

Information
Commissioner's Annual
Report and Financial
Statements 2010/11

Information is the
currency of democracy

Information Commissioner's Annual Report and Financial Statements 2010/11

Presented to Parliament pursuant to Section 52(1) of the Data Protection Act 1998 and Section 49(1) of the Freedom of Information Act 2000 and Schedule 5 paragraph 10(2) of the Data Protection Act 1998.

Ordered by the House of Commons to be printed 5 July 2011

HC1124 London: The Stationery Office **Price: £20.50**

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This document is also available from our website at www.ico.gov.uk

ISBN: 9780102971644

Printed in the UK by The Stationery Office Limited on behalf of the Controller of Her Majesty's Stationery Office.

ID 2427188 07/11

Printed on paper containing 75% recycled fibre content minimum.

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**Information is the
currency of democracy**

Attributed to Benjamin Franklin.
Quotation from the Writing on the Wall
design scheme at the ICO in Wilmslow.

Our mission

The ICO's mission is to uphold information rights in the public interest, promoting openness by public bodies and data privacy for individuals.

Our vision

To be recognised by our stakeholders as the authoritative arbiter of information rights, delivering high-quality, relevant and timely outcomes, responsive and outward-looking in our approach, and with committed and high performing staff – a model of good regulation, and a great place to work and develop.

Your information rights

The **Freedom of Information Act 2000** gives people a general right of access to information held by most public authorities. Aimed at promoting a culture of openness and accountability across the public sector, it enables a better understanding of how public authorities carry out their duties, why they make the decisions they do and how they spend public money.

The **Environmental Information Regulations 2004** provide an additional means of access to environmental information. The Regulations cover more organisations than the Freedom of Information Act, including some private sector bodies, and have fewer exceptions.

The **Data Protection Act 1998** gives citizens important rights including the right to know what information is held about them and the right to correct information that is wrong. The Data Protection Act helps to protect the interests of individuals by obliging organisations to manage the personal information they hold in an appropriate way.

The **Privacy and Electronic Communications Regulations 2003** support the Data Protection Act by regulating the use of electronic communications for the purpose of unsolicited marketing to individuals and organisations.

The **Infrastructure for Spatial Information in the European Community Regulations 2009** gives the Information Commissioner enforcement powers, in relation to the pro-active provision by public authorities, of geographical or location based information.

Information Commissioner's foreword

Information rights in a changing world

The Information Commissioner walks a tightrope, balancing information rights – the right to know and the right to privacy. Where do transparency and accountability end and privacy and data protection start? The Information Commissioner enforces both the Freedom of Information Act and the Data Protection Act, so the Information Commissioner's Office (ICO) is at the centre of these very live debates. It's our job to make the difficult calls. How to square privacy, security and efficiency – in the public interest?

Developments in technology, business and government face the ICO with judgements like these every week. New applications, new services, and a new government seeking efficiencies through greater transparency, accountability and data sharing. How can we gain the benefits of new digital opportunities while managing the risks?

It is essential that the independence of the Information Commissioner is guaranteed, in practice as well as theory.

This is a challenging time for the ICO, on the spot and in the spotlight. But, following a year of reorganisation and renewal, I'm confident we are up to the task.

Robust and ready

We have consolidated operations at our main office in Wilmslow, in modern, open-plan accommodation, bringing our head office staff together on a single site. We have adopted an increasingly integrated approach to the seamless garment

that is information rights. We have introduced new structures and processes. As a result of this reorganisation and reconfiguring, we are now dealing much more quickly with freedom of information complaints. We now have just three complaints that have been with the ICO for more than a year (all complex issues under investigation) compared with 117 this time last year. We are able to deliver our decisions much more quickly, enabling us to adjudicate on current, relevant, issues. Our streamlined approval process has enabled us to complete more decision notices than ever before, with no drop in quality and no increase in the rate of appeals.

Our staff achieved this striking improvement despite a 17% increase in the number of freedom of information cases referred to us, and a reduction in resources.

Armed with the power to impose civil monetary penalties for the most serious data protection breaches and following a more clearly articulated enforcement strategy, including more systematic monitoring of compliance with the Freedom of Information Act, the ICO has been seen to be a robust regulator. We issued our first four monetary penalty notices for serious breaches of the Data Protection Act, and brought five prosecutions. Our tougher stance on freedom of information compliance is paying off, with well over half the authorities we placed on special monitoring significantly improving their performance.

We are keen, however, to be seen as practical and helpful as well as wielding the enforcement stick. Our code of practice on personal information online offers guidance both to businesses and consumers about information rights and online services. The code of practice on data sharing shows how organisations can cooperate to share data in appropriate circumstances, provided they have thought through the privacy implications and have put proper safeguards in place.

There's a balance to be found here as well. Our better regulation approach means that we use the full range of our powers, carrot and stick, to get a result, rather than court publicity with a macho response to every headline.

We are currently consulting on a revised Information Rights Strategy, showing how we prioritise the different sectors and subjects for regulatory attention.

Responding to the new agenda

The past year has shown us opportunities as well as challenges.

The coalition government's emphasis on transparency and accountability found the ICO ready and able to deliver, making use of the well established publication schemes mechanism under the Freedom of Information Act. Similarly, our approach to the Open Data Initiative has been positive, while warning of the need to take the privacy dimension into account from the outset. We are working to ensure coherent regulation of CCTV, DNA and criminal records, liaising with others working in these fields.

We are also seeking to play a positive and realistic role in the introduction of new EU rules on cookies, where web users now have the right not to have a tracking device placed on their computer by a website operator or advertising network without their consent. Our guidance seeks to help online businesses to comply with the law in a way that impacts least harmfully on the user's experience. We shall hold our enforcement powers in reserve, intervening in the first year only where it is clear that a website owner is doing little to attempt to comply.

Why independence matters

In order for the ICO to do its job effectively, it is essential that the independence of the Information Commissioner is guaranteed, in practice as well as in theory. The requirement that data protection authorities 'act with complete independence' is also a requirement of the EU Data Protection Directive 95/46/EC, as a recent case in the European Court of Justice has reaffirmed.

The government's recognition of the importance of the independence of my office was signalled by the Justice Minister Lord McNally.

The Information Commissioner plays a vital role in promoting transparency and protecting the rights of individuals in relation to their personal data. The government are fully committed to an independent commissioner and the critical role that he plays as a champion and protector of information rights. House of Lords, 16 February 2011

I welcome the measures included in the Protection of Freedoms Bill, designed to strengthen the independence of the ICO. But there is still work to be done to complete the framework.

Day-to-day independence also depends on the ICO having adequate resources to do its job. Like all public bodies, we have to shoulder our share of the burden of spending cuts. We continue to strive to find efficiencies and to deliver 'better for less'. But, with growing demand for our services, finding savings is a struggle. Where we are asked to take on new responsibilities we will need additional resources to carry out the work.

Longer term, it may be time to consider following the logic of our increasingly integrated information rights work and to question the current arrangement of separate funding for data protection and freedom of information activities. It makes less and less sense to fund freedom of information out of grant-in-aid and data protection out of notification fees, and never the twain shall meet.

The independence and the effectiveness of the ICO would be better secured by more flexible funding arrangements. As well as liberating the ICO from the apron strings of the Ministry of Justice we may need to find alternatives to the purse strings of HM Treasury. Such an arrangement would also show government commitment to protecting information rights and to the value of an independent overseer.

