

# Information Commissioner's Annual Report and Financial Statements 2014/15



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

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HC 98



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## Our mission, goal and vision

### Mission

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

### Goal

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

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

### Vision

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

# Your information rights

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

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

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

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

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

# Information Commissioner's foreword

Thirty years on from the establishment of the first Data Protection Registrar and with 10 years' experience of the Freedom of Information Act (FOIA), what's the story of the ICO's performance in 2014-15? In the following pages you will read of an effective regulator, trusted with increased powers and responsibilities, addressing a challenging caseload in a proportionate and efficient manner, responding to developments in policy and jurisprudence - and using the most appropriate channels to offer advice and guidance to organisations and individuals alike. In fact, pretty much living up to our vision for the ICO as 'the authoritative arbiter of information rights'.

Earlier this year, we marked 10 years of FOIA in operation. It is striking to see how decisions that were so hard fought in the early years have resulted in routine publication of information. Publication of safety standards of different models of cars, for example; or hygiene standards in pubs and restaurants; and surgical performance records of hospital consultants. Publication is now expected and unexceptionable. It's been the ICO's job to help public authorities to comply.

The enhanced powers granted to the ICO represent a vote of confidence in the organisation's policing of data protection. For example, the job of pinning civil monetary penalties on nuisance phone callers and text spammers was made easier when the Government removed the requirement to prove substantial damage or distress before we could issue a fine. We were anyway tackling a record number of complaints under the Privacy and Electronic Communications Regulations (PECR), but the change in the law will help us to nail more of these merchants of menace.

Similarly, extending our compulsory audit powers to cover NHS bodies will help us try to ensure that sensitive medical information is properly protected. Integration of health and social care highlights another reason why it is necessary to extend the ICO's audit powers to local authorities as well.

The long wished-for commencement of the offence of enforced subject access (section 56 of the Data Protection Act (DPA)) enables the ICO to tackle the abuse of this important right. No longer can employers get round the legal safeguards by forcing would-be employees to prejudice their own privacy in return for a job.

The work reported in the following pages illustrates how the ICO responds with maximum effectiveness to the challenges posed by the public's concerns around information rights, and to the mounting demands for our services.

For example, we've been using PECR concerns, marshalled on our website, to inform our investigations and enforcement activity. We've also linked up with other regulators to make sure we co-ordinate effectively. We've changed our approach to data protection complaints generally so that we use them to build up a picture of compliance or non-compliance by data controllers. In that way, we focus on the organisations with the potential to do the most harm.

That we promoted our revised code of practice on CCTV with our first webinar followed by one on enforced subject access demonstrates how the ICO is looking to find new ways of communicating. We re-launched our website [www.ico.org.uk](http://www.ico.org.uk) to make it more user-friendly and to render our guidance easier to find. During the year, we published updated guidance in response to developments such as significant court judgments, including the rulings of the Court of Justice of the European Union (EU) on the 'right to be forgotten' and the regulation of domestic CCTV. Our advice to the media on the application of data protection to journalism was the product of much consultation and the subject of some controversy. In the event, the guidance has been seen as a reasonable and practical statement of the current position. And our decisions on appeals against Google's application of the 'right to be forgotten' judgment have, for the most part, been accepted by all sides.

So the evidence is that, when the ICO is given the tools, we get on with the job. And we are always seeking ways to make our limited resources go further too. This year's accounts reflect the welcome agreement from the Ministry of Justice (MOJ) allowing us greater flexibility in accounting for non-frontline costs between our data protection income from registration fees and our grant-in-aid which pays for our freedom of information work.

Another efficiency move this year was to slim the senior management team, creating a post of Deputy Chief Executive Officer in place of separate Directors of Operations and Corporate Services. But we still await a solution to the problem of how best to fund the ICO in the future.

Returning to our vision for the ICO, there is no doubt about our 'committed and high-performing staff' and I thank everyone at the ICO for their contribution to the year's achievements. In addition to our full-time staff, I am assisted by the non-executive members of our Management Board. We lost the chair of the Remuneration Committee, Enid Rowlands, to be chair of the Solicitors Regulatory Authority. We welcomed Ailsa Beaton and Nicola Wood to the Board. I thank my colleagues, both executive and non-executive, for their support over another eventful 12 months.



**Christopher Graham**

**Information Commissioner**

19 June 2015

# Our aims

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

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

# Our year at a glance

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## April

We launched a legal challenge to the Transport Secretary's veto of our decision to order the release of a report on the proposed high-speed rail network HS2 under the Environmental Information Regulations (EIR).

The Commissioner responded to a House of Lords EU Select Committee on Safe Harbor, and to a call for evidence on the Legal Aid and Coroners' Court Bill from the Justice Committee, NI Assembly.

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## May

The Court of Justice of the EU made a judgment in favour of an individual who wanted Google to remove website links from searches made against his name; known as the 'right to be forgotten'.

We published our IT security report explaining lessons learnt from data breach cases.

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## June

We published data protection guidance clarifying the concepts of data controller and data processor.

Together with One Voice Wales we held the first in a series of workshops aiming to improve information governance among town and community councils across Wales.

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## July

We published a report on the data protection implications of Big Data, and on the impact of civil monetary penalties issued by us.

The ICO provided evidence to the House of Lords EU Select Committee on the Court of Justice of the EU judgment on the right to be forgotten, and to the House of Commons Science and Technology Select Committee on social media data and real time analytics.

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## August

We held workshops at York Prison as part of our work to encourage information rights good practice in the Prison Service.

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## September

We launched practical guidance on data protection for the media.

We held events for small and medium sized enterprises (SMEs) on good data protection practice in Birmingham and London.

The ICO provided evidence to the House of Lords EU Select Committee on the use of drones and to the House of Commons Science and Technology Select Committee on uses of biometric data and technologies.

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## October

We updated our CCTV code of practice and promoted it with our first ever webinar.

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## November

The government announced a Triennial Review of the ICO.  
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We published criteria for considering complaints about the non-removal of website links from searches following the right to be forgotten judgment.

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## December

We launched our rebuilt website, making it easier for people to find the information they need.  
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The Court of Justice of the EU found that domestic CCTV cameras that capture images outside the user's household are not exempt from data protection law.

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## January

Our Wales office began a series of workshops targeted at improving information rights compliance in GP practices.

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## February

The government announced that it was changing the law to make it easier for the ICO to issue monetary penalties for breaking PECR and the ICO was given powers to compulsorily audit NHS data controllers.  
.....

The Upper Tribunal found that water companies are public authorities under the EIR.

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## March

We held our annual Data Protection Practitioners Conference in Manchester. With over 800 delegates it was a highly successful event.  
.....

Section 56 of the DPA was commenced, making it a criminal offence to pressure an individual to make a subject access request for their own personal information; an action known as enforced subject access.  
.....

The Supreme Court delivered its judgment in the Prince of Wales letters case, quashing the government's use of the veto.  
.....

We published a report setting out a roadmap to improve the transparency of public sector outsourcing.

# Operational performance

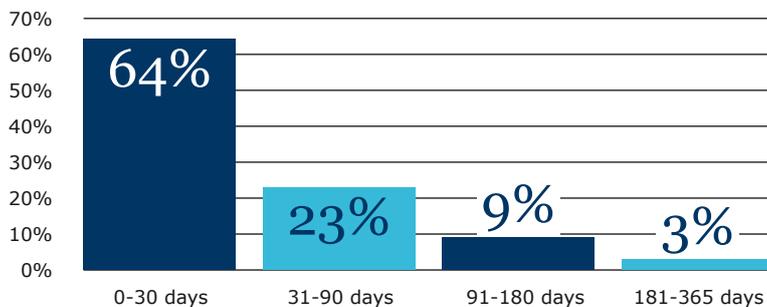
Our operational performance directly underpins the achievement of most of our aims. Figures may not add due to rounding.

## Data protection concerns

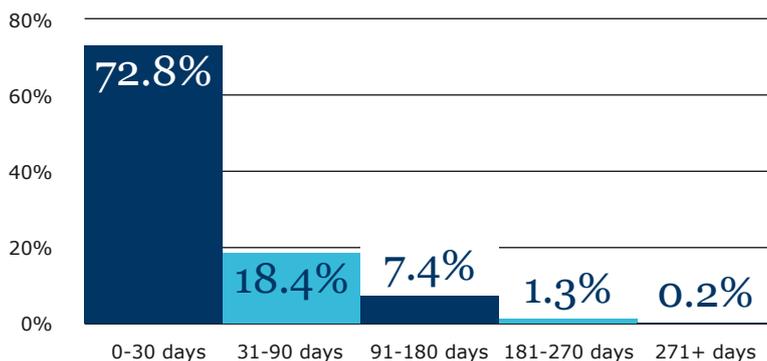
We received fewer data protection concerns than before; partly due to work we did to reduce the numbers of ineligible concerns. We significantly improved the time taken to deal with the concerns raised.

Received in year	14,268
Finished in year	15,052
1,640 Caseload at 31 March 2014	
1,170 Caseload at 31 March 2015	

## Age distribution of caseload as at 31 March 2015



## Age distribution of concerns finished



	2013/14	2014/15
30 days or less	58%	73%
90 days or less	75%	91%
180 days or less	97%	98.5%

## Reasons generating most concerns

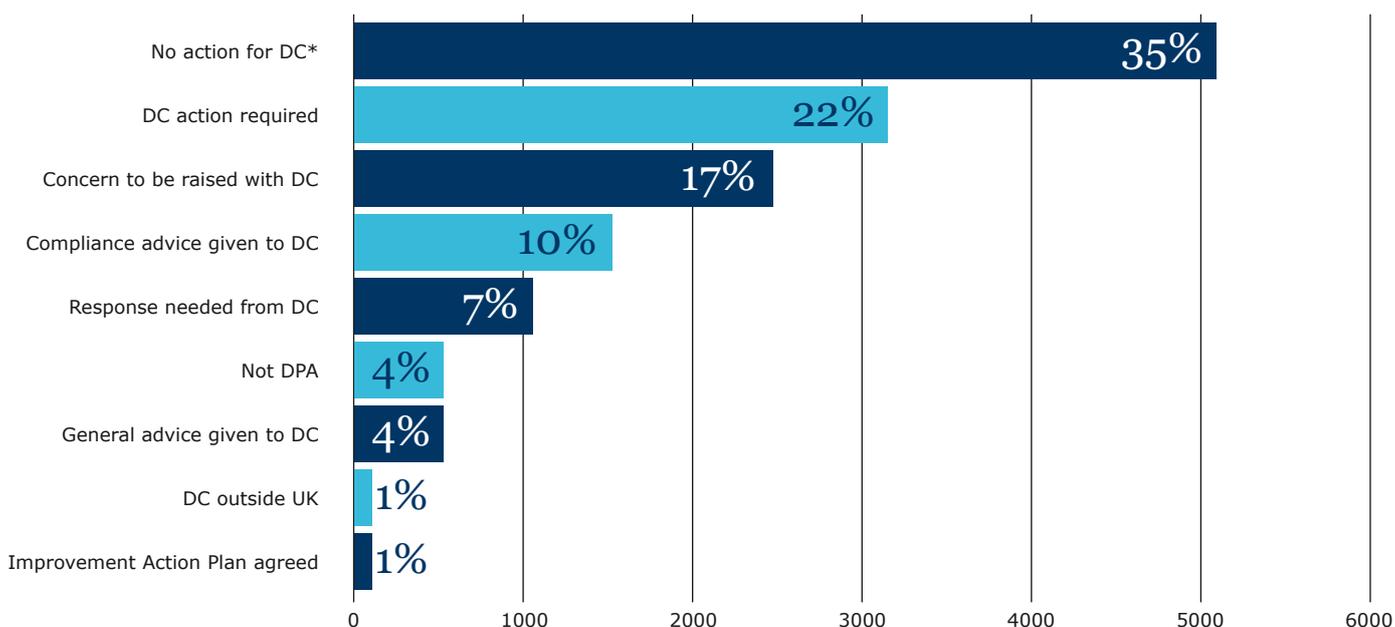
### Where nature is specified

	2013/14	2014/15
Subject access	50%	46%
Disclosure of data	17%	18%
Inaccurate data	15%	14%
Security	6%	8%
Right to prevent processing	2%	4%
Fair processing	2%	3%
Use of data	2%	3%
Retention of data	1%	1%
Obtaining data	1%	1%
Excessive / Irrelevant data	1%	1%

### Areas generating most concerns where sector is specified

	2013/14	2014/15
Lenders	17%	12%
Local Government	12%	11%
Health	10%	10%
General Business	9%	10%
Policing and criminal records	5%	6%
Central Government	7%	5%
Education	4%	5%
Telecoms	4%	4%
Internet	2%	4%
Retail	2%	3%
Debt collectors	1%	3%

### Outcomes of concerns finished



#### \*Data Controller

Concerns finished with the following outcomes — enforcement notice pursued, criminal investigation pursued, undertaking served and compliance audit recommended represented less than 0.2% of the total.

