

## Audit Committee Report 2015/16

### Introduction

The Information Commissioner's Audit Committee (the Committee) provides scrutiny, oversight and assurance of risk control and governance procedures. Minutes of its meetings are available on the ICO's website at [www.ico.org.uk](http://www.ico.org.uk).

### Membership and attendance

The Committee's chair is Ian Watmore who is a non-executive director and member of the Management Board.

There are two other members of the Audit Committee; Ailsa Beaton who is a non-executive director and member of the Management Board, and Roger Barlow who is an independent member.

The Committee met on 8 June 2015, 7 September 2015, 7 December 2015 and 7 March 2016. The members all attended all of the meetings.

The Information Commissioner attended three meetings of the Committee, being represented by Simon Entwisle, Deputy Commissioner and Deputy Chief Executive Officer, when he was unable to attend.

Representatives of the National Audit Office (NAO), the ICO's external auditors, and Grant Thornton, who provide the ICO's internal audit function, attended all of the meetings.

Secretariat was provided by the Corporate Affairs department.

### Meetings during 2015/16

The Committee has, as standing items at all of its meetings;

- an update on current issues from the Information Commissioner;
- a review of the risk register;
- progress reports from the internal and external auditors;

- discussion of audit reports and performance in clearing outstanding internal and external audit recommendations; and
- a review of reported fraud, whistleblowing and security incidents.

In addition during the year the Committee considered:

- the Annual Report & Accounts for 2014/15 and 2015/16;
- the registration fee strategy;
- a critical IT hardware failure; and
- progress in implementing the new purchase management system.

## Audit

During the year the Committee reviewed the audit plan and performance against it on a continual basis, and considered internal audit reviews of:

- Recruitment;
- Performance appraisal;
- New finance system - benefits realisation;
- Core financial controls;
- Core operations – project Eagle; and
- Follow up.

Grant Thornton made 27 recommendations during the year; of which 18 have been actioned.

- One recommendation remained outstanding from the 2014/15 year; for the ICO to review its Information Rights Strategy. It is planned to undertake this review by December 2016 following the appointment of the next Commissioner.
- Nine other recommendations made in 2015/16 (including five improvement actions) remain outstanding as of the end of the 15/16 year. One medium risk and one low risk actions had not been cleared by the expected date.

The Committee noted the high number of recommendations where initially agreed action dates were missed. The Committee expressed the wish that agreed dates be realistic and be met.

Grant Thornton's Annual Internal Audit Report 2015/16 concluded that, in the areas examined, the activities of risk management, corporate governance and internal controls were suitably designed to achieve the objectives required, and activities and controls examined were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the related objectives were achieved during the period under review.

The NAO Audit Completion Report 2015/16 concluded that the Comptroller and Auditor General anticipate certifying the 2015/16

financial statement with an unqualified audit opinion, without modification.

### **Audit Committee Opinion**

Given the opinion of the internal auditors and external auditors as expressed in their annual reports, and the other information available to it from its work during the year, the Audit Committee can therefore provide the Accounting Officer with reasonable assurance that the ICO's control mechanisms are working satisfactorily.

The Committee is satisfied with the quality of internal and external audit and believes that by virtue of this work it is able to take a measured and diligent view of the quality of financial and other systems of reporting and control within the ICO. It is satisfied that, other than in the areas of potential weakness outlined above, the ICO has appropriate systems of internal control that work well. In respect of the potential areas of weakness, the Committee looks forward to continuous improvement in controls in the future.

In respect of its own performance the Committee considers that it has directed the internal audit function towards areas relevant to the risks facing the ICO. It has constructively challenged both management and internal audit function and received a high level of cooperation and support from all concerned. Responses to audit recommendations are generally positive and the Committee is satisfied that management within ICO is committed to maintaining an appropriate level of internal control and prudent use of resources.

This opinion feeds into the Commissioner's drafting of the Governance Statement for 2015/16 which was considered by the Audit Committee at its March and June 2016 meetings.

June 2016