

## Executive Team – for decision

**Meeting agenda title:** Annual Report Options

**Meeting date:** 2 December 2021

**Time required:** 10 Minutes

**Presenter:** Louise Byers

**Approved by:** Paul Arnold

### 1. Objective and recommendation

- 1.1. For the Executive Team to agree the approach to the annual report for 2021/22.
- 1.2. The recommendation is that we repeat the process and format that was successful last year.

### 2. Developing a common understanding

- 2.1. Under the DPA 2018, the ICO is required to produce an annual report and accounts, which must be presented to Parliament before 31 August each year. The annual report is therefore split into three parts:
  - Part A: Performance Report
  - Part B: Accountability Report
  - Part C: Financial Statements
- 2.2. The 2021/22 annual report will need to be laid before Parliament's summer recess in July 2022, likely to be on or around 21 July. This is reflected by the scheduling of the Audit & Risk Committee meeting on 20 June 2022, at which the Committee will expect to be presented with the final version of the annual report, which has been signed off by the external auditor. The Audit & Risk Committee will then advise the Commissioner to sign the annual report.
- 2.3. It is recognised that at the time of publication of the annual report there will be a new Commissioner in role. They will be therefore reporting on the time leading up to the end of term for Elizabeth Denham as well as the start of their own term and the achievements of both Commissioners. We will need to ensure that this is reflected in the report.

### 3. Matters to consider to achieve objectives

#### **Part A performance report**

##### Overall performance narrative

- 3.1. Prior to 2018/19 the annual report was structured around progress towards achieving the IRSP goals. However, the 2019/20 and 2020/21 reports were structured around the Corporate Narrative and included supporting the public; enabling innovation and economic growth; raising global data protection standards; taking regulatory action; supporting the public sector; delivering the ICO service experience.
- 3.2. This approach allowed us to rely on existing published comms products as the basis for the annual report. Comms also held the pen on writing the narrative which meant there was a more cohesive tone throughout the report. This was an efficient and successful approach. We recommend taking this approach again for this year's annual report.
- 3.3. Alternative options are:
  - Structure the report around the IRSP; not recommended because at the time of publication of the annual report, we hope to have published a revised ICO Plan.
  - Structure the report around the new ICO Plan; not recommended as the plan is still being developed it will therefore be challenging to create the content that speaks directly to the Plan. However, there will be some alignment between the Plan and the Corporate Narrative.
  - Structure the report around the Management Board KPIs; not recommended as these are currently being developed. In addition, the nature of our work means that some areas of key activity are not necessarily fully covered by the KPIs. There will therefore not be the flexibility to share the narrative to these areas. However, KPIs will be reflected in the recommended corporate narrative approach.
  - Defer the decision until John Edwards is in post to allow him to input his views on the approach that should be taken.

##### Casework & KPIs

- 3.4. The ICO's casework is currently referred to in the annual report alongside other work, along with a statistical annex which sets out

the caseload figures for the year, compared to the two years prior to that.

- 3.5. It is a requirement of annual reporting to include performance figures. However the detail we give of casework figures may be unnecessary and could be cut back slightly. With the development with the Management Board KPIs it is recommended that we broaden this section of the report to give statistical information of performance throughout the ICO rather than being limited to casework.
- 3.6. We may want to consider moving this section to the start of the performance narrative so that it sets the scene for the narrative. We can however defer a decision on this to a later date and review the position of this section within the report in April 2022.

### **Part B Accountability Report**

- 3.7. This section of the report includes the director's report, governance statement and remuneration policy. For each of these areas we are reporting in a standard format so there is little scope to amend or adjust what we report.
- 3.8. We used the employee wellbeing section last year to provide information of the wellbeing work we have done to support staff during the COVID-19 pandemic. We can repeat this format this year and also use it to reflect on our work to return to the office.
- 3.9. For the EDI part of this section, last year we expanded the section to give more information of the work we had done to achieve the EDI objectives. Management Board also agreed specific EDI targets and we can use this section of the report to reflect on progress to achieving them. We can add the EDI targets to this section of the report.

### **Part C Financial Statements**

- 3.10. Although the financial statements are a key part of the annual report, there is not significant option for deviation from the norm on production of these. A report was submitted to the Audit Committee in October 2021 setting out the lessons learned from production of the 2020/21 annual report, including actions to be implemented to prevent these issues arising again. These will be implemented for the production of this report.
- 3.11. The key issue with delivery of this part of the report this year is the turnover in personnel involved. We have a new company

providing external audit (Deloitte), a new Director of Finance and Head of Finance, new Independent Audit Committee Member and a new Commissioner. We have already started the process of building strong working relationships between all these parties but this will be a key area that we will need to monitor closely.

- 3.12. There was discussion recently relating to whether we should produce a Trust Statement however the Audit & Risk Committee have agreed not to include a Trust Statement in the Annual Report.

### **Other Potential Enhancements**

- 3.13. In November the Risk & Governance Board considered a [report](#) which set out some potential areas of best practice from the annual reports of other regulators, mainly relating to presentation in Part B and Part C. The recommendations for potential inclusion in our Annual Report included:-

- Clearly setting out where our money has been spent regarding regulatory activity. This will give a clear indication to our fee payers of how the money has been spent to support our work and will enable us to better demonstrate value for money and how we utilise our income to support businesses.
- An efficiency report which summarises all the different approaches taken to enhance efficiencies, such as cost savings, organisation design, systems and IT infrastructure, . This will provide a clear narrative on efficiencies and how we deliver value for money for fee payers.
- A comprehensive list of risks which have been considered by the board, including setting out risks in terms of “what we have done in the year to address the risk” and aligning risks to its objectives showing mitigations and the direction of travel/trend.
- Setting out the key issues the Board has considered in the year.
- Overview of the sector, to help to set the context for our regulatory activities and the importance of the work we undertake.

- 3.14. Louise Byers and Angela Donaldson have taken an action to implement these as far as possible in this years' Annual Report.

## 4. Next steps

4.1. The next steps for this work are:

- Comms to develop first draft of performance narrative during March 2022.
- Communications & Engagement Board and Executive Team to review draft during April 2022.
- Submit Part A of the report to Management Board in May 2022
- Finalise financial statements during June 2022
- Audit & Risk Committee to consider Annual Report for sign off on 20 June 2022.
- Target laying date of 11 July 2022.

**Author:** Caroline Robinson

**Consultees:** Chris Braithwaite, Louise Byers, Joanne Butler, Angela Donaldson and Dave Murphy

**Publication consideration:**

- Report can be published internally and externally without redactions.

**Outcome reached:**