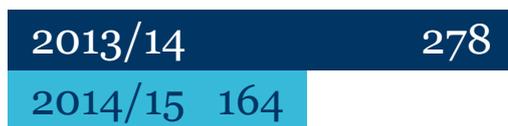
# Privacy and Electronic Communications Regulation concerns

This year we received just over 180,000 reports in relation to PECR; an 11% increase on last year.

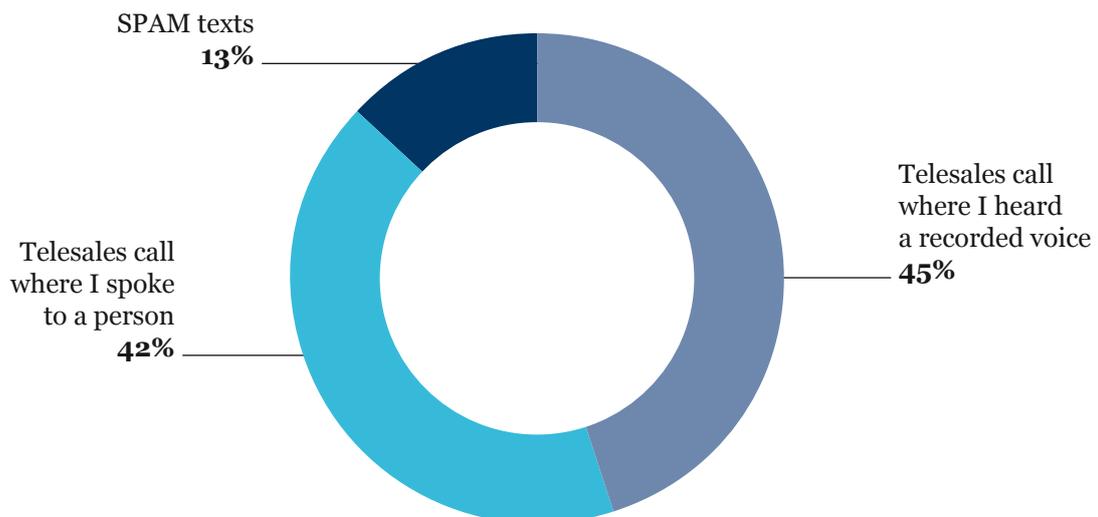
## Concerns reported



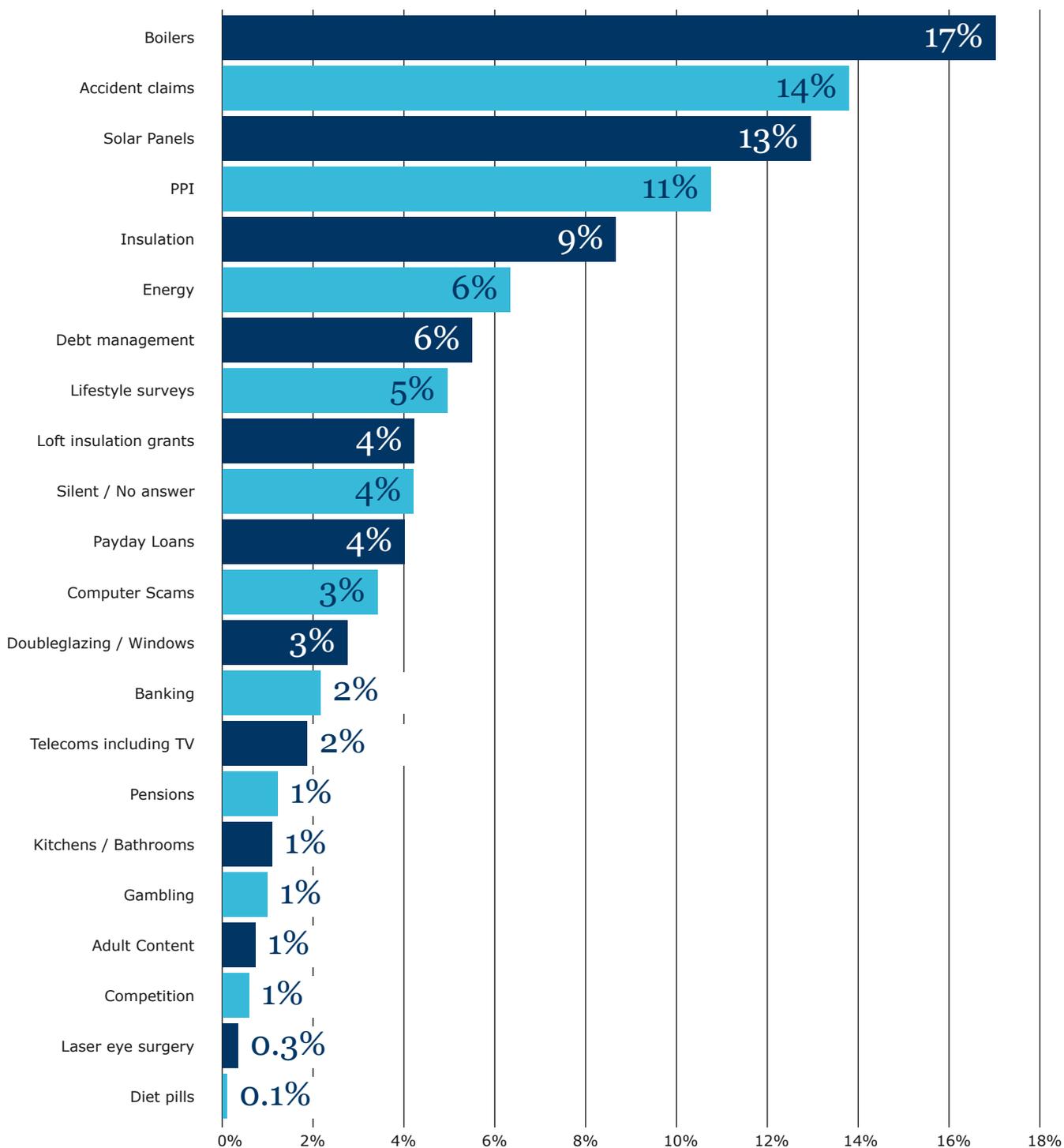
## Cookie concerns reported



## Nature of telesales and SPAM texts reported



## Concerns reported online by topic

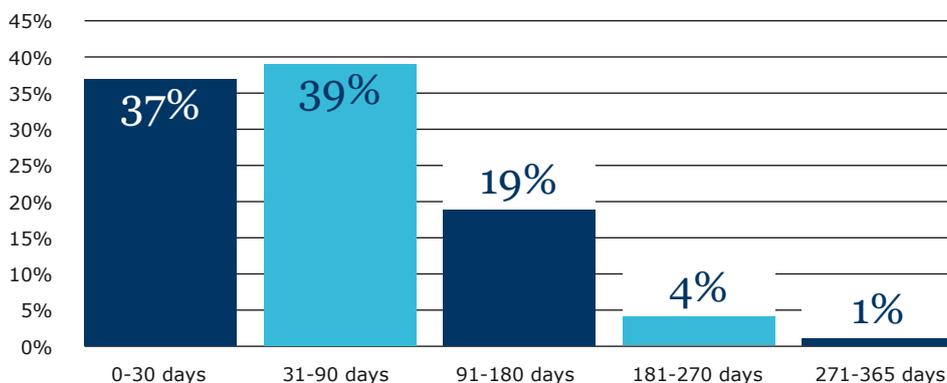


# Freedom of information and environmental information complaint casework

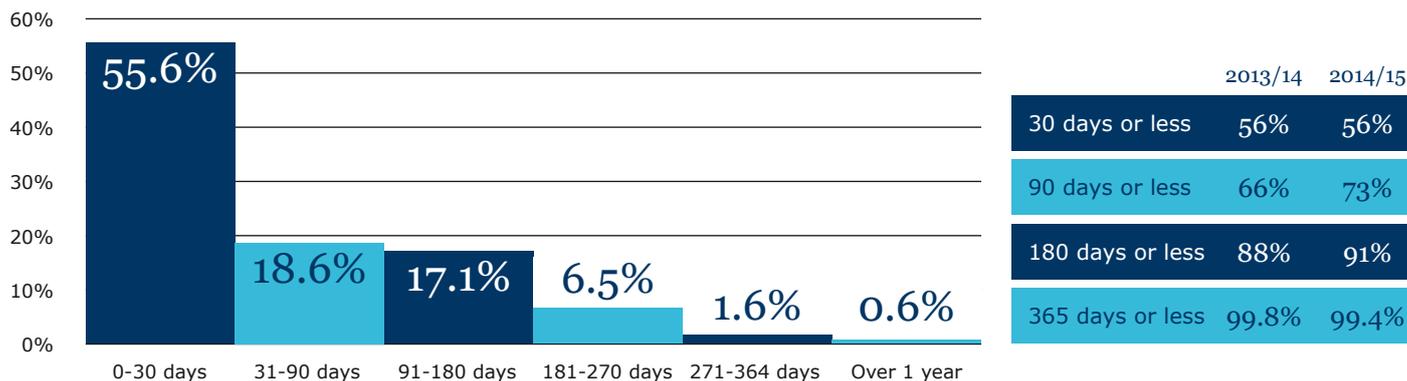
Receipts were down slightly on last year. We completed more decision notices and we saw improvements in the overall time taken to close casework.

Received in year	4,981
Finished in year	5,072
908	Caseload at 31 March 2014
823	Caseload at 31 March 2015

## Age distribution of caseload as at 31 March 2015



## Age distribution of complaint casework finished



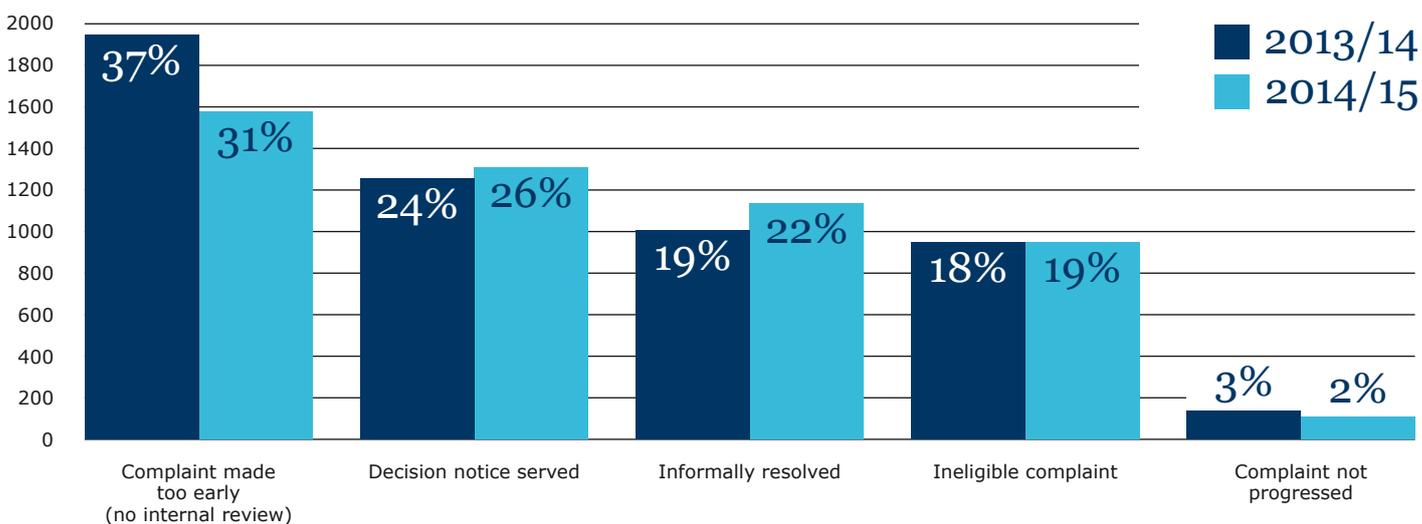
### Areas generating most complaint casework where sector is specified

Sector	2013/14	2014/15
Local government	43%	46%
Central government	26%	18%
Police & criminal justice	8%	11%
Health	9%	9%
Education	8%	7%
Private companies	1%	0.5%

### Outcome of complaint casework where a decision notice is served

Outcome	2013/14	2014/15
Total served	1,261	1,305
Upheld	314 (25%)	307 (24%)
Not upheld	774 (61%)	809 (62%)
Partially upheld	173 (14%)	189 (14%)

## Outcomes of complaint casework finished



# Appeals to the First-tier Tribunal for April 2014 – March 2015 against decisions of the Commissioner

During the course of the year there were 316 appeals (including remittals) to the First-tier Tribunal.

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

- 56% were dismissed;
- 8% struck-out;
- 14% withdrawn;
- 6% consent order issued;
- 6% were part allowed; and
- 10% were allowed.

# Written advice

Finished in year

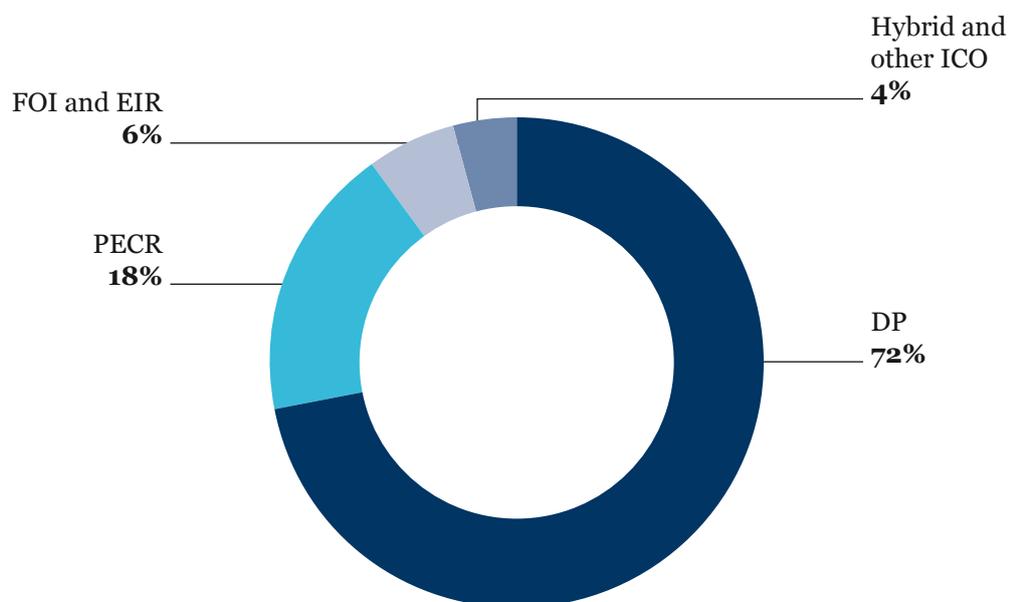
11,518

84 Caseload at 31 March 2015

Nature of general advice finished in year

General advice about legislation and the role of the ICO	39%
How to apply the legislation	28%
Electronic and postal marketing	17%
What rights do I have to access information	11%
Advice requested is not in the ICO's remit	5%

Type of general advice finished in year



Age distribution of finished advice work

Within 7 days

72%

Within 30 days

99%

# Helpline advice

Calls received	204,878
Calls answered	195,431

Nature of general advice finished in year

Percentage answered	95%
Average wait time	54 seconds

# Achievement against our aims

## 1. Organisations better understand their information rights obligations

### Audits, advisory visits and workshops

To help organisations better understand their responsibilities we undertook:

- 41 audits providing advice and recommendations;
- 17 information risk reviews; and
- 56 follow up audits to make sure recommendations were followed.

We provided specific help to SMEs, making 58 advisory visits during which we gave data protection advice, and facilitated workshops in September with nearly 400 people attending. With partner organisations we also ran regional workshops focussed on practical exercises. Around 1,000 practitioners attended.

We also targeted other sectors. We delivered workshops for prisons and for parish and town councils, visited Citizens Advice offices and worked with the Victims' Services Alliance. We also carried out an information handling survey of local government fostering and adoption teams.

### New tools

We used new tools to help raise data protection awareness with a wider audience:

- We engaged with at least 11,000 staff in the NHS, local government and criminal justice sectors using online surveys.
- We launched an animation on our website and YouTube to help the education sector comply with their information rights obligations.
- We introduced a new service, the Information Risk Review. The first review involved the credit reference agencies.
- Our rebuilt website works on mobiles and tablets (20% of our traffic) as well as on desktops, making guidance more accessible.

We also developed an online data protection self-assessment toolkit, to help organisations evaluate their own compliance with the DPA.

### General election

In the run up to the General Election we gave presentations on data protection and PECR to the main political parties, and liaised with the House of Commons on guidance for handling constituents' personal data where there is a change in MP.

We also advised the Cabinet Office on individual electoral registration, welcoming the change but making it clear that people's previous preferences about their details appearing in the open electoral register should be carried forward into the new system.

### Surveillance technologies

A wider range of cheap technologies with privacy implications are now available to increasing numbers of organisations and individuals:

- The use of unmanned aerial vehicles (or drones) with cameras is expected to increase and we worked with government on how best to raise awareness of privacy issues.
- Body worn video technology is increasingly widespread in police forces and the privacy implications need to be addressed. We met with national representatives to discuss specific issues and inputted into guidance for the police.
- The use of automatic number plate recognition (ANPR) is expanding, and we have worked to ensure guidance is available to the police on conducting a privacy impact assessment before setting up ANPR systems and that the retention of ANPR information is justified.

We continue to work with other Commissioners, such as the Surveillance Camera Commissioner and the Biometrics Commissioner, who have an interest in surveillance technologies and police record keeping.

## Patient information and integration of health and social care

Greater integration of health and social care has significant implications for information rights across the UK. In England we worked within the sector and with the Centre for Excellence for Information Sharing to ensure that good practice is followed when sharing data. We are also working closely with NHS Boards and the local authorities in Scotland and Wales as they each seek to integrate services in line with the new statutory provisions in both administrations.

## Troubled Families programme

The government's Troubled Families programme involves the sharing of sensitive personal data. We raised the awareness of information rights issues using a webinar and appearances at events.

## Release of consumer data

Another government initiative, the Midata programme, encourages the release of consumer data back to individuals in reusable form. The personal current account Midata scheme was launched in March. Bank customers can now download a file of their financial transactions and use this to find the best current account for them. We advised on privacy concerns.

## Guidance

During the year we published a wide range of guidance to help organisations, including:

- An updated version of our CCTV code of practice, partly to reflect the increased use of drones and body worn cameras.
- An IT security report setting out the lessons learned from data breaches reported to us.
- Guidance for the media on data protection, developed in response to a recommendation from the Leveson Inquiry.
- Updated freedom of information guidance on publication schemes.

## Privacy seals

We are developing a privacy seal scheme to encourage organisations to meet good data protection standards, and to allow consumers to recognise those organisations that do so. The ICO will endorse and licence third party scheme operators, who will then award seals to data controllers. We will be working with the UK Accreditation Service and a call for applications from scheme operators will be made in 2015.

## Lenders and data protection

We looked at concerns we received about lenders and challenged the sector to better explain their information rights practices to customers. As a result this year we have dealt with over 700 fewer concerns about lenders; a significant reversal of recent trends.

## Registration

The public register of data controllers grew by 6.5% this year. Our work to promote the need to register has been made much easier following our investment in new technology. Work to develop the public register will continue in 2015-16.

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

### Unsolicited marketing calls and texts

We received almost 180,000 online reports about nuisance calls and texts, a 12% increase on last year, and have undertaken more regulatory action than ever before. Most concerns related to accident claims, green energy deals, payday loans and lifestyle surveys. Live calls generate significantly more concerns than automated calls and spam texts.

To target our enforcement action we used information from reported concerns, complaints from the Telephone Preference Service and communications service providers, and research. We then issued:

- five civil monetary penalties relating to marketing calls and texts totalling £386,000;
- eight enforcement notices (which compel future compliance); and
- monitored 31 organisations and met with 17 others to ensure they had action plans to reduce the number of complaints about them.

To better coordinate enforcement action we strengthened our relationship with a number of other regulators and agencies including Ofcom, the MOJ Claims Management Regulator, Trading Standards and Citizens Advice.

We also held compliance meetings with 12 organisations about which we had concerns. These meetings resulted in the organisations submitting improvement plans to us. We have checked progress against the plans as well as monitoring other organisations who have also committed to improvements. We are now considering whether formal action is required.

### Breaches of Section 55 of the Data Protection Act

Section 55 of the DPA makes it an offence to unlawfully obtain or disclose personal data. We investigated a number of serious cases which highlighted the risks to the security of people's personal data from unscrupulous and determined criminals. Following these investigations we prosecuted in 13 section 55 cases and secured 10 criminal convictions. We also issued four cautions. Cautions are used where there has been full and frank admissions of the behaviour and where there is considered to be a low risk of re-offending.

Notable prosecutions include:

- An employee of Transport for London was prosecuted for unlawfully accessing Oyster card records of family members and neighbours.
- A company director was fined after accessing one of Everything Everywhere's customer databases; using details to target people with services offered by his own telecoms companies.
- A pharmacist who worked for West Sussex Primary Care Trust was prosecuted for unlawfully accessing the medical records of family members, work colleagues and local health professionals.

## Notification of PECR data security breaches

Communications service providers have to notify us of any security breach within 24 hours. We received and followed up 285 such reports. We also issued our first fixed penalty of £1,000 against Vodafone for failing to report a breach within the statutory time limit.

## Data loss incidents

This year, using information gathered from self-reported incidents, concerns received from the public and our own research we:

- Investigated 1,707 self-reported incidents and enforcement cases.
- Issued £692,500 in civil monetary penalties.
- Issued three enforcement notices.
- Issued 26 undertakings (across 34 cases).

## Self-reported incidents



## Sectors generating most self reported incidents



## Other investigations

We continued a large and complex investigation into the activities of a number of organisations that had used private investigators. In doing so we were, and continue to be, supported by officers from the National Crime Agency working under the direction of the ICO.