Looking ahead

But now we face another busy 12 months. Through our membership of the Article 29 Working Party, we are fully engaged in the process of reviewing the EU Data Protection Directive. We look forward to contributing to the post-legislative scrutiny of the Freedom of Information Act by the House of Commons Justice Committee. And we shall be assessing, with the help of our stakeholders, the extent to which we are living up to our vision as 'the authoritative arbiter of information rights'.

The ICO benefits greatly from the involvement of Non-Executive Members in our Management Board. In this connection, I must place on record my appreciation of the work of Dame Clare Tickell and Dr Robert Chilton who retired from the Board last year. Jane May and Andrew Hind joined in their place. I am grateful to all the Members of the Management Board, Executive and Non-Executive. And I pay a special tribute to all the staff of the ICO and thank them for their hard work and commitment in a year of change and challenge.



Christopher Graham
Information Commissioner
27 June 2011

Financial Times

Privacy watchdog with a bite

25 November 2011

“Sending a warning shot across the bows over personal data abuses, Information Commissioner Christopher Graham, head of the UK privacy watchdog, has handed out fines for the first time. After strong lobbying the 60-year-old former journalist, who took over the Information Commissioner’s Office last year, gained new powers in April to fine organisations up to £500,000 for breaches of the Data Security Act.”

*We care about upholding
information rights*

ICO values



Our plan

The ICO Corporate Plan for 2010/11 sets out the following:

The ICO way

We shall adopt a rounded approach to safeguarding information rights.

Our data protection and freedom of information responsibilities may, to some extent, be seen as different sides of the same coin. Certainly there are advantages to be secured from a more integrated approach to our work, although we must be careful not to lose knowledge and expertise around the specific requirements of the different regimes.

We shall aim to relate better, as one ICO, to stakeholders who are themselves managing information systems, records management, data protection and freedom of information compliance as a single information function.

Educating and influencing

Our aim is to reduce the number of times organisations get information rights wrong in the first place (under either data protection or freedom of information), being more proactive and imaginative in communicating with organisations as to their responsibilities under legislation.

Providing advice, resolving complaints and taking action

We aim to deliver an efficient and effective end-to-end operational process, where customers, partners and stakeholders receive a timely and responsive service, appropriate to their requirements.

We shall make early and effective use of our new data protection powers to undertake audits and impose civil monetary penalties on data controllers who seriously get it wrong.

Developing and improving

The ICO will seek to deliver its programme by doing things differently and better in five main areas of activity: direction, people, knowledge, resources and governance.



Educating and
influencing

Providing advice,
resolving complaints
and taking action

Developing and
improving

Our year at a glance

April 2010

Our new powers come into effect, enabling the ICO to impose monetary penalties of up to £500,000 for serious breaches of the Data Protection Act.

We attend the European Privacy and Data Protection Commissioners' conference in Prague.

We issue data protection guidance to political parties and candidates in the run up to the general election.

May 2010

We are shortlisted for the Training Journal awards in the category of 'Best e-learning' for our Meridio e-learning training.

June 2010

We launch our new values framework.

We serve an enforcement notice against the Independent Police Complaints Commission for exceeding the time for compliance in dealing with freedom of information requests by a significant margin on more than one occasion.

We issue a statement on the European Commission's call for the UK to strengthen the

powers of its national data protection authority.

We improve our web user satisfaction rating, rising to 88% from 82% (the average for government websites is 80%).

July 2010

We launch our new 'Personal information online code of practice', providing good practice advice for organisations doing business online.

We launch our Annual Report 2009/10, showing record levels of business and productivity.

We set out the measures that public authorities will face if they routinely fail to meet the requirements of the Freedom of Information Act or the Environmental Information Regulations.

Our 'Privacy notice code of practice' is 'highly commended' at the Nominet Internet Awards.

We launch a campaign to remind private medical practitioners to notify with the ICO where they are processing personal information. Over 3,300 new notifications were received as a direct result of our campaign.

Lord McNally, Minister of State and Deputy Leader of the House of

Lords, visits our head office in Wilmslow.

We remind students about their data protection right to access information about their exam marks.

August 2010

We issue a statement in response to the government's proposal to use information provided by credit reference agencies to combat benefit fraud.

We remind lettings and estate agents that they risk legal action if they fail to notify with the ICO. Nearly 1,000 new notifications were received as a direct result of our campaign.

We host a delegation from Macedonia, whose members were seeking advice on implementing and regulating data protection legislation.

We commission a 'Review of Availability of Advice on Security for Small and Medium Sized Organisations', to better understand how they access advice for protecting personal information.

September 2010

Ken Macdonald is designated Assistant Commissioner for Northern Ireland and Scotland.

We host the European Case Handling Workshop in Manchester with 50 representatives attending from 29 countries across Europe.

The Cabinet Office releases a statement announcing that 192 public sector bodies are to be scrapped in the drive to cut Quangos. The ICO is retained on the grounds of performing a function that requires impartiality.

October 2010

Local MP and Chancellor of the Exchequer, George Osborne, officially opens the extension to our head office, Wycliffe House, bringing all the ICO's Wilmslow staff under one roof.

We publish a list of organisations to be monitored by the ICO for failing to demonstrate their requirement to respond to freedom of information requests on time.

We launch a consultation on a new draft code of practice on data sharing.

We serve our first two monetary penalties against the private company A4e and Hertfordshire County Council for serious breaches of the Data Protection Act.

Google Inc. signs a commitment to improve data handling to ensure breaches like the collection of Wi-Fi payload data by Google Street View vehicles do not occur again.

The Independent Parliamentary Standards Authority agrees to take action after MPs' personal details were made public on the MPs' expenses database.

We address a meeting of the Permanent Secretaries of the Northern Ireland Civil Service.

We attend the 32nd international conference of data protection and privacy commissioners in Jerusalem.

November 2010

The European Commission publishes its communication on the future of data protection legislative framework.

We order the disclosure of information relating to TV licensing contracts between the BBC and Capita Business Services Ltd.

The House of Lords European Select Committee publishes the ICO's report relating to the Serious and Organised Crime Agency's 'ELMER' database – a catalogue

of suspicious activity reports provided by financial institutions primarily as an anti-money laundering measure.

We urge elected Councillors to check they are fulfilling their obligations when processing personal information and are notified with the ICO.

We provide an update report to Parliament on the state of surveillance, noting that new laws that impact on privacy should undergo post-legislative scrutiny.

We successfully prosecute two former T-Mobile employees for offences under section 55 of the Data Protection Act, under which it is an offence to obtain, disclose or sell personal data without the data controller's consent.

Our revised Welsh Language Scheme is approved by the Welsh Language Board.

December 2010

The University of East Anglia signs a commitment to further improve the way it responds to freedom of information requests.

We order the Department of Health to disclose information

relating to the costs of purchasing the flu vaccine that was in use in February 2010.

We remind schools not to hide behind data protection myths to prevent parents from taking photos at school nativity plays – generating over 100 pieces of media coverage.

We host a delegation from the Ethiopian Institution of the Ombudsman, whose members were seeking advice on implementing and regulating freedom of information legislation.

Our investigation into 2006 FIFA World Cup ticket information disclosure concludes that there is no evidence to suggest that any person has unlawfully obtained personal information within the UK, or that any that any person or organisation has breached UK data protection laws.

We publish a set of top tips on freedom of information for communications professionals working in public authorities.

We issue a statement welcoming proposals set out by government to expand the scope of the Freedom of Information Act.

