

Information  
Commissioner's Annual  
Report and Financial  
Statements 2012/13

Independent,  
authoritative,  
forward looking.



# Information Commissioner's Annual Report and Financial Statements 2012/13

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 Schedule 5 paragraph 10(2) of the Data Protection Act 1998.

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## Our mission

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

## 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 **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 **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 **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 **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 **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

This Annual Report accounts for the ICO's performance against the objectives we set for the office for the year 2012/13. I am proud of our achievements in challenging times – holding to our course while handling more business, responding to new challenges, and coping with fewer resources.

We described the ICO's approach to the task of upholding information rights in the public interest in terms of 'five Es'. Yes, the regulator is there to *enforce* compliance with the law; but the ICO is not just there to enforce. The ICO also has to *educate* organisations about the right to privacy and the right to know, and *empower* individuals to assert their rights and look after themselves. We are also there to *enable* improvements in services to be developed within the law and we continuously *engage* with developments in technology, business and policy to make sure that the ICO is able to contribute an information rights perspective to leading edge thinking.

Thinking of these five aspects of our work, I want to highlight a few key achievements of the past year which I believe demonstrate that the ICO is performing strongly. The body of the report contains many more such examples.

While formal *enforcement* action is only part of what we do, the ICO's ability to command attention depends on our credibility as a watchdog with teeth. Our reputation as a regulator to be respected was underlined as we imposed civil monetary penalties of over £2.6 million on 23 data controllers and organisations for serious breaches of the Data Protection Act and Privacy and Electronic Communications Regulations. Our enforcement actions against the generators of spam texts and nuisance phone calls was aided by an easy to use reporting tool on the ICO website which gathered more than 155,000 consumer tip offs over the year. We successfully resisted legal challenges to our use of our 'big stick' power.

The ICO's commitment to *educating* data controllers, public authorities and individuals was perhaps best seen in the way in which we have been implementing the rules on 'cookies' placed on consumers' own computers for the purpose of tracking their online preferences. We showed how websites could comply with the new law, issuing guidance and sharing best practice. A similar approach was demonstrated by our Good Practice team whose audits and advisory visits won high praise from customers in our satisfaction survey. We also held the biggest and best ICO Data Protection Officer conference yet with glowing feedback from the more than 800 delegates who attended the event in Manchester.

Examples of the ICO *empowering* individuals to play their part in asserting their right to privacy and their right to know include the ICO's drive to embed Information Rights as a topic in the school curriculum. Teaching materials will be rolled out to primary and secondary schools following successful piloting of model lessons developed as part of an ICO sponsored education project. We have also helped a further 372 individuals to challenge their inclusion in the so-called construction industry blacklist through subject access requests, and taken over 3,500 calls to our dedicated helpline. This followed the ICO's action in closing down the Consulting Association back in 2009.

The ICO has also been *enabling* good practice in the delivery of modern, efficient public services by promoting our approach to responsible data



sharing. We have been promoting our 'Data sharing code of practice' with events from Whitehall to town hall, spreading the message that data protection is not just about saying 'no', but 'yes, if ...' The challenge is to engage with the specifics of each situation and design the appropriate policy response for the circumstances of each case. We also published our 'Anonymisation code of practice', and conceived and funded the UK Anonymisation Network to develop safe ways of sharing personal information in anonymised form.

We have been *engaging* with a series of changes and challenges in information rights. While the post-legislative scrutiny of the Freedom of Information Act was supportive of both the legislation and the work of the ICO, we shall have to remain vigilant as detail emerges of government proposals that may restrict the publication of information, whether by a new approach to the use of the ministerial veto or by changes to the cost limit rules. Meanwhile, we have been actively engaged in implementation of the Open Data agenda. The Leveson Inquiry into the standards and ethics of the press involved the ICO because of Operation Motorman and the publication of the 'What Price Privacy?' and 'What Price Privacy Now?' reports in 2006. We responded to Lord Justice Leveson's recommendations and published a work plan scheduling the ongoing projects arising from them.

Another massive project that has called for ICO input is the proposed revision of the EU data protection regime. The emerging Regulation would change fundamentally the way the ICO operates and the over-specific list of responsibilities for each data protection authority would inevitably shift our work towards formal enforcement and away from the other four Es. This would be unfortunate.

As we think ahead to 2016 when the new Regulation is supposed to be implemented we have to be aware of the funding challenge facing the ICO. Our job will become more costly as our discretion to pick our battles is removed. But at the same time there will need to be a wholly new method of funding the ICO as the notification system is abolished. The opportunity should be taken to devise a system which also overcomes the rigidities of the current mixed system of funding the ICO, through (declining) grant-in-aid for our freedom of information work and notification fees for data protection.

A report from the House of Commons Justice Committee in March emphasised the urgency of addressing the funding issue. The Justice Committee was also complimentary about the performance of the ICO overall and supported our call for compulsory good practice audits of NHS bodies and local councils and for stronger penalties to deter unauthorised disclosure of personal information (sec 55 of the Data Protection Act.) The Committee's positive report came as validation for the ICO's 'Olympic challenge' - by 2012, we will be recognised by our stakeholders as the authoritative arbiter of information rights.' The importance we attach to the independence of the ICO was symbolised by our migration from a .gov to a .org web address – [www.ico.org.uk](http://www.ico.org.uk).

Other highpoints of the year were the ICO's acknowledgement of the Alan Turing centenary with the inauguration of our Alan Turing Suite of meeting rooms at our Wilmslow headquarters. (Turing was a Wilmslow resident while teaching at Manchester University.) The suite is decorated with Turing art

works by the winners of a schools competition organised by the ICO and we also held a highly successful Alan Turing Lecture in Manchester.

I have to thank my colleagues on the Management Board, both executive and non-executive, for helping me lead the ICO through another busy but rewarding year. The direction of the ICO has undoubtedly been strengthened by the development of a wider Leadership Group, involving the most senior 18 managers.

Despite the productivity gains noted by the Justice Committee, growing responsibilities have involved expansion of the team at Wilmslow. I am delighted that the latest staff survey recorded improving figures for staff engagement at the ICO. The year has added a further two Es to the list – efficiency and effectiveness.

I end by congratulating and thanking everyone at the ICO who has made this a year of great achievement. I am confident that our stakeholders, our partners, and our customers, reading this report, will agree with me.



**Christopher Graham**

**Information Commissioner**

10 June 2013

# Our aims

For 2012/13 the ICO identified the following seven objectives, achievement against which will enable us to achieve our strategic outcomes.

1. We will give priority to **educating** organisations so that they can better understand their information rights obligations.
2. We will promote good information rights practice, **enabling** organisations to meet their information rights obligations more easily.
3. We will provide a fair and efficient complaints resolution process, **enforcing** the law where the risks are the most significant and doing more to use the lessons learned as a means of **educating** organisations.
4. We will take firm and decisive action, **enforcing** the law proportionately when organisations fail to meet their information rights obligations.
5. We will provide advice and develop new initiatives aimed at **empowering** individuals and others through the exercise of their information rights.
6. We will constantly be alert, spotting developments and responding to risks, **engaging** with a wide range of stakeholders to present the information rights perspective.
7. We will improve the way we work, evolving so that we continue to be an effective, efficient organisation delivering value for money.

# Our year at a glance

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## April 2012

We published new guidance to help individuals securely delete personal information from their old devices after an ICO investigation found that one in ten second-hand hard drives sold online may contain residual personal information.

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## May 2012

We issued a response to the ministerial veto in relation to the disclosure of the NHS risk register.

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## June 2012

We welcomed the publication of the Cabinet Office's Open Data White Paper, supporting its recognition of transparency and openness as central to the operation of modern public authorities.

We launched our new 'Practical guide to IT security', offering guidance to small and medium sized businesses, showing a series of clear and practical steps to help make IT systems safe and secure.

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## July 2012

We issued a response to the ministerial veto of an ICO decision over Iraq Cabinet minutes.

We published our new 'Plain English Guide to the Environmental Information Regulations' to help public authorities better understand how to apply them.

We issued an enforcement notice to Southampton City Council, ordering the council to stop the mandatory recording of passengers' and drivers' conversations in the city's taxis.

We issued a statement welcoming the publication of the Justice Select Committee's post-legislative scrutiny of the Freedom of Information Act.

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## August 2012

We successfully prosecuted a Lancashire bar owner under the Data Protection Act for failing to register his premises' use of CCTV equipment.

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## September 2012

We published new guidance for companies using cloud computing providers.

We reported to Parliament on the use of the Ministerial veto on the disclosure of minutes of Cabinet meetings in 2003.

We gave evidence to the Justice Select Committee on the proposed EU data protection proposals.

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## October 2012

We published new guidance for higher education institutions on freedom of information legislation.

The Department for Education withdrew its appeal against an ICO decision notice which found that official emails sent from private email accounts were subject to the Freedom of Information Act and should be disclosed.

We celebrated the 100 year anniversary of the birth of code breaker and computer scientist, Alan Turing, with the first ICO Alan Turing lecture in Manchester.

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## November 2012

We launched our new 'Anonymisation code of practice' providing good practice advice for organisations sharing anonymised data.  
.....

We served our first two monetary penalties under The Privacy and Electronic Communications Regulations, totaling £440,000, to the owners of a marketing company responsible for millions of unlawful spam texts.

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## December 2012

We launched a consultation on a new draft 'Subject access code of practice'; helping organisations handle subject access requests, while supporting the public in taking control of their personal information.  
.....

We successfully prosecuted a bank employee for offences under section 55 of the Data Protection Act, under which it is an offence to obtain, disclose or sell personal data without the data controller's consent.

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## January 2013

We served a monetary penalty of £250,000 to entertainment company Sony Computer Entertainment Europe Limited, following a serious breach of the Data Protection Act.  
.....

We published our response to the Leveson Report.

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## February 2013

We launched a new project aimed at embedding information rights into the UK education systems.

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## March 2013

We welcomed 800 delegates to our Data Protection Officer conference in Manchester.  
.....

We served a monetary penalty of £90,000 to a Glasgow company that has swamped the public with thousands of unwanted marketing calls.  
.....

We published guidance explaining some of the risks organisations must consider when allowing staff to use their own telephones and computers for work purposes, commonly known as 'bring your own device'.  
.....

# Educating organisations

The ICO has been active in seeking how best to educate organisations as to their information rights responsibilities, tackling issues as they arise and seeking to identify emerging issues early.

## Training materials and resources

To help raise awareness we have developed an online video archive with a combination of in-house and professionally produced films. This includes a new data protection training and awareness raising film 'Data Day Hygiene', and a film we made with Orbit Social Housing highlighting the improvements they made following enforcement action we took over a breach of the Data Protection Act.

The 'Data protection principles postcard' continues to lead our top five most popular publications with the 'Data sharing checklist' second. The ICO's blog has also become a well-read resource with 18 postings this year.

## Privacy and Electronic Communications Regulations

The revised ePrivacy regulations have posed a challenge for all organisations that use cookies on their websites. We have put considerable efforts into explaining these rules, updating our guidance and working not only with the Department for Culture, Media and Sport but also with others such as the International Chamber of Commerce and the Direct Marketing Association, in providing guidance to their members

We published new guidance for public telecommunications service providers on their obligations related to breach notification under the Privacy and Electronic Communications Regulations.

## Freedom of information guidance

We have revised or published 55 pieces of guidance on the Freedom of Information Act and the Environmental Information Regulations including:

- A new 'Guide to the Environmental Information Regulations' – the first time an 'end to end' guide has been published by the ICO, plus additional new guidance on relevant exceptions.
- Extensively revised guidance on the section 35 Freedom of Information Act exemption for government policy information, and on the section 23 and 24 Freedom of Information Act national security exemptions.
- Revised guidance on the prejudice test and public interest test.
- Revised guidance for higher education institutions on freedom of information.

We have also reviewed sector based guidance on publication schemes for central government, local government, the police and the higher education sectors.

## Data protection guidance

We published a ground-breaking code of practice on managing the data protection risks related to anonymisation; the first European data protection authority to publish a code on the issue. The code has received international

and expert recognition by both the Office of the Information and Privacy Commissioner of Ontario and BCS, The Chartered Institute of IT, and in March the ICO was invited by the Irish Presidency to present the code at the Council of the European Union working party on information exchange and data protection (DAPIX) meeting.

In December we launched a consultation on a draft 'Subject access code of practice'. To involve the general public we held focus groups in Bolton, Blackburn and Manchester. Members of the black and minority ethnic community offered their views about how the organisations they deal with could improve the way they inform individuals of their rights. The consultation closed in February, and the final code will be published in the summer of 2013.

We also published new guidance on cloud computing, deleting personal data, and asset destruction.

### **In-vehicle telematics**

This is a developing area in the insurance industry as part of efforts to reduce car insurance premiums by monitoring people's driving habits. Data protection issues are raised as devices collect, record and transmit potentially intrusive data about not just the insured's use of the vehicle but also subsequent owners and drivers of the vehicle. We engaged with this issue in its early stages to ensure that safeguards were designed in from the outset, meeting with the Association of British Insurers and insurance companies to discuss developing industry guidelines.

### **Parking industry access to DVLA data**

We have been in detailed discussions with the British Parking Association about their approved operator scheme which underpins access for parking companies to DVLA data for pursuing parking charges. The way this data is being used has provoked a number of privacy concerns and we have been working to ensure that arrangements cannot be abused. We are now participating in the work of the Approved Operators Scheme Standards Advisory Panel to help ensure compliance.

# Enabling good information rights in practice

## A supportive approach

During the year we conducted 58 audits of data controllers, a 38% increase on last year. In line with ICO priority areas these have included a significant number of local authorities and criminal justice organisations such as police forces and probation trusts. We also followed up on 35 completed audits to ensure that recommendations made have been implemented, a 66% increase on the number conducted last year.

We completed the first full year of our advisory visit programme, aimed at assisting and educating smaller organisations such as charitable and voluntary sector services. We undertook 78 advisory visits which is a 30% increase on the originally projected numbers.

An advisory visit to the Samaritans (Lewisham, Greenwich and Southwark branch) was particularly well received. The complete report was published with the branch sharing information with other Directors of Samaritans in the London Region and volunteering to make a short promotional film about their experience with the ICO.

