

Audit and Risk Committee minutes

3 November 2023

Details of attendees are provided at the end of the minutes.

1. Introductions and apologies

- 1.1. Apologies for absence were received from Angela Donaldson, Laura Charmant (Deloitte) and Jen Green.

2. Declarations of interest

- 2.1. Jayne Scott informed the Committee about her appointment as Chair of the Audit Panel for the Mayor's Office of Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS).

ACTION: Chris Braitwaite to update the Register of Interests to reflect Jayne Scott's new appointment. Due date: 18/1/24

3. Matters arising from the previous meeting

Minutes

- 3.1. The minutes of the previous meeting had been approved as a correct record.

Actions

- 3.2. Four actions had been completed. One further action would be addressed by an item on the agenda and will be closed following this meeting.

4. Commissioner's update

- 4.1. John Edwards provided an update on recent activities related to the Committee's remit. This included: themes arising from the ongoing Covid enquiry and any lessons learned for other public sector bodies; the ICO's approach to low likelihood but high impact risks; recent Management Board discussions about AI; and an update on progress with the Regulatory Risk Review.

5. Risk Register Annual Report

- 5.1. Joanne Butler presented a report setting out key changes to the corporate risk register and an update of risk management matters over the last 12 month, ahead of this being provided to the Management Board.

- 5.2. The Committee particularly discussed the approach to scores which were within the risk appetite, and whether all controls were still needed for these risks - although the Committee acknowledged that this may require a culture shift for ICO staff.
- 5.3. The Committee also discussed target risk scores and welcomed a deep dive review of the understanding and embedding of target scores by senior managers. The Committee noted other work on embedding risk culture, so all staff are comfortable in its use and understand why it's important.
- 5.4. The Committee discussed the work on cross-cutting directorate risks, particularly how these may potentially escalate to the corporate risk register. The Committee was assured that the 2024/25 audit programme would be informed by the revised risk register.
- 5.5. The Committee also discussed the political environment risk, in light of the scheduled general election in the next 15 months.

Decision

- 5.6. The Committee agreed that the risk report reflected the progress which the ICO has made in risk assessment, which will allow Management Board to ask more mature risk questions.
- 5.7. The Committee agreed that Management Board should be assured about the process used, and it would be useful for discussion at Management Board to particularly focus on the ICO's current position in comparison to the agreed risk appetite, and actions in areas where the risk score falls outside of the risk appetite.

6. Internal audit

- 6.1. Darren Hall of GIAA presented a report setting out progress with the delivery of the ICO's 2023/24 internal audit programme, and progress implementing the outstanding 2022/23 internal audit recommendations.
- 6.2. The Committee discussed whether service complaints handling would be included in the 2024/25 audit programme, and how the timing of such work should fit around the appointment of the new Executive Director for Customer Services.
- 6.3. Darren Hall also presented three internal audit reports: Cyber Security; Conflicts of Interest; and Binding Corporate Rules (BCR) assessment management.

- 6.4. The Committee recognised the significant improvement in the assurance on Cyber Security and the work put in by ICO teams to achieve this. The Committee also noted that the ICO has recently been re-certified for Cyber Essentials Plus, which will be reported in detail at a future meeting.
- 6.5. The Committee noted that the Conflicts of Interest audit had focused at Board level, to inform the ongoing Governance Transition work, and requested that a future review extends to all staff to ensure that the values are in place across the organisation.
- 6.6. The Committee noted that a draft comment in 1.1.c of the Conflicts of Interest report had been included in the final report in error, and agreed to the revised wording of the management comment in paragraph 1.1.c as "agreed".
- 6.7. The Committee also discussed the Binding Corporate Rules (BCR) audit, with particular interest in the "customer" experience as a result of the recommended changes. The Committee was assured to hear of the very positive feedback about the audit process from the BCR team, who had found it to be supportive and challenging and led to changes which will improve the service. The Committee received assurance that the BCR team felt that the implementation dates were realistic.
- 6.8. The Committee was also pleased to hear that the internal audit relationship is developing well: the feedback from all audited teams was that the process was constructive and helpful.

7. [Annual report – lessons learned](#)

- 7.1. Robert Buysman, Michelle Hopton and Louise Byers presented a report summarising lessons learned from the completion of the Annual Report and Financial Statements.
- 7.2. The Committee noted that the lessons learned meetings leading to the report had been constructive, full and frank, and the report included actions which all parties felt were realistic.
- 7.3. The Committee expressed thanks to everyone who had been involved in the lessons learned meetings for their openness and honesty, which has led to constructive feedback.

ACTION: Deloitte, NAO and Angela Donaldson to update against each of the actions in the lessons learned report at the January and April Committee meetings. Due date: 18/1/24

- 7.4. NAO confirmed team changes within its management structure to reflect the recent government structural changes. Naseem Ramjan and Ivy Wong will be providing services to organisations sponsored by DSIT, and will take over responsibility for the ICO audit from Robert Buysman and Curtis Hodgson after a transition period.
- 7.5. The Committee expressed thanks to Robert Buysman and Curtis Hodgson for their work for the ICO and the support provided to the Committee. The Committee also welcomed Naseem Ramjan and Ivy Wong.

8. Audit and Risk Committee annual effectiveness review

- 8.1. Louise Byers presented a report setting out the results of a review of the Committee's effectiveness. The Committee discussed the questionnaire, which was agreed to be thought-provoking and proportionate for a "light touch" review.
- 8.2. The Committee recognised that the questionnaire had prompted some individual input which might not have been forthcoming in a general discussion. The Committee was happy to take on board the recommendations, and suggested that, if other Committees were to undertake an effectiveness review, a similar approach would be recommended.

9. Finance

- 9.1. Louise Byers presented a report setting out the August income and expenditure report, and a verbal update on key financial results during September. Louise Byers also confirmed that there were no single tender awards.
- 9.2. The Committee discussed the added complexity of showing the agreed draw-down of reserves, and timing differences in receipts of Grant in Aid funding. The Committee also discussed the one-off reasons for higher staff costs.
- 9.3. The Committee discussed the new reserves policy, the types of expenditure which can be drawn from reserves and the current level of reserves.

ACTION: Louise Byers to confirm the current level of reserves to Committee members by email. Due date: 10/11/23

ACTION: Angela Donaldson to include a running total of reserves in future income and expenditure reports. Due date: 18/1/24

10. Security report

10.1. Louise Byers presented a report providing information on security matters over the last two quarters, noting that trends were within expected levels.

11. Fraud and Whistleblowing report

11.1. Fiona Wilcock presented a report providing information on fraud or whistleblowing disclosures over the last two quarters.

11.2. The Committee noted that there had been one whistleblowing report, which was being dealt with in line with the policy. Further details would be brought to a future meeting of the Committee if necessary.

12. Any other business

12.1. No points were raised.

Attendance

Members

Ailsa Beaton (Chair)	Non-Executive Director
David Cooke	Non-Executive Director
Jayne Scott	Independent Audit Committee member

Attendees

ICO

Joanne Butler	Head of Risk and Governance
Louise Byers	Director of Risk and Governance
John Edwards	Information Commissioner

Internal auditors

Darren Hall	GIAA
Lynda Oates	GIAA

External Auditors

Robert Buysman	National Audit Office
Curtis Hodgson	National Audit Office
Michelle Hopton	Deloitte
Naseem Ramjan	National Audit Office

Secretariat

Chris Braithwaite
Fiona Wilcock

Corporate Governance Manager
Corporate Governance Officer

Observer

Graham Farrington

Next Gen NEDs Programme