We issue a response to the government's announcement on the Protection of Freedoms Bill.

We welcome the Scottish Government publishing Identity Management and Privacy Principles for public service organisations.

January 2011

We serve our third and fourth monetary penalties against Ealing Council and Hounslow Council for serious breaches of the Data Protection Act after the loss of two unencrypted laptops containing sensitive personal information.

We mark European Data Protection Day, launching a new 'Personal information toolkit' and promoting the 'i in online' project – reaching 6,000 young people across the UK.

We issue advice on the government's crime mapping initiative.

We host a delegation from the Israeli Law, Information and Technology Authority, whose members were seeking advice on regulating data protection legislation.

The High Court backs the ICO's position

that public authorities cannot include costs of removing exempt information when assessing costs of meeting an information request.

February 2011

We publish the ICO's Single Equality Scheme.

We successfully prosecute two estate agents under the Data Protection Act for failing to notify with the ICO as data controllers.

We issue a statement welcoming the publication of the Protection of Freedoms Bill, supporting its aims of strengthening privacy, delivering greater transparency and improved accountability, as well as greater independence for the ICO.

We appoint a technology adviser to play a leading role in the Information Commissioner's work on policy development, investigations and complaints handling.

March 2011

We host the Data Protection Officer conference in Manchester, with over 500 delegates attending the event.

We launch our Facebook and LinkedIn social media profiles.

We re-issue data protection guidance to political parties and candidates campaigning for the UK referendum and local and national elections.

We provide evidence to the Public Bill Committee on the Protection of Freedoms Bill.

We host a seminar on data anonymisation in London, with over 100 delegates attending the event at which experts from a range of sectors present different perspectives on issues surrounding anonymisation.

We issue new guidance on Wi-Fi security settings as a survey about online habits shows that 40% of people who have Wi-Fi at home do not understand how to secure their networks.

We issue a statement to businesses and other organisations running websites in the UK in response to changes to EU legislation requiring them to obtain consent in order to store or access information on consumers' computers.

We present at a series of themed conferences across Wales, organised by the Welsh Assembly Government to promote its 'Sharing Personal Information' programme.

Graham Smith, Deputy Commissioner, addresses the first National Information Law conference in Canberra.

We host the Data Protection Officer conference in Manchester, with over 500 delegates attending the event.

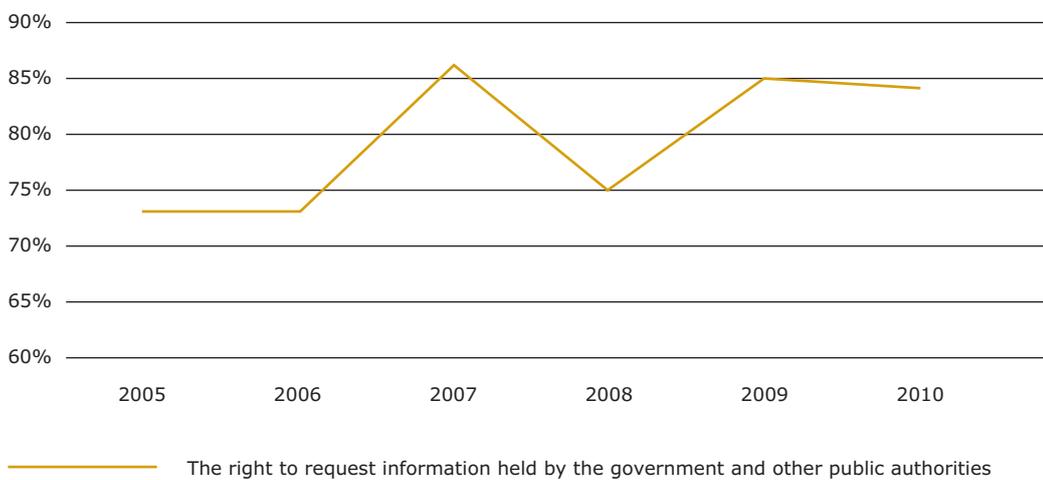


Educating and influencing

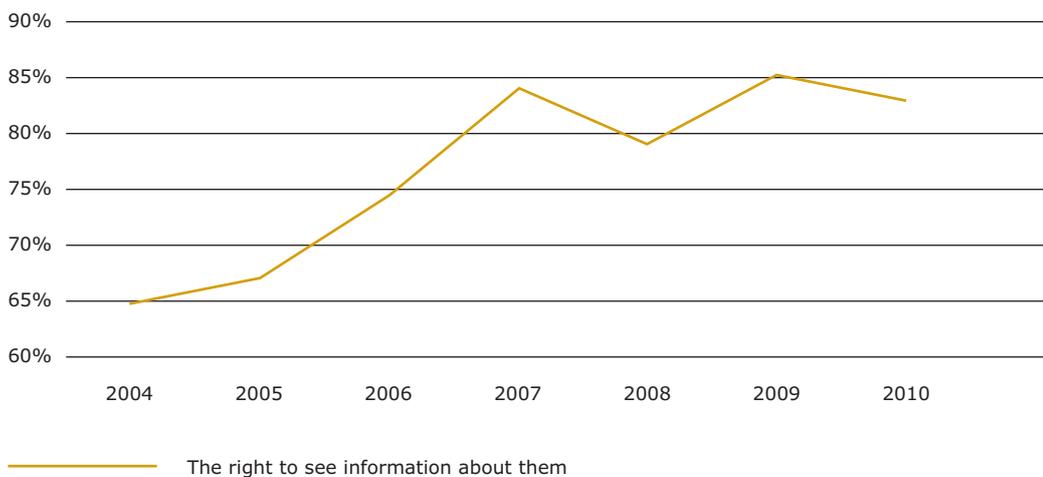
Awareness of information rights

Awareness of information rights remained high this year.

Individuals' prompted awareness of the freedom of information right to see information held by government and other public authorities remained high at 84%, compared with 85% last year and just 73% in our baseline year of 2005.



Similarly, individuals' prompted awareness of the data protection right to see information held about them was 89%, compared to 91% last year and just 74% in our baseline year of 2004.



Introduction

The past year has seen exceptionally high levels of activity affecting information rights issues. Against the backdrop of ever increasing collection and exploitation of personal information, facilitated by further developments in technology, a general election was held where information rights issues played a mainstream part. Manifestos reflected proposed policies to safeguard privacy and extend transparency. The incoming coalition government made proposals to amend existing public policies. New policies aimed at furthering greater transparency by public bodies were proposed.

Protecting privacy and promoting openness

During the year we responded to 33 government consultations on proposed changes, including reorganising policing and health care delivery. In these proposals we stressed that greater local control had to be underpinned by increased transparency, and warned that government must not confuse responsibilities or dilute privacy safeguards when dismantling existing arrangements.

The government's plans also involve amending existing public policies to reduce collection and retention of personal information. High profile examples include the ContactPoint children's database and the National Identity Register. We worked closely with the Identity and Passport Service over the terms of the legislation abolishing identity cards and the register. This ensured that satisfactory practical arrangements were in place for the destruction of the personal data acquired and used for the issuing of ID cards.

We welcomed the government's new policies on open data and transparency and worked closely with the Cabinet Office on how the policies can work in practice. In particular, we stressed the role publication schemes can play in helping public authorities to disclose more information proactively. Freedom of information is being updated for the internet age, enabling access to data in reusable formats.

The Protection of Freedoms Bill

We actively engaged with interested parties during the development and initial stages of the Protection of Freedoms Bill, sending written evidence to the Parliamentary Public Bill Committee in March and providing oral evidence in support of this.

Crime mapping

The publication of crime mapping data was an early example of how it can be necessary to weigh privacy risks when trying to put as much information as possible into the public domain. In November 2010 we published detailed advice on how to safeguard the legitimate privacy concerns of victims whilst serving the public's interest in the level of criminal activity in their community. This advice was used by the government when making decisions about its CrimeMapper website, which was launched in February.

Anonymising data

In March we hosted a seminar on data anonymisation, to assess the emerging risks around identification from datasets that may appear to be

The ICO was among the first to raise concerns about the threat of a 'surveillance society'.

anonymous. Over 100 delegates attended the seminar at which experts from a range of sectors, including education, research and central government, presented different perspectives on the issues surrounding anonymisation. The seminar focussed on current practice, the risks associated with anonymisation and possible solutions for the future. The key themes that emerged from the seminar will inform new guidance in the coming year.

We also provided input into the Cabinet Office review, conducted by Dr Kieron O'Hara, on reconciling the twin public policy objectives of privacy and transparency, covering issues such as anonymisation of data and jigsaw identification - the piecing together of personal information from numerous sources.

Surveillance society

The ICO was among the first to raise concerns about the threat of a 'surveillance society'. Our work to safeguard against unwanted consequences of surveillance provoked substantial Parliamentary interest, resulting in the Home Affairs Committee asking us to provide an updated report on the state of surveillance in the UK. We presented this to Parliament in November, with our recommendations which included post-legislative scrutiny of new legislation and increased use of privacy enhancing technologies.

Similar concerns about state-controlled databases resulted in the House of Lords European Union Committee asking us to review the operation of the Serious and Organised Crime Agency's (SOCA) 'ELMER' database - a catalogue of suspicious activity reports provided by financial institutions primarily as an anti-money laundering measure. Our report concluded there were some positive features, but the practice of effectively retaining data indefinitely for those of no interest was inappropriate.

Privacy and Electronic Communications Regulations

Concerns about the way modern information services can affect users' privacy and whether our data protection laws and safeguards have kept pace are leading to changes in the legislative landscape. We ended the year preparing for changes to the UK's Privacy and Electronic Communications Regulations which enable the ICO to issue monetary penalties and extend our investigative and audit powers. They also require telecommunication companies and internet service providers (ISPs) to report security breaches to us. The changes include new rules for websites using cookies, which - while presenting challenges in implementation - will have positive benefits for individuals, providing more choice and control for consumers over what information is stored and accessed by the websites they use.

International

The focal point of our international work has been the European Commission's review of the legal framework for data protection in the European Union. Work is also underway to review the OECD's Privacy Framework and modernise the Council of Europe's Data Protection Convention. We have contributed to all three reviews. Our aim has been to ensure that the legal frameworks we operate under are clear and up to date in the light of technological and social developments. They must also be as effective as possible in protecting the privacy of personal information whilst not imposing undue burdens on businesses.

In October 2010 we provided a detailed and well-received response to the Ministry of Justice's call for evidence on the current data protection legislative framework. We expect this to be influential in guiding the UK government's input into negotiations on any future European Union legal instrument. We have also taken an active part in the work of the

Article 29 Working Party of European data protection commissioners on this subject.

In the context of the wider work of the Article 29 Working Party, we have continued to promote a more flexible approach to the assessment of 'adequacy' in relation to international transfers of personal information. In particular, we have helped secure the Working Party's recommendation for an 'adequacy' finding for New Zealand and have championed the need to simplify and speed up the binding corporate rules approval process. We also took the lead in developing the Working Party's opinion on the data protection implications of smart metering, given that the UK is an early adopter of this technology.

We have continued to play our part in the supervisory bodies for Europol and the Customs Information System and the other supervisory arrangements within the former third pillar of the EU. We are encouraging simplification of data protection governance of such law enforcement bodies in light of the Lisbon Treaty and the ongoing review of the EU data protection framework.

International visitors

As a member of the growing international community of information rights regulators, it is important that we not only benefit from the ideas and experience of others, but that we also play our part in supporting our counterparts and building competence amongst the newer members of our community. We welcomed delegations from Japan, Singapore, Macedonia, Ethiopia, Libya, France and Israel, who wanted to learn about the work of our office, in terms of both operating as a regulator and applying the law.

Young people are highly
aware of their data protection
right to see information held
about them

Glossary

Article 29 Working Party

Set up under article 29 of the EU Data Protection Directive - a group consisting of the 27 data protection authorities from the EU Member States and the European Data Protection Supervisor (EDPS). It holds plenary meetings every two months in Brussels to discuss common issues of concern and to issue opinions and advice on data protection matters.

Assessment of adequacy

An assessment of whether or not an adequate level of data protection exists when transferring data outside the European Economic Area (EEA). Includes factors such as the nature of the personal data in question, how long the data will be used for and the laws and practices in the receiving country.

Binding corporate rules (BCR)

Legally binding codes of conduct for multinational organisations transferring information outside the European Economic Area but within their group of companies, which must be approved by all the relevant European data protection authorities.

Customs Information System (CIS)

A database for customs and excise information used by European customs authorities to cooperate and assist in combatting customs related crime.

Targeted communications

Young people are highly aware of their data protection right to see information held about them, with 95% being aware, reflecting our effort to raise awareness amongst this important target audience. Their awareness of the freedom of information right to see official information is lower, but still a healthy 78%. We further established our Twitter account, increasing our followers to over 1,500. We also launched our Facebook pages for consumers and our LinkedIn site for information rights officers. Our e-newsletter continues to grow in popularity: we increased the frequency from quarterly to monthly and now have over 10,000 subscribers.

Improving our service to journalists

Continuing to secure independent, high profile and objective media coverage for the work and views of the ICO remained a priority, stimulating debate around the work we do.

In October this year we brought our press office in-house, to save money and to operate a more efficient service. We have since seen a rise in enquiries of 27%, answering 845 press calls and conducting 50 media interviews in the six months between October 2010 and March 2011.

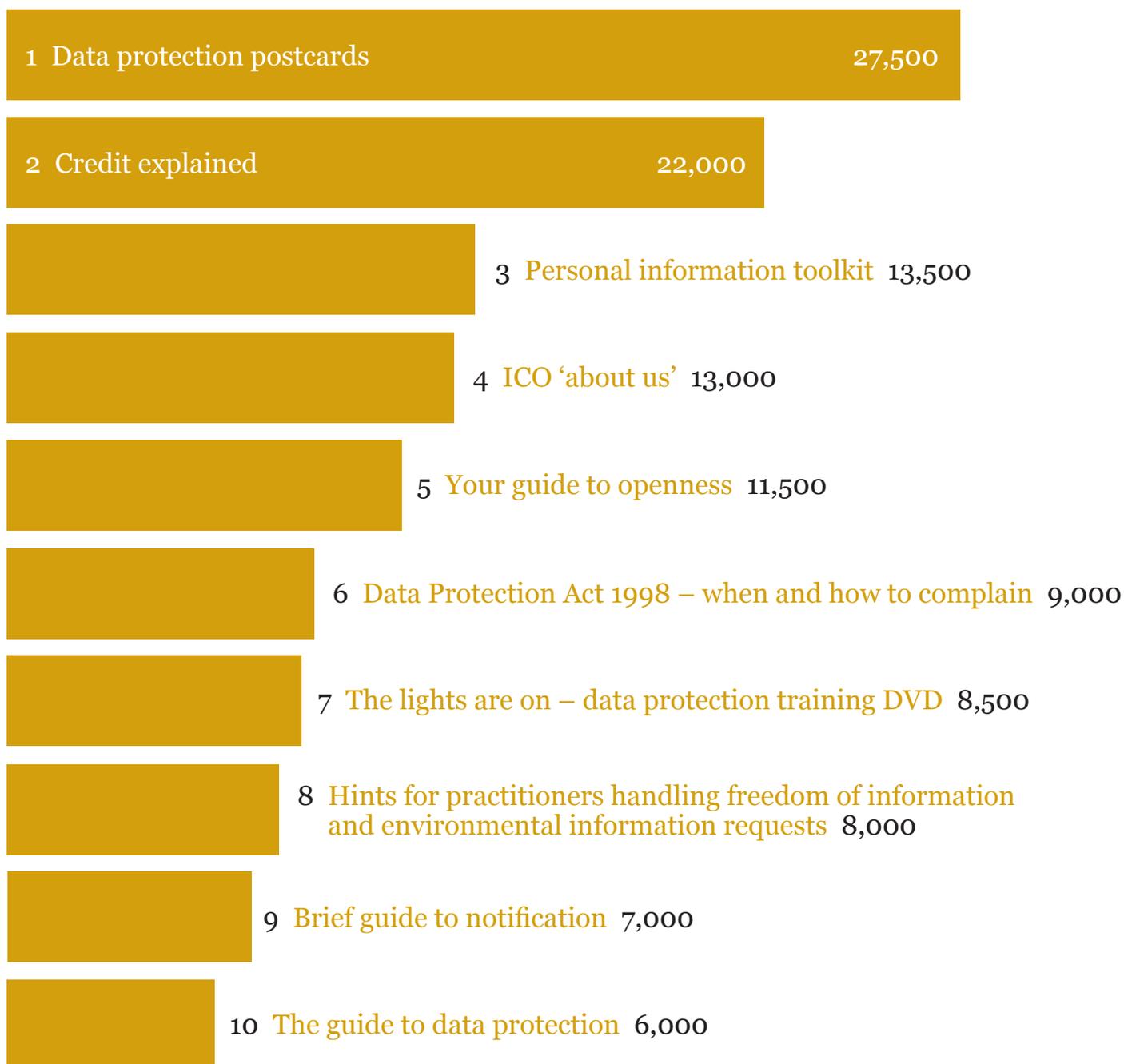
Improving our website

User satisfaction of the ICO website is high – 88% were satisfied, compared with a government average of 80%. Following user feedback, we carried out significant restructuring of the information on our site, improving the sections for the public and for organisations, and refreshing the information on what the ICO covers. The website had 2.4 million visits this year compared with 2.1 million last year.

Our 10 most popular publications

You can see information about the ICO's work and information rights on our website www.ico.gov.uk, and can request hard copies of our publications. The 10 most requested publications in 2010/11 were:

Rank Publication Total requests



Promoting good practice

Data Protection Officer conference

Over 500 delegates from public, private and third sector organisations joined us in Manchester in March 2011 for a conference which included presentations and workshops on issues such as audit, the new civil monetary penalties and freedom of information enforcement.

European case handling workshop

In September, we hosted an international complaint handling workshop with 50 representatives attending from 29 countries across Europe. The bi-annual event offers an opportunity for frontline staff from European data protection authorities to come together to share information, best practice and case law on the practicalities of the data protection issues affecting citizens across Europe.

Guidance review

During the last year we completed an audit of our freedom of information and data protection guidance, both internal and external. We consulted with stakeholders as well as considering internal requirements. Where gaps have been identified, new guidance will be written. Outdated and overlapping guidance will be withdrawn to create a clearer spine of guidance for both pieces of legislation.

Personal information online code of practice

The 'Personal information online code of practice' was launched in July 2010 following a public consultation. The code explains how the Data Protection Act applies to the collection and use of personal data online. It provides good practice advice for organisations that do business or provide services online. It explains the privacy risks that may arise when operating online, and suggests ways for organisations to deal with them. It also stresses the importance of treating consumers' information properly, and being transparent about how their information is used.

The code, which applies equally to public and private sectors, covers topics which include online marketing, operating internationally and applying individuals' rights in an online environment.



Case study - Google Street View

The pace of technological change and the ingenuity used to acquire and exploit individual personal information for commercial purposes has been relentless. The fact that the accompanying safeguards have often not kept pace is disappointing; all the more so when major technology companies have been the culprits. We joined with international colleagues to stress that fundamental data protection safeguards need to be incorporated into the design of online services in particular.

Google's capture of Wi-Fi payload data when collecting images for its Street View service is a case in point. We concluded that there was a significant breach of the Data Protection Act when Google Street View cars collected this data as part of their Wi-Fi mapping exercise in the UK.

Google was required to sign an undertaking which commits the company to improve training on security awareness and data protection issues for all employees. The company promised to require its engineers to maintain a privacy design document for every new project before it is launched. Google was also required to delete the payload data that it had inadvertently collected in the UK.

To make sure they live up to their commitments, we will conduct an audit of Google's implementation of these privacy policy changes in their UK operations. These will be outlined in a Privacy Report produced by Google, which will cover its internal privacy structure, privacy training and awareness programme and privacy reviews. We will then audit the findings and accuracy of this report within nine months of signing the undertaking.



Providing advice, resolving complaints and taking action

We are now dealing much more quickly with requests for advice and complaints, following extensive changes to our organisation.

We started the year with a clear plan to deliver a more integrated operational process that would ensure customers received a more timely and responsive service. The challenges we faced included:

- a rising number of freedom of information cases received;
- cases taking too long to deal with;
- processes needing to be more efficient;
- a need to persuade organisations to consent to audits; and
- new monetary penalty powers.

These challenges were met by introducing a new structure that brought all the operational areas together in one directorate. We reduced the number of managers and recruited and shaped new teams. We worked hard to establish a sense of collective responsibility and direction so we could focus more directly on what we needed to deliver.

