

Audit and Risk Committee

Report title: 2024/25 Annual Report and Accounts (ARA)
successes and lessons learned

Meeting date: 23 October 2025

Time required: 10 minutes

Presenters: Louise Byers

RAPID Role: Scrutinise

Publication decision: Report can be published internally and externally without redaction.

Problem Statement

How might we build on the successes of the 2024/25 ARA and learn lessons for further improvements, to ensure that the process for producing the 2025/26 ARA is efficient and effective.

Decisions requested

- Is the Committee assured that the proposed actions will replicate the successes, and address any issues encountered in the production of the 2024/25 ARA?
- Does the Committee recommend any other actions to further streamline the process for developing the 2025/26 ARA?

Background and summary

Each year following the production and audit of the ARA, we reflect on the successes and identify improvements in the processes and experiences.

The steps we have taken so far are:

- a lessons learned meeting within the ICO, including Corporate Governance, Finance, People Services and Communications; and
- an external lessons learned meeting, including the ICO, the National Audit Office (NAO) and Deloitte.

The risks to the organisation if we do not address this issue are:

- The ARA process may become less effective or efficient, with problems occurring (or reoccurring) leading to delays or failure to publish the ARA within the required timescale.

This work will assist in mitigating the following risks:

- R015 – improving productivity: reducing the time taken by ICO staff to produce an ARA of a standard that allows certification by the Comptroller and Auditor General.
- R020 – managing ICO reputation: ensuring that the financial report required under paragraph 11(1)(b) of Schedule 12 to the DPA 2018 is laid in Parliament on time.

Successes

The ARA and audit process for 2024/25 was further improved from the previous year, with the work being completed as far as possible by the date of the June ARC meeting. This allowed the ARA to be laid on 14 July 2025.

The following areas were recognised by the ICO and both audit teams as areas that worked well during the 2024/25 ARA and audit process:

- The actions arising from the lessons learned from the production of the 2023/24 ARA were key to the continued success, and ARC's regular review of progress through the year was helpful.
- Recommendations from the NAO's Best Practice workshop in February 2025 were well incorporated into the ICO's plans.
- Some audit work was brought forward to the interim fieldwork, which was fully completed in Q3.
- Deloitte's audit plan was clear and comprehensive which meant that the ICO Finance team could use resources effectively to ensure that all documentation was ready at the expected times. The Month 9 financial statements closure worked well and, combined with improvements to capital accounting, this ensured that the ICO was able to present a full set of draft accounts at the start of the final audit fieldwork.
- Communications between teams from the ICO, NAO and Deloitte were clear, transparent and collaborative at all levels:
 - Deloitte and Finance staff on site were able to deal with queries quickly.
 - The use of Deloitte Connect streamlined the management of audit requests and responses, and daily and weekly calls with a range of ICO staff helped to resolve remaining queries efficiently.

- Changes in staff within all three teams were well-managed, and new people were quickly brought up to speed.
- The ICO was open with NAO and Deloitte about emerging issues, providing information at an early stage.
- Three-way dialogue at senior levels helped to reach an agreed position on any requests for guidance from the ICO.
- Excellent project management by Corporate Governance ensured the most efficient use of staff and auditor time through well-defined roles and responsibilities, co-ordinated responses to audit queries, and strong version control management.

Challenges and lessons learned

Despite the many successes of the 2024/25 ARA processes, there were four main challenges:

Challenge 1: Publication of the pension information by MyCSP was delayed until the end of June which meant that, during its June meeting, ARC was not able to recommend that the Commissioner should sign the accounts. This issue applied to all public sector organisations, and the ICO was able to flex the remaining timetable to ensure the Parliamentary deadline was met. Information about the Commissioner's pension was still unavailable at the laying date, and the auditors agreed to the addition of an explanatory note about this exceptional event in the accounts.

Action 1: The ICO payroll team will continue to request the Commissioner's pension information from MyCSP before the end of its contract with the Cabinet Office (in December 2025). Once received, we will publish this information on the ICO's website alongside the 2024/25 ARA. We will also capture any lessons learned, and document any changes to the process of requesting the Commissioner's information for the 2025/26 ARA.

Challenge 2: At 131 pages, the length of the 2024/25 ARA continues to be a concern. Some information is required by the Financial Reporting Manual (FreM) and the Task Force on Climate-related Financial Disclosures (TCFD) and is audited. Other information, mainly related to details of the ICO's work and how we have chosen to spend money, could be linked to previously published information on the ICO website instead.

Action 2: ICO teams will review disclosure requirements in the FreM and TCFD, and identify information which could be published on the website instead of within the ARA. These links will be indicated in the skeleton ARA, so that NAO and Deloitte can review plans during the interim audit and flag any concerns at an early stage.

Challenge 3: Although the In Design version of the ARA is more dynamic, there were some delays in the transfer of text from the audited Word version of the document in the later stages of the ARA production.

Action 3: The ICO Corporate Governance team will consider ways of speeding up the production of the final ARA version.

Challenge 4: Page numbers were not included in early drafts of the ARA, resulting in multiple audit review points. The addition of page numbers in the text of draft 4 required multiple amendments in later drafts.

Action 4: NAO and Deloitte will not raise review points related to missing page numbers until their final review of the ARA.

Other useful learning from 2024/25

The ICO teams identified a number of improvements which could be made, including:

- using more sub-headings within the performance narrative to signpost readers;
- better data visualisation, especially in the performance analysis section;
- refining the use of graphics in Parts A and B; and
- shorter, clearer accounting policies section in Part C.

Action 5: ICO teams will consider the improvements identified, and incorporate proposed changes into the skeleton, so that NAO and Deloitte can review plans during the interim audit.

Published in June 2025, the [NAO report on fees and charges across government](#) indicated that none of the seven tested organisation's 2023/24 ARAs (including the ICO's) fully complied with FreM disclosure requirements. The ICO was mid-table (meeting two requirements and partially meeting the remaining three) and further work should be undertaken to determine if compliance can be improved.

Action 6: The ICO Finance team to review Figure 13 of the NAO report on fees and charges across government, to determine: the reasons for partial compliance; whether full compliance can be achieved; or whether the nature of the ICO's fee income makes the FreM requirement not applicable.

The ICO's internal auditors (Government Internal Audit Agency) carried out a review in response to concerns around data accuracy in the 2023/24 ARA. A number of additional checks were included in the 2024/25 ARA process, and further actions are due to be implemented during the 2025/26 financial year.

Action 7: The ICO will implement the actions recommended by GIAA's Data Analytics report.

The following actions arising from the lessons learned from the production of the 2023/24 ARA are still relevant and will be carried forward to 2025/26:

- **Action 8: NAO and Deloitte will use the same audit timetable as in 2024/25 – with planning in Q3, interim audit in Q4 and final audit in week five of Q1;**
- **Action 9: Planning work will include a full review of business process information;**
- **Action 10: Interim work will include a full review of Related Party Transactions and Expected Credit Loss model, with a follow up during the final audit;**
- **Action 11: The ICO will provide a skeleton of the ARA for review by NAO and Deloitte during the interim audit;**
- **Action 12: The ICO will identify the person responsible for each section of the ARA; and**
- **Action 13: NAO and Deloitte will invite a range of ICO staff to the daily and weekly audit progress calls, and direct audit queries to the relevant owner either in person or via the Deloitte Connect system.**

Other factors to take into account for 2025/26

The following known changes will be factored into plans for the production of the 2025/26 ARA:

- The Data (Use and Access) Act 2025 detailed ICO governance transition, which is expected to take place on 1 April 2026. The 2025/26 ARA will cover the final 12 months of the ICO, but will also explain any changes up to the signing date in June 2026. The ICO is already working with NAO and Deloitte to establish the reporting requirements should the governance transition process be delayed beyond 1 April 2026.
- Management of civil service pensions is due to move from MyCSP to Capita in December 2025. All information is expected to be transferred, and the ICO is already aware of the need to request pension information from Capita in February 2026.
- The Parliamentary recess will start one week earlier - on 16 July 2026 compared to 22 July 2025. This is not expected to be a concern, as the Board (rather than the Commissioner) will sign the 2025/26 accounts at its meeting on 23 June 2026.

Next steps

Should the actions be agreed, the next steps for this work are:

- The ICO, NAO and Deloitte will build the actions identified into their plans for the development of the 2025/26 ARA.
- Reports on the implementation of lessons learned will be brought to each ARC meeting, starting in January 2026.

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Reviewers:

ICO - Chris Braithwaite, Louise Byers, Angela Donaldson, Sam McVaigh, Tony Uttley

NAO – Lewis Knights, Ivy Wong

Deloitte – Sandy Denholm, Michelle Hopton

Sign off: Jen Green

List of annexes: None