

Audit and Risk Committee – for assurance

Meeting date: 23 January 2025

Time required: 5 minutes

Presenter: Louise Byers

1. Topic

- 1.1. Summary of ICO compliance: reports of fraud, whistleblowing or insider trading; summary of single tender contracts awarded; and service complaint trends.

2. Objective of this report

- 2.1. To provide the Committee with an update on potential areas of concern raised during the most recent period.

3. Recommendation

- 3.1. That the Audit and Risk Committee notes the report.

4. Fraud, Whistleblowing and Insider Trading Reports

- 4.1. This report covers Quarter 3 of 2024/25 (1 October 2024 to 31 December 2024).

Fraud

- 4.2. Our systems are designed with detective checks in mind to restrict opportunities for fraud, including the need for segregation of duties, reconciliation procedures, random checking of transactions, review of management information, exception reports and automated audit reports.
- 4.3. In Q3, we updated our Fraud Risk Assessment which has identified a couple of areas of focus to ensure that the control environment is operating effectively. Next steps will be a deep dive into these focus areas to identify further metrics and performance data so that we can understand how these controls are working in practice and if they are effective.
- 4.4. We marked Fraud Awareness Week in November 2024 by linking in with the government's Counter Fraud Expert Service to give colleagues across the business the opportunity to attend various sessions sharing insights on different aspects of fraud and how to

identify it. We also again publicised our Counter Fraud Policy and Procedure to all colleagues.

- 4.5. One potential incident of fraud was highlighted during this period. We are currently looking into issues raised and will update the Committee when we have further information. There have been no other reports of fraud.

Whistleblowing

- 4.6. One whistleblowing complaint was reported during this period. The line manager investigated and reviewed the evidence, and concluded that it was not a whistleblowing complaint or a staff conduct issue. The complainant was advised to raise any concerns with the police.
- 4.7. One whistleblowing complaint received during Q2 was investigated during Q3 by an independent member of staff, who found that overall conduct did not fall below the expected standards of behaviour for ICO staff. The claimant was offered a case review for the original complaint.

Insider trading

- 4.8. No incidents of insider trading were reported during this period.

5. Single tender contract awards

- 5.1. The Audit and Risk Committee receives a report at each of its meeting regarding any single tender contracts over £50k.
- 5.2. Since the last report to the Audit and Risk Committee there have been two Single Tender Award contracts.

Services:	Data Protection Fee optimisation
Supplier:	Quantum Risk Solutions
Contract value:	Capped at £210,000 over 6 months (October 24 – March 25).
The ICO appointed a supplier to deliver a pilot project to match email addresses with organisations that have not responded to previous postal requests to register to pay the data protection fee, and email those organisations on the ICO's behalf. Organisations contacted were to be selected using an algorithm to identify those most likely to respond.	
A single tender award was approved in this instance since a procurement exercise for these services earlier in 2024 failed to	

elicit any bids. The follow on proposal was to award the pilot contract to Quantum Risk Solutions with an estimated value below the financial threshold (currently £214,904 including VAT) at which the Public Contracts Regulations 2015 ("PCR 2015") apply, and carry out a new PCR 2015 compliant procurement of a longer term to replace it, should the lessons learned from the pilot justify a long term contract.

The contract value consists of fixed charges of £29,800 (recently increased to £43,800), with remainder consisting of commission payments dependent on the success of the campaign.

Internal permission for the STA was therefore sought and granted by the Head of Procurement.

Services: Leadership Development And Coaching As A Leadership Style

Supplier: Azure Consulting Ltd

Contract value: Capped at £140,000 over 2 years

The ICO is committed to developing a coaching culture at the ICO and want to work with an expert partner to support with this. This needs to be an integrated solution whereby the partner supports the ICO's strategic approach to coaching across a number of areas:

- workshops to train our people managers in coaching as a leadership style
- executive coaching for our most senior leaders
- facilitation and group coaching of our executive team
- provision of support and CPD for our pool of internal ILM trained coaches.
- provision of expert consultancy advice to help shape our approach to developing a coaching culture

Azure has provided the services to ICO for four years under a management consultancy framework, which expired in December 2024. These services include a two-day coaching as a leadership style course, which was recently upgraded to required learning for all people managers. Most of our managers have already completed this training with only 50 managers yet to complete. The strong preference was to use the same supplier to ensure

consistency between learners' experiences and across the ICO's wider coaching programme.

There are also a small number of senior leaders (approx. five people) who had existing coaching relationships with Azure's coaches, and it would have been detrimental to change the provider at this stage.

Internal permission for the STA was therefore sought and granted by the Head of Procurement.

6. Service complaint trends

- 6.1. The production of the service complaints trends report has been paused while the recommendations from the service complaint internal audit are taken on board.
- 6.2. This report provided a very small snapshot of those complaints which were sent directly to Management Board members (rather than via the usual routes). The team is still tracking escalated emails and ensuring that they are dealt with appropriately, with a management focus on any welfare concerns about sender which are highlighted.

7. Publication decision

- 7.1. This report can be published internally and externally without redactions.

Author: Fiona Wilcock

Consultees: Paul Arnold, Ailsa Beaton, Stephen Bonner, Louise Byers, Claire Churchill, Sean Clayton, Roger Crowley, Andy Curry, Angela Donaldson, Suzanne Gordon, Mark Graves, Jen Green, Helen Raftery, Vikki West, Mags Wilson-Smith, Sarah Self (GIAA).