We also used our powers under the DPA to prosecute 12 organisations and their directors for not registering with the ICO, or for failing to respond to information notices. This action resulted in monetary penalties of over £12,000.

## Samaritans Radar application

In October the Samaritans launched their Radar application. This application ran a keyword search of Twitter for messages that indicated distress and then emailed subscribers advising them that a follower or friend might be in need of help. Use of the application raised novel and contentious issues and we found that it did risk causing distress to individuals and was unlikely to be compliant with the DPA. To their credit the Samaritans took responsibility for dealing with the concerns raised and promptly withdrew the application.

## DVLA

The DVLA developed an online enquiry service to provide information on the tax status of vehicles. The aim of the service was to inform people wanting to buy a vehicle how much tax they would pay. In doing so, however, the service also highlighted if the current owner was disabled. The DVLA subsequently removed the information.

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

### Our new approach

This year we introduced a new approach to handling people's concerns about information rights issues. We have focused on using these concerns to direct our work to make real changes in information rights practices, targeting high risk areas where we can make a difference.

As part of this we have sought to signpost better what we can and cannot do, and have provided tools to help people frame their complaints. We have also asked organisations to do more to resolve issues themselves.

Overall we have dealt with more than 15,000 data protection related concerns and handled over 5,000 freedom of information complaints. We have closed more than we received and reduced caseloads to their lowest ever level. This means that we can start looking at all of the issues raised with us quicker than ever before. Our new approach has also reduced the number of cases coming to us about which we can do nothing.

We have also issued more freedom of information decision notices than last year and increased the speed at which we make our decisions; exceeding the standards that we set ourselves and improving the service we provide as a result.

### Where we have made a difference

Examples of where we have made a difference include:

- Sparsholt and Andover College agreed an action plan to prevent future security breaches.
- The London Borough of Hackney updated its subject access procedures including recruiting temporary staff.
- Bannatyne Fitness agreed an action plan to address its marketing messaging issues.
- Ormiston Academy Trust reviewed their data protection and freedom of information policies following handling errors.

We identified that we were receiving a significant amount of complaints about the legal profession and are working closely with the Bar Standards Board and other regulatory and representative groups within the legal profession to improve information rights compliance.

There were concerns about the handling of freedom of information requests by Northern Ireland government departments. We discussed these with the departments and held follow up meetings with the Office of the First Minister and Deputy First Minister and the Department for Finance and Personnel. A subsequent meeting between the Commissioner and the Northern Ireland Permanent Secretaries Group was received positively.

Following a complaint about the Forestry Commission's publication scheme we provided advice on the sort of information they should be publishing and when. As a result they are now publishing minutes and meeting papers within a few weeks of the minutes being approved and they have improved their handling of information requests.

We met with HMRC, Water UK, the Charity Commission, the MOJ, the Crown Prosecution Service, UK Visas and Immigration and the Health and Safety Executive to discuss their information rights processes. And we advised Network Rail on its freedom of information obligations as it became one of the newest organisations to be covered by the Act.

We also worked with JMS Estates, which provides temporary housing on behalf of Westminster City Council, on improving its handling of subject access requests; in particular when the requests relate to CCTV images.

## Formal freedom of information monitoring

This year we continued our programme of monitoring the performance of a range of public authorities in meeting their freedom of information responsibilities. These included government departments, councils, a police force and the BBC. The outcomes have been positive. We have seen monitored organisations put in place additional resources, staff training, and high level reporting to improve performance. And senior managers have been designated as information rights champions.

The majority of authorities take their responsibilities very seriously and improve performance sufficiently to allow us to stop monitoring. During the year only two authorities, the Metropolitan Police Service and the Royal Borough of Greenwich, have been subject to extended monitoring and still continue to be monitored.

We recently announced that we will be monitoring the performance of the Department of Finance and Personnel (Northern Ireland), Cumbria County Council, Nottingham Council and Salford Council into 2015.

## 4. Individuals are empowered to use their information rights

### Guidance for those who struggle to manage their own affairs

We worked closely with the Office of the Public Guardian, the Alzheimer's Society and the commercial sector on a Dementia Friendly Communities project to myth-bust data protection issues. A booklet on managing information for people with dementia was launched by the Alzheimer's Society in February 2015. The widely welcomed booklet included substantial input from both the ICO and the Office of the Public Guardian.

### Care.data

Care.data is an initiative to link NHS England patient data from different sources and use this for wider purposes such as research. We have worked with the Health and Social Care Information Centre to ensure patients and GPs properly understand what is happening and the choices patients have.

### A new website

During the year we launched our rebuilt website, designed to make sure that people can more easily find the information they need to help them understand and exercise their own information rights; report concerns to us; and with the introduction of a new section 'Action we've taken' they can quickly see our latest monetary penalties and other enforcement action as well as progress we are making on key issues such as nuisance calls and spam texts.

### Requests for guidance from the public

The office dealt with over 11,000 written requests for guidance from both members of the public and organisations. 11% of these related to people asking about their rights to access data.

### Information on speed camera road signs

We made representations to the Department for Transport about the inadequacy of current authorised camera road signs. We will press the new government to change the traffic sign regulations to allow a highway authority's name to appear on the sign. Knowing who is collecting information about us is a cornerstone right of data protection.

### Using the media to highlight issues

We use the media to highlight issues and make the public more aware of their information rights. For example we took advantage of press articles and media interviews to warn people about responding to unsolicited calls and texts ahead of the change in the law allowing people to cash pensions in early.

## Enforced subject access

Section 56 of the DPA makes it an offence to require an individual to use their subject access rights to provide details of their criminal record in an employment context or as a condition for the provision of services, goods and facilities. This section came into force in March 2015 and we hope our guidance and educative work, for both organisations and the public, will help ensure that the law is followed. Guidance for the public included blogs and work with offender charities to raise awareness.

## Specific blogs

We have blogged about issues directly affecting the public such as netcams, trans-name change, the internet of things and wearables. We also provided advice on the eBay breach.

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

### Data sharing

We participated in the Cabinet Office's open policy making process which explored the benefits and limitations of data sharing in the areas of research and statistics; fraud, error and debt; and better tailored public services. This resulted in a paper that concluded, as an underlying key principle, not to weaken the DPA. This work is now intended to inform the new government's approach to data sharing.

We also provided views on data sharing proposals ranging from HMRC's plans to legislate for the controlled release of the VAT register, to the Better Regulation Delivery Office's consultation on data sharing between non-economic regulators.

In addition we engaged with the Financial Conduct Authority on how financial bodies treat vulnerable customers. We also discussed the issue with industry representatives to help ensure data protection is not a barrier to reasonable and justified data sharing.

### Civil emergency alerts

We liaised with the Civil Contingencies Secretariat on the information rights implications of a proposal to set up a national mobile phone alert system for civil emergencies. Our view was that an amendment to PECR was needed to allow the proposals to be taken forward. This change has now been made.

### Identity assurance

We collaborated with the Government Data Service on an identity assurance scheme, encouraging an approach where accredited identity providers vouch for an individual's identity rather than the government keeping detailed and duplicate identity verification information across departments. GOV.UK.Verify has now been launched, increasing numbers of identity providers have been signed up and the scheme is being rolled out to users such as the HMRC income tax self-assessment process.

### Communications data retention

The Home Office has liaised with us on our new duties in regulations made under the Data Retention and Investigatory Powers Act 2014 to check on the security, integrity and destruction of data retained under these provisions by communication service providers.

We have inputted into the Data retention and acquisition code of practice and the Disclosure of communications code of practice. These codes place specific obligations on communications service providers to cooperate with us.

We also responded to the Home Office consultation on establishing a UK Privacy and Civil Liberties Board to increase public reassurance around surveillance activities with suggestions to strengthen its independence and broaden its remit.

## Value of consumer data

The Competition and Markets Authority launched a study into the commercial use of consumer data; aiming to understand better how companies collect and use consumer data, how value is generated and to assess consumer and competition issues. We responded and have followed up with further contact to discuss emerging evidence. The report should be published by the summer.

## Big Data and data protection

We published a report on Big Data and data protection which assessed the concept of big data and what it means in practice; highlighting the data protection risks and stressing that data protection compliance need not stifle data innovation. It emphasised the importance of the data protection principles and argued that they are still fit for purpose.

## The European Data Protection Regulation

The European Data Protection Regulation was proposed in February 2012. Agreement in the Council of the EU and between Member States now seems possible fairly soon with the triologue process, between Council, Parliament and Commission to follow. It is not expected that the legislation will be agreed until at least 2016.

The ICO has provided expert opinion and advice as part of the Article 29 working party. We also provided advice to the MOJ as negotiations continue in the Council of the EU. We continue to advocate the case for legislation that is clear, practical and workable for data controllers. It should enhance the rights of data subjects and strengthen the ability of data protection authorities to take action.

## Tracking technological developments

We have been involved in activities to track technological developments that impact on privacy including:

- Leading on an Article 29 project to undertake a cookie sweep of websites across the EU.
- Taking part in the international GPEN privacy sweep of mobile applications.
- Providing input into the opinions produced by the Article 29 technology sub-group.
- Using our Technology Reference Panel to gain insights on technology developments that impact on privacy.
- Reacting quickly to news that images from unsecured webcams were available on a Russian website.
- Publishing blogs explaining the privacy implications of wearable technologies and the development of the internet of things.

We successfully intervened in a civil case heard in the Court of Appeal, between Google and Vidal-Hall (and others). The ICO made submissions on the broader data protection aspects of the case. We successfully argued that browser generated information such as IP addresses, when used to target advertisements, was personal data under the DPA and that compensation under the DPA could be awarded for non-financial damage.

## The right to be forgotten

In May 2014 the Court of Justice of the EU issued its judgment in a case involving Google Spain and an individual who wished to have some links removed from searches made against his name. The Court found that the individual had the right to request Google to delete links from the search results if it breached the data protection directive; for example the information was irrelevant or excessive.

We welcomed the judgment whilst recognising the importance of getting the balance right between the right to privacy and the right of the public to receive information. Since then, as part of the Article 29 working party, we have developed criteria on when links should be removed, published our criteria, and liaised with search engine providers to set out our expectations of how the judgment should be implemented.

We have successfully dealt with over 120 complaints received following the judgment.

## 6. An efficient ICO well prepared for the future

### Triennial Review

The government announced its Triennial Review of the ICO in November. The ICO fully engaged with the process, promoting the public consultation amongst stakeholders and providing information on how the ICO works and on its performance.

### Redesigned website and digital services platform

The project to redesign our website included moving from a proprietary content management system to an open source solution, and bringing our jobs site into the main site. These changes have made our site easier to maintain and further develop, and reduced our annual licensing and hosting costs.

During the 2014-15 year we had 4.9 million visits to the website, compared to 4.5 million the year before.

### Intranet

We re-designed our intranet to make it easier for staff to find the information they need to do their jobs. This included building in functionality to help staff share sector-based information.

### Telephony

Following the introduction of more efficient call routing and management solutions, we received approximately 55,000 fewer calls to our helplines this year. This was because the changes meant that more customers got the information they needed in one call. Our calls last slightly longer, but we are able to answer calls more quickly and save our customers time.

### IT changes

During the year the first phase of the new Finance system was introduced on time and to budget. This project will provide the ICO with more up to date and flexible reporting on expenditure. In addition we completed a pilot of new technology, including tablets, aimed at helping us work whilst on the move.

### Learning and development

We continue to provide staff with the knowledge and skills required to perform their roles effectively. Many staff have achieved accredited qualifications to demonstrate their expertise in data protection and other technical areas of activity. We have also streamlined and merged our internal data protection training to reduce duplication between different programmes and make the training more effective.