During the year we commissioned a customer satisfaction study across all areas of the ICO. Those contacted had been customers of the ICO during the past 12 months and included organisations that have had an ICO audit or advisory visit.

The research found that organisations were overwhelmingly positive about the ICO audit process; in particular citing the ease of liaising with ICO staff, the approachability and professionalism of auditors and advisors, and how useful the audits were in improving their understanding and appreciation of good data protection practice.

They were very, very supportive throughout. Leading up to the actual visit itself there was a lot of dialogue, we'd also sent quite a lot of information electronically to the ICO, so there was a relationship established before they came on site.

*Private Sector*

Because we had had 2 data loss incidents in the previous 3 years I was particularly keen that we had ICO come in and assess how we were doing things and if there were things that we'd missed that we should be doing better or differently... it's always useful to have someone who has a broader view than our organisation to come in and to look us over and give us the benefit of much broader experience.

*Private Sector*

It exceeded [expectations] by some measure. I thought it was an extremely valuable freebie really and it wasn't just a casual health check; it was a very thorough and practical pragmatic report which we've been able to and are still referring to as we evolve our key policies in this area.

*Private Sector*



We have also reviewed the way in which data controllers register with (or notify) the Commissioner about their processing of personal information. Our new service was subsequently launched in May 2013. It allows customers to pay their annual registration fee online or by telephone and provides a simpler way for organisations to describe their processing of personal information. This project will continue to develop improved online self service facilities to make the business of registering under the Act as simple as possible.

## Good practice reports

We have introduced outcomes reports which summarise common audit themes; highlighting both good practice and areas for improvement in the private, health, local government, central government, police and probation sectors.

We have disseminated good practice by giving presentations on audits and their outcomes at selected forums. We also developed and ran a central advisory visit workshop which allowed us to reach even more organisations. This is something we are looking to develop further for the future.

Working with nine local authorities in England and Wales, we asked over 400 schools to complete a data protection questionnaire. We then used the results to produce a report indicating good practice and areas for improvement, and giving practical advice on the application of the Data Protection Act.

## Good practice in data handling' workshops

In February we held a series of highly successful hands-on workshops across Wales, highlighting basic good practice in personal data handling. We targeted public and third sector staff on the front line of service delivery, with possibly less experience of data protection, drawing heavily on examples of good and bad practice uncovered by the ICO's audit and enforcement departments. Workshops were small to encourage maximum participation, but demand far exceeded the places available and it is likely that we will extend the programme in 2013/14.

We recommend that as a general rule public sector organisations should accept the offer of a free audit from the Information Commissioner, and we consider that it is in the public interest for them to do so.

*House of Commons Justice Committee – Ninth Report  
The functions, powers and resources of the Information Commissioner  
March 2013*

## London 2012

We worked closely with the London Organising Committee of the Olympic and Paralympic Games and their partners on information rights issues that could have affected the successful delivery of the games. These included advising on security issues, the volunteer programme, selecting torchbearers and the retention of Olympic legacy information. We established a cross office group to ensure we provided a single point of contact to help with the smooth running of the Games.

## Health Service Reform in England

A senior member of staff has sat on the Department of Health Information Governance Review Panel and has been involved in its evidence sessions. We hope that this work will help transform information governance in an area where some of our most sensitive personal details are held. Similarly we have participated in the work of the influential NHS Professional Leadership Group.

We have also been working with the National Information Governance Board on identifying issues arising from the changes to the NHS in England. These have substantial implications for information governance and we want to ensure that all are aware of their responsibilities.

## Public sector data sharing

There are substantial data sharing activities across the public sector. The 'Troubled Families' initiative is a Department for Communities and Local Government initiative aimed at improving sharing of information between the police, health bodies and local authorities. We have worked to ensure that personal data is properly safeguarded, including hosting a meeting at national level to resolve a number of difficulties and misunderstandings.

The government's focus on fraud has involved us in substantial work with the National Fraud Authority and other agencies and government departments. We have sought to ensure that data protection safeguards are in place and considered whether any further legislative provisions are needed.

## Sector transparency boards

The government's aim of making more of its information available in open data formats is accompanied by privacy risks. We participate in meetings of the Tax, Welfare and Crime and Justice Transparency Panels to help maximise transparency whilst addressing the privacy concerns raised.

## National Assembly for Wales - Members advisory visits and awareness raising

In February and March we carried out two advisory visits to Assembly Member constituency offices, and passed on lessons learned to other Assembly Members via a series of eight awareness raising sessions for Assembly Members and their support staff. This was carried out on a party-political basis to encourage participation.

## UK anonymisation network

As part of our work on anonymisation and promoting our code of practice we set up and funded the UK Anonymisation Network. The aim of the network is to enable the sharing of anonymisation good practice and find solutions to challenges, making use of a website, social media and events, and case studies. Following a tender process the funding to run the network was awarded to a consortium of the University of Manchester, University of Southampton, Office for National Statistics and the Open Data Institute. The network held its first meeting in January, including an anonymisation clinic for practitioners, and the website [www.ukanon.net](http://www.ukanon.net) was launched in March.

# Fair and efficient complaints resolution process

We continued to handle significant numbers of complaints casework, across both data protection and freedom of information regimes.

We answered over 14,000 concerns raised by individuals about how their personal information was shared, provided or used, and handled over 4,500 disputes about information and whether it should be in the public domain. We routinely issue our assessments and decision notices to both parties, and where there is the opportunity to highlight areas of concern and make recommendations for improvements, we have done so.

Over 90% of our complaints cases are resolved within six months of receipt, and although a handful of cases can take longer to deal with, we ended the year with nothing older than 12 months on the books.

## Data protection complaint casework

Complaint casework received



Complaint casework finished

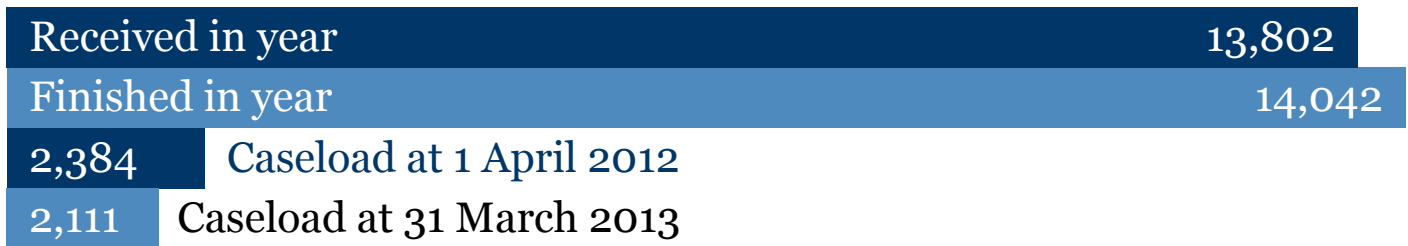


Complaint casework caseload

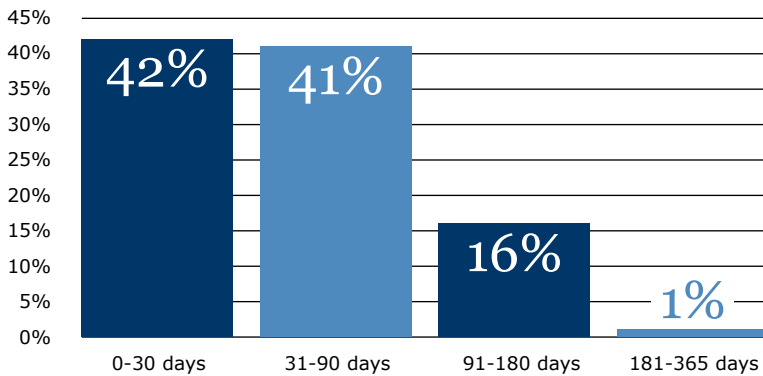


We have used individual complaints as a catalyst for action, sharing common issues across the ICO and its cross office priority groups to help us better co-ordinate our regulatory activity. We have also discussed issues raised with organisations in many different sectors. For example we discussed criminal justice issues with the Association for Chief Police Officers, the Metropolitan Police, Merseyside Police and Cheshire Constabulary. We have also met with the Home Office, the UK Border Agency, the Cabinet Office and the Ministry of Justice in the central government sector, and with various local councils and authorities securing improvement action plans in areas such as subject access compliance, retention periods and information security. We also approached the financial sector to explore their performance in responding to requests for personal data, especially given the rise in PPI cases, and we are continuing to monitoring delivery in this area.

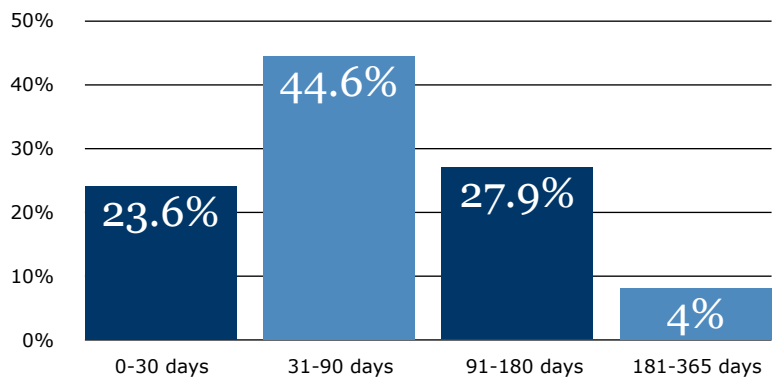
Data protection complaint casework



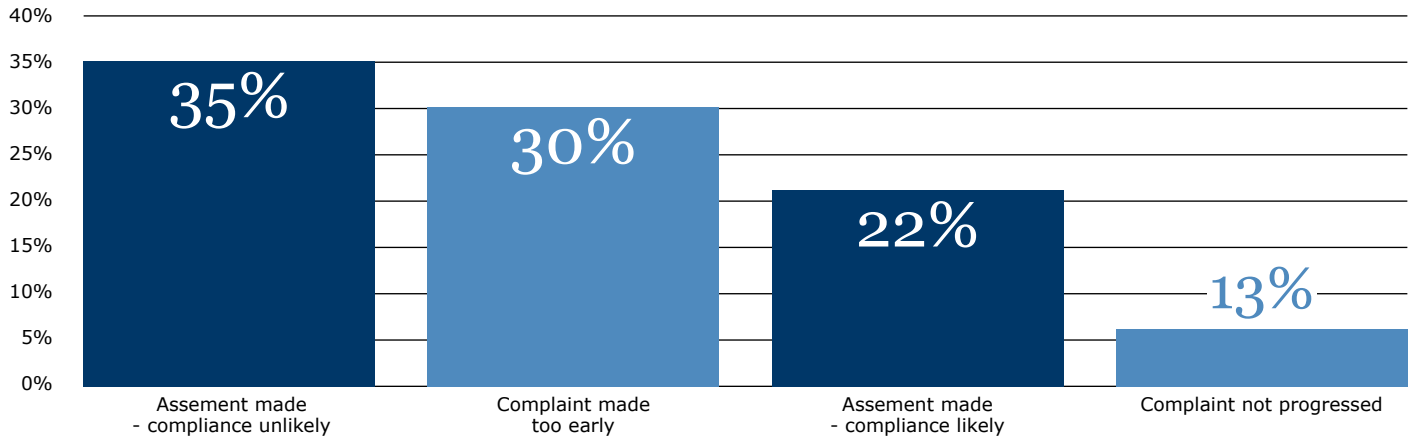
Age distribution of complaint caseload



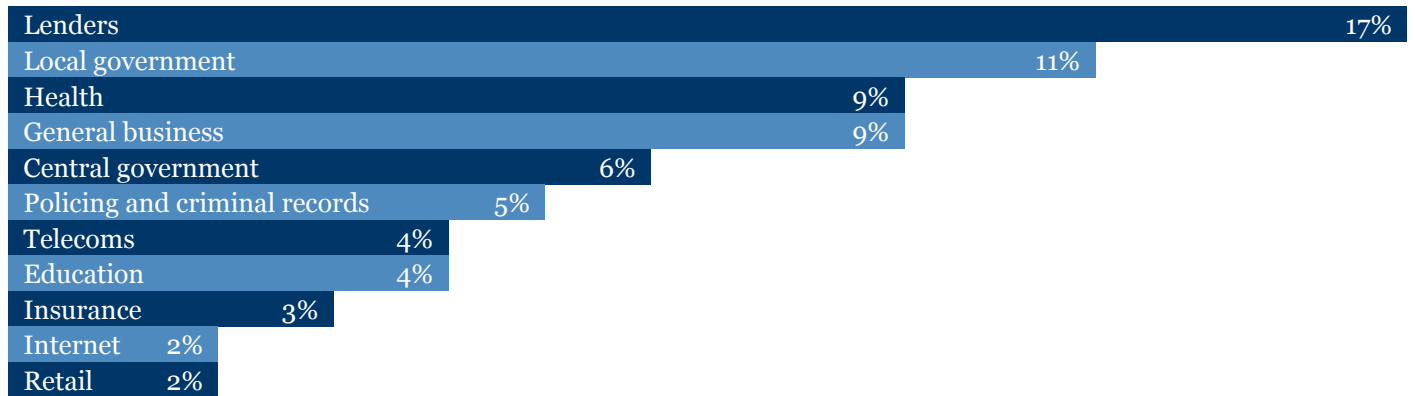
Age distribution of finished complaint casework	
30 days or less	24%
90 days or less	68%
180 days or less	96%



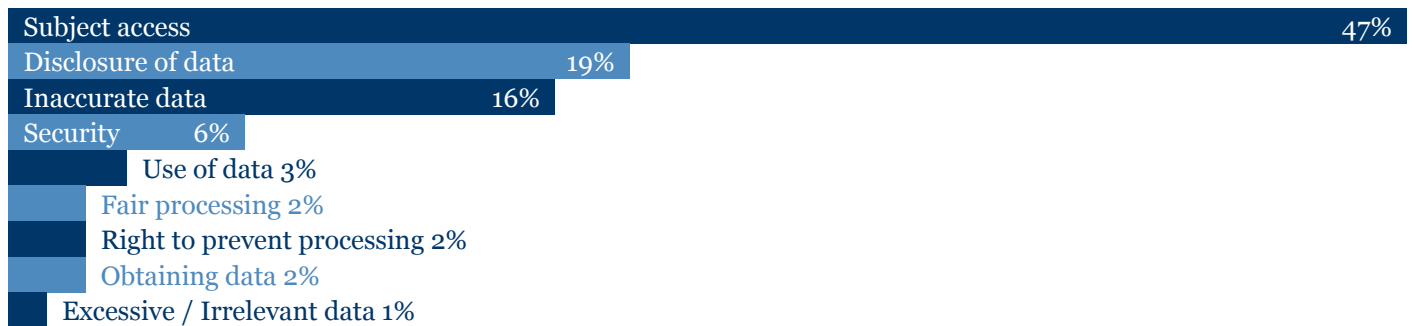
### Outcomes of complaint casework finished



### Areas generating most complaints where sector is specified



### Reasons for complaining

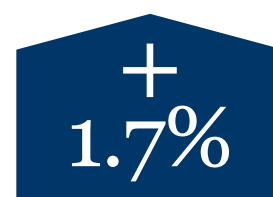


### DP complaint outcome definitions

<b>Ineligible / Complaint made too early</b>	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.
<b>Assessment made - compliance likely</b>	The ICO concludes that an organisation is likely to have complied with their obligations under the DPA.
<b>Assessment made - compliance unlikely</b>	The ICO concludes that an organisation is unlikely to have complied with their obligations under the DPA.
<b>Complaint not progressed</b>	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.

# Freedom of information and environmental information regulations complaint casework

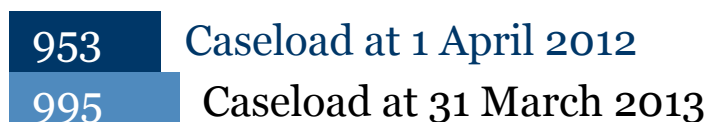
## Complaint casework received



## Complaint casework finished



## Complaint casework caseload



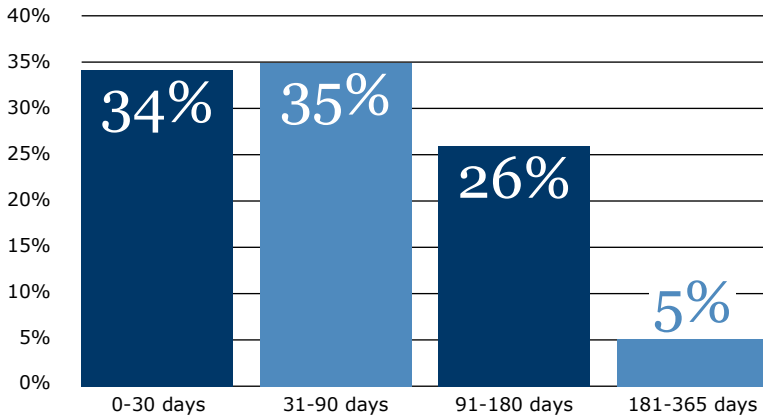
We continued to monitor the speed at which public authorities deal with freedom of information requests and conduct their internal reviews. Working closely with the newly formed ICO Intelligence Hub, we reviewed and revised a number of procedures and templates in order to create a more focussed, better targeted and proportionate approach to monitoring this area. The Department for Education, Department for Work and Pensions, the Office of the First Minister and Deputy First Minister (Northern Ireland) and Wirral Metropolitan Borough Council were singled out for our attention. Statistics for the first month of that monitoring period, January 2013, have begun to come in and early indications are that performance, and therefore service for individuals, is improving.

We have issued a number of high profile freedom of information decision notices. Amongst the most notable have been decisions relating to the Hillsborough Inquiry, the Department of Health reform and risk registers, Serious Untoward Incident reports in the NHS. We have also confirmed where we think information has properly been withheld.

Customers were also asked about our complaints service, and we will be using the results of the research to help shape our regulatory work in the year ahead.

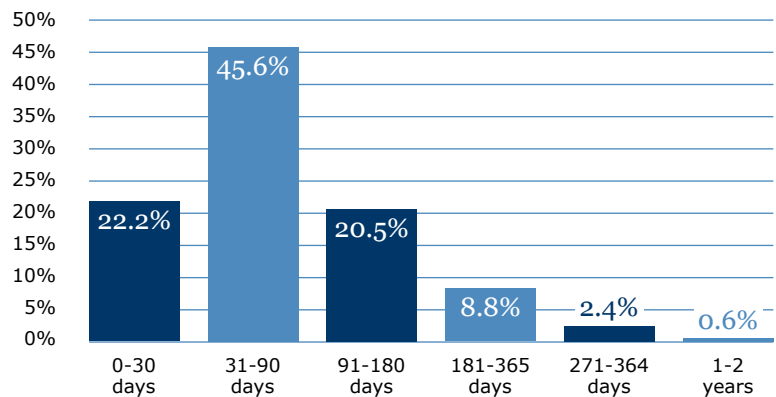
Received in year	4,693
Finished in year	4,697
953 Caseload at 1 April 2012	FOI funding reduced by 5.5%
995 Caseload at 31 March 2013	

Age distribution of complaint caseload



Age distribution of finished complaint casework	
30 days or less	22%
90 days or less	68%
180 days or less	88%
365 days or less	99%

Age distribution of caseload



1-2 years, 26 complaints



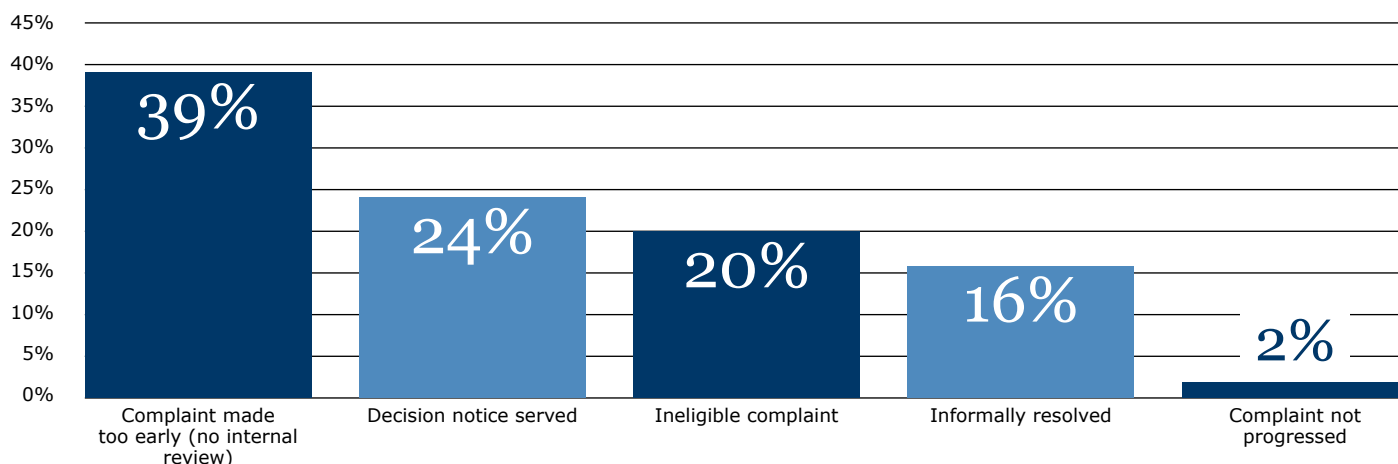
Areas generating most complaints where sector is specified

Local government	45%
Central government	24%
Health	9%
Policing and criminal justice	8%
Education	8%
Private companies	1%

Outcome of a complaint where a decision notice is served

1106	Total served	
311	Upheld	28%
615	Not upheld	56%
180	Partially upheld	16%

### Outcomes of complaint casework finished



### FOI and EIR complaint outcome definitions

<b>Informally resolved</b>	Complaint resolved without a formal decision notice being served.
<b>Decision notice served</b>	Complaint resolved with a formal decision notice being served.
<b>Ineligible</b>	<p><b>This includes the following outcomes:- Insufficient evidence</b> Where the ICO has not received enough relevant information to be able to accept the complaint.</p> <p><b>Not PA</b> The complained about organisation is not a formal public authority as defined by the FOI Act.</p> <p><b>Not section 50</b> The matters raised are not eligible for consideration under the complaints section of the FOI Act.</p> <p><b>Not EIR</b> The matters raised are not eligible for consideration under the Environmental Information Regulations.</p> <p><b>Vexatious</b> The complaint is deemed to be vexatious by the ICO.</p> <p><b>Frivolous</b> The Complaint is deemed to be frivolous by the ICO.</p>
<b>Complaint made too early (no internal review)</b>	An internal review that examines the original decision has not been completed by the public authority.
<b>Complaint not progressed</b>	The complaint was raised with the ICO after an undue length of time or the customer no longer wished to pursue their complaint.

\* Totals may exceed 100% due to rounding.



# Privacy and Electronic Communications Regulations complaint casework

## Complaint casework received



## Complaint casework finished



A reduction in complaints as the public tell us about their concerns using our on-line reporting tool.

## Complaint casework caseload



## PECR concerns

Concerns reported about Telesales and SPAM Texts during 2012-13



Concerns reported about Cookies during 2012-13



Fewer concerns referred to us about cookies as the year progressed. Information about cookies is virtually universal.

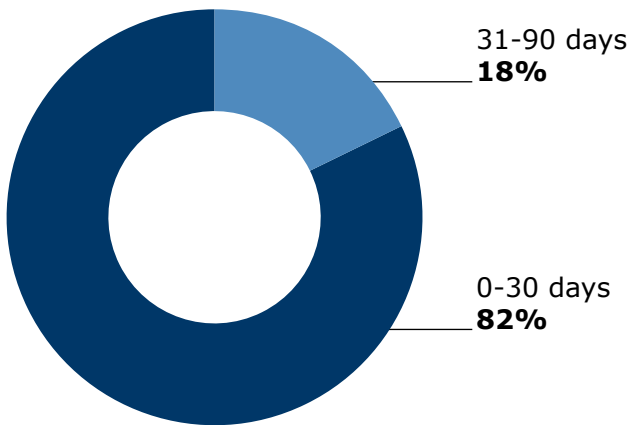
Traditionally we have dealt with up to 7,000 complaints and enquiries from the public under the Privacy and Electronic Communications Regulations (PECR). We recognise that for people receiving calls or texts to their telephones the regulatory landscape can be confusing. We have therefore done a lot of work this year to align our website with other regulators and complaint handlers to help make sure customers can raise their concerns quickly and simply.

Thanks to this and our recent work to raise the profile of the Regulations and the regulatory action we have taken, this year we have seen over 155,000 customers bring concerns to our attention. These contacts have been used to help direct our regulatory activities based on areas of greatest risk.

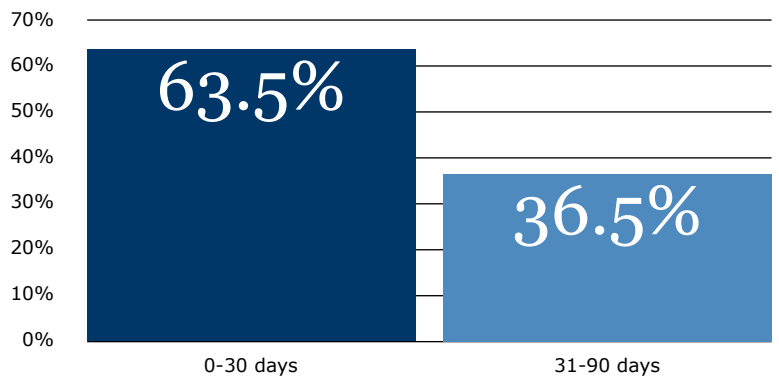
Received in year	6,386
Finished in year	6,473
222	Caseload at 1 April 2012
228	Caseload at 31 March 2013

With the rising profile of our PECR work. We have dealt with over 20 times more complaints and concerns from the public this year.

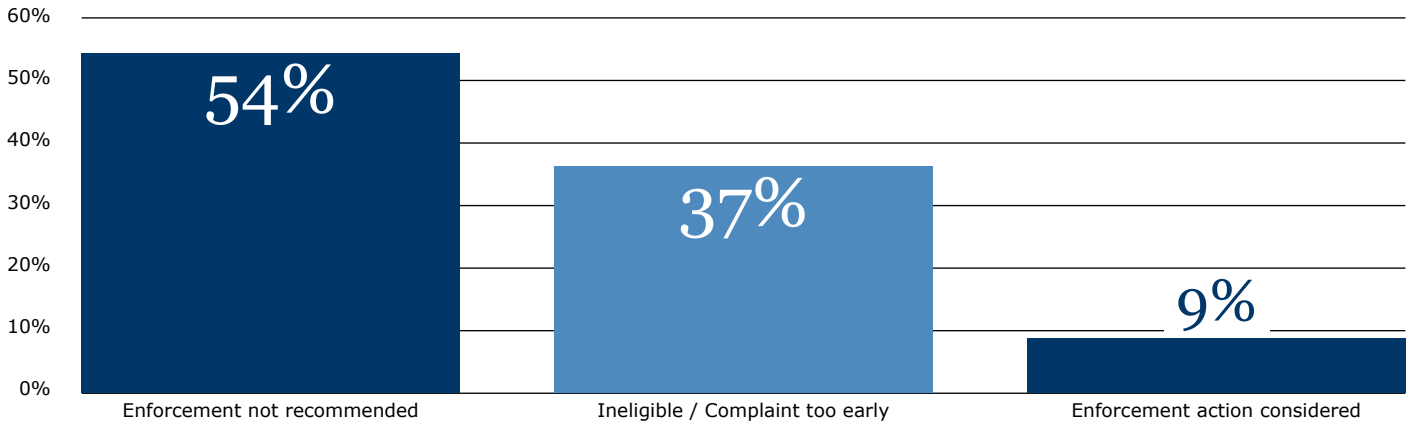
Age distribution of complaint caseload



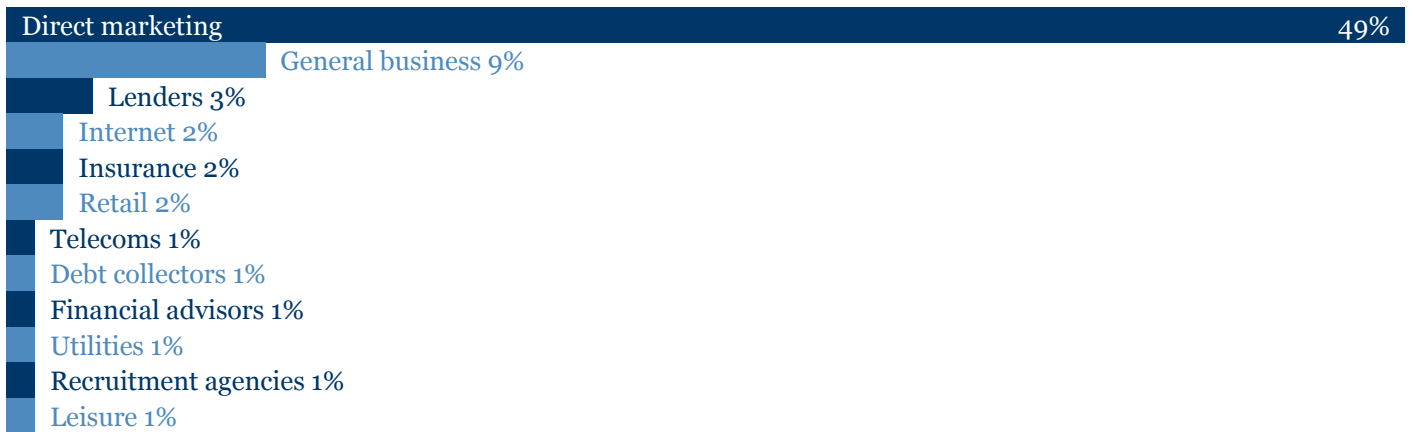
Age distribution of finished complaint casework	
30 days or less	64%
90 days or less	100%
180 days +, 3	



Outcomes of complaint casework finished



Areas generating most complaints where sector is specified



Reasons for complaining



## PECR concerns reported about Telesales and SPAM Texts

2012/2013

155,425

Our self-service on-line reporting tool has proved the most popular way for the public to raise their concerns with us.

## Nature of concerns

Telesales call where I heard a recorded voice	73,844 (48%)
Telesales call where I spoke to a person	41,066 (26%)
SPAM Texts	40,515 (26%)

## PECR outcome definitions

<b>Ineligible / Complaint made too early</b>	The matter raised does not fall under the PEC regulations or 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 raised with the organisation concerned.
<b>Enforcement not recommended</b>	Enforcement action not considered.
<b>Enforcement action considered</b>	Enforcement action considered.

\* When we receive a complaint or concern it is initially categorised based on the legislation involved and the type of work needed. In a few cases this initial categorisation changes when we begin work on the case causing it to move to a different caseload. This can mean that receipts and closures of work in each work stream may not balance.

# Advice casework overview

## Advice casework received



-10.8%

## Written advice casework finished



Improved information on our website led to a reduction in written queries.

- 8.3%

## Written advice casework caseload



## Helpline advice calls received



+  
3.7%

## Helpline advice calls answered



Speaking to our customers is often the best way of explaining issues.

+  
3.2%

# Written advice

Received in year	28,725
Finished in year	29,042
888 Caseload at 1 April 2012	
565 Caseload at 31 March 2013	

## Breakdown of written advice finished in year

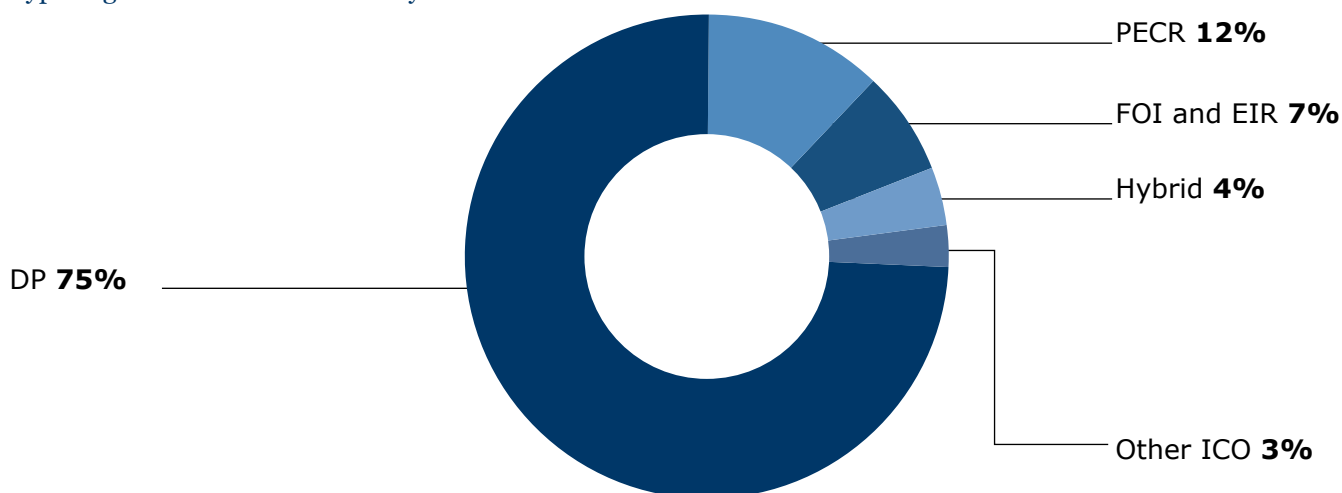
Notification advice	17,457
General advice	11,585

We continue to improve the advice on our website.

## Nature of general advice finished in year

How to apply the legislation	45%
General advice about legislation and the role of the ICO	24%
Advice requested is not in the ICO's remit	15%
What rights do I have to access information	8%
Electronic and postal marketing	8%

## Type of general advice finished in year



Age distribution of finished advice casework	
Within 7 days	60%
Within 30 days	86%

\* Totals may exceed 100% due to rounding.

# Helpline advice

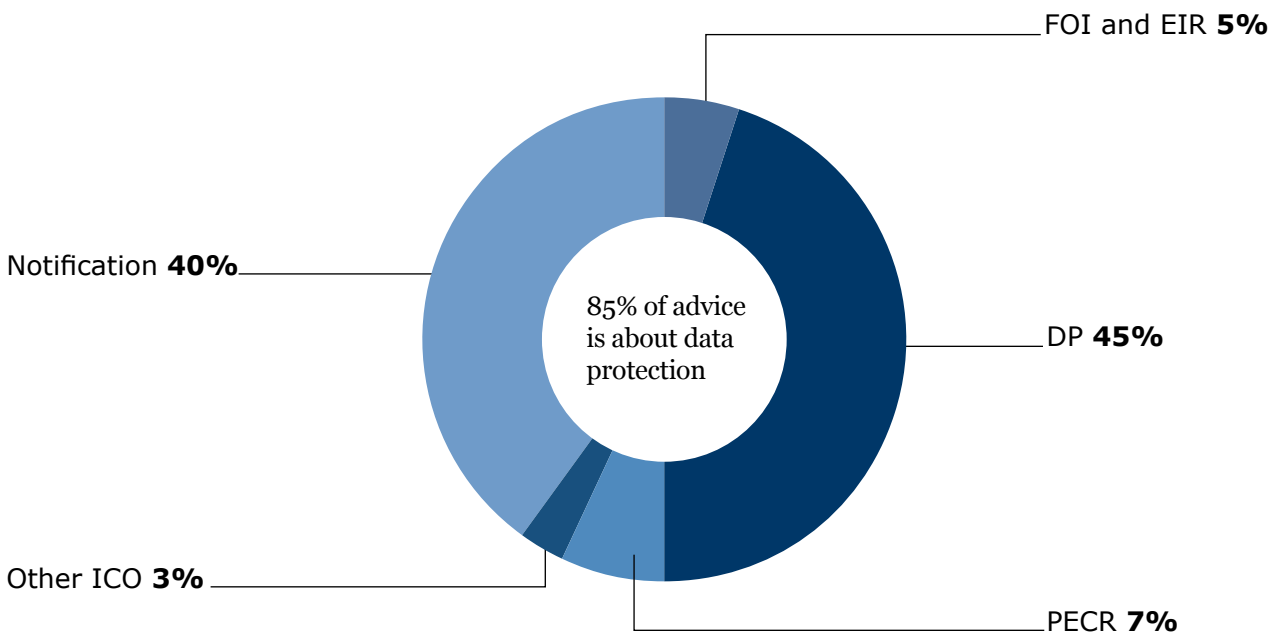
Calls received	225,138
Calls answered	213,813

Call answer rates	
Percentage answered	95%
Average wait time	52 seconds

## Nature of helpline advice

Notification	40%
General advice about legislation and the role of the ICO	37%
What rights do I have to access information	10%
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%

## Type of general helpline advice



# Enforcing the law

An important part of our role as a regulator is to take action to ensure organisations meet their legal requirements under the Data Protection Act, the Freedom of Information Act and the Privacy and Electronic Communications Regulations.

Our specialist civil enforcement team looked at more than 1,300 cases over the past year, an increase of 45%. The law gives us the power to issue penalties ranging from enforcement notices through to civil monetary penalties of up to £500,000. There's no doubt that it is the latter that grabs the most attention, and the last twelve months has seen us increasingly using this power to improve compliance. We issued 23 civil monetary penalties in the last year, more than double the previous year's total.

The value of the penalties we imposed under the Data Protection Act and the Privacy and Electronic Communications Regulations in the last year stands at just over £2.6 million (before early payment reductions). With one exception the penalties issued under the Data Protection Act were for failing to keep personal information secure. Organisations can surely be in no doubt that they must look after people's personal data properly, yet we continue to see poor data security. Two thirds of the penalties we issued were in the health and local government sectors, which handle the most sensitive of data. NHS bodies received almost £1million in penalties, prompting a government consultation around extending our powers to allow compulsory audits of NHS bodies.

This year also saw us issue our first monetary penalty for a serious breach of the Act that wasn't linked to keeping data secure. Prudential was issued with a penalty of £50,000 after consistently mixing up two customers' accounts, resulting in tens of thousands of pounds ending up in the wrong account.

The area of our enforcement work that grabbed the most headlines was our actions to tackle cold calls and spam text messages. In March we set up an online reporting tool so that people can tell us about the messages they are receiving. More than 155,000 people have now used this tool to provide us with information, which we then use to inform our investigations.

Those investigations saw us issue our first penalties under the Privacy and Electronic Communications Regulations to Tetrus Telecoms, a company that used unregistered 'pay as you go' sim cards to send out hundreds of thousands of text messages a day. The texts claimed the recipients were owed compensation for accident claims and PPI miss-selling. When people replied to the messages, the company would sell their details as sales leads, earning the two men that ran Tetrus Telecoms hundreds of thousands of pounds in profit.

An 18 month ICO investigation prompted civil monetary penalties to both men totalling £440,000. The pair was also prosecuted for failing to notify under section 17 of the Data Protection Act, prompting a further £5,000 in fines and costs.

The first monetary penalty for breaking cold-calling regulations followed in March, as DM Design Bedroom Ltd was fined £90,000. The company phoned people to sell fitted kitchens, bedrooms and bathrooms, and prompted more than 1,900 complaints by consistently failing to check whether individuals



had opted out of receiving marketing calls by signing up to the Telephone Preference Service. In announcing the penalty the Information Commissioner promised further action against companies that bombard people with unlawful marketing texts and calls.

This year we also set up an Intelligence Hub within the enforcement team to help guide and support the ICO's approach to regulatory action. The Intelligence Hub manages the collection, analysis and dissemination of intelligence obtained from sources inside and outside the ICO to support enforcement and operations functions.

Yesterday's announcement by ICO that it has imposed a fine of £90,000 on Glasgow-based DM Design Bedrooms Ltd is welcome news for consumers and the advertising industry alike. Unwanted direct marketing from the private sector is more than an unwanted nuisance – it truly invades the private space – and it pollutes the overwhelmingly good environment of marketing and advertising. ICO's approach to fining here makes sense and is good policy.

...Judging by the contents of the Monetary Penalty Notice (MPN) this is a fine that sticks and ICO will feel confident that it will be unimpeachable in an appeal.

*Law Firm,  
Field Fisher Waterhouse*

## Prosecutions

The enforcement team also investigates criminal breaches of the Data Protection Act. These can range from individuals stealing personal information from their workplace, to organisations failing to register their processing of personal information with our office; a legal requirement under the Act.

In March, a former receptionist at a GP surgery was found to have accessed sensitive medical information relating to her ex-husband's new wife, information she then referred to in a text message to the victim. The offence prompted an appearance before the magistrates' court, and £1,165 in fine and costs.

While individuals committing criminal breaches of the Act can face fines of up to £5,000 in the magistrates' court and higher penalties in the Crown Court, we continue to see those prosecuted receiving relatively minor fines of a few hundred pounds per offence. This is clearly an issue that needs addressing and we are in discussion with government to bring in tougher penalties for those found to be stealing or illegally acquiring personal data.

The criminal investigations team has appointed CCL Forensics to provide specialist forensic support in the form of on-site evidence recovery, mobile device and computer analysis. The services provided by CCL will support the ICO's investigation of criminal offences under the Data Protection Act and Freedom of Information Act. In order to contract these services a full tender process was carried out by the ICO procurement team, providing significant cost reductions compared to the previous arrangements.

## Assessment notices

We have made fundamental progress with the business case for the extension of our assessment notice powers. It had become apparent that the case for the health sector was progressing faster than that for local government, so we revised the business case to cover the health sector alone and this has now been put out for consultation. We continue to seek to extend the powers to local government.

We introduced a process to follow up formal undertakings to ensure that the agreed undertaking requirements have been implemented. All follow ups completed found that the required actions in the undertakings had been fulfilled.

We created a new enforcement section on our website to more prominently show examples of the action we are taking against organisations breaching information rights legislation.

## Appeals to the Tribunal under the Freedom of Information Act and the Environmental Information Regulations

Appeals against decisions of the Commissioner:

During the course of the year 248 appeals (including remittals) to the First-tier Tribunal were received by the ICO. 202 (82%) of those appeals were made by complainants, and 46 (18%) by public authorities.

