costs	684	668	16	686
Other pension costs	1,738	1,704	34	1,747
Sub-total	12,985	12,353	632	12,732
Less recoveries in respect of outward secondments	(37)	(37)	-	-
Total net costs	12,948	12,316	632	12,732

The above costs include notional costs of £190K (2012-13: £190K) in respect of salary and pension entitlements of the Information Commissioner and the associated employers national insurance contributions which are paid directly from the Consolidated Fund, temporary agency staff costs of £442K, (2012-13: £529K), 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:

	2013-14 Total £'000	Permanently employed staff £'000	Others £'000	2012-13 Total £'000
Directly employed	361	361	-	350
Other	15	-	15	17
Total	376	361	15	367

Pension arrangements

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. The Information Commissioner is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme at 31 March 2007. You can find details in the resource accounts of the Cabinet Office Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2013-14 employers contributions of £1,672K (2012-13: £1,687K) were payable to the PCSPS at one of four rates in the range 16.7% to 24.3% 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 during 2013-14 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 £31K (2012-13: £26K), were paid to one or more of a panel of three appointed stakeholder pension providers. Employers' contributions are age related and range from 3% to 12.5% of pensionable pay. Employers also match the employee contributions up to 3% of pensionable pay. In addition, employers contributions of £1,272 (2012-13: £109), 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 partnership pension providers at the Statement of Financial Position date were £3K (2012-13: £2K). Contributions prepaid at the date were £nil (2012-13: £nil).

Other pension costs include notional employers' contributions of £34K (2012-13: £34K) in respect of notional costs in respect of the Information Commissioner.

No individuals retired early on health grounds during the year.

Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Total number of exit packages by cost band (total cost)	
	2013-14	2012-13
<£10,000	-	-
£10,000 - £25,000	-	-
£25,000 - £50,000	1	1
£50,000 - £100,000	-	-
Total number of exit packages (total cost)	1	1

Redundancy and other departure costs have been 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 the year of departure 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 Civil Service pension scheme. Ill health retirement costs are met by the pension scheme and not included in the table above.

There were no compulsory redundancies in the year (2012-13: none).

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

4. Other expenditure

	2013-14		2012-13	
	£'000	£'000	£'000	£'000
Accommodation (business rates and services)	1,068		578	
Rentals under operating leases	778		779	
Office supplies and stationery	256		243	
Carriage and telecommunications	177		139	
Travel, subsistence and hospitality	454		427	
Staff recruitment	50		26	
Specialist assistance and policy research	204		226	
Communications and external relations	738		750	
Legal costs	324		308	
Learning and development, health and safety	192		189	
PFI IS service charges	701		2,513	
IS development costs	1,997		547	
Audit fees	30		30	
		6,969		6,755
Non-cash items				
Depreciation	897		934	
Amortisation	732		139	
Loss on disposal of assets	-		30	
		1,629		1,103
Total expenditure		8,598		7,858

5. Income

5a. Income from activities

	2012-14	2012-13
	£'000	£'000
Fees	15,747	15,696
Sundry receipts	28	28
	15,775	15,724

5b. Consolidated Fund income

	2013-14	2012-13
	£'000	£'000
Fees		
Collected under the Data Protection Act 1998	16,528	16,055
Retained under direction as		
Income from Activities	(15,747)	(15,696)
	781	359
Civil Monetary Penalties		
Penalties issued	1,970	3,130
Repaid following a successful appeal	(200)	-
Early payment reductions	(243)	(558)
Cancelled after successful appeals	(380)	-
Impairments	(275)	-
	872	2,572
Sundry receipts		
Receipts under the Proceeds of Crime Act	-	11
Bank interest received	1	1
Recovered legal fees	8	3
Reimbursed travel expenses	20	14
	29	29
Sundry receipts retained under direction as Income from Activities	(28)	(28)
	1	1
Income payable to Consolidated Fund	1,654	2,932
Balances held at the start of the year	1,101	446
Income payable to the Consolidated Fund	1,654	2,932
Payments to the Consolidated Fund	(1,817)	(2,277)
Balances held at the end of the year (note 11)	938	1,101

As set out in note 1.4 income payable to the Consolidated Fund does not form part of the Statement of Comprehensive Net Expenditure. Amounts retained under direction from the MOJ with the consent of the Treasury are treated as Income from Activities within the Statement of Comprehensive Net Expenditure. The amounts receivable at 31 March 2014 were £157K (£742K) and the amounts payable were £938K (£1,101K).