# Information access

We updated our Information governance strategy during the year and continued to process a large number of information requests addressed to the ICO itself as a public authority and data controller.

## Total number of information requests received 1,209

### Of those:

Freedom of Information Act	588
Data Protection Act	313
Hybrid	307
Environmental Information Regulations	1

## Total number of information requests responded to 1,177

### Outcomes

Information provided in full	480
Information partially provided	372
Information not held	105
Information withheld	124
Further clarification needed	53
Misguided request	27
Request withdrawn	16

## Time for compliance 95%

95% of requests were responded to within the statutory timescales

Data Protection Act — average time for response — 18 days

Freedom of Information Act — average time for response — 14 days

Hybrid — average time for response — 12 days

## Internal reviews 39

30 were dealt with within 20 working days; the average time was 18 days.

### Outcomes

Challenge not upheld	30
Challenge partially upheld	6
Challenge upheld	3

We also responded to 736 subject access requests from people wanting to confirm if their details were included on the construction industry blacklist seized in 2009 from The Consulting Association. A compensation scheme was established this year and we were asked to provide those wishing to join the scheme with the information held about them by The Consulting Association.

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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 MOJ but reporting 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, for deciding how they should be achieved, and is required annually to lay before each House of Parliament a general report on performance.

## Treasury management

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

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

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

## Payment of suppliers

The Information Commissioner has adopted a policy on prompt payment of invoices which complies with the 'Better Payment Practice Code' as recommended by government. In the year ended 31 March 2015 97.15% (2013-14: 98.03%) of invoices were paid within 30 days of receipt or in the case of disputed invoices, within 30 days of the settlement of the dispute. The target percentage was 95%.

In October 2008, government made a commitment to speed up the public sector payment process. Public sector organisations should aim to pay suppliers wherever possible within ten days, and to this end the Information Commissioner pays all approved invoices on a weekly cycle and has monitored payments against a 10 day target from 1 April 2009. For the year ended 31 March 2015 36.47% of payments were paid within 10 days (2013-14: 28.8%).

## Future developments and events after the reporting period

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

# Strategic report

## Introduction

There have been no substantive changes to the ICO duties and objectives during 2014-15. The ICO's objectives, as detailed in the ICO Plan 2014-2017 and which have been rolled forward from the preceding year are:

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

As this annual report details in its 'Achievement against our aims' section, the ICO has seen a slight reduction in complaints made to it under both the data protection and freedom of information legislation. The time taken to handle individual complaints has also reduced.

The figures for data protection complaints reflect a change in approach in the handling of these complaints during 2014-15 which has seen resources targeted at those areas that are of highest risk in terms of information rights and are in areas in which the ICO can make a real difference. This targeting is informed by the concerns reported to us by individuals.

The number of data controllers registering with the Commissioner has increased gradually during the year by 6% with a commensurate increase in registration fee income. The increase is partly due to the ability now to register and pay the fee online. The increase in fee income along with the agreed change in the apportionment model (which allocates the ICO income to its different work streams of data protection and freedom of information) allowed the ICO to allocate its resources more efficiently and hand back £50k of grant in aid in-year as requested by the MOJ. And at the end of the financial year £0k of registration fee income was returned to the Consolidated Fund.

## Areas of uncertainty

Risks identified during 2014-15 are detailed in the Governance statement. For the future the main areas of uncertainty relate to:

- possible reductions in grant in aid income for freedom of information work, given the focus of the new government on deficit reduction;
- the implications for the ICO of the developing EU Data Protection Regulation which will change how the ICO regulates the use of personal data;

- policy initiatives coming from the new government which have an impact on information rights and the work of the ICO; and
- the results of the recent Triennial Review of the ICO, which have yet to be announced.

## Financial performance

### Grant in aid

Freedom of information expenditure continued to be funded by grant in aid from the MOJ. For 2014-15 £3.7m (2013-14: £4.0m) was received.

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

### Fees

Data protection activities are financed by fees collected from data controllers who notify their processing of personal data under the Data Protection Act 1998. The annual fee is £35; unchanged from its introduction in 2000. It applies to charities and small organisations with fewer than 250 employees. In 2009 a higher fee of £500 was introduced for larger data controllers defined as those with an annual turnover of £25.9 million or more or employing more than 250 people. For public authorities employing more than 250 people the fee was also £500.

Fees collected in the year totalled £17,519k (2013-14: £16,528k); a 6% increase over the previous year.

The Framework Agreement between the Information Commissioner and the MOJ allows such funds as are necessary to meet any liabilities arising in the financial year, such as creditors, to be carried forward to the following year. An amount of £1,753k (2013-14: £1,759k) has been carried forward into 2015-16, as was an additional amount of £953k (2013-14: £363k) as uncleared cash in transit which was not available for spend.

### Annual expenditure

The total comprehensive expenditure for the year was £3,888k (2013-14: £6,055k).

### Financial instruments

Details of our approach and exposure to financial risk are set out in note eight 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 2015-16, and there is no reason to believe that future sponsorship and parliamentary approval will not be forthcoming.

Whilst the ICO was subject to Triennial Review by the MOJ in the spring of 2015, to date decisions have not yet been made by Ministers on any changes to the role and status of the ICO. Any major changes would require primary legislation.

## Gender

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

Across the ICO as a whole 41.5% of staff were male and 58.5% female.

## Commentary on sustainability performance

### Context

The ICO sustainability reporting meets the requirements in the Financial Reporting Manual 2014-15 and the Treasury guidance 'Public Sector Annual Reports: Sustainability reporting Guidance'. Reporting on sustainability also helps the ICO ensure that it is doing all it can to help meet government sustainability targets.

The office employs almost 400 people. We have small offices in Edinburgh, Belfast and Cardiff, however, most staff are based in Wilmslow near Manchester in a leased building. This was refurbished in 2010 and at that point the ICO invested in the most appropriate environmental solutions available. The Wilmslow building has a government energy performance operating rating of 62. A rating below 100 is an above average (ie positive) outcome.

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

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

We have a Green Group which has organised various initiatives over the year to raise staff awareness of green issues and to promote actions to lessen the office's impact on the environment. In particular, a successful Go Green week in October focused on reducing paper usage, waste and our carbon footprint. The programme included advice on green energy and travel options, waste reduction, local sourcing and sustainability awareness.

### 2014-15 performance

The ICO's main environmental impact arises from use of electricity for IT and lighting at 176 tonnes CO<sub>2</sub> (2013-14: 153 tonnes CO<sub>2</sub>). Electricity usage is weather dependent and there is little opportunity to influence the amount of electricity used.

The second largest impact comes from travel for staff who are meeting key stakeholders or travelling between offices. Here there is scope to influence carbon emissions. This year 40% of external meetings involving our Strategic Liaison department used teleconferencing facilities. However, at the same time we expanded our audit and investigation teams which has increased the number of staff who have to travel for business purposes.

In calculating our carbon emissions we realised that, in previous years, we had not accounted for flights booked directly by individual members of staff. We have undertaken an exercise to identify all flights during 2014-15. The impact has been to increase travel and total emissions by approximately 17 tonnes CO<sub>2</sub> to 244 tonnes CO<sub>2</sub> this year. There will have been flights in earlier years not accounted for but the numbers are not known.

In addition we replaced the 30 year old heating boilers with modern more energy efficient ones. Downtime due to faults in the old boilers and replacing them is partially responsible for the reduction in gas used.

**Summarising total ICO performance:****Total tonnes CO<sub>2</sub>**

	2011/12	2012/13	2013/14	2014/15
Scope 1 (gas)	33	35	10	1
Scope 2 (electricity)	263	210	153	176
Scope 3 (travel)	47	43	48	67
<b>Total emissions</b>	<b>343</b>	<b>288</b>	<b>207</b>	<b>244</b>

**Tonnes CO<sub>2</sub> per full time equivalent staffing**

	2011/12	2012/13	2013/14	2014/15
Scope 1 (gas)	0.10	0.10	0.30	0.00
Scope 2 (electricity)	0.80	0.58	0.43	0.48
Scope 3 (travel)	0.14	0.12	0.12	0.19
<b>Total</b>	<b>1.04</b>	<b>0.80</b>	<b>0.59</b>	<b>0.67</b>

**Total Waste, water and paper consumption**

	2012/13	2013/14	2014/15
Waste / tonnes	9.2	8.0	12.0
Water consumption / m <sup>3</sup>	1,597	2,196	2,791
A4 paper / reams	3,572	3,580	3,540

**Waste, water and paper consumption per full time equivalent staffing**

	2012/13	2013/14	2014/15
Waste / tonnes	0.03	0.02	0.03
Water consumption / m <sup>3</sup>	4.44	6.20	7.68
A4 paper / reams	9.93	10.11	9.74

**Details of ICO performance:****Total travel**

	2011/12	2012/13	2013/14	2014/15
<b>Cars</b>				
Kms	67,818	25,321	24,277	27,754
Cost £		7,042	6,310	7,762
Tonnes CO <sub>2</sub>	13	5	5	5

<b>Rail</b>				
Kms	509,792	611,824	660,834	664,623
Cost £		157,551	180,585	185,977
Tonnes CO <sub>2</sub>	30	36	32	32

<b>Flights</b>				
Number		34	23	186
Kms	14,522	16,010	38,899	176,528
Cost £		2,390	4,238	28,576
Tonnes CO <sub>2</sub>	4	3	7	31

**Travel Summary**

Cost £		166,983	191,133	222,315
Tonnes CO <sub>2</sub>	47	43	44	67

## Travel per full time equivalent staffing

	2011/12	2012/13	2013/14	2014/15
<b>Cars</b>				
Kms	205.51	70.34	68.58	76.35
Cost £		19.57	17.82	21.35
Tonnes CO <sub>2</sub>	0.04	0.01	0.01	0.01

<b>Rail</b>				
Kms	1,545	1,701	1,867	1,828
Cost £		437.95	510.13	511.63
Tonnes CO <sub>2</sub>	0.09	0.10	0.09	0.09

<b>Flights</b>				
Number		0.09	0.06	0.51
Kms	70.81	44.50	109.88	485.63
Cost £		6.64	11.97	78.61
Tonnes CO <sub>2</sub>	0.01	0.01	0.02	0.08

<b>Travel Summary</b>				
Cost £		464.16	539.92	611.60
Tonnes CO <sub>2</sub>	0.14	0.12	0.12	0.19

## Total utilities

	2011/12	2012/13	2013/14	2014/15
<b>Gas</b>				
Kwh	181,190	187,937	56,941	3,734
Cost £		7,741	2,271	1,775
Tonnes CO <sub>2</sub>	33	35	10	1

<b>Electricity</b>				
Kwh	501,298	404,454	316,058	327,158
Cost £		48,126	50,328	54,232
Tonnes CO <sub>2</sub>	263	210	153	176

<b>Utility summary</b>				
Cost £		55,867	52,599	56,007
Tonnes CO <sub>2</sub>	296	245	163	177

## Utilities per full time equivalent staffing

	2011/12	2012/13	2013/14	2014/15
<b>Gas</b>				
Kwh		522.41	160.85	10.27
Cost £		21.52	6.42	4.88
Tonnes CO <sub>2</sub>	0.10	0.10	0.03	0.00

### Electricity

Kwh		1,124	893	900
Cost £		133.78	142.17	149.19
Tonnes CO <sub>2</sub>	0.80	0.58	0.43	0.48

### Utility summary

Cost £		155.29	148.58	154.08
Tonnes CO <sub>2</sub>	0.90	0.68	0.46	0.49

Notes:

- Information on waste is provided by the contractors.
- Travel costs and mileage are collated by the Finance Team.
- The information is collated quarterly and if figures are not consistent with expectations they are checked.
- Figures may not add due to rounding.