278 appeals were heard during the reporting period, of those:

- 39% were dismissed;
- 18% struck-out;
- 14% withdrawn;
- 8% consent order issued;
- 5% were part allowed; and
- 16% were allowed.

Appeals against decisions of the First-tier Tribunal:

22 applications for permission to appeal to the Upper Tribunal against a decision of the First-tier Tribunal were granted in 2012/13. 11 (50%) of those appeals were by complainants and 11 (50%) by public authorities.

18 appeals were decided during the reporting period, of those:

- 39% were dismissed;
- 11% withdrawn;
- 6% consent order issued; and
- 44% were allowed.

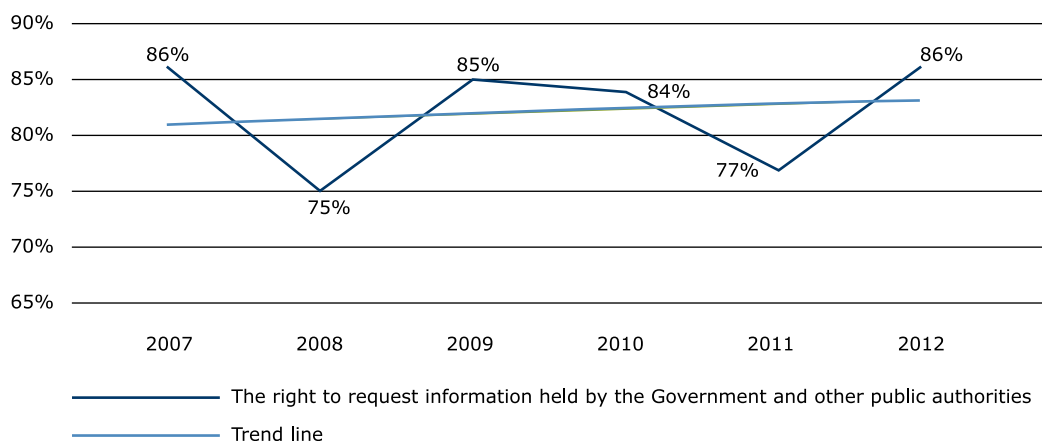
# Empowering individuals

## Awareness of information rights

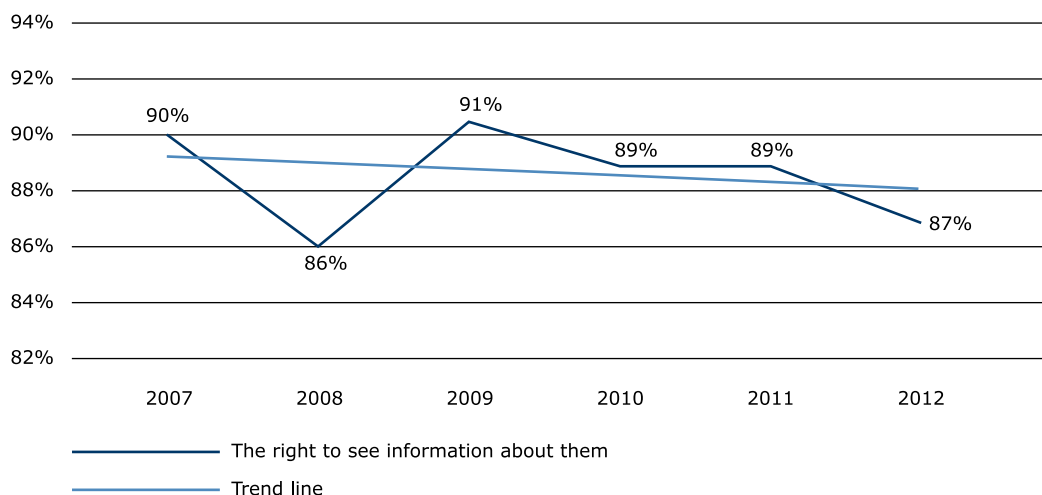
Awareness of information rights remained high this year.

Following a peak in awareness in 2007, individuals' prompted awareness of the freedom of information right to see information held by government and other public authorities remains returned to its highest recorded level (86%).

Individuals are also more aware of their specific rights under the Freedom of Information Act – finding out what money is being spent on (88%) - a 4% increase on 2011, and requesting information on the environment (86%) - a 3% increase on 2011.



Individuals' prompted awareness of the right to see information held about them under the Data Protection Act remains high at 87%; although is a 2% decrease from 2011.



## Successfully working with our customers

Approximately 225,000 customers called our national helpline service this year, a 4% increase on 2011/12. This demonstrates the value of this service in enabling us to meet two of our core aims of helping both individuals and organisations to understand their information rights and obligations. This is a continuation of the rising value and popularity of the service over the past few years.

We are proud of the difference our helpline makes to customers. We've been delighted to see our service at the forefront of our efforts this year to provide important advice to the health sector as it prepared for major restructure in April 2013. We have also been there to help customers worried about the loss of their personal information following some high profile data security incidents. With such a large proportion of the UK population receiving annoying spam texts and telesales calls our helpline was also on hand to reassure the public and take down important details to help us with our investigations and regulatory action.

The research commissioned to measure customer satisfaction across all areas of the ICO included customers who had either received advice from our Helpline, had a complaint closed or written advice issued. This research told us that over 90% of customers who contact our helpline rate us positively against our main success criteria for the service. This was a real endorsement of the commitment and expertise of our hard working helpline staff and we are looking forward to further improving the service.

As well as being available to talk to by telephone we have done a lot of work this year to help customers better use our website to find answers to questions and advice about how to solve problems. Our new 'Complaint Assistant' was launched to good effect in September and is becoming a helpful way for customers to take a problem they are experiencing and work it through to the point where they are empowered to take action for themselves or are in a position to submit a complaint to us.

The improvements we've made to our website have meant that slightly fewer customers have needed to write to us this year for advice. For many thousands of customers this does however remain their preferred way of requesting advice and for those customers we've been there to help. We recognise that for advice to be valuable it needs to be provided as quickly as possible and we have halved the time it typically takes us to respond to these customers. Our written advice is typically provided within 3 to 14 days with further improvements planned in 2013/14.

## Media

During the year we took 1,673 calls from journalists and carried out 113 media interviews. We also issued 50 news releases that generated extensive and generally positive press coverage; in particular around the enforcement action we took, our information rights awareness raising campaigns, the guidance we issued and our good practice audit programme.

We featured strongly in several national broadcast news stories during the year in support of the ICO's spam text campaign and enforcement action. The coverage resulted in raising consumer awareness and extensive feedback to the ICO's spam text survey.

## Communicating online

During the course of the year, over 900 updates and additions were made to the website and 45 pieces of guidance were published or substantially updated.

Our social media presence has also become more established throughout the year. Our Twitter followers have increased by 62%, and forums established on networks such as LinkedIn saw a 113% increase in membership.

For individuals, we have redesigned that section of our website to make key journeys easier to access and have added new templates to help people make subject access requests, and follow up those requests if they're not satisfied. We have also simplified our FAQs aimed at individuals, to answer the most commonly asked and easily answered questions and added a new section for those people concerned about personal information held by media organisations.

## Midata

We have been heavily involved in the Department for Business and Innovation's effort to promote the Midata initiative, sitting on the Strategy Board and relevant sub groups. The aim is for organisations to give data back to consumers in a useful electronic form, opening up many possibilities for the provision of services. The government has included provisions in the Enterprise and Regulatory Reform Bill that would make the ICO a lead enforcer for these provisions should compulsion prove necessary in the future. We provided input into the provisions, but ensuring adequate resourcing will be important. We continue to help with work promoting voluntary uptake that would make legal compulsion unnecessary.

## Citizens Advice

We know from our research that many individuals turn to Citizens Advice as their first port of call for advice. We have been working with them ensure that advice workers have ready access to information to help individuals with their information rights issues.

## Local Government Code of Practice on Transparency

We have been discussing the development of this code with the Department for Communities and Local Government to ensure a proper interface with Freedom of Information Act publication scheme obligations.

## Other government developments

We are engaged with a number of developments with significant implications. We have been in discussions about the transformation of government digital services, including work as part of the Identity Assurance programme, providing for more privacy friendly identity management across government. We also participate in the work of the Privacy and Consumer Group that has developed essential core identity assurance privacy principles. And we have engaged with the government's plans for reform of its protective marking system and the use of cloud computing.

At individual department level we have been involved in developments that will touch the lives of many citizens such as Universal Credit and Universal Jobs Match. Ensuring there are robust safeguards in place is essential.

# Engaging with stakeholders

## Targeted communications

We upgraded our e-newsletter for stakeholders and as a result are reaching a wider audience. The number of subscribers continues to rise steadily, and stood at over 7,500 by the year end.

## Research projects

We ran two questionnaire based consultations on emerging information rights issues, privacy impact assessments and privacy seals, to better inform our policy work with the experience of practitioners in working with these tools.

We commissioned research on the relationship between privacy impact assessments and risk management and project management methodologies. The contract was awarded to Trilateral Consulting. The research was completed in March 2013 and will be published later this year.

We worked with the Cabinet Office and provided input into the Open Data White Paper, published in June. We also worked with the Cabinet Office and provided input into the new section 45 Freedom of Information Act Code of Practice on datasets, to support the dataset amendments to the Freedom of Information Act, which will commence in May 2013. The National Archives and the ICO have signed an agreement on co-operation in handling complaints about access to and re-use of information.

## Electoral Registration

We have been involved in detailed discussions with the Cabinet Office, other government departments, the Electoral Commission and private sector bodies about government plans to introduce individual electoral registration. Discussions have covered issues around the data matching of government and other data to create the register and about individuals having persistent opt outs from its use for marketing and other non-electoral registration purposes.

## Leveson Inquiry

We participated in the Inquiry giving an account of our previous work uncovering the media's role in the illegal trade in personal information. We have paid close attention to the Inquiry recommendations and published an action plan responding to these. We have set out an engagement strategy to ensure we have a more constructive relationship with media bodies on their compliance with information rights law and have consulted on developing guidance for the press on data protection as recommended by Lord Justice Leveson. We consulted about issuing this guidance in the form of a code of practice. Our future work will be against the backcloth of the government's plans for future regulation of the media.

## Communications data

We have been involved in detailed discussion with the Home Office over plans to require telecommunications operators to retain data on their customer's use of phones and other electronic communications for use by law enforcement bodies. This involved us in providing a response to the draft Communications Data Bill and appearing before the Parliamentary Joint Committee considering it. Our concerns are reflected in the Committee's recommendations and the

government has committed in principle to implement these. We remained in detailed discussions with the Home Office about the proposed ICO role overseeing the quality, security and destruction of retained communications data to ensure we would have appropriate powers and resources to provide the envisaged level of public reassurance. The government has not included this legislation in the recent Queen's Speech although it is considering further measures to assist with the investigation of crime in cyberspace which may involve legislating at later date. We will remain engaged with this issue if it progresses further and will continue to perform our supervisory role for the security of retained communications data under the existing communications data retention legislation.

## Surveillance

We have been part of the surveillance camera systems working group advising the Home Secretary on developing the code of practice that she is required to publish under the Protection of Freedoms Act. The draft code has been put out for consultation and we have provided a formal response. We will be amending our CCTV code of practice to ensure that this dovetails with the new code as far as possible. At its heart are principles which mirror key requirements of information rights legislation and arose out of the work we did with the Independent Police Complaints Commission and the Association of Chief Police Officers on developing rules for police use of automatic number plate recognition systems. This is now published as Association guidance. We have also worked with the new Surveillance Camera Commissioner including developing a memorandum of understanding to help ensure effective regulation and use of our resources in this area.

A surveillance roadmap has been jointly developed by all bodies with a statutory role in overseeing surveillance, to ensure that our functions are clearly understood.

In response to concerns about ever developing surveillance on public transport we took enforcement action against local authorities who were requiring licensed taxis to have CCTV with continuously operating sound recording. This is in operation during the private use of the vehicle as well as when it is on hire. Southampton City Council appealed our enforcement action but the First Tier Tribunal dismissed this appeal upholding the ICO's view that continuous sound recording represented unlawful processing.

## Criminal record information

The Protection of Freedoms Act introduced provisions requiring the destruction of irrelevant DNA profiles and fingerprints. We have been involved in contact up to ministerial level about how that is achieved in practice and whether related data on the Police National Computer are retained. We have also worked on other aspects of the Act relating to criminal record checking. This has included our being part of the Home Office group developing guidance to police on revealing non conviction information. We have also been mindful of developing human rights case law on the police retention of information on individuals. We have taken enforcement action in this area before but this was overturned on appeal so these developments are of particular interest.

## International obligations

We have continued to discharge the ICOs international obligations, being an active and influential member of the Article 29 Working Party with the Commissioner elected to the position of Deputy Chairman. Much of the working party's attention has been focussed on the EU data protection reform proposals but the working party has continued to be involved in a variety of diverse and cooperative activities. These have ranged from coordinated consideration of cross border enforcement issues such as concerns about Google's privacy policy through to privacy impact assessments for smart metering/grid developments.

We also continue to play an active role in EU level supervisory bodies such as those relating to Europol, Customs, Eurodac, Eurojust and, as an observer, at Schengen, and more recently, Visa Information System meetings. This is detailed supervisory work involving related supervision of UK national bodies' activities.

In the wider international context we are involved in the OECD Working Party on Information Security and Privacy and, in particular, its work on updating the OECD's privacy guidelines. We are also playing a leading role in trying to ensure better coordination of enforcement work as part of the Global Privacy Enforcement Network along with other privacy regulators across the world as those who perpetrate privacy and data protection contraventions increasingly span national borders.

We commissioned research on the new European data protection proposals and the implications for business. The contract was awarded to London Economics. The research was completed in March 2013 and was published in May 2013.

We published our article by article analysis of the new European Data Protection Regulation, setting out our detailed analysis of how we think the regulation will work in practice, what will work well and where it needs to be improved.