6. Property, plant and equipment

	Information technology £'000	Plant and machinery £'000	Leasehold improvements £'000	Assets under construction £'000	Total £'000
Cost or valuation					
At 01 April 2013	10,295	153	2,488	-	12,936
Transfers	-	-	-	-	-
Additions	172	-	-	-	172
Disposals	(1,240)	-	-	-	(1,240)
Revaluations	(779)	(2)	(135)	-	(916)
At 31 March 2014	8,448	151	2,353	-	10,952
Depreciation					
At 01 April 2013	8,010	122	1,066	-	9,198
Charged in year	554	7	336	-	897
Disposals	(1,240)	-	-	-	(1,240)
Revaluations	(572)	(2)	(58)	-	(632)
At 31 March 2014	6,752	127	1,344	-	8,223
Net book value at 31 March 2014	1,696	24	1,009	-	2,729
Asset financing					
Owned	1,696	24	1,009	-	2,729
On-SOFP PFI contracts	-	-	-	-	-
Net book value at 31 March 2014	1,696	24	1,009	-	2,729

Property, plant and equipment (excluding assets under construction) are re-valued annually using appropriate current cost price indices published by the Office for National Statistics.

Included above are fully depreciated assets, in use with a gross carrying amount of £26K (2012-13: £1,260K).

	Information technology £'000	Plant and machinery £'000	Leasehold improvements £'000	Assets under construction £'000	Total £'000
Cost or valuation					
At 01 April 2012	8,712	145	2,518	1,378	12,753
Additions	341	-	-	(341)	-
Disposals	-	-	-	(1,037)	(1,037)
Revaluations	-	-	(73)	-	(73)
At 31 March 2013	1,242	8	43	-	1,293
	10,295	153	2,488	-	12,936
Depreciation					
At 01 April 2011	6,541	109	742	-	7,392
Charged in year	572	7	355	-	934
Disposals	-	-	(43)	-	(43)
Revaluations	897	6	12	-	915
At 31 March 2013	8,010	122	1,066	-	9,198
Net book value at 31 March 2013	2,285	31	1,422	-	3,738
Net book value at 31 March 2012	2,171	36	1,776	1,378	5,361
Asset financing					
Owned	-	31	1,422	-	1,453
On-SOFP PFI contracts	2,285	-	-	-	2,285
Net book value at 31 March 2012	2,285	31	1,422	-	3,738

Up to July 2013, Information services were outsourced through a managed services agreement which was accounted for as a PFI contract under IFRIC 12: Service Concession Arrangements. From July 2013 when the agreement expired, a number of smaller contracts have been entered into which do not fall under the service concession definitions within IFRIC 12.

7. Intangible assets

	Software licences £'000	Assets under construction £'000	Total £'000
Cost or valuation			
At 01 April 2013	606	2,038	2,644
Additions	43	349	392
Transfers	2,387	(2,387)	-
Reclassifications	-	-	-
At 31 March 2014	3,036	-	3,036

Amortisation			
At 01 April 2013	450	-	450
Charged in year	732	-	732
At 31 March 2014	1,182	-	1,182

Net book value at 31 March 2014	1,854	-	1,854
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Asset financing			
Owned	1,854	-	1,854
On-SOFP PFI contracts	-	-	-
Net book value at 31 March 2014	1,854	-	1,854

Cost or valuation			
At 01 April 2012	539	67	606
Additions	-	1,001	1,001
Transfers	67	(67)	-
Reclassifications	-	1,037	1,037
At 31 March 2013	606	2,038	2,644

Amortisation			
At 01 April 2012	311	-	311
Charged in year	139	-	139
At 31 March 2013	450	-	450

Net book value at 31 March 2013	156	2,038	2,194
Net book value at 31 March 2012	228	67	295

Assets financing			
Owned	-	-	-
On-SOFP PFI contracts	156	2,038	2,194
Net book value at 31 March 2013	156	2,038	2,194

Development expenditure related to a software development to replace the old data protection notification system. This new software has been in use from May 2013. The net book value at 31 March 2014 is £1,790k with 3 years remaining amortisation period.

8. Financial instruments

As the cash requirements of the Information Commissioner are met through fees collected under the Data Protection Act 1998 and grant-in-aid provided by the MOJ, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the Information Commissioner's expected purchase and usage requirement and the Information Commissioner is therefore exposed to little credit, liquidity or market risk.

The Information Commissioner does not face significant medium to long-term financial risks.

