

## Audit and Risk Committee

Report title: Annual report and accounts 2025/26

### **Meeting date: 16 June 2025**

Time required: 10 minutes

Presenter: Louise Byers

RAPID Role: Recommend

Publication decision: Covering report can be published internally and externally. The annual report will be published separately once finalised.

### Decision requested

The Annual Report and Accounts 2025/26 is provided at Annex 1 for approval (circulated under separate cover).

The Committee is asked to review the report and recommend that Paul Arnold sign it as the Temporary Acting Accounting Officer. Once Paul has signed the report, it will be sent to the National Audit Office for the Comptroller and Auditor General's review and certification. Once certified, the report will be laid in Parliament. We are aiming to lay the report on 29 or 30 June 2026.

### Background information

Included in the Annual Report is the following wording. At the time of writing this report, this was with NAO and Deloitte for review:

*"The Information Commissioner, John Edwards, voluntarily stepped back from his duties on 26 February. This was to enable an independent workplace investigation which relates to him. During the period from 26 February until the date of the signing of this report, John Edwards continued to remain as the Commissioner with the organisation continuing to make decisions in accordance with the scheme of delegation, to ensure continuity in our leadership and regulatory work. The ICO's Non-Executive Directors and the Executive Team remained in place, as set out later in this report. During this period, the ICO was operating in line with its Scheme of Delegation, as set out in [a letter to the Science, Innovation](#)*

[and Technology Committee](#) on 28 April 2026 and the Commissioner was available should his input or oversight be needed to discharge our duties.

Subsequently, the investigation has found there is a case to answer. [As announced on 10 June 2026](#), the Commissioner will now be temporarily unable to act in fulfilling his responsibilities for the remainder of the process.

Since 10 June, Paul Arnold has temporary responsibility for the Information Commissioner's non-delegable responsibilities. This is because the law states (Schedule 12 of the Data Protection Act 2018), during any period where a serving Information Commissioner is unable to act, the Deputy Commissioners take on the reserved Information Commissioner's responsibilities. As set out in the ICO's Scheme of Delegation, which was last reviewed and approved by the Commissioner in July 2025, this means Paul Arnold will temporarily take on these responsibilities. DSIT have been informed of these arrangements and the Science, Innovation and Technology Committee notified.

Paul Arnold is currently serving as Interim Chief Executive Designate of the Information Commission, alongside his Deputy Commissioner responsibilities at the ICO. In addition, due to the Commissioner being temporarily unable to act, on 8 June DSIT designated Paul as Temporary Acting Accounting Officer for the ICO for this period. Through the year, Paul attended the ICO's Audit and Risk Committee, was a member of the Management Board and Executive Team and was the Accountable Officer, supporting the Commissioner in his Accounting Officer role, meaning throughout the year he has maintained the oversight and been provided with the assurance required to undertake this role and sign these accounts."

To reflect this, the Commissioner's foreword has been changed to Paul Arnold's foreword and wording has been added to the annual report to provide information to explain this change. The signatory at each part of the annual report and accounts has been changed from John Edwards to Paul Arnold. We are also requesting NAO to review the references to the Accounting Officer and Temporary Acting Accounting Officer to ensure that they are accurate and consistent.

## Key outstanding issues

At the time of writing there are three outstanding issues which need to be addressed.

## **Pensions information**

The first is relating to pensions information for the pensions benefits accrued by the Commissioner during 2025/26. While we received pensions information for Executive Team members on 27 May, the Commissioner's information was not included within this. Following queries with Capita, we have been informed that the Commissioner's pension is within the Consolidated Fund which is administered by Treasury. On our behalf, NAO has enquired with the Consolidated Fund audit manager. They do not expect to receive pensions information until the end of June (as their audit timetable is later than ours).

This is a similar issue to that which arose in 2024/25, and there is a likelihood that we do not receive this information in a timely manner. We navigated this in 2024/25 by receiving an exemption from Treasury. We have contacted NAO to request a similar exemption this year, and NAO is in the process of progressing this.