**Christopher Graham**

**Information Commissioner**

19 June 2015

# Directors' report

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

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

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

## Employee involvement and well being

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

During the year there has been official industrial action taken by the Public and Commercial Services union over the July 2014 pay settlement. The industrial action included seven days of strike action by the union during 2014-15 and a work to rule which continued into 2015-16.

The average number of sick days taken per person during the year was 4.5 days (2013-14: 7 days). The fall is partly due to a reduction in long term absence.

## Equal opportunities and diversity

The ICO is committed to extending the ICO's reach into all parts of the country and sections of society to achieve equality of access to information rights and our services. It also seeks to fully integrate diversity into our operational and decision-making processes. To achieve this, the ICO must:

- extend its reach so that a wider range of individual and organisational users are aware of and able to access its services;
- and
- mainstream equality understanding and skills within its workforce in order to improve employee experience and its capacity to meet diverse user needs.

An Equality and Diversity Committee, chaired jointly by two Heads of Department, meets six times a year and provides guidance and support to the ICO to ensure it meets this commitment.

In addition staff undergo training and other forms of awareness-raising to enable them to deliver an effective service to customers from diverse backgrounds and with differing needs. Language Line and Text Phone facilities are provided.

Our Strategic Liaison and Policy Delivery departments, as well as our three regional offices, provide advice and guidance to groups with additional support needs. In the past year this has included the Alzheimer Society and Deaf Action. We have also given advice to the UK government's Equality Office on data protection issues for the trans community.

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

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

## The community

During 2014-15 the ICO facilitated staff engagement in fundraising activities for the Children's Adventure Farm Trust. Staff raised almost £3k.

## Pension liabilities

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

## Personal data incidents

There have been no non-trivial personal data incidents during 2014-15.

## Public sector information holders

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

## 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 for this year was £32.25k (2013-14: £30k). No other assurance or advisory services were provided.

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

## Directors' statement

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

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

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



**Christopher Graham**

**Information Commissioner**

19 June 2015

# 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 and on 24 November 2008 the House of Commons resolved that in respect of service after 30 November 2007 the salary of the Information Commissioner shall be at a yearly rate of £140,000. The salary of the Information Commissioner is paid directly from the Consolidated Fund in accordance with the Schedule.

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

In making decisions on remuneration the Information Commissioner has regard to the following considerations:

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

A Remuneration Committee comprising two non-executive Board members considers and advises the Management Board on remuneration policies and practices for all staff, and will, on behalf of the Board, determine appropriate remuneration for Executive Team members other than the Commissioner. The Committee's decision includes as a factor the performance of Executive Team members for the preceding year as assessed by the Commissioner.

## Service contracts

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

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

## Salary and pension entitlements

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

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

Single total figure of remuneration

Officials	Salary (£'000)		Benefits in kind (£'000) (-nearest £100)		Compensation schemes (£'000)		Pension benefits (£'000) <sup>1</sup>		Total (£'000)	
	2014/ 15	2013/ 14	2014/ 15	2013/ 14	2014/ 15	2013/ 14	2014/ 15	2013/ 14	2014/ 15	2013/ 14
<b>Christopher Graham</b> Information Commissioner & Chief Executive Commissioner	140-145	140-145	—	—	—	—	50-55	50-55	190-195	190-195
<b>David Smith</b> Deputy Commissioner and Director for DP	85-90 (full year 90-95)	75-80	0.1	0.1	—	—	145-150	-5-0	230-235	85-90
<b>Graham Smith</b> Deputy Commissioner and Director for FOI	90-95	80-85	—	—	—	—	35-40	10-15	125-130	100-105
<b>Daniel Benjamin</b> Director of Corporate Services (left 30 June 2014)	25-30 (full year 70-75)	70-75	0.1	0.1	25-30 <sup>2</sup>	—	10-15	65-70	65-70	140-145
<b>Simon Entwisle</b> Director of Operations/ Deputy CEO	90-95	80-85	0.1	0.1	—	—	70-75	0-5 <sup>3</sup>	160-165	80-85
<b>Andrew Hind</b> Non-Executive Board Member	10-15	10-15	—	1.2	—	—	—	—	—	—
<b>Neil Masom</b> Non-Executive Board Member (retired 31 July 2014)	1-5 (full year 10-15)	10-15	—	—	—	—	—	—	—	—
<b>Enid Rowlands</b> Non-Executive Board Member (retired 31 December 2014)	5-10 (full year 10-15)	10-15	0.3	1.1	—	—	—	—	—	—

Officials	Salary (£'000)		Benefits in kind (£'000) (-nearest £100)		Benefits in kind (£'000) (-nearest £100)		Pension benefits (£'000) <sup>1</sup>		Total (£'000)	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
<b>Ian Watmore</b> Non-Executive Board Member	10-15	5-10 (full year 10-15)	—	—	—	—	—	—	—	—
<b>Ailsa Beaton</b> Non-Executive Board Member (appointed 01 August 2014)	5-10 (full year 10-15)	—	1.2	—	—	—	—	—	—	—
<b>Nicola Wood</b> Non-Executive Board Member (appointed 01 January 2015)	1-5 (full year 10-15)	—	—	—	—	—	—	—	—	—

1. The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum, less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.
2. Compensation for loss of office under the CSCS.
3. Amounts have been restated as revised information has been received during the year from our pension provider.

Salary comprises gross salary and any other allowance to the extent that it is subject to UK taxation. Bonus payments of £100 (2013-14: £100) were paid to David Smith, Graham Smith and Simon Entwisle in line with the ICO's general bonus scheme.

Benefits in kind relate to the organisation's contribution to the ICO's health care plan provided by BHSF.

## Pay multiples (audited)

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

The banded remuneration of the highest paid director of the ICO in the financial year 2014-15 was £140k to £145k (2013-14: £140k to £145k). This was 5.7 times (2013-14: 5.7 times) the median remuneration of the workforce, which was £24,440 (2013-14 £24,401). The median total remuneration is produced by ranking the annual full time equivalent salary as at 31 March 2015, for each member of staff.

Staff remuneration ranged from £16,227 to £140,000 (2013-14: £13,820 to £140,000).

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

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

In common with other public sector organisations, the ICO has adhered to pay restraint policies. Pay increases were made for the lowest two grades to ensure that the ICO paid the minimum wage, and then again to ensure the ICO paid at least the living wage.

In 2014, the ICO received permission from the Treasury to exceed the 1% pay cap to achieve the removal of contractual progression from our pay system. This was done by moving the salaries of affected staff up to the extent of their contractual progression. No further contractual pay obligation now remains. For other staff, the ICO needed to adhere to the rules of the pay cap and the increases they received were calculated accordingly.

## Pension Benefits (audited)

	Accrued Pension at pension age as at 31 March 2015 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 March 2015 £'000	CETV at 31 March 2014 £'000	Real increase in CETV £'000
<b>Christopher Graham</b> Information Commissioner	15-20	2.5-5	343	272*	43
<b>David Smith</b> Deputy Commissioner and Director for DP	45-50	5-10 + lump sum 15-20	1027	884	142
<b>Graham Smith</b> Deputy Commissioner and Director for FOI	15-20	0-2.5 + lump sum 5-10	328	276	35
<b>Simon Entwisle</b> Director of Operations/ Deputy CEO	40-45	2.5-5.0 + lump sum 10-15	921	812	69
<b>Daniel Benjamin</b> Director of Corporate Services	5-10	0-2.5	97	89*	7

\*Amounts have been restated as revised information has been received during the year from our pension provider.

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

## Partnership pensions

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

## Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, employees could be in one of four defined

benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with pensions increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a money purchase stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are salary related and range between 1.5% and 6.85% of pensionable earnings for classic and 3.5% and 8.85% for premium, classic plus and nuvos. Further changes to pension schemes and contributions apply from April 2015. 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 a 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. Pension ages change under the new scheme arrangements in April 2015.

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 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 that 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**

19 June 2015

# Statement of the Information Commissioner's responsibilities

Under paragraph 10(1)(b) of Schedule 5 to the Data Protection Act 1998 the Secretary of State for Justice has directed the Information Commissioner to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Information Commissioner at the year end and of his income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Information Commissioner is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

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

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

# Governance statement

## The governance framework

### Introduction

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

### Relationship with the Ministry of Justice

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

### Management Board

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

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

There have been several changes to Board membership during 2014-15. In June 2014 I took the decision to restructure the ICO Executive Team from Commissioner plus four to Commissioner plus three. The restructure was part of my strategy to deliver better for less, by creating a leaner management structure better able to focus on driving operational efficiencies. The Director of Corporate Services and the Director of Operations roles were disestablished and Daniel Benjamin (Director of Corporate Services) accepted redundancy. Simon Entwisle, who had been Director of Operations, was duly appointed as Deputy Chief Executive Officer from 1 July 2014.

The restructure also resulted in additional responsibilities for the two Deputy Commissioners. To address this, I acted on the advice of the Remuneration Committee and in the full knowledge of the other non-executive members of the Management Board to review the pay of the remaining members of the Executive Team. In doing this, I believe I was acting in accordance with the provisions of Schedule 5, Part 1 of the Data Protection Act 1998 as amended by the Protection of Freedoms Act 2012 and had due regard to both the Framework Agreement and Managing Public Money. I subsequently informed the Ministry of Justice of my decision and no concerns were raised with me at the time. Notwithstanding this, I have been informed that HM Treasury are of the view that specific approval should have been sought for the Deputy Commissioner salary increases.

HM Treasury have provided retrospective approval noting that savings were delivered as a result of the restructure and that the salaries in question were reasonable. HM Treasury acknowledged that the failure to seek approval was as a result of an "inadvertent error" but that there was a "breach of the Civil Service Pay Guidance". As a consequence HM Treasury have imposed a financial penalty on the ICO of £18,400.

There also were changes among the Non-executive members. Neil Masom left the ICO on 31 July at the end of his tenure, being replaced by Ailsa Beaton. And Enid Rowlands left on 31 December 2014 to become Chair of the Solicitors Regulation Authority. Enid was replaced by Nicola Wood.

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

Dates	28-Apr-14	28-Jul-14	20-Oct-14	26-Jan-15	Notes
Daniel Benjamin	1				Daniel Benjamin left the ICO on 30 June 2014
Simon Entwisle	1	1	1	1	
Christopher Graham	1	1	1	1	
Andrew Hind	1	1	1	1	
Neil Masom/Ailsa Beaton	1	1	1	1	Neil Masom was replaced by Ailsa Beaton
Ian Watmore	1	1	1	0	
Enid Rowlands/Nicola Wood	1	1	0	1	Enid Rowlands was replaced by Nicola Wood
David Smith	1	1	1	1	
Graham Smith	1	1	1	1	

Board members complete a register of interests which is published on the ICO's website [www.ico.org.uk](http://www.ico.org.uk). Declarations of interest in any of the items coming to a particular meeting are also asked for at Board, Audit Committee and Remuneration Committee meetings.

### Audit Committee

The Audit Committee meets quarterly and provides scrutiny, oversight and assurance in respect of risk control and governance. The Committee consists of two non-executive Board members and an independent member.

In line with the changes in the non-executive membership of the Board, Audit Committee membership also changed. Neil Masom was chair of the Committee up to and including the 6 June 2014 meeting. Thereafter Ian Watmore took over the position of chair and Ailsa Beaton became the other non-executive member. Roger Barlow remained as the independent member.

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

Dates	06-Jun-14	08-Sep-14	08-Dec-14	09-Mar-15	Notes
Neil Masom/Ailsa Beaton	1	1	1	1	Neil Masom was replaced by Ailsa Beaton
Ian Watmore	0	1	1	1	
Roger Barlow	1	1	1	1	

The Audit Committee has published its own Annual Report for 2014-15 on the ICO website ([www.ico.org.uk](http://www.ico.org.uk)). The report states that the Committee is satisfied with the quality of internal and external audit and believes that it is able to take a measured and diligent view of the quality of the systems of reporting and control within the ICO.

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

### **Remuneration Committee**

The Board is supported by a Remuneration Committee consisting of two non-executive Board members. The Committee advises me and my Board on the ICO's remuneration policies and practices for all staff, and will, on behalf of the Board, determine the appropriate remuneration for Executive Team members other than the Commissioner.

For the Committee meetings held during 2014-15 the chair of the Committee was Enid Rowlands and the other member was Andrew Hind. Enid Rowlands left the ICO on 31 December. Going forward into 2015-16 the chair will be Andrew Hind and the other member Nicola Wood.

The Committee met on the 26 June 2014 and the 5 November 2014. Both members attended, along with the Commissioner and the Head of Organisational Development.

### **Board effectiveness**

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

Similarly the Audit Committee and Remuneration Committee reviewed their performance. Again, the feedback was that there was no need for significant improvements.

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

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

## Issues and highlights

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

- The Triennial Review
- Changes to the apportionment model
- Staff engagement
- The change in Information Commissioner in June 2016
- IT strategy and projects
- The 'right to be forgotten' judgment
- Privacy seals

## A risk assessment

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

The main risks identified during the year related to:

- The level of grant in aid for freedom of information work.
- Staff engagement, especially in light of ongoing PCS industrial action over the 2014 pay award.
- Being able to make changes to ICO IT systems which make a difference to how the ICO works, rather than just allowing current processes to be maintained.
- Uncertainty arising from the Triennial Review of the ICO (referred to in the Directors' report), implementation of an EU Data Protection Regulation, and the general election.

## 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.



**Christopher Graham**

**Information Commissioner**

19 June 2015

# 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 2015 under the Data Protection Act 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Board, Accounting Officer and auditor

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

## Scope of the audit of the financial statements

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

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

## Opinion on regularity

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

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Information Commissioner's Office's affairs as at 31 March 2015 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Data Protection Act 1998 and Secretary of State directions issued thereunder.

## Opinion on other matters

In my opinion:

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

## Matters on which I report by exception

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

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

## Report

I have no observations to make on these financial statements.

**Sir Amyas C E Morse**

**Comptroller and Auditor General**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London

25 June 2015

# Statement of comprehensive net expenditure for the year ended 31 March 2015

	Note	£'000	2014/15 £'000	2013/14 £'000
<b>Expenditure</b>				
Staff costs	3		13,312	12,948
Other expenditure	4	6,455		6,969
Depreciation and other non-cash costs	4	1,790	8,245	1,629
<b>Total expenditure</b>			<b>21,557</b>	<b>21,546</b>
<b>Income</b>				
Income from activities	5a		(17,649)	(15,775)
<b>Net expenditure</b>			<b>3,908</b>	<b>5,771</b>
<b>Other comprehensive expenditure</b>				
Net loss/(gain) on revaluation of property, plant and equipment			(20)	284
<b>Total comprehensive expenditure for the year ended 31 March</b>			<b>3,888</b>	<b>6,055</b>

All income and expenditure relates to continuing operations.

# Statement of financial position as at 31 March 2015

	Note	31 March 2015		31 March 2014	
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Property, plant and equipment	6	1,829		2,729	
Intangible assets	7	1,801		1,854	
<b>Total non-current assets</b>			3,630		4,583
<b>Current assets</b>					
Trade and other receivables	9	1,404		629	
Cash and cash equivalents	10	2,699		2,903	
<b>Total current assets</b>			4,103		3,532
<b>Total assets</b>			7,733		8,115
<b>Current liabilities</b>					
Trade and other payables	11		(2,321)		(2,697)
<b>Non-current assets plus net current assets</b>			5,412		5,418
<b>Non-current liabilities</b>					
Provisions	12		(572)		(580)
<b>Assets less liabilities</b>			4,840		4,838
<b>Taxpayers' equity</b>					
Revaluation reserve		266		283	
General reserve		4,574		4,555	
			4,840		4,838



**Christopher Graham**

**Information Commissioner**

19 June 2015

# Statement of cash flows

## for the year ended 31 March 2015

	Note	2014/15 £'000	2013/14 £'000
<b>Cash flows from operating activities</b>			
Net expenditure		(3,908)	(5,771)
Adjustment for non-cash items	3,4,12	1,980	2,329
Decrease in trade and other receivables	9	(789)	126
Increase in trade payables	11	247	783
Use of provisions	12	(8)	(8)
<b>Net cash outflow from operating activities</b>		<b>(2,478)</b>	<b>(2,541)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(50)	(172)
Purchase of intangible assets	7	(767)	(392)
<b>Net cash outflow from investing activities</b>		<b>(817)</b>	<b>(564)</b>
<b>Cash flows from financing activities</b>			
Grant-in-aid received from the Ministry of Justice		3,700	4,000
<b>Net cash flows from financing activities</b>		<b>3,700</b>	<b>4,000</b>
Net increase/(decrease) in cash and cash equivalents during the year before adjustment for receipts and payments to the Consolidated Fund		405	895
Receipts due to the Consolidated Fund which are outside the scope of the Information Commissioner's activities		822	2,239
<b>Payments of amounts due to the Consolidated Fund</b>		<b>(1,431)</b>	<b>(1,817)</b>
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the Consolidated Fund		(204)	1,317
<b>Cash and cash equivalents at the start of the year</b>		<b>2,903</b>	<b>1,586</b>
<b>Cash and cash equivalents at the end of the year</b>	10	<b>2,699</b>	<b>2,903</b>

The notes on pages 66 to 82 form part of these accounts.

# Statement of changes in taxpayers' equity for the year ended 31 March 2015

	Note	Revaluation reserve £'000	General reserve £'000	Total reserves £'000
<b>Balance at 31 March 2013</b>		541	6,162	6,703
<b>Changes in tax payers' equity 2013-14</b>				
Grant-in-aid from the Ministry of Justice		—	4,000	4,000
Transfers between reserves		26	(26)	—
Comprehensive expenditure for the year		(284)	(5,771)	(6,055)
<b>Non-cash charges — Information Commissioner's salary costs</b>	3	—	190	190
<b>Balance at 31 March 2014</b>		283	4,555	4,838
<b>Changes in tax payers' equity 2014-15</b>				
Grant-in-aid from the Ministry of Justice		—	3,700	3,700
Transfers between reserves		(37)	37	—
Comprehensive expenditure for the year		20	(3,908)	(3,888)
<b>Non-cash charges — Information Commissioner's salary costs</b>	3	—	190	190
<b>Balance at 31 March 2015</b>		266	4,574	4,840

The notes on pages 66 to 82 form part of these accounts.

# Notes to the accounts

## 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged most appropriate to the particular circumstances of the Information Commissioner for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Information Commissioner are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### 1.1 Accounting convention

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

### 1.2 Disclosure of IFRSs in issue but not yet effective

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

Standard	Impact
IFRS 13 – Fair Value Measurement	Immaterial
IAS 36 - 'Impairment of assets' on recoverable amount disclosures (amendment)	Immaterial
IFRS 14 - Regulatory Deferral Accounts	Not applicable
IFRS 15 - Revenue from Contracts with Customers (IAS 18 replacement – Revenue Recognition and Liabilities Recognition)	Not applicable
IFRS 9 – Financial Instruments	Not applicable
IAS 17 replacement - Leases	Immaterial
IAS 1 – Disclosure Initiative (amendment)	Immaterial
IAS 27 – Equity Method in Separate Financial Statements (amendment)	Not applicable
IAS 16 and IAS 41 – Bearer Plants (amendment)	Not applicable

IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation (amendment)	Immaterial
IFRS 11 – Accounting for acquisitions of interests in joint operations (amendment)	Not applicable
IFRS 10 and IAS 28 – Sale or contribution of Assets between an investor and its associates or joint (amendment)	Not applicable
IFRS 10, IFRS 12, IAS 28 – Investment entities: applying the Consolidation Exception (amendment)	Not applicable

### 1.3 Grant-in-aid

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

### 1.4 Cash and cash equivalents

Cash and cash equivalents recorded in the Statement of Financial Position (SoFP) and Statement of Cash Flows include cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

### 1.5 Income from activities and Consolidated Fund income

Income collected under the Data Protection Act 1998 is surrendered to the MOJ as Consolidated Fund income, unless the MOJ (with the consent of the Treasury) has directed otherwise, in which case it is treated as Income from activities.

There are three main types of income collected:

#### Data protection notification fees

Fees are collected from annual notification fees paid by data controllers required to notify their processing of personal data under the Data Protection Act 1998.

The Information Commissioner has been directed to retain the fee income collected to fund data protection work and this is recognised in the Statement of Comprehensive Net Expenditure as income. At the end of each year the Information Commissioner may carry forward to the following year sufficient fee income to pay year end creditors. Any fees in excess of these limits are paid over to the Consolidated Fund.

#### Civil monetary penalties

The Information Commissioner can impose civil monetary penalties for serious breaches of the DPA or PECR of up to £500k. A penalty can be reduced by 20% if paid within 30 days of being issued.

The Information Commissioner does not take action to enforce a civil monetary penalty unless and until the period specified in the notice as to when the penalty must be paid has expired and the penalty has not been paid, all relevant appeals against the monetary penalty notice and any variation of it have either been decided or withdrawn, and the period for the data controller to appeal against the monetary penalty and any variation of it has expired.

Civil monetary penalties collected by the Information Commissioner are recognised on an accruals basis when issued. They are paid over

to the Consolidated Fund, net of any early payment reduction when received. Civil monetary penalties are not recognised in the Statement of Comprehensive Net Expenditure, but are treated as income in the Statement of Financial Position.

The amounts recognised are regularly reviewed and subsequently adjusted in the event that a civil monetary penalty is varied, cancelled, impaired or written off as irrecoverable. Amounts are written off as irrecoverable on the receipt of legal advice. Legal fees incurred in recovering debts are borne by the ICO.

### **Sundry receipts**

The Information Commissioner has been directed to retain certain sundry receipts such as reimbursed travel expenses and recovered legal costs. This is recognised in the Statement of Comprehensive Net Expenditure as income.

The Information Commissioner has interpreted the Financial Reporting Manual (FRM) to mean that he is acting as a joint agent with the MOJ, and that income not directed to be retained as Income from Activities falls outside of normal operating activities and are not reported through the Statement of Comprehensive Net Expenditure, but disclosed separately within the notes to the accounts. This included receipts such as bank interest, which is paid to the Consolidated Fund.

### **1.6 Notional costs**

The salary and pension entitlement of the Information Commissioner are paid directly from the Consolidated Fund and are included within staff costs and reversed with a corresponding credit to the General Reserve.

### **1.7 Pensions**

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

### **1.8 Property, plant and equipment**

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

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

At each balance sheet date the carrying amounts of property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the fair value of the asset is estimated in order to determine the impairment loss. Any impairment charge is recognised in the Statement of Comprehensive Net Expenditure account in the year in which it occurs.

### **1.9 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 five and 10 years

Plant and machinery: between five and 10 years

Leasehold improvements: over the remainder of the property lease

### **1.10 Intangible assets and amortisation**

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

### **1.11 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**

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

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

### **1.13 Provisions**

Provisions are recognised when there is a present obligation as a result of a past event where it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

### **1.14 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 two to the Financial statements.

## 2. Analysis of net expenditure by segment

	Data protection £'000	Freedom of information £'000	2014/15 Total £'000
Gross expenditure	17,857	3,700	21,557
Income	(17,649)	—	(17,649)
Net expenditure	208	3,700	3,908

	Data protection £'000	Freedom of information £'000	2013/14 Total £'000
Gross expenditure	17,299	4,247	21,546
Income	(15,775)	—	(15,775)
Net expenditure	1,524	4,247	5,771

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 DPA and FOIA, and funding is provided for data protection work by collecting an annual registration fee from data controllers under the DPA, whilst funding for freedom of information is provided by a grant in aid from the MOJ, as set out in the Framework Agreement agreed between the Information Commissioner and MOJ.

