

Audit and Risk Committee

Report title: 2025/26 accounting policies

Meeting date: 20 January 2026

Time required: 10 minutes

Presenter: Angela Donaldson

Publication decision: Can be published internally and externally.

Input requested

For ARC members to formally confirm the ICO's accounting policies used in the preparation of its forthcoming 2025/26 Annual Report and Accounts.

For ARC members to note that:

- This paper also addresses the two related actions in response to the Internal Audit Report on Fixed Assets, relating to accounting policies and the estimation of useful economic asset lives; and
- The Accounting Policies and other sections of the Annual Report and Accounts will be updated at year end to reflect the transition from the Information Commissioner's Office to the Information Commission. This will affect the disclosures made in relation to the going concern basis of preparation and events after the balance sheet date. The disclosures incorporated into the final Annual Report and Accounts will reflect the current and best information at that time about the transition and its timing up to the point of signing.

Background and summary

The ICO's Annual Report and Accounts must be prepared in accordance with applicable standards and requirements, including those set out in the Government Financial Reporting Manual (FRoM).

The Committee is asked to confirm the accounting policies adopted and applied in the preparation the ICO's Annual Report and Accounts.

The Finance team has reviewed the accounting policies applied and published in previous years.

Several changes have been made to facilitate readers understanding and to streamline the wording where possible. These are editorial changes only and do not constitute changes in the ICO's accounting policies.

In 2025/26 the FReM includes new requirements for the valuation of assets.

The Finance team proposes an approach to asset valuation to meet these new requirements whilst:

- maintaining a reasonable and proportionate approach commensurate with the scale and nature of the ICO's operations and asset base; and
- meeting the expectations of readers of the ICO's Annual Report and Accounts.

The proposed approach in practice means that there is no change to the ICO's reported finances or other impacts relative to the ICO's previous reporting as a direct result of changes to accounting policies.

Consequential wording changes have also been made in the accounting policies to describe the proposed approach to asset valuation as aligned with the new FReM.

Next steps

No further steps are proposed.

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Reviewers: Ruby Qayyum, Tony Uttley

Sign off: Jen Green

List of annexes:

1. Detailed paper on asset valuation
2. Proposed Accounting Policies