Freedom of information

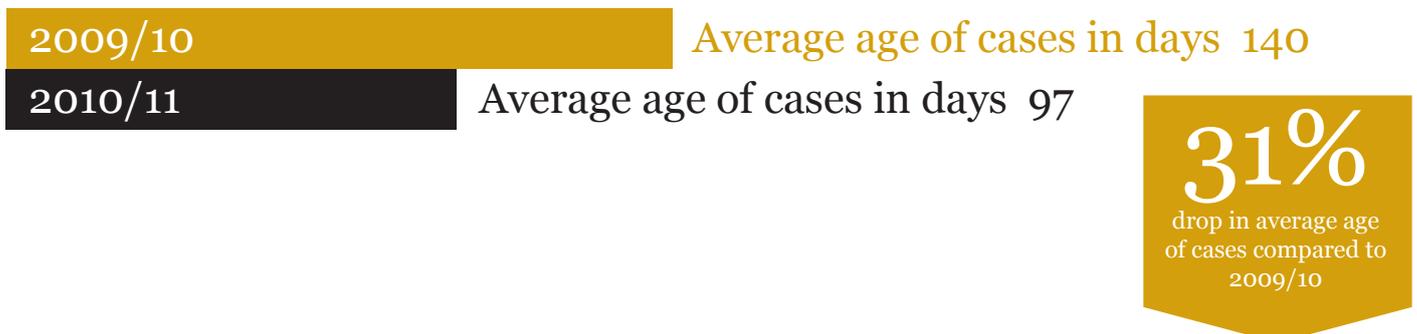
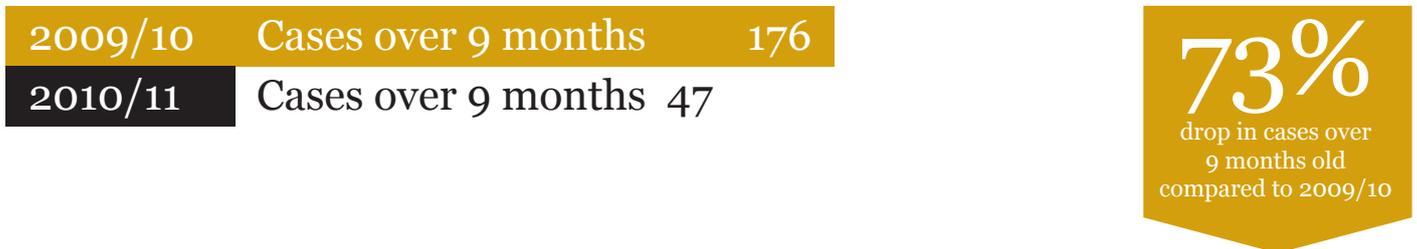
Casework received



Casework closed



Age of complaint caseload



Data protection

Casework received

| | |
|---------|--------|
| 2009/10 | 33,234 |
| 2010/11 | 26,227 |

21%
decrease compared to 2009/10

Casework closed

| | |
|---------|--------|
| 2009/10 | 32,714 |
| 2010/11 | 29,685 |

9%
decrease compared to 2009/10

Age of complaint caseload

| | | |
|---------|---------------------|-----|
| 2009/10 | Cases over 9 months | 212 |
| 2010/11 | Cases over 9 months | 9 |

96%
drop in cases over 9 months old compared to 2009/10

| | | |
|---------|---------------------|-----|
| 2009/10 | Cases over 6 months | 894 |
| 2010/11 | Cases over 6 months | 137 |

85%
drop in cases over 6 months old compared to 2009/10

| | | |
|---------|------------------------------|----|
| 2009/10 | Average age of cases in days | 89 |
| 2010/11 | Average age of cases in days | 60 |

33%
drop in average age of cases compared to 2009/10

Resolving freedom of information complaints

Reducing the time we are taking to resolve freedom of information complaints has remained a major focus of our attention.

We began the year with 117 complaints over a year old. By the end of March 2011, this was reduced to just three complaints, all of which relate to complex issues and are under active investigation.

We closed more freedom of information cases than ever: 4,369. This was achieved despite our six caseworkers seconded by central government returning to their sponsor departments by October. The number of new freedom of information cases we received rose by 17% from 3,734 to 4,374, with the biggest increase seen in the second half of the year. The increase in the final quarter is a particular cause for concern. If sustained, it means we would receive significantly more cases than forecast. Clearly this would impact on planning assumptions and our ability to maintain turnaround times.

We closed 817 of these cases with a decision notice. This compares to 628 decision notices issued in 2009/10.

Freedom of information casework closures relating to public authorities in Northern Ireland and Wales continue to be dealt with by senior case officers in our Belfast and Cardiff offices. This means that decisions benefit from the application of relevant local knowledge of the different administrative systems.



Case study – informal case resolution

If there is an opportunity to resolve cases informally then we will try to do so. Around 45% of the cases closed in this way resulted in information being shared either in full or in part.

Of these informally resolved cases, 25% were closed as a result of us explaining that the information was unlikely to be disclosed, in many cases because requests were for personal information. Around 10% of cases were resolved where we were able to confirm that the information requested wasn't likely to be held. In some cases, the public authority could have explained this to the complainant from the outset.

Resolving data protection complaints

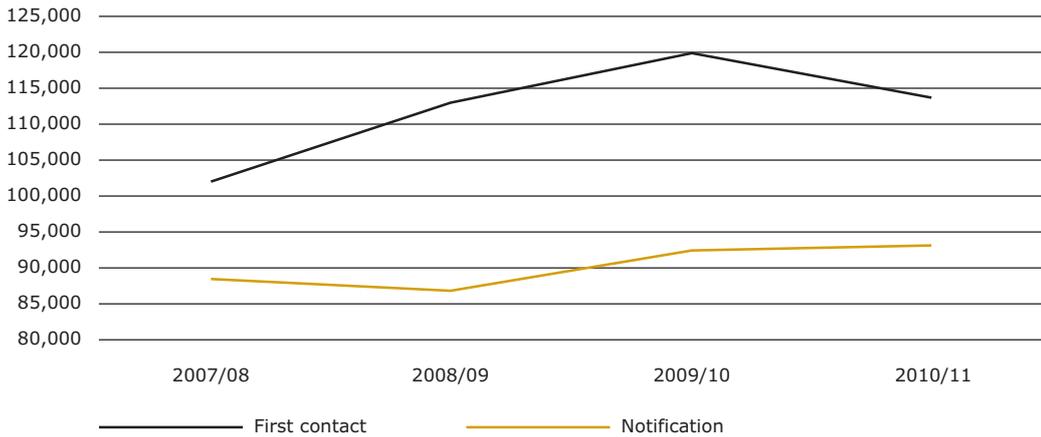
We made considerable progress in shrinking the age profile of our data protection caseload, reducing the number of cases over nine months old by 96%, and cases over six months old by 85%.

Help and advice

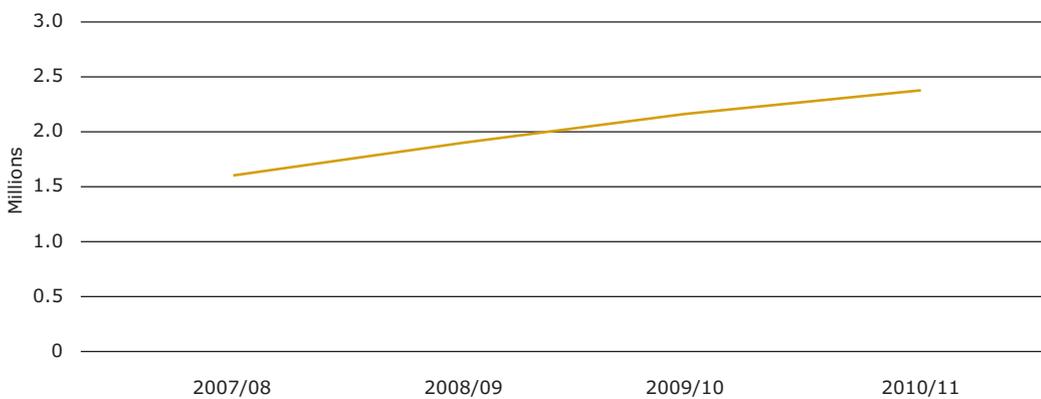
Over 98% of customers calling our helpline have their questions answered by the first person they speak to.

We continue to work hard to provide organisations and the public with enough information to enable them to resolve problems themselves. We use our website and helpline to help us achieve this aim. In particular, we make sure that the website is updated to provide help on how to deal with current issues and answers to frequently asked questions. For example, during high profile cases like the civil monetary penalty we served against ACS Law and public concern about the actions of Google Street View, we made sure our website and helpline contained information to help customers so they only needed to contact us if they were directly affected by the issue.