We also did not receive this information on time for 2024/25, but have now received the relevant information for 2024/25 to provide a prior year comparator, if the 2025/26 information is received.

We will update on the current position in relation to this at the Audit and Risk Committee meeting.

## **Employment claims**

Management have assessed a provision and contingent liability are needed related to two separate employment tribunal claims. A paper setting out this judgement is with the auditors and impact on the ARA.

We will provide an update on the current position in relation to this at the Audit and Risk Committee meeting.

## **Erroneous long service payments**

The second outstanding issue is regarding erroneous payments that have been made to staff for long service. More detail of this is provided in a report elsewhere on the agenda.

For the purposes of the annual report, we have shared the report with NAO and Deloitte to understand what, if anything, we may need to declare regarding this in the annual report.

We will provide an update on the current position in relation to this at the Audit and Risk Committee meeting.

## Planned timetable for the laying of the ICO accounts

After ARC has recommended it, Paul Arnold, as Temporary Acting Accounting Officer, intends to sign the annual report on 19 June (subject to resolution of the three outstanding issues referred to above). He will then submit it to the National Audit Office for the Comptroller and Auditor General's review and certification. This process usually takes around a week, so we hope for certification by around 26 June. Once certified, the report will be laid in Parliament as soon as reasonably possible after that, either 29 or 30 June.

In the event that, at the time of the meeting, it is determined that further work is needed before the Committee can recommend that Paul Arnold signs the annual report, we will progress that work as quickly as possible and request further review and authorisation by the Committee via email. Parliament is due to go into recess on 16 July, so there are a couple of weeks contingency if this further work is required. To ensure that the account is laid prior to recess, we will engage with NAO for informal pre-certification (as we did for the 2024/25 ARA) to ensure that formal certification can take place as quickly as possible following the accounts being signed.

Should there be any post Balance Sheet events or any significant deviation from the proposed signing date or laying date, members of the Committee will be contacted to ask them to re-confirm the recommendation to the Accounting Officer to sign the report.

## Judgements, estimates and valuations

As part of the annual report lessons learned exercised and Audit and Risk Committee effectiveness review during 2022, the Committee requested that it be provided with information of any judgements, estimates or valuations made during production of the annual report and accounts.

As with the previous reports, for the 2025/26 annual report and accounts the key judgement of note is in relation to the Expected Credit Loss for the civil monetary penalties. This is set out at note 1.15 of the Annual Report and Accounts.

In addition, as noted above management have assessed a provision and contingent liability are needed related to two separate employment tribunal claims. A paper setting out this judgement is with the auditors.

## Information Commission Accounts

Although not directly relevant to the remit of this Committee, we can provide an update regarding the Information Commission accounts for 2025/26. Although governance transition has not yet taken place, the Information Commission was established by statute on 20 August 2025. Therefore, it is required to prepare and lay an annual report and accounts. However, as the Information Commission was not operating during 2025/26, a dormant annual report and accounts has been produced.

We had initially expected the date of governance transition to be such that we would need to combine the ICO and Information Commission annual reports and accounts into a single document. However, given the delays to governance transition, we have now prepared a separate annual report and accounts for the Information Commission. At the time of writing, this is being audited by NAO. We have received initial comments from NAO, and are in the process of addressing those. These are primarily around the structure and level of detail within the initial draft of this annual report and accounts, and NAO's main comments are focused around reducing the length of this annual report and accounts.

At present, no one has been designated as Accounting Officer for the Information Commission, which is a requirement for the approval of the accounts (as the Accounting Officer is required to sign and submit the accounts for certification). We are currently working with NAO and DSIT to confirm the timetable for this, but we anticipate that this will be on a later timeline to the laying of the ICO accounts.

### **Author: Chris Braithwaite**

Reviewers: Louise Byers, Ruby Qayyum

List of annexes: Annex 1 – Annual report and accounts 2025/26