

Audit Committee Report 2016/17

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.

Membership and attendance

The Committee's chair is Ailsa Beaton who is a non-executive director and member of the Management Board. Ailsa took over from Ian Watmore as chair as of the meeting in December 2016.

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

The Committee met on 6 June 2016, 12 September 2016, 12 December 2016 and 7 March 2017. Members' attendance at the meetings is detailed in the ICO's Annual Report and Accounts 2016-2017.

Christopher Graham, Information Commissioner up to 29 June 2016, attended the June 2016 meeting of the Committee. Elizabeth Denham, the current Commissioner, attended the September and December meetings. Elizabeth was represented by the Deputy Commissioner (Operations) and Deputy CEO at the March 2017 meeting.

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 either in person or by telephone.

Secretariat was provided by the Corporate Affairs department.

Meetings during 2016/17

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

- an update on current issues from the Information Commissioner or her deputies as appropriate;
- 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 2015/16 and 2016/17;
- the ICO's Change Programme focused on preparing the ICO for implementation of the General Data Protection Regulation in 2018;
- forecasting fee income and future funding models;
- financial planning for 2017/18 and
- funding of a Grants and Contributions scheme.

Audit

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

- Fines recovery;
- Cryptographic Controls;
- IT asset management (phases 1 & 2);
- Investigations;
- People Strategy;
- Stakeholder engagement; and
- Follow up

Grant Thornton made 30 recommendations during the year; of which 25 have been actioned. Five remain outstanding.

There is one outstanding internal audit recommendation from 2015/16 relating to access rights for the finance system.

Grant Thornton's Annual Internal Audit Report 2016/17 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 2016/17 concluded that the Comptroller and Auditor General anticipate certifying the 2016/17

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 Commissioner, as 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 2016/17 which was considered by the Audit Committee at its March and June 2017 meetings.

June 2017