Calls made to our helpline



Visitors to the website



Our provision of written advice has improved during the year and is now provided within 30 days or less. We deal with 46% of the complaints we receive within 60 days of receiving them.

Streamlining our complaint handling processes

We now expect more from data controllers and public authorities and emphasise the need for them to address issues properly.

For example, as well as asking organisations to explain the circumstances of individual complaints, we now ask for information about how they intend to put things right where they have gone wrong. Importantly, we also ask organisations to tell us how they adhere to their general information rights obligations.

We have streamlined our quality checking process by focussing on the more complex cases. This approach acknowledges the greater difficulties surrounding such cases and therefore the need for greater scrutiny.

We have also changed our freedom of information decision notice sign off process. There are now more signatories, with a closer working relationship with case officers, which has speeded up the process of issuing decisions.

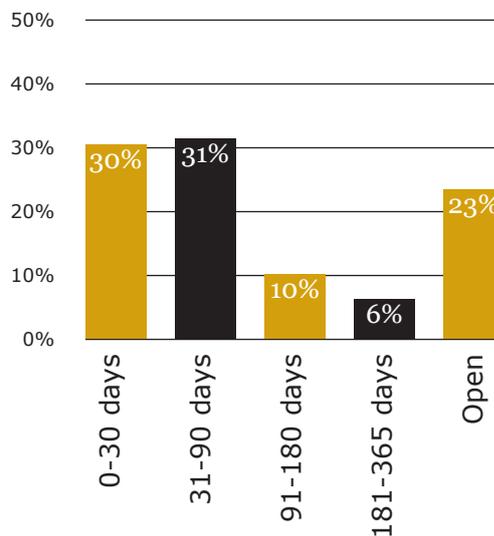
The information from individual cases is used to build a picture of how seriously data controllers and public authorities take the issue of handling personal information or providing information that the public has a right to see. For example, we target organisations about whom we receive the most complaints, or take a public authority’s record of dealing with cases passed to us into account.

Our offices in Northern Ireland, Scotland and Wales play a specific role in providing advice at a local level.

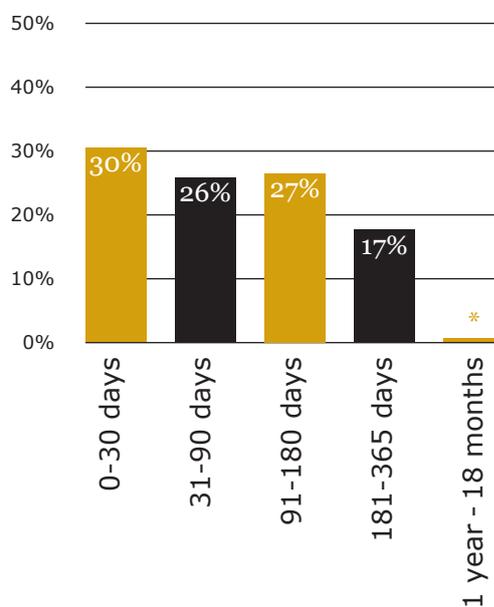
Freedom of information casework

| | |
|----------------------------------|-------|
| Received in year | 4,374 |
| Closed in year | 4,369 |
| Work in progress at 1 April 2010 | 1,035 |
| Work in progress 31 March 2011 | 1,069 |

| What happened to the complaint casework received | |
|--|-----|
| Closed in 30 days or less | 30% |
| Closed in 90 days or less | 61% |
| Closed in 180 days or less | 71% |
| Closed in 365 days or less | 77% |
| Open on 31 March | 23% |

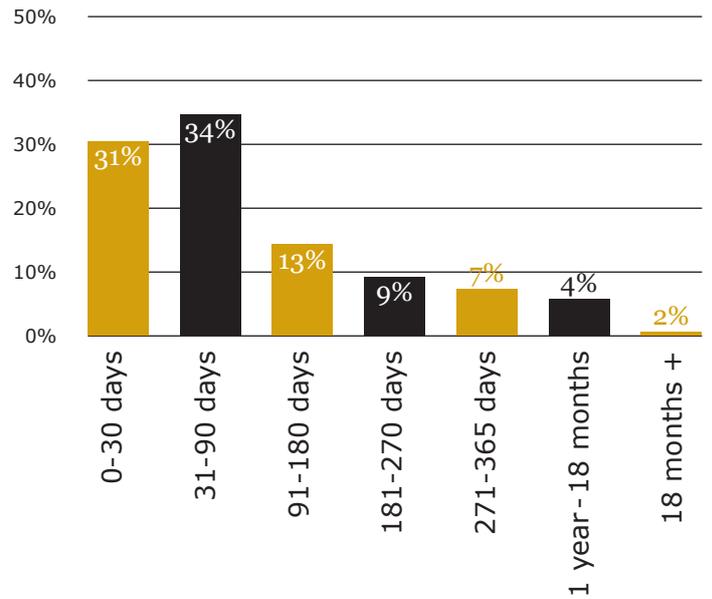


Age distribution of complaint caseload

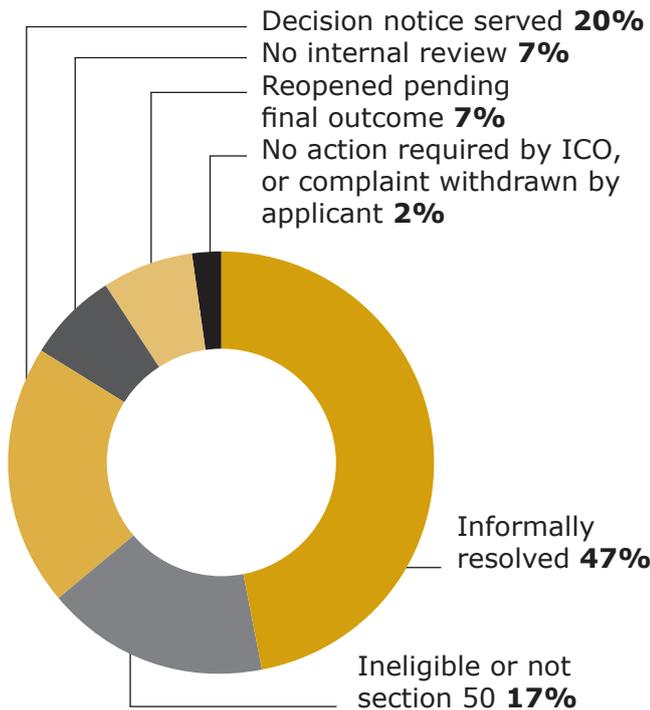


* Three complaints

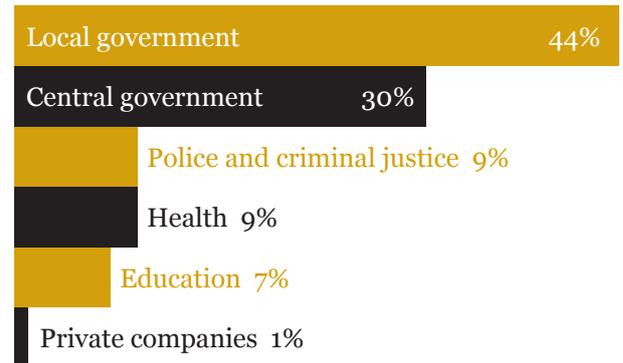
| Age distribution of finished complaint casework | |
|---|-----|
| 30 days or less | 31% |
| 90 days or less | 65% |
| 180 days or less | 78% |
| 365 days or less | 94% |