The data protection registration fee is set by the Secretary of State for Justice, and in making any fee regulations under Section 26 of the DPA, as amended by paragraph 17 of Schedule 2 to the FOIA, 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 DPA.

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 DPA.

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

### 3. Staff numbers and related costs

#### Staff costs comprise:

	2014/15 Total £'000	Permanently employed staff £'000	Others £'000	2013/14 Total £'000
<b>Wages and salaries</b>	10,838	10,443	395	10,563
Social security costs	730	730	0	684
Other pension costs	1,808	1,808	0	1,738
<b>Sub-total</b>	13,376	12,981	395	12,985
Less recoveries in respect of outward secondments	(64)	(64)	—	(37)
<b>Total net costs</b>	13,312	12,917	395	12,948

Included in staff costs above are notional costs of £190k (2013-14: £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 £395k (2013-14: £442k) as well as the amounts relating to the senior management team disclosed in the Remuneration report.

#### Average number of persons employed

The average number of whole time equivalent persons employed during the year was:

	2014/15 Total £'000	Permanently employed staff £'000	Others £'000	2013/14 Total £'000
Directly employed	363	363	—	361
Other	15	15	—	15
<b>Total employed</b>	378	378	—	376

#### Pension arrangements

The Principal Civil Service Pension Scheme 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 2014-15 employers contributions of £1,753k (2013-14: £1,672k) 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 2014-15 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 £33k (2013-14: £31k), 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. In addition, employers contributions of £2,573k (2013-14: £1,272k), 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 £nil (2013-14 £3k). Contributions prepaid at the date were £nil (2013-14 £nil).

Other pension costs include notional employers' contributions of £34k (2013-14: £34k) in respect of notional costs in respect of the Information Commissioner.

One individual 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	
	2014/15	2013/14
<£10,000	—	—
£10,000 - £25,000	—	—
£25,000 - £50,000	1	1
£50,000 - £100,000	-	—
<b>Total number of exit packages (total cost)</b>	<b>1</b>	<b>1</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 full in the year of departure. Where the Information Commissioner has agreed early retirements, the additional costs are met by the Information Commissioner and not by the Civil Service pension scheme. Ill health retirement costs are met by the pension scheme and not included in the table above.

There were no compulsory redundancies in the year (2013-14: none).

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

## 4. Other expenditure

		2014/15	2013/14
	£'000	£'000	£'000
Accommodation (business rates and services)	464		1,068
Rentals under operating leases	809		778
Office supplies and stationery	368		256
Carriage and telecommunications	121		177
Travel and subsistence	422		454
Staff recruitment	50		50
Specialist assistance and policy research	256		204
Communications and external relations	700		738
Legal costs	269		324
Learning and development, health and safety	238		192
PFI IS service charges	—		701
IT Service delivery costs	2,230		—
IS development costs	496		1,997
Audit fees	32		30
		6,455	6,969
<b>Non-cash items</b>			
Depreciation	971		897
Amortisation	819		732
Loss on disposal of assets	—		—
		1,790	1,629
<b>Total expenditure</b>		<b>8,245</b>	<b>8,598</b>

## 5. Income

### 5a. Income from activities

	2014/15	2013/14
	£'000	£'000
Fees	17,519	15,747
Sundry receipts	130	28
	17,649	15,775

### 5b. Consolidated Fund income

	2014/15	2013/14
	£'000	£'000
<b>Fees</b>		
Collected under the Data Protection Act 1998	17,519	16,528
Retained under direction as		
<b>Income from Activities</b>	(17,519)	(15,747)
	—	781
<b>Civil Monetary Penalties</b>		
Penalties issued	1,129	1,970
Early payment reductions	(167)	(243)
Repaid following a successful appeal	—	(200)
Cancelled after successful appeals	—	(380)
Impairments	(205)	(275)
	757	872
<b>Sundry receipts</b>		
Receipts under the Proceeds of Crime Act	27	—
Grant income (repaid)	50	—
Bank interest received	—	1
Recovered legal fees	51	8
Reimbursed travel expenses	22	20
Income receipts under the Data Retention and Investigatory Powers Act	30	—
	180	29
Sundry receipts retained under direction as		
Income from Activities	(130)	(28)
	50	1
<b>Income payable to Consolidated Fund</b>	807	1,654
Balances held at the start of the year	938	1,101
Income payable to the Consolidated Fund	807	1,654
Payments to the Consolidated Fund	(1,430)	(1,817)
<b>Balances held at the end of the year (note 11)</b>	315	938

As set out in note 1.5 income payable to the Consolidated Fund does not form part of the Statement of Comprehensive Net Expenditure. Amounts retained under direction from the MOJ with the consent of the Treasury are treated as Income from Activities within the Statement of Comprehensive Net Expenditure. The amounts receivable at 31 March 2015 were £143k (2013-14:£157k) and the amounts payable were £315k (2013-14:£938k).

## 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 2014	8,448	151	2,353	—	10,952
Additions	35	15	—	—	50
Transfers	—	—	—	—	—
Disposals	—	—	—	—	—
Revaluations	89	5	—	—	94
<b>At 31 March 2015</b>	<b>8,572</b>	<b>171</b>	<b>2,353</b>	<b>—</b>	<b>11,096</b>
<b>Depreciation</b>					
At 01 April 2014	6,752	127	1,344	—	8,223
Charged in year	621	13	336	—	970
Disposals	—	—	—	—	—
Revaluations	70	4	—	—	74
<b>At 31 March 2015</b>	<b>7,443</b>	<b>144</b>	<b>1,680</b>	<b>—</b>	<b>9,267</b>
<b>Net book value at 31 March 2015</b>	<b>1,129</b>	<b>27</b>	<b>673</b>	<b>—</b>	<b>1,829</b>
<b>Net book value at 31 March 2014</b>	<b>1,696</b>	<b>24</b>	<b>1,009</b>	<b>—</b>	<b>2,729</b>
Owned	1,129	27	673	—	1,829
<b>Net book value at 31 March 2015</b>	<b>1,129</b>	<b>27</b>	<b>673</b>	<b>—</b>	<b>1,829</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 £26K (2013-14: £26K).

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

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

## 7. Intangible assets

	Software licences £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>			
At 01 April 2014	3,036	—	3,036
Additions	767	—	767
Disposals	(483)	—	(483)
Transfers	—	—	—
Reclassifications	—	—	—
<b>At 31 March 2015</b>	<b>3,320</b>	<b>—</b>	<b>3,320</b>

<b>Amortisation</b>			
At 01 April 2014	1,182	—	1,182
Charged in year	820	—	820
Disposals	(483)	—	(483)
<b>At 31 March 2015</b>	<b>1,519</b>	<b>—</b>	<b>1,519</b>

<b>Net book value at 31 March 2015</b>	<b>1,801</b>	<b>—</b>	<b>1,801</b>
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<b>Asset financing</b>			
Owned	1,801	—	1,801
<b>Net book value at 31 March 2015</b>	<b>1,801</b>	<b>—</b>	<b>1,801</b>

Included above are fully depreciated assets, in use with a gross carrying amount of £56k (2013-14: £539k).

<b>Cost or valuation</b>			
At 01 April 2013	606	2,038	2,644
Additions	43	349	392
Transfers	2,387	(2,387)	—
Reclassifications	—	—	—
<b>At 31 March 2014</b>	<b>3,036</b>	<b>—</b>	<b>3,036</b>

<b>Amortisation</b>			
At 01 April 2013	450	—	450
Charged in year	732	—	732
<b>At 31 March 2014</b>	<b>1,182</b>	<b>—</b>	<b>1,182</b>

<b>Net book value at 31 March 2014</b>	<b>1,854</b>	<b>—</b>	<b>1,854</b>
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<b>Assets financing</b>			
Owned	1,854	—	1,854
<b>Net book value at 31 March 2014</b>	<b>1,854</b>	<b>—</b>	<b>1,854</b>

## 8. Financial instruments

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

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

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

## 9. Trade receivables and other current assets

	31 March 2015 £'000	31 March 2014 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	99	—
Deposits and advances	6	5
Prepayments and accrued income	1,156	467
Sub-total	1,261	472
Consolidated Fund receipts due	143	157
	1,404	629
<b>Split</b>		
Other central government bodies	—	—
Local authorities	217	—
NHS bodies	—	25
Bodies external to government	1,187	604
	1,404	629

## 10. Cash and cash equivalents

	31 March 2015 £'000	31 March 2014 £'000
Balance at 01 April	2,903	1,586
Net change in cash and cash equivalent balances	(204)	1,317
<b>Balance at 31 March</b>	<b>2,699</b>	<b>2,903</b>

### Split:

Commercial banks and cash in hand	2,694	2,902
Government Banking Service	5	1
	<b>2,699</b>	<b>2,903</b>

## 11. Trade payables and other current liabilities

	31 March 2015 £'000	31 March 2014 £'000
<b>Amounts falling due within one year</b>		
Taxation and social security	530	221
Trade payables	721	993
Other payables	454	222
Accruals and deferred income	301	323
Sub-total	2,006	1,759
Amount payable to government (note 5b)	315	938
	<b>2,321</b>	<b>2,697</b>

### Split:

Other central government bodies	1,025	1,390
Bodies external to government	1,296	1,307
	<b>2,321</b>	<b>2,697</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

	Dilapidations		Early departure costs	
	2014/15 £'000	2013/14 £'000	2014/15 £'000	2013/14 £'000
Balance at 01 April	510	—	70	78
Provided in year	—	510	—	—
Provision utilised in year	—	—	(8)	(8)
<b>Balance at 31 March</b>	<b>510</b>	<b>510</b>	<b>62</b>	<b>70</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	510	510	30	30
Later than five years	—	—	24	32
	510	510	62	70

### Dilapidations provision

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

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

### Early departure costs

The additional cost of benefits, beyond the normal PCSPS benefits in respect of employees who retire early, are provided for in full when the early departure decision is approved by establishing a provision for the estimated payments discounted by the Treasury discount rate of 1.3% (2013-14: 1.8%). The estimated payments are provided by MyCSP.

## 13. Capital commitments

There were no capital commitments in the year ending 31 March 2015 (2013-14 £nil)

## 14. Commitments under operating leases

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

	31 March 2015	31 March 2014
	£'000	£'000
<b>Total future minimum lease payments under operating leases are:</b>		
<b>Buildings</b>		
Not later than one year	727	727
Later than one year and not later than five years	564	1,290
Later than five years	—	—
	1,291	2,017

The minimum lease payments are determined from the relevant lease agreements and do not reflect possible increases as a result of market based reviews. The lease expenditure charged to the Statement of Comprehensive Net Expenditure (SoCNE) during the year is disclosed in note four.

## 15. Commitments under PFI contracts

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

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

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

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

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

	2014/15 £'000	2013/14 £'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 PFI contracts was:	—	701

## 16. Related party transactions

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

The MOJ is a related party to the Information Commissioner.

During the year no related party transactions were entered into, with the exception of providing the Information Commissioner with grant-in-aid and remitting receipts collected on behalf of the Consolidated Fund.

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

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

## 17. Losses and special payments

HM Treasury imposed an administrative sanction of £18,400 following the provision of retrospective approval for pay awards.

## 18. Events after the reporting period

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

The Accounting Officer authorised these financial statements for issue on 19 June 2015.



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