## Collective Leadership Pledge

During the past year we have worked with the Welsh Government to develop and implement the Collective Leadership Pledge initiative which is aimed at encouraging all public service leaders in Wales to commit to sharing information effectively and safely on behalf of their organisations. An initial letter was sent out jointly from Christopher Graham and Carl Sargeant, the Local Government Minister, which included the Pledge itself and which all leaders have been encouraged to sign. Many Chief Executives are now signed up to this. The next step was a series of high level discussions across Wales in March and April, facilitated by the minister-led Public Services Leadership Group in which we played a key role. The discussions considered and identified how the Pledge could be translated into practical action by the organisations concerned.



# Effective, efficient and value for money

## The way we work

The past year has seen significantly increased demands being placed on the ICO by the public, organisations and other stakeholders to address both data protection and freedom of information challenges. We have continued to improve the way we work, evolving as an organisation to continue to be effective, efficient, and deliver value for money.

We have improved our procurement skills and capabilities, appointing a Procurement Strategy Project Manager and have re-negotiated a number of our key supplier contracts. We have also worked assiduously across the office to ensure that the allocation of freedom of information grant-in-aid is allocated to the ICO's priorities;

We commend the Information Commissioner for his success in reducing his budget at the same time as making inroads into the backlog of freedom of information complaints, and improving the amount of casework completed. The increased productivity of the ICO has enhanced the Office's reputation.

*House of Commons Justice Committee – Ninth Report  
The functions, powers and resources of the Information Commissioner  
March 2013*

## Robust and affordable IT with flexibility to respond to our changing needs

Our IT managed service contract comes to an end in July 2013 and over the past 12 months we have developed a new approach to providing IT services to align more closely with the ICO's strategic agenda. In doing so we worked closely with the Cabinet Office to take advantage of central government strategies and procurement capabilities and have procured a new portfolio of IT suppliers to reduce future costs.

We have also redeveloped our notification system using an agile approach to complete our new system for notifying under the Data Protection Act and have invested a substantial amount of effort to enhance the ICO's business continuity capabilities.

We continue to work through our knowledge management strategy, including rebuilding our staff intranet to improve access to information. We have also introduced knowledge sharing sessions for colleague in all departments

In January we reinstated reliable analytics on our website to help us evaluate how people are using the site and to ensure we focus our website development on where it will give the greatest benefit to most users.

## Pay

The ICO was subject to the 1% government pay cap for 2012/13. Staff in the Development Zone of the pay scales received progression, the points on the scale were not revalorised though we were able to increase the entry rate salaries for the lower paid grades. Staff in the competency zone received an increase of 1.7% or 1.9% depending on their performance rating.

## Staffing

The number of staff at the ICO grew during the year by 11%. 62 new staff started, while 28 staff left the ICO.

44 staff achieved promotion during the year, with several other staff making lateral moves into other roles to help develop their career. Our staff turnover for the year was 7.4%.

We also reviewed our property portfolio to lower occupancy costs and have made better use of our space by improving our capacity to support home-working, providing facilities for 100 staff to work from home.

We have focused on further reducing our external legal costs and have significantly reduced the unit cost of recruiting and inducting new employees. We are also introducing a new self-service HR system to reduce administrative overheads and improve staff access to their personal information.

## Equality and diversity

We have developed principles for managers to consider when making key decisions to help ensure that equality and diversity issues are taken into account. These principles cover the contribution, fairness, reach and proportionality of their proposed actions.

Senior managers all attended an equality and diversity workshop delivered by our retained equality adviser. The workshop gave managers the opportunity to discuss the maturity of the ICO in respect of equality and determine the organisation's aspirations.

In addition the ICO recognises that employing the right people is key to our success. Getting our recruitment and selection right is therefore crucial. The way we attract, select and appoint staff must be effective, efficient and free from bias and unfair discrimination.

Our Recruitment and Selection Policy and Procedure is designed to promote good practice, equality of opportunity and fulfil our legal obligations. We will make reasonable adjustments to the recruitment process for disabled applicants and we ensure that our recruitment and selection process recognises the benefits of diversity in the workplace.

As part of our approach to encouraging diversity, we accept applications for jobs from disabled applicants in alternative formats, guarantee interviews for disabled candidates who meet the essential criteria for our jobs and make reasonable adjustments to our selection processes. We work with staff who become disabled whilst employed by the ICO so they can stay in employment. By working in partnership with occupational health and the individual, we make adjustments to the work environment, duties or work pattern to help the person carry out their job.

## Training and development

On average 4.6 days training per member of staff was attended during the year. Our new 'Know about' sessions to improve Knowledge Management at the ICO had over 1,100 attendances.

ICO staff continue to successfully complete the ISEB data protection exams, and mentoring and coaching schemes have been introduced.

## Key third party contracts

The ICO renewed its contract for payroll provision at a lower cost. We also moved the administration of our civil service pension scheme to MyCSP during the year.

The ICO selected a new Occupational Health provider this year, the contract now being delivered by Health Management Ltd.

There are ongoing challenges that face the ICO in our ability to continue to meet increasing demands and fund our activities from government grant-in-aid and data protection notification fees. In practice, a combination of legislation and Treasury rules prevents the Information Commissioner from making judicious choices about the most productive way to deploy resources. Strict overhead accounting rules about separating data protection fees and freedom of information grant-in-aid income streams, combined with the pressure from the Ministry of Justice to reduce grant-in-aid, are in danger of forcing the Information Commissioner's staff to pay undue attention to an overhead allocation model. The Information Commissioner is working with the Ministry of Justice to resolve this challenge and avoid difficult planning choices for 2014/15.

...finite capacity of the Information Commissioner's Office to fulfil its current role. If the Government requires that his Office expand its role in monitoring the standards of data protection in the press, it should ensure he has the resources to do so properly.

*House of Commons Justice Committee – Ninth Report  
The functions, powers and resources of the Information Commissioner  
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# Information Governance

## Our compliance and information requests to the ICO as a public authority or data controller

**Total number of information requests received** **1,380**

**Of those:**

Freedom of Information Act	721
Data Protection Act	414
Hybrid	245
Environmental Information Regulations	0

**Total number of information requests responded to** **1,358**

**Outcomes**

Information provided in full	555
Information partially provided	392
Information not held	161
Information withheld	169
Further clarification needed	51
Misguided request	18
Request withdrawn	12

**Time for compliance** **98**

98% of information requests were responded to within the statutory timescales

Data Protection Act – average time for response was 21 days

Freedom of Information Act – average time for response was 14 days

Hybrid – average time for response was 15 days 98%

**Internal reviews** **55**

55 internal reviews were completed. Of those 52 were dealt with within 20 working days. The average time to complete an internal review was 11 days.

**Outcomes**

Challenge not upheld	41
Challenge partially upheld	7
Challenge upheld	7

This year has seen another record number of information requests to the ICO – a 5% increase compared with the number received last year.

In 2009, the ICO seized information from The Consulting Association and we continue to assist individuals who wish to find out if their details are included in this information. We have now provided copies of personal information to 372 individuals and taken over 3,500 calls to our dedicated helpline. There is also continuing work with regard to the information held relating to Operation Motorman. We still receive subject access requests and deal with enquiries from relevant parties.

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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.

## 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 (2011-12: £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.

## Employee involvement and well being

The ICO has a policy of co-operation and consultation with recognised Trade Unions over matters affecting staff.

The Commissioner and other senior managers meet regularly with the Trade Union side to exchange information on issues of current interest.

Staff involvement is actively encouraged as part of the day-to-day process of line management and information on current and prospective developments is widely disseminated.

The health and safety committee continued throughout the year, as did the availability to staff of a range of benefits to enhance their health, wellbeing and quality of life.

More detail on the actions undertaken during the year can be found elsewhere in the published annual report.

## Equal opportunities and diversity

The ICO is committed to promoting equality and diversity in all that it does and aims to eliminate barriers that prevent people accessing its services or enjoying employment opportunities within the ICO.

More detail on the actions undertaken during the year can be found elsewhere in the published annual report.

## The environment and community

The ICO remains committed to sustainability through how it manages its business.

The ICO undertakes a variety of re-cycling and energy-saving initiatives, and routinely sources stationery products made from recycled materials.

Staff have engaged in fund raising activities for a local charity "Time Out Group" during the year, which works to help people with learning difficulties have fun and socialise.

## Directorships and other significant interests held by Board Members which may conflict with their management responsibilities

A Register of Interests is maintained for the Information Commissioner and his Management Board, and is published on the Commissioner's website [www.ico.org.uk](http://www.ico.org.uk)

## Sickness absence

The average number of sick days taken per person was 6 days (2011-12: 5 days).

## Pension liabilities

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

## Management commentary

The ICO has identified the following six objectives, achievement against which will enable us to achieve our strategic outcomes.

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

A detailed review of activities and performance for the year is set out in the published Annual Report, and future plans are set out in the Corporate Plan 2013-16.

## Financial performance

### Grant-in-aid

Freedom of information expenditure continued to be funded by a grant-in-aid from the MOJ, and for 2012-13 £4,250K (2011-12: £4,500K) was received.

No grant-in-aid was carried forward to 2013-14 (2011-12: £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, and remains unchanged from its introduction on 1 March 2000 for charities and smaller entities with fewer than 250 employees, and from 1 October 2009 a higher tier fee of £500 was implemented for data controllers with an annual turnover of £25.9 million or more employing more than 250 people, or £500 for Public Authorities employing more than 250 people.

Fees collected in the year totalled £16,055K (2011-12: £15,484K) representing a 3.7% increase over the previous year.

The Framework Agreement agreed between the Information Commissioner and the Ministry of Justice 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 £976K (2011-12: £919K) has been carried forward into 2012-13, as was an additional amount of £251K (2011-12: £429K) as 'un-cleared' cash in transit which was not available for spend.

### Accruals outturn

The total comprehensive expenditure for the year was £4,488K (2011-12: £3,994K).

### 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 2013-14, and there is no reason to believe that future sponsorship and parliamentary approval will not be forthcoming.

### 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 2013 98.70% (2011-12: 98.81%) 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 the Information Commissioner has monitored payments against a 10 day target from 1 April 2009. For the year ended 31 March 2012 43.93% of payments were paid within 10 days (2011-12: 51.11%).

## 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 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 up to a year to complete with a further two years 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.

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

**Christopher Graham**

**Information Commissioner**

10 June 2013

# Commentary on sustainability performance

## Introduction

The ICO is required to report on sustainability. Considerable progress has been made during 2012/13 in addressing sustainability issues and more work is planned for 2013/14 building on the setting up of a staff Green Group.

## Summary of performance

The ICO is a small organisation of fewer than 400 staff, most of whom work in one building in Wilmslow Cheshire. The organisation's greenhouse gas emissions are generated by heating and lighting the building, by IT and by business travel. The building was re-furbished in 2010 and made more energy efficient then. This does mean that there are no further step changes the ICO can make to reduce its emissions.

However, the organisation is committed to contributing to government sustainability targets as measured by a decrease in emissions per head. As such it continues to seek ways to reduce emissions by better building management and reducing business travel where possible. It has also set up a Green Group to raise staff awareness of sustainability issues and generate ideas.

A summary of the ICO's total greenhouse gas emissions are below. Total Emissions have fallen compared to 2011/12. Figures are rounded and may not sum.

## Total CO<sub>2</sub> emissions

tCO <sub>2</sub>	Annual figures		Annual figures per full time equivalent staffing	
	2011/12	2012/13	2011/12	2012/13
<b>Total</b>	<b>343</b>	<b>289</b>	<b>1.04</b>	<b>0.80</b>
Scope 1 (gas)	33	35	0.10	0.10
Scope 2 (electricity)	263	212	0.80	0.59
Scope 3 (travel)	47	42	0.14	0.12

The tables below provide more detail. Some information was not collected during 2011/12. Figures have been rounded and may not sum.

## Travel miles, costs and carbon emissions

	Annual figures		Annual figures per full time equivalent staffing	
	2011/12	2012/13	2011/12	2012/13
<b>Cars</b>				
Miles	42,149	15,737	127.72	43.74
Cost		£7,042		£19.57
tCO <sub>2</sub>	14	5	0.04	0.01

<b>Rail</b>				
Miles	316,838	380,251	960.12	1,056.99
Cost		£157,551		£437.95
tCO <sub>2</sub>	29	35	0.09	0.10

<b>Domestic flights</b>				
Miles	14,522	9,950	44.01	27.66
Cost		£2,390		£6.64
tCO <sub>2</sub>	4	3	0.01	0.01

<b>Total travel</b>				
Cost		£166,983		£464.16
tCO <sub>2</sub>	47	42	0.14	0.12

## Gas and electricity use

	Annual figures		Annual figures per full time equivalent staffing	
	2011/12	2012/13	2011/12	2012/13
<b>Gas</b>				
Kwh	181,190	187,937	549.06	522.41
Cost		£7,741		£21.52
tCO <sub>2</sub>	33	35	0.10	0.10

<b>Electricity</b>				
Kwh	501,298	404,454	1,519.08	1,124.26
Cost		£48,126		£133.78
tCO <sub>2</sub>	263	212	0.80	0.59

<b>Total gas and electricity</b>				
Cost		£55,867		£155.29
tCO <sub>2</sub>	296	247	0.90	0.69

## Waste

Information held on waste for 2012/13 is detailed below. Information was not collected for 2011/12.

	Annual figures 2012/13	Annual figures per full time equivalent staffing 2012/13
<b>Waste</b>		
Tonnes	9.2	0.03
Cost	£4,000	£11.12

## Shredding

Tonnes	2	0.00
Cost	£8,000	£22.24

## Water

Information held on water use for 2012/13 is detailed below. Information was not collected for 2011/12.

	Annual figures 2012/13	Annual figures per full time equivalent staffing 2012/13
<b>Water</b>		
m <sup>3</sup>	1,597	4.44
Cost	£10,433	£29.00

## Other issues

Given its small size and the nature of its work the ICO has to react proportionately to sustainability issues. The ICO does not therefore have a biodiversity plan, has not investigated its impact on the environment, and does not have any expenditure on the CRC Energy Efficiency Scheme.

The ICO asks those tendering for contracts to provide their sustainability statements and policies.

## Governance

The Director of Corporate Services has overall responsibility for the ICO's facilities function and, as such, for sustainability monitoring and reporting. Information is provided by meter readings, private contractors, utility bills and finance systems.

# 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.

The remuneration of staff and other officers is determined by the Information Commissioner with the approval of the Secretary of State for Justice.

In reaching the determination, the Information Commissioner and Secretary of State for Justice have 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.

There is no formal performance pay or bonus scheme for Management Board 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, would 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 (audited)

	2012-13 £000	2011-12 £000
<b>Salary:</b>		
Christopher Graham, Information Commissioner and Chief Executive (from 29 June 2009)	140-145	140-145
David Smith, Deputy Commissioner & Director for Data Protection	75-80	75-80
Graham Smith, Deputy Commissioner & Director for Freedom of Information	80-85	80-85
Daniel Benjamin, Director of Corporate Services	70-75	5-10 (Full year equivalent 70-75)
Simon Entwisle, Director of Operations	85-90	80-85
Andrew Hind, Non- Executive Board Member	10-15	10-15
Neil Masom, Non-Executive Board Member	10-15	10-15
Jane May, Non-Executive Board Member	10-15	10-15
Enid Rowlands, Non-Executive Board Member	10-15	10-15
Band of highest paid Director's total remuneration (£'000)	<b>140-145</b>	<b>140-145</b>
Median total remuneration for the organisation	<b>£23,750</b>	<b>£23,750</b>
<b>Ratio</b>	<b>5.9</b>	<b>5.9</b>

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 2012-13 was £140K to £145K (2011-12: £140K to £145K). This was 5.9 times (2011-12: 5.9 times) the median remuneration of the workforce, which was £23,750 (2011-12 £23,750 re-stated to include benefits-in-kind). The median total remuneration is produced by ranking the annual full time equivalent total remuneration as at 31 March 2013, for each member of the staff complement.

In 2012-13 no (2011-12: none) employees received remuneration in excess of the highest paid director. Remuneration ranged from £13,162 to £140,000 (2010-11: £13,412 to £140,000).

Total remuneration includes salary, non-consolidated performance-related pay, 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 (e.g. 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 2012. The overall increase in pay from 1 July 2012 was capped at 1% plus the payment of contractually entitled increments within the pay scales for staff within their first three years of service.

## Salary

'Salary' comprises gross salary and any other allowance to the extent that it is subject to UK taxation.

## Benefits in kind

None of the above received any benefits in kind during 2012-2013.

## Pension Benefits (audited)

	Accrued Pension at pension age as at 31 March 2013 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 March 2013 £'000	CETV at 31 March 2012 £'000	Real increase in CETV £'000
<b>Christopher Graham</b> Information Commissioner	5-10	(0-2.5)	102	97 <sup>1</sup>	(11) <sup>1</sup>
<b>David Smith</b> Deputy Commissioner and Director for DP	35-40 +lump sum 110-115	0-2.5 +lump sum 0-2.5	871	812	9
<b>Graham Smith</b> Deputy Commissioner and Director for FOI	10-15 +lump sum 35-40	0-2.5 +lump sum 2.5-5.0	246	216	15
<b>Simon Entwisle</b> Director of Operations	35-40 +lump sum 105-110	0-2.5 +lump sum 0-2.5	762	713	8
<b>Daniel Benjamin</b> Director of Corporate Services	0-5	2.5-5.0	40	0	36

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 may be in one of four defined

<sup>1</sup>The CETV at 31 March 2012 has been recalculated by MyCSP and differs from the corresponding figure provided by Capita Hartshead disclosed in last year's remuneration report.

<sup>2</sup>Taking account of inflation the CETV funded by the employer has decreased in real terms.

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 good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.9% for classic and 3.5% and 5.9% for premium, classic plus and nuvos. Increases to employee contributions will apply from 1 April 2013. 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](http://www.civilservice.gov.uk/pensions)

## 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. CETV's 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**

10 June 2013

# 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 Ministry of Justice 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 set out in the Data Protection Act. 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 encapsulated in legislation.

### Relationship with the Ministry of Justice

The Ministry of Justice is the sponsoring department for the ICO. The relationship is governed by a Framework Agreement which sets out both the Ministry of Justice's and the ICO's responsibilities to support the work of both organisations and to help ensure my and my office's independence. 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 is now the Protection of Freedoms Act and anticipated the commencement of various sections which helped reinforce the independence of the ICO. As of the end of the 2012/13 financial year these Sections had not been commenced.

### Management Board

I have a Management Board to support me in my 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 directors.

The non-executive directors were recruited by an open exercise 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 will see two new non-executive directors recruited during 2013/14.

Annually all 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 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 not changed during 2012/13.

There has been 100% attendance at the four meetings held during the year. These were on 23 April 2012, 23 July 2012, 29 October 2012 and 21 January 2013.

### Audit Committee

The Audit Committee consists of two non-executive Board members (the chair Neil Masom, and Jane May) and a third independent member. It meets quarterly and provides scrutiny, oversight and assurance in respect of risk control and governance.

The independent member, Michael Thomas, stepped down after the June 2012 meeting of the Committee. Grant Thornton had been awarded the Audit Commission northwest regional outsourced contract. A conflict of interest would therefore have arisen as Michael Thomas would shortly have been working for Grant Thornton. Roger Barlow was appointed the new independent member as of the September 2012 meeting following an open recruitment process.

The Committee met on 13 June 2012, 3 September 2012, 3 December 2012 and 4 March 2013. In respect of attendance, Neil Masom attended for all meetings, Jane May attended three meetings and Michael Thomas attended the 13 June meeting with Roger Barlow attending all subsequent meetings.

The Audit Committee has published its own Annual Report for 2012/13 on the ICO website ([www.ico.org.uk](http://www.ico.org.uk)) which 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 was 100% attendance at the two Committee meetings during the year.

The Committee advises me and my Board on the ICO's remuneration policies and practices for all staff.

### **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 but that improvements were needed in the highlighting of issues in Board papers and linking proposed options to the risks and the risk register. The cover sheet for Management Board papers has subsequently been amended to help improve Board papers in both these respects.

There have been no changes to the terms of reference. Similarly the Audit Committee and Remuneration Committee reviewed their performance. The Audit Committee by way of a questionnaire and discussion, and the Remuneration Committee by way of discussion. Again there were no significant improvements identified.

The Management Board has formally 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. For example:

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 directors 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.

## Issues and highlights

The speed at which internal audit recommendations are cleared has improved significantly over the last year with many being cleared before the reports come to Audit Committee. However there have been delays in clearing recommendations relating to the re-procurement of the IT service contracts and the review of the business continuity plan.

In respect of the IT service contract re-procurement the clearance of recommendations has been dependent on progress in the re-procurement project itself. Recommendations arising from the business continuity review have also been delayed. Again some of these have been dependent on the re-procurement project, but also the ICO has gone further than the recommendations and undertaken a wider review of business continuity than was asked for.

There is one high risk recommendation outstanding which relates to the inclusion of telecommunications within the business continuity plan. It is outstanding as its clearance depends on the IT re-procurement and contract negotiations.

During the year the ICO also faced the challenging replacement of its aged notification system with the new ICE IT system. Agile working methods were trialled and the system has now been successfully introduced.

Quarterly reports on performance against the ICO Plan 2012-2015 have been made to the Board and will continue into 2013/14 along with reports on agreed key performance areas.

During 2012/13 the Executive Team has been supported by a wider Leadership Group comprising more senior managers within the organisation; the results of which has been to widen the input into decision making and staff development.

The Remuneration Committee has reviewed and agreed the principles underpinning reward proposals, and reviewed pay and equality matters for all staff. There has also been discussion on:

- succession planning for senior managers;
- pay proposals for all staff;
- staff joining the ICO on salaries above the normal starting rate;
- performance of Executive Team members and the Commissioner's recommendations; and
- total reward packages for members of the Executive Team.

## 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 Ministry of Justice.

The main risks identified during the year were:

- ICO funding
- Changes to the information rights regulatory regime
- Difficulties in meeting increased caseload
- ICO reputation
- IT strategy and
- Staff engagement.

The ICO is facing future uncertainty in funding, both in respect of the level of funding and its funding model. The office has made it clear to Government that any additional responsibilities given to it have to be adequately funded. In addition different funding models for the ICO which take account of a wish for the ICO's work to be funded on an information rights basis and possible changes to the EU data protection legislative regime are being looked into.

Uncertainty over the future shape of the EU data protection legislative regime is also a risk, in that until the proposals firm up it is difficult to undertake long term planning.

Rising caseload was also highlighted as a risk during the year and much has been done to improve procedures and to work more effectively.

In addition risks to the ICO's reputation were identified and focused on by senior managers.

During the year the ICO has been working towards the re-procurement of the IT service contracts in July 2013. The matter has been reported on regularly at Audit Committee and Management Board along with plans to replace the aging Finance IT system.

Staff engagement has been the focus of a short staff survey in the autumn of 2012 and results from this survey showed pleasing improvement.

There have been no significant security incidents involving data or otherwise at the ICO during 2012/13. And the ICO continues to work more effectively to maintain its performance in responding to information requests, identify opportunities to proactively disclose information, and embed good information handling behaviours across the organisation.

## 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 2013/14 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**

10 June 2013

# 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 2013 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 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 Information Commissioner's Office. 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 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 Statements: Foreword and Governance sections of the Annual Report to identify material inconsistencies with the audited financial statements. 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 Information Commissioner's Office's affairs as at 31 March 2013 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 with the approval of HM Treasury 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 the Data Protection Act 1998; and
- the information given in the Information Commissioner's Foreword, Enforcing the Law, the Governance Statement and the Sustainability Statement 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
- 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.

**Amyas C E Morse**

**Comptroller and Auditor General**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London

12 June 2013



# Statement of comprehensive net expenditure for the year ended 31 March 2013

	Note	£'000	2012-13 £'000	2011-12 RE-STATED £'000	£'000
<b>Expenditure</b>					
Staff costs	3		12,732		11,392
Other expenditure	4	6,755		6,567	
Depreciation and other non-cash costs	4	1,103	7,858	1,107	7,674
<b>Total expenditure</b>			<b>20,590</b>		<b>19,066</b>
<b>Income</b>					
Income from activities	5a		(15,724)		(15,038)
<b>Net expenditure</b>			<b>4,866</b>		<b>4,028</b>
<b>Other comprehensive expenditure</b>					
Net gain on revaluation of property, plant and equipment			(378)		(34)
<b>Total comprehensive expenditure for the year ended 31 March 2013</b>			<b>4,488</b>		<b>3,994</b>

All income and expenditure relates to continuing operations.

The notes on pages 69 to 86 form part of these accounts.

# Statement of financial position as at 31 March 2013

	Note	31 March 2013		31 March 2012	
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Property, plant and equipment	6	3,738		5,361	
Intangible assets	7	2,194		295	
<b>Total non-current assets</b>			5,932		5,656
<b>Current assets:</b>					
Trade and other receivables	9	1,340		750	
Cash and cash equivalents	10	1,586		1,794	
<b>Total current assets</b>			2,926		2,544
<b>Total assets</b>			8,858		8,200
<b>Current liabilities</b>					
Trade and other payables	11		(2,077)		(1,365)
<b>Non-current assets plus net current assets</b>			6,781		6,835
<b>Non-current liabilities</b>					
Provisions	12		(78)		(84)
<b>Assets less liabilities</b>			6,703		6,751
<b>Reserves</b>					
Revaluation reserve			541		207
General reserve			6,162		6,544
			6,703		6,751

**Christopher Graham**

**Information Commissioner**

10 June 2013

The notes on pages 69 to 86 form part of these accounts.

# Statement of cash flows for the year ended 31 March 2013

	Note	2012-13 £'000	2011-12 £'000
<b>Cash flows from operating activities</b>			
Net expenditure		(4,866)	(4,028)
Adjustment for non-cash items	3,4	1,293	1,297
(Increase)/decrease in trade and other receivables	9	152	(90)
Increase in trade payables	11	57	295
Use of provisions	12	(6)	(9)
<b>Net cash outflow from operating activities</b>		<b>(3,370)</b>	<b>(2,535)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	-	(12)
Purchase of intangible assets	7	-	(18)
<b>Net cash outflow from investing activities</b>		<b>-</b>	<b>(30)</b>
<b>Cash flows from financing activities</b>			
Capital element of payments in respect of on-Statement of Financial Position PFI contracts	6	(1,001)	(1,415)
Grant-in-aid received from the Ministry of Justice		4,250	4,500
<b>Net cash flows from financing activities</b>		<b>3,249</b>	<b>3,085</b>
Net increase/(decrease) in cash and cash equivalents during the year before adjustment for receipts and payments to the Consolidated Fund		(121)	520
Receipts due to the Consolidated Fund which are outside the scope of the Information Commissioner's activities		2,190	1,155
<b>Payments of amounts due to the Consolidated Fund</b>		<b>(2,277)</b>	<b>(709)</b>
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the consolidated fund		(208)	966
<b>Cash and cash equivalents at the start of the year</b>		<b>1,794</b>	<b>828</b>
<b>Cash and cash equivalents at the end of the year</b>	10	<b>1,586</b>	<b>1,794</b>

The notes on pages 69 to 86 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
<b>Balance at 31 March 2011</b>		223	5,832	6,055
<b>Changes in reserves 2011-12</b>				
Grant-in-aid from the Ministry of Justice		-	4,500	4,500
Transfers between reserves		(50)	50	-
Comprehensive expenditure for the year		34	(4,028)	(3,994)
<b>Non-cash charges – Information Commissioner's salary costs</b>	3	-	190	190
<b>Balance at 31 March 2012</b>		207	6,544	6,751
<b>Changes in reserves 2012-13</b>				
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)
<b>Non-cash charges – Information Commissioner's salary costs</b>	3	-	190	190
<b>Balance at 31 March 2013</b>		541	6,162	6,703

The notes on pages 69 to 86 form part of these accounts.

# Notes to the accounts

## 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2012-13 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 have 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 Ministry of Justice 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 Ministry of Justice as Consolidated Fund income, unless the Ministry of Justice (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 or 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 and 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 subsequently adjusted in the event that a Civil Monetary Penalty is varied, cancelled or written off as irrecoverable.

