

Management Board – for discussion

Meeting agenda title: Annual Report 2022/23

Meeting date: 15 May 2023

Time required: 15 minutes

Presenter: Louise Byers

1. Objective and recommendation

- 1.1. The Management Board typically reviews the Annual Report and Financial Statements at its May meeting. This allows the Board to comment on the overall narrative and any changes or additions which need to be made to the report. Therefore, the Board is asked to review and comment on the draft Annual Report.
- 1.2. The Board also needs to specifically review the Directors' statement and Board effectiveness statement within the Accountability Report and confirm that it is happy with the content of this statement.
- 1.3. The draft report is circulated under separate cover.

2. Developing a common understanding

- 2.1. The Commissioner is required to submit an annual report on the work of the ICO to Parliament each year. This must be laid before Parliament's recess in July each year. The report is split into three sections, covering Performance, Accountability and Financial Statements.
- 2.2. After consideration by Management Board, the report will be finalised over the next month and submitted to Audit and Risk Committee, which meets on 19 June. Following their review, they then recommend the report to the Commissioner for signing. The views of the Board are welcomed on all parts of the report, but some specific areas for input are highlighted in this report.
- 2.3. It is our aim to lay the Annual Report during the week commencing 26 June.
- 2.4. Parts A and B have been reviewed by Executive Team and Directors, with their comments reflected in the draft. Where any comments are outstanding, that is flagged up in the report.

Similarly, any other matters that are outstanding due to timing are also flagged up in the report.

3. Matters to consider to achieve objective

Part A – Performance report

- 3.1. Two key areas which are outstanding at this stage are the two forewords, from the Commissioner and the Senior Independent Director. These will be drafted during late May or early June, to ensure that these can reflect the most up to date position. The Board is asked to highlight any particular areas that they would like to see covered in either of these forewords.
- 3.2. For the rest of Part A, the Board is asked to particularly focus on the performance narrative with the following questions in mind:
 - Is it a fair reflection of the ICO’s work over 2022/23?
 - Does a clear narrative come through, setting out what we have achieved?
- 3.3. Beyond the performance narrative, the views of Board are particularly welcomed on the finance overview, which we have revamped this year to give more transparency to how we use our money. It would be very useful to understand the views of the Board on whether this change has been helpful.
- 3.4. In addition, any comments on matters of detail are welcomed. Although the report will be subject to further quality assurance, any errors that we can resolve now will ease that process.

Part B – Accountability Report

- 3.5. The key outstanding matter for the accountability report is information regarding pensions for Management Board members. MyCSP (the civil service pension provider) have confirmed that they will provide this information by the end of May. Once this information is received, each Management Board member’s remuneration will be checked with them individually, and the full remuneration report will be sent to the Remuneration Advisory Sub-Committee for review.
- 3.6. The Board should also specifically review the Directors’ statement within the Accountability Report and confirm that it is happy with the content of this statement. This statement is as follows:

“The ICO’s leadership team consists of the Information Commissioner, Executive Directors and Non-Executive Directors.

Each of these persons at the time this report was approved has confirmed that:

- so far as they are aware there is no relevant audit information of which the auditor is unaware; and
- they have taken all the steps they ought to have taken in their role to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.”

3.7. The Board should also review the Board effectiveness statement. This statement is broadly unchanged from previous years and is as follows:

“The Management Board has considered its compliance with the ‘Corporate governance in central government departments: Code of good practice 2017’. The ICO is not required to adopt all aspects of the code. However, we have aligned to the code of practice as far as practical. Where there is divergence, the Board considers that there are good reasons for this given the nature of the organisation as a corporation sole. In particular:

- 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 Information Commissioner is a corporation sole. However, in line with the scale and complexity of the ICO's role and remit, the Commissioner discharges their responsibility for the strategic leadership of the organisation through the Management Board, comprising Non-Executive and Executive Directors, of which the Information Commissioner is the Chair. The Board operates based on collective decision-making principles and a 'majority vote' in circumstances where a consensus view cannot be reached. The Commissioner, as a Corporation Sole, will always have the right to set a course of action that is contrary to the majority view of the Board. There have been no such instances in 2022/23.
- Although the ICO has a Remuneration Advisory Sub-Committee to advise the Information Commissioner on remuneration policies related to Executive Team pay, as a corporation sole, the Information Commissioner retains ultimate authority in this area.
- In respect of an operating framework, the Board operates within the overall system of corporate governance at the ICO.

The Board has reviewed the information it receives and is satisfied with its quality. The Board is also satisfied that it is, itself, operating effectively.”

Part C – Financial Statements

- 3.8. The financial statements are included in the version of the document circulated but are still subject to audit. This is being conducted by Deloitte on behalf of the National Audit Office. Testing for the audit will be completed during w/c 9 May, although the audit will still need to be finalised by NAO and Deloitte.
- 3.9. Jayne Scott, the independent member of the Audit and Risk Committee, will be working with the Finance team to do a page-by-page run through of the report on 25 May.

4. Next steps

- 4.1. The next steps for this work are:
- Finalise the report for consideration by Audit and Risk Committee on 19 June.
 - Commissioner to sign the report on 19 or 20 June, and then submit the report to NAO for certification on the same day.
 - Lay the Annual Report during the week commencing 26 June.

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List of Annexes: Annex 1 – Draft 2022/23 Annual Report and Financial Statements as at 11 May 2023.

Publication decision: This report can be published internally and externally. However, the appendix should not be published internally or externally, as it is a draft report.

Outcome reached: