



Information Commissioner's Office

Internal Audit Report: Follow Up

April 2023

FINAL REPORT

mazars

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Disclaimer

This report ("Report") was prepared by Mazars LLP at the request of the Information Commissioner's Officer ('ICO') and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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01 Introduction

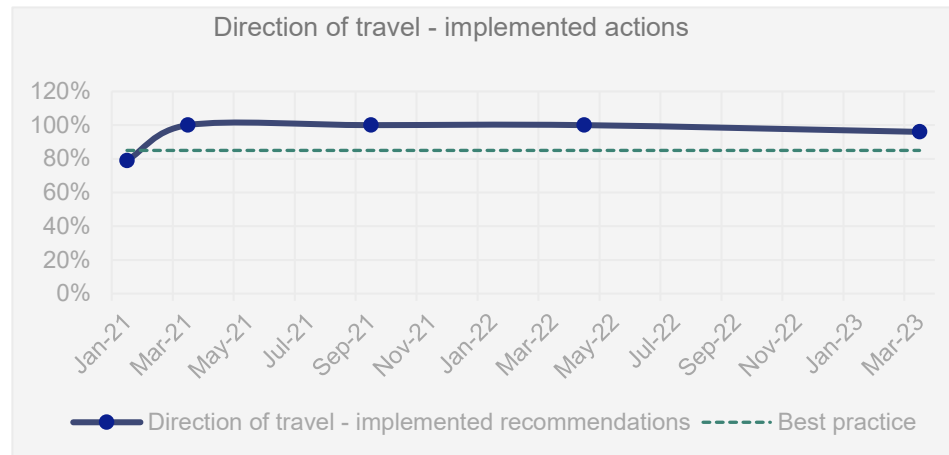
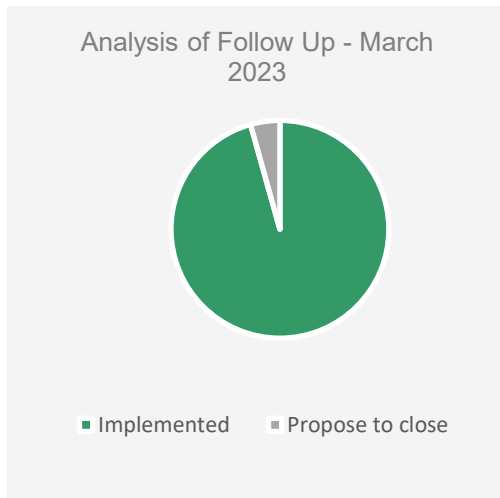
As part of the Internal Audit Plan for 2022/23, we have conducted a follow up review to assess progress made by the ICO in implementing agreed internal audit recommendations. Further detail of the specific reports reviewed, and our approach are included in **Appendix A1**. This report summarises our review of recommendations only.

02 Key Findings

2.1 Summary

At the time of the Follow Up review in March 2023, there were a total of 20 recommendations that were due for implementation. We reviewed a further three recommendations that were not yet due for implementation, but that the ICO considered implemented. As agreed at the October 2022 Audit and Risk Committee, the remaining cyber security recommendations have been reviewed as part of this Follow Up visit by the Mazars Cyber Advisory Team.

Of these 23 recommendations, based on our testing, we consider 22 (96% of total recommendations), to be implemented, and one (4%) is proposed to be closed. At the time of the audit, 11 recommendations were not yet due for implementation. A table showing the results of implementation of recommendations is provided below.



2.2 Follow Up of Previous Recommendations

A table showing the results of the implementation of recommendations is provided below. **Overall, 100% of recommendations are closed (22 (96%) recommendations are implemented and one (4%) is proposed to be closed).** The one recommendation proposed to be closed relates to a 'Low' priority recommendation within the 2021/22 Core Financial Controls review.

As part of the review, we have raised three new recommendations. Details of the new recommendations are included in **Section 03**. The recommendation proposed to be closed by the Audit and Risk Committee is included in **Section 04**.

Year	Audit report	Actions Due	Implemented			In progress			Propose to Close	Not Yet Due	Total	New Recommendations
			High	Medium	Low	High	Medium	Low				
2021/22	Core Financial Controls	5	-	1	3	-	-	-	1	-	5	-
	Workforce Planning	-	-	-	-	-	-	-	-	2	2	-
	Performance Management and Management Information	3	-	2	1	-	-	-	-	-	3	-
	Cyber Security	7	-	5	2	-	-	-	-	-	7	3
	Stakeholder Management	4	-	3	1	-	-	-	-	-	4	-
2022/23	Corporate Charge Cards	4	-	4	-	-	-	-	-	2	6	-
	Case Management	-	-	-	-	-	-	-	-	7	7	-
	Risk Management	-	-	-	-	-	-	-	-	6	6	-
	Procurement and contract management	-	-	-	-	-	-	-	-	10	10	-
	Guidance development	-	-	-	-	-	-	-	-	1	1	-
	Civil Monetary penalties	-	-	-	-	-	-	-	-	2	2	-
Total		23	-	15	7	-	-	-	1	30	53	3
			22			-			1	30	53	3

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04 Recommendation Proposed to be Closed

Definitions of our recommendation gradings are included in **Appendix A2**.

Recommendation	Priority	Original management response, responsibility and timeframe	Current Status
Core Financial Controls			
<p>Authorisation of Journals</p> <p>The ICO should:</p> <ul style="list-style-type: none"> • Agree user limits for posting manual journals and ensure that manual journals are appropriately approved • Ensure the methodology for the approval of manual journals is practical to the ICO and update the Finance Procedure Manual to reflect this. 	Low	<p>Recommendation accepted.</p> <p>A further check will continue to take place and the process of this check will be documented.</p> <p>The financial procedure manual will also be updated to reflect the new ways of working.</p> <p>Responsibility: Head of Finance</p> <p>Timeframe: Q2 2022/23</p>	<p>Propose to close</p> <p>The ICO advised that they are unable to implement agreed user limits for the posting of manual journals. The Income Team frequently post journals over £1million, therefore the ICO is unable to set limits on the value of journals posted by grade.</p> <p>The Head of Finance advised that there are controls in place for authorising journals and reconciliations. This includes full reconciliations on control accounts monthly and checking journals within the month end checklist process by the Group Finance Manager.</p> <p>Management has therefore requested that this recommendation is closed.</p>

A1 Scope and Objectives of the Audit

The effectiveness of internal audit relies upon there being a robust process for establishing that audit recommendations have been implemented. The purpose of this review has been to establish whether the ICO is effectively dealing with recommendations raised. The recommendations from the following audit reports were reviewed during this follow up:

Audit Reports Followed Up	
<ul style="list-style-type: none">• Core Financial Controls (2021/22)• Stakeholder Management (2021/22)• Performance Management & Management Information (2021/22)	<ul style="list-style-type: none">• Workforce Planning (2021/22)• Core Financial Controls (Corporate Charge Card) (2022/23)• Cybersecurity (2021/22)

Our approach involved obtaining sufficient audit evidence through sample testing, observation and discussions with management and staff, in order to independently confirm the implementation of recommendations.

Statement of Responsibility

We take responsibility to the Information Commissioner’s Office (ICO) for this report which is prepared based on the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management’s responsibilities for the application of sound management practices.

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A2 Definition of Recommendation Gradings

Mazars Ratings		
Recommendation Priority	Definition	Action required
High	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium	Weakness in governance, risk management and control that if unresolved exposes the organisation to a high level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.

Contacts

Peter Cudlip

Partner, Mazars

Peter.Cudlip@mazars.co.uk

Hannah Parker

Associate Director, Mazars

Hannah.Parker@mazars.co.uk

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