9. Trade receivables and other current assets

	31 March 2014 £'000	31 March 2013 £'000
Amounts falling due within one year		
Deposits and advances	5	4
Prepayments and accrued income	467	594
Sub-total	472	598
Consolidated Fund receipts due	157	742
	629	1,340

Split:

Other central government bodies	-	1
Local authorities	-	254
NHS bodies	25	-
Bodies external to government	604	1,085
	629	1,340

10. Cash and cash equivalents

	31 March 2014 £'000	31 March 2013 £'000
Balance at 01 April	1,586	1,794
Net change in cash and cash equivalent balances	1,317	(208)
Balance at 31 March	2,903	1,586

Split:

Commercial banks and cash in hand	2,902	1,585
Government Banking Service	1	1
	2,903	1,586

11. Trade payables and other current liabilities

	31 March 2014 £'000	31 March 2013 £'000
Amounts falling due within one year		
Taxation and social security	221	235
Trade payables	993	136
Other payables	222	214
Accruals and deferred income	323	391
Sub-total	1,759	976
Amount payable to government (note 5b)	938	1,101
	2,697	2,077

Split:

Other central government bodies	1,390	1,628
Bodies external to government	1,307	449
	2,697	2,077

The amount payable to government represents the amount which will be due to the Consolidated Fund when all of the income due is collected.

12. Provision for liabilities and charges

	Dilapidations		Early departure costs	
	2013-14 £'000	2012-13 £'000	2013-14 £'000	2012-13 £'000
Balance at 01 April	-	-	78	84
Provided in year	510	-	-	-
Provision utilised in year	-	-	(8)	(6)
Balance at 31 March	510	-	70	78

Analysis of expected timing of discounted flow:

Not later than one year	-	-	8	8
Later than one year and not later than five years	510	-	30	29
Later than five years	-	-	32	41
	510	-	70	78

Dilapidations provision:

The lease on the ICO main premises at Wycliffe House, Wilmslow expires on 1 January 2017. At this time there is an increasingly likely possibility that the ICO could move premises and the landlord would then have a claim for dilapidations. A provision has been made based upon the maximum that may be due from an assessment by GVA, commercial property advisers, dated January 2013.

The ICO also occupies government properties in Edinburgh and Cardiff under Memorandum of Terms of Occupation agreements ending 2016 and 2024 respectively. Under these agreements, the ICO may have dilapidations liabilities at the end of the term of occupation.

Early departure costs:

The additional cost of benefits, beyond the normal PCSPS benefits in respect of employees who retire early, are provided for in full when the early departure decision is approved by establishing a provision for the estimated payments discounted by the Treasury discount rate of 1.8% (2012-13: 2.8%). The estimated payments are provided by MyCSP.

13. Capital commitments

	31 March 2014 £'000	31 March 2013 £'000
Contracted capital commitments not otherwise included in these financial statements:		
Property, plant and equipment – plant and machinery	-	10
Intangible assets – assets under construction	-	26
	-	36

14. Commitments under operating leases

The ICO leases properties in Wilmslow and Belfast under non-cancellable operating lease agreements. The lease in Wilmslow expires on 1 January 2017 and Belfast on 4 February 2018. Both leases have no option to purchase and no specific renewal terms. Renewals are negotiated with the lessor in accordance with the provisions of the individual lease agreements.

	31 March 2014 £'000	31 March 2013 £'000
Total future minimum lease payments under operating leases are:		
Buildings		
Not later than one year	727	727
Later than one year and not later than five years	1,290	2,015
Later than five years	-	-
	2,017	2,742

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 SoCNE during the year is disclosed in Note 4.

15. Commitments under PFI contracts

Up to July 2013, Information Services were outsourced through a Managed Service Agreement between the Information Commissioner and Capita IT Services Limited.

Under the terms of the contract the title of non-current assets and intangible assets used in the delivery of the information services, was held by Capita IT Services Limited, who had contractual obligations to hand back those assets in a specified condition upon termination of the contract for normal consideration.

Agreed service charges were paid monthly for services delivered to agreed performance standards each month.

The assets provided under this PFI contract had been capitalised on the Statement of Financial Position in accordance with IFRIC 12: Service Concessions Arrangements.

From July 2013, the PFI contract was replaced by several smaller contracts which do not fall under the service concession definitions within IFRIC 12.

	2013-14	2012-13
	£'000	£'000
Charges to the Statement of Comprehensive Net Expenditure:		
The total amount charged to the Statement of Comprehensive Net Expenditure in respect of the service element of PFI contracts was:	701	2,513

16. Related party transactions

The Information Commissioner confirms that he had no personal business interests which conflict with his responsibilities as Information Commissioner.

The MOJ is 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 and remitting receipts collected on behalf of the Consolidated Fund.

In addition the Information Commissioner has had various material transactions with the Principal Civil Service Pension Scheme.

None of the key managerial staff or other related parties has undertaken any material transaction with the Information Commissioner during the year.

17. Losses and special payments

There were no losses or special payments that met the threshold for disclosure during the year.

18. Events after the reporting period

There were no events between the Statement of Financial Position date and the date the accounts were authorised for issue, which is interpreted as the date of the Certificate and Report on the Comptroller and Auditor General.

The Accounting Officer authorised these financial statements for issue on 3 July 2014.

ISBN 978-1-4741-0861-4



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