

Audit and Risk Committee – for decision

Meeting agenda title: Annual Report and Financial Statements 2022/23

Meeting date: 19 June 2023

Time required: 10 minutes

Presenter: Chris Braithwaite

Approved by: Louise Byers

1. Objective and recommendation

- 1.1. The Annual Report and Financial Statements for 2022/23 is attached at Annex 1 for approval. This has been updated since the draft version which was presented to the Management Board meeting in May for consideration, in line with comments from the Board. It has also been updated to reflect the findings of the internal and external audit annual reports.
- 1.2. The Committee is asked to review the report and recommend that the Commissioner sign it. Once the Commissioner has signed the report, it will be sent to the National Audit Office for the Comptroller and Auditor General's review and certification. Once certified, the report will be laid in Parliament. We are aiming to lay the report on around 27 June.

2. Judgements, estimates and valuations

- 2.1. As part of the annual report lessons learned exercised and Audit and Risk Committee effectiveness review during 2022, the Committee requested that it be provided with information of any judgements, estimates or valuations made during production of the annual report and accounts.
- 2.2. For the 2022-23 annual report and accounts there have been two judgements used during its production; the valuation on dilapidations for the ICO estate and the reporting of a contingent liability.

Dilapidations

- 2.2.1. A judgement was made to inflate the value of the dilapidation provision, based on reports commissioned for

the previous annual report and accounts, by the consumer price index (CPI) rate of 9.2% for inflation. This included increasing the previous year's calculation for the Cardiff and Belfast offices.

- 2.2.2. In April 2022 for the 2021-22 annual report and accounts a dilapidation report was commissioned by Avison Young on the ICO's Wilmslow estate of Wycliffe House, Sandfield House, King's Court East and King's Court West.
- 2.2.3. Dilapidation reports were not commissioned for Venture House, which remained unoccupied at the time, or for the Cardiff or Belfast offices due to their limited size. An estimation of £100 per square metre was estimated to account for replacement of carpets, fixtures, fittings and painting in the Cardiff and Belfast offices.
- 2.2.4. The range of sensitivity in this judgement for +/- 10% to the £100 per square metre and +/- 10% of the CPI rate used gives a range of £49,210 and any error in this judgement is therefore considered immaterial.

Contingent liability

- 2.2.5. The ICO have declared in the notes to the accounts the possibility of a contingent liability arising from a judicial review case which is going through the court of appeal.
- 2.2.6. We have determined that the probability of the ICO losing this appeal is not probable and that the value will be immaterial to these accounts.
- 2.2.7. The ICO have previously won this judicial review case in the Admin Court.

Author: Chris Braithwaite

Consultees: Louise Byers

List of Annexes: Annex 1 – Annual Report and Financial Statements 2022/23 (circulated under separate cover)

Publication decision: This report can be published internally and externally without redaction. The annual report will be published on the website separately.

Outcome reached: