

## Audit Committee Report 2017-18

### 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 Ailsa Beaton who is a non-executive director and member of the Management Board. 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 12 June 2017, 18 September 2017, 01 February 2018, 27 April 2018 and 15 June 2018. This report was agreed at its meeting of 15 June 2018.

Members' attendance at Committee meetings is detailed in the ICO's Annual Report and Accounts 2017-2018. The Information Commissioner, Elizabeth Denham, attended the September 2017, February 2018, April 2018 and June 2018 meetings of the Committee.

Representatives of the National Audit Office (NAO), the ICO's external auditors, attended all of the meetings either in person or by telephone. Grant Thornton, who provided the ICO's internal audit function during 2017/18, attended all of the meetings except the June 2018 meeting; the internal audit opinion for 2017-18 had been provided at the April meeting in draft form and had been confirmed immediately afterwards. A copy was provided to Committee members at the June 2018 meeting.

The new providers of the internal audit function from April 2018, Mazars, attended both the April and June 2018 meetings.

Secretariat was provided by the Corporate Governance Team.

## Meetings during 2017-18

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

- an update on current issues from the Information Commissioner or her deputies;
- a review of the risk register;
- the most recent monthly finance report;
- 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 2016-17 and for 2017-18;
- information and cyber security at the ICO;
- ISO 270001 accreditation;
- internal audit pre-procurement; and
- the ICO's approach to the recovery of civil monetary penalties.

## Audit

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

- Investigations;
- IT procurement;
- IT supplier contract management;
- Corporate Governance;
- Expenses;
- Data Protection Law Reform follow up; and
- Follow up to audit recommendations.

Grant Thornton made nine recommendations during the year; of which at the time of writing, four have been actioned and none of the outstanding actions were over-due.

The Committee was pleased to note the good progress in clearing audit recommendations. In a few cases deadlines had slipped and the Committee encouraged management to discuss recommendations and deadlines with the auditors prior to agreeing the recommendations if at all unsure.

Grant Thornton's Annual Internal Audit Report 2017-18 concluded that, in the areas examined, the activities of risk management, corporate governance and internal controls were appropriately 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 2017-18 concluded that the Comptroller and Auditor General anticipate certifying the 2017-18 financial statement with an unqualified audit opinion, without modification.

### Audit Committee Opinion

Given the opinion of both 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 therefore provides 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 the ICO has appropriate systems of internal control that work well.

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 2017-18 which was considered by the Audit Committee at its April 2018 and June 2018 meetings.

July 2018