Amounts are written off as irrecoverable on the receipt of legal advice.

### 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 Ministry of Justice, 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 procured through the IS Managed Services Agreement, 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.

### **1.10 Inventories**

Stocks of stationery and other consumable stores are not considered material and are written off to the Statement of Comprehensive Net Expenditure as they are purchased.

### **1.11 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.

### **1.12 Service concessions**

Information Services are procured through a Managed Services Agreement which exhibits many of the characteristics which typify a Private Finance Initiative arrangement, and is therefore accounted for under International Financial Reporting Interpretations Committee (IFRIC) 12: Service Concession Arrangements.

### **1.13 Provisions – 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 2.8% (2011-12: 2.8%). The estimated payments are provided by MyCSP.

**1.14 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.

**1.15 Segmental reporting**

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

**1.16 Prior year adjustment**

In prior years, Consolidated Fund income has been recognised in the Statement of Comprehensive Net Expenditure as received, but this income has been reclassified this year.

Consolidated Fund income is not reported through the Statement of Comprehensive Net Expenditure Account for 2012-13, in line with the Information Commissioner's accounting policies set out in note 1.4.

The reclassification has resulted in the 2011-12 figures being restated to provide meaningful comparatives, affecting the Statement of Comprehensive Net Expenditure, Statement of Cash Flows and notes 2, 4, 5 and 11 to the Financial Statements.

There is no impact on the Statement of Financial Position, so no third Statement of Financial Position has been provided as required under IFRS.

The effects of this change on the figures within the accounts are:

	£000
<b>Statement of comprehensive net expenditure</b>	
<b>Other expenditure</b>	
As previously reported	7,722
Prior year adjustment	1,155
<b>As restated for 2012-13</b>	<b>6,567</b>
<b>Income from activities</b>	
As previously reported	15,484
Prior year adjustment	446
<b>As restated for 2012-13</b>	<b>15,038</b>
<b>Other income</b>	
As previously reported	708
Prior year adjustment	(708)
<b>As restated for 2012-13</b>	<b>-</b>
<b>Interest payable</b>	
As previously report	1
Prior year adjustment	(1)
<b>As restated for 2012-13</b>	<b>-</b>



£000

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**Statement of Cash Flows**


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**Increase in trade and other payables**

As previously reported	741
Prior year adjustment	446
<b>As restated for 2012-13</b>	<b>295</b>

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**Receipts due to the Consolidated Fund which are outside the scope of the Information Commissioner's activities**

As previously reported	-
Prior year adjustment	1,155
<b>As restated for 2012-13</b>	<b>1,155</b>

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**Payment of amounts due to the Consolidated Fund**

As previously reported	-
Prior year adjustment	(709)
<b>As restated for 2012-13</b>	<b>(709)</b>

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## 2. Analysis of net expenditure by segment

	Data protection £'000	Freedom of information £'000	2012-13 Total £'000
Gross expenditure	16,019	4,571	20,590
Income	(15,724)	-	(15,724)
Net expenditure	295	4,571	4,866

	Data protection £'000	Freedom of information £'000	2011-12 Total £'000
Gross expenditure	14,519	4,547	19,066
Income	(15,038)	-	(15,038)
Net expenditure	(519)	4,547	4,028

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 Ministry of Justice, as set out in the Framework Agreement agreed between the Information Commissioner and Ministry of Justice.

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 Ministry of Justice.

Income and net expenditure have been restated to provide meaningful comparatives reflecting the changes to the accounting treatment of Consolidated Fund income described in note 1.4.

### 3. Staff numbers and related costs

#### Staff costs comprise:

	2012-13 Total £'000	Permanently employed staff £'000	Others £'000	2011-12 Total £'000
<b>Wages and salaries</b>	10,299	9,630	669	9,214
Social security costs	686	670	16	608
Other pension costs	1,747	1,713	34	1,600
<b>Sub-total</b>	12,732	12,013	719	11,422
Less recoveries in respect of outward secondments	-	-	-	(30)
<b>Total net costs</b>	12,732	12,013	719	11,392

The above costs include notional costs of £190K (2011-12: £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 £529K, (2011-12: £264K), 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:

	2012-13 Total £'000	Permanently employed staff £'000	Others £'000	2011-12 Total £'000
Directly employed	350	350	-	322
Other	17	-	17	8
<b>Total</b>	367	350	17	330

#### 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](http://www.civilservice.gov.uk/pensions)).

For 2012-13 employers contributions of £1,687K (2011-12: £1,550K) 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 2012-13 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 £26K (2011-12: £15K), 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 £109 (2011-12: £104), 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 £2K (2011-12: £1K). Contributions prepaid at the date were £nil (2011-12: £nil).

Other pension costs include notional employers' contributions of £34K (2011-12: £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)	
	2012-13	2011-12
<£10,000	-	-
£10,000 - £25,000	-	1
£25,000 - £50,000	1	-
£50,000 - £100,000	-	1
<b>Total number of exit packages (total cost)</b>	<b>1</b>	<b>2</b>
<b>Total resource cost</b>	<b>£29K</b>	<b>£124K</b>

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. 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 (2011-12: none).

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

## 4. Other expenditure

	2012-13		2011-12 Restated	
	£'000	£'000	£'000	£'000
Accommodation (business rates and services)	578		611	
Rentals under operating leases	779		804	
Office supplies and stationery	243		283	
Carriage and telecommunications	139		135	
Travel, subsistence and hospitality	427		347	
Staff recruitment	26		54	
Specialist assistance and policy research	226		200	
Communications and external relations	750		869	
Legal costs	308		304	
Learning and development, health and safety	189		224	
PFI IS service charges	2,513		2,329	
IS development costs	547		377	
Audit fees	30		30	
		6,755		6,567
<b>Non-cash items</b>				
Depreciation	934		955	
Amortisation	139		135	
Loss on disposal of assets	30		17	
		1,103		1,107
<b>Total expenditure</b>		<b>7,858</b>		<b>7,674</b>

## 5. Income

### 5a. Income from activities

	2012-13	2011-12
	£'000	Restated £'000
Fees	15,696	15,038
Sundry receipts	28	-
	15,724	15,038

### 5b. Consolidated Fund income

	2012-13	2011-12
	£'000	Restated £'000
<b>Fees</b>		
Collected under the Data Protection Act 1998	16,055	15,484
Retained under direction as		
<b>Income from Activities</b>	(15,696)	(15,038)
	359	446
<b>Civil Monetary Penalties</b>		
Penalties issued	3,130	861
Early payment reductions	(558)	(172)
Uncollectable	-	(1)
	2,572	688
<b>Sundry receipts</b>		
Receipts under the Proceeds of Crime Act	11	0
Bank interest received	1	1
Recovered legal fees	3	6
Reimbursed travel expenses	14	14
	29	21
Sundry receipts retained under direction as		
Income from Activities	(28)	-
	1	21
<b>Income payable to Consolidated Fund</b>	2,932	1,155
Balances held at the start of the year	446	-
Income payable to the Consolidated Fund	2,932	1,155
Payments to the Consolidated Fund	(2,277)	(709)
<b>Balances held at the end of the year (note 11)</b>	1,101	446

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 Ministry of Justice 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 2013 were £742K (£nil) and the amounts payable were £1,101K (£446K).

## 6. Property, plant and equipment

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

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 £1,260K (2011-12: £1,098K) of which £1,227K (2011-12: £1,080) is in respect of the current notification system which is planned for replacement during 2013-14.

Assets under construction of £1,037K have been reclassified as intangible assets in respect of the new notification system.

Information services are outsourced through a managed services agreement which is accounted for as a PFI contract under IFRIC 12: Service Concession Arrangements. The agreement expires in July 2013 and will be replaced with a number of smaller contracts which do not fall within the service concession definitions within IFRIC 12.

	Information technology £'000	Plant and machinery £'000	Leasehold improvements £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>					
At 01 April 2011	8,693	144	2,535	-	11,372
Additions	-	-	-	1,378	1,378
Disposals	-	-	(50)	-	(50)
Revaluations	19	1	33	-	53
<b>At 31 March 2012</b>	<b>8,712</b>	<b>145</b>	<b>2,518</b>	<b>1,378</b>	<b>12,753</b>
<b>Depreciation</b>					
At 01 April 2011	5,939	97	415	-	6,451
Charged in year	589	11	355	-	955
Disposals	-	-	(33)	-	(33)
Revaluations	13	1	5	-	19
<b>At 31 March 2012</b>	<b>6,541</b>	<b>109</b>	<b>742</b>	<b>-</b>	<b>7,392</b>
<b>Net book value at 31 March 2012</b>	<b>2,171</b>	<b>36</b>	<b>1,776</b>	<b>1,378</b>	<b>5,361</b>
<b>Net book value at 31 March 2011</b>	<b>2,754</b>	<b>47</b>	<b>2,120</b>	<b>-</b>	<b>4,921</b>
<b>Asset financing</b>					
Owned	-	36	1,776	-	1,812
On-SOFP PFI contracts	2,171	-	-	1,378	3,549
<b>Net book value at 31 March 2012</b>	<b>2,171</b>	<b>36</b>	<b>1,776</b>	<b>1,378</b>	<b>5,361</b>



## 7. Intangible assets

	Software licences £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>			
At 01 April 2012	539	67	606
Additions	-	1,001	1,001
Transfers	67	(67)	-
Reclassifications	-	1,037	1,037
<b>At 31 March 2013</b>	<b>606</b>	<b>2,038</b>	<b>2,644</b>

<b>Amortisation</b>			
At 01 April 2012	311	-	311
Charged in year	139	-	139
<b>At 31 March 2013</b>	<b>450</b>	<b>-</b>	<b>450</b>

<b>Net book value at 31 March 2013</b>	<b>156</b>	<b>2,038</b>	<b>2,194</b>
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<b>Asset financing</b>			
Owned	-	-	-
On-SOFP PFI contracts	156	2,038	2,194
<b>Net book value at 31 March 2013</b>	<b>156</b>	<b>2,038</b>	<b>2,194</b>

<b>Cost or valuation</b>			
At 01 April 2011	539	-	539
Additions	-	67	67
<b>At 31 March 2012</b>	<b>539</b>	<b>67</b>	<b>606</b>

<b>Amortisation</b>			
At 01 April 2011	176	-	176
Charged in year	135	-	135
<b>At 31 March 2012</b>	<b>311</b>	<b>-</b>	<b>311</b>

<b>Net book value at 31 March 2012</b>	<b>228</b>	<b>67</b>	<b>295</b>
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<b>Net book value at 31 March 2011</b>	<b>363</b>	<b>-</b>	<b>363</b>
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<b>Assets financing</b>			
Owned	-	-	-
On-SOFP PFI contracts	228	67	295
<b>Net book value at 31 March 2012</b>	<b>228</b>	<b>67</b>	<b>295</b>

Assets under construction comprise £2,038K in respect of a software development to replace the current notification system. An amount of £1,037K have been reclassified from Property, Plant and Equipment, as intangible assets, in respect of the new notification system.

## 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 Ministry of Justice, 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 2013 £'000	31 March 2012 £'000
<b>Amounts falling due within one year</b>		
Deposits and advances	4	5
Prepayments and accrued income	594	745
Sub-total	598	750
Consolidated Fund receipts due	742	-
	1,340	750
<b>Split:</b>		
Other central government bodies	1	52
Local authorities	254	247
Bodies external to government	1,085	451
	1,340	750

## 10. Cash and cash equivalents

	31 March 2013 £'000	31 March 2012 £'000
Balance at 01 April	1,794	828
Net change in cash and cash equivalent balances	(208)	966
<b>Balance at 31 March</b>	<b>1,586</b>	<b>1,794</b>

### Split:

Commercial banks and cash in hand	1,585	1,794
Government Banking Service	1	-
	<b>1,586</b>	<b>1,794</b>

## 11. Trade payables and other current liabilities

	31 March 2013 £'000	31 March 2012 £'000
<b>Amounts falling due within one year</b>		
Taxation and social security	235	221
Trade payables	136	202
Other payables	214	188
Accruals and deferred income	391	308
Sub-total	976	919
Amount payable to government (note 5b)	1,101	446
	<b>2,077</b>	<b>1,365</b>

### Split:

Other central government bodies	1,628	930
Bodies external to government	449	435
	<b>2,077</b>	<b>1,365</b>

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

	2012-13 £'000	2011-12 £'000
<b>Early departure costs:</b>		
Balance at 01 April	84	93
Provision utilised in year	(6)	(9)
<b>Balance at 31 March</b>	<b>78</b>	<b>84</b>

### Analysis of expected timing of discounted flow:

Not later than one year	8	8
Later than one year and not later than five years	29	28
Later than five years	41	48
	78	84

## 13. Capital commitments

	31 March 2013 £'000	31 March 2012 £'000
<b>Contracted capital commitments not otherwise included in these financial statements:</b>		
Property, plant and equipment – plant and machinery	10	0
Intangible assets – assets under construction	26	165
	36	165

## 14. Commitments under operating leases

	31 March 2013 £'000	31 March 2012 £'000
<b>Contracted capital commitments not otherwise included in these financial statements:</b>		
Not later than one year	727	742
Later than one year and not later than five years	2,015	2,968
Later than five years	-	589
	2,742	4,299

## 15. Commitments under PFI contracts

Information services are outsourced through a Managed Service Agreement between the Information Commissioner and Capita IT Services Limited.

The current contract is for a period of six years ending in July 2013.

Terms and conditions of service, standards of performance, payments, adjustments and arrangements for settling disputes are set out within the contract.

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

Agreed service charges are paid monthly for services delivered to agreed performance standards each month. The amount expected to be paid in the coming year up to the expiry of the contract is £543K, subject to any service credit deductions or changes to the services contracted for.

Improvements to the infrastructure do not form part of the service charge, and are paid for separately, with the future service charge adjusted by agreement.

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

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

	2012-13	2011-12
	£'000	£'000
<b>Charges to the Statement of Comprehensive Net Expenditure:</b>		
The total amount charged to the Statement of Comprehensive Net Expenditure in respect of the service element of On Statement of Financial Position service concession transactions was:	2,513	2,329

## 16. Related party transactions

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

The Ministry of Justice 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 in the year to be disclosed.

## 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.





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