Outcomes of cases for casework finished this year



Areas generating most complaints where sector is specified



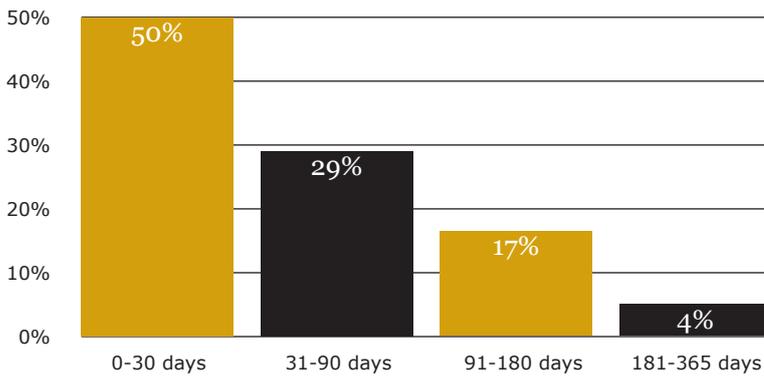
Outcome of complaint casework where a decision notice has been served

| | |
|----------------------|---------|
| Total served | 817 |
| Complaint upheld | 215 26% |
| Complaint not upheld | 369 45% |
| Partially upheld | 233 29% |

Data protection casework

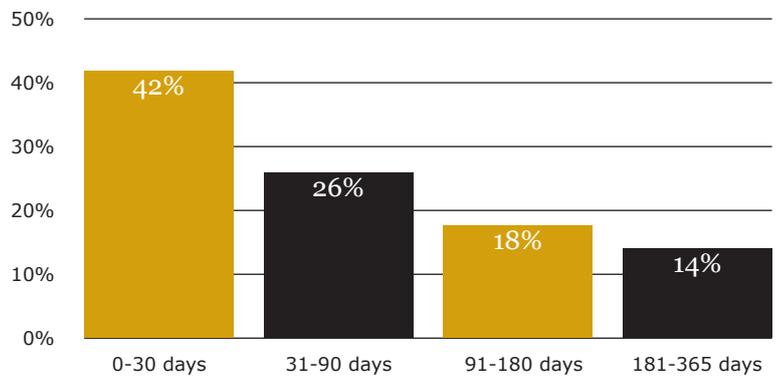
| | |
|----------------------------------|--------|
| Received in year | 26,227 |
| Closed in year | 29,685 |
| Work in progress at 1 April 2010 | 7,251 |
| Work in progress 31 March 2011 | 3,558 |

Age distribution of caseload

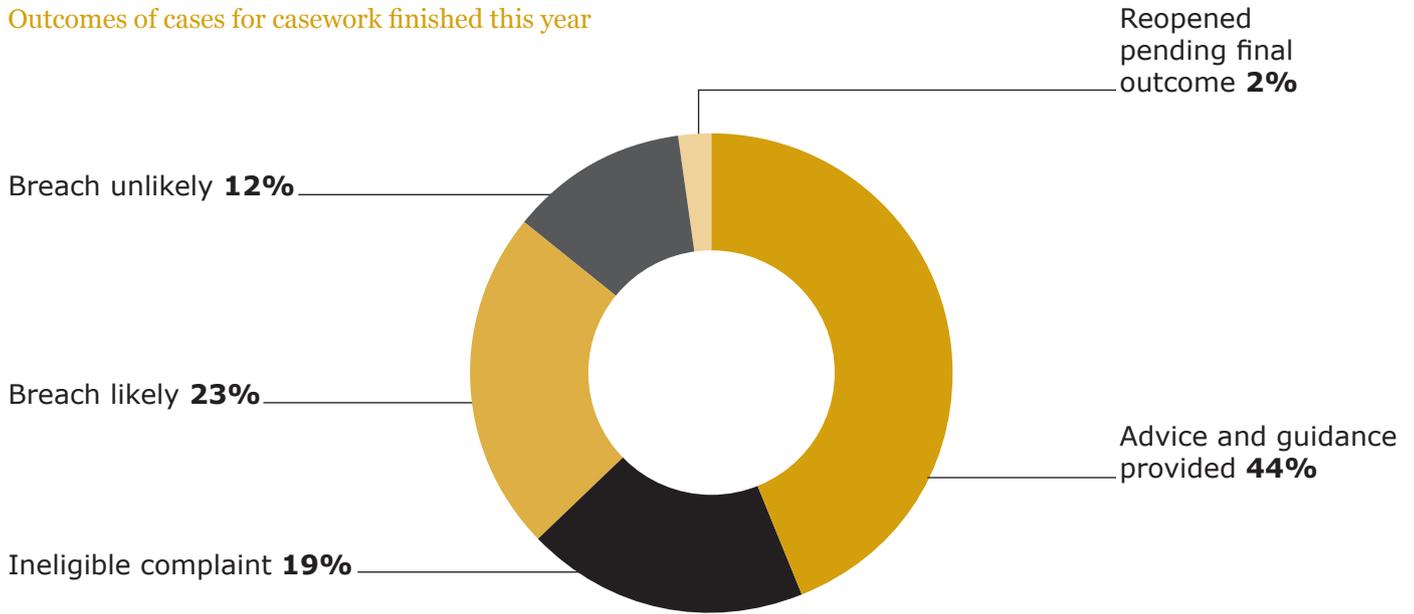


Age distribution of finished casework

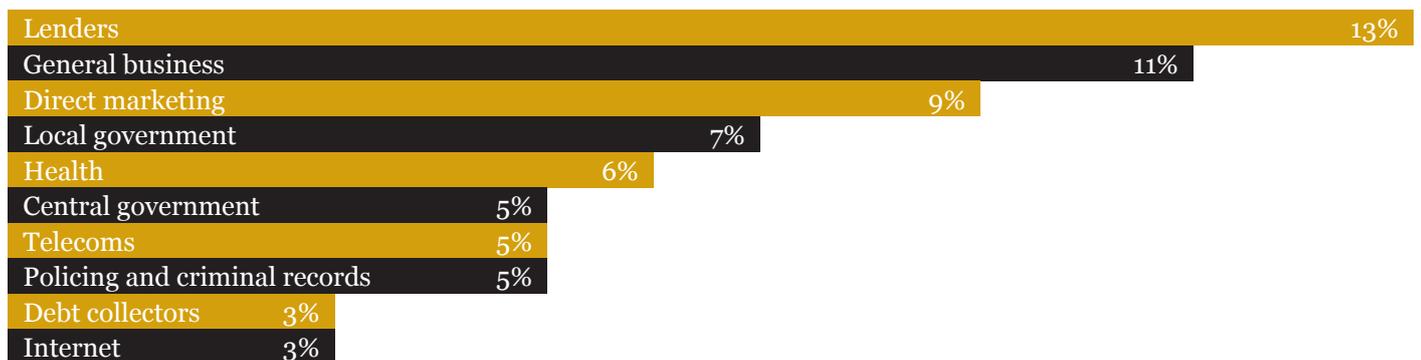
| | |
|------------------|-----|
| 30 days or less | 42% |
| 90 days or less | 68% |
| 180 days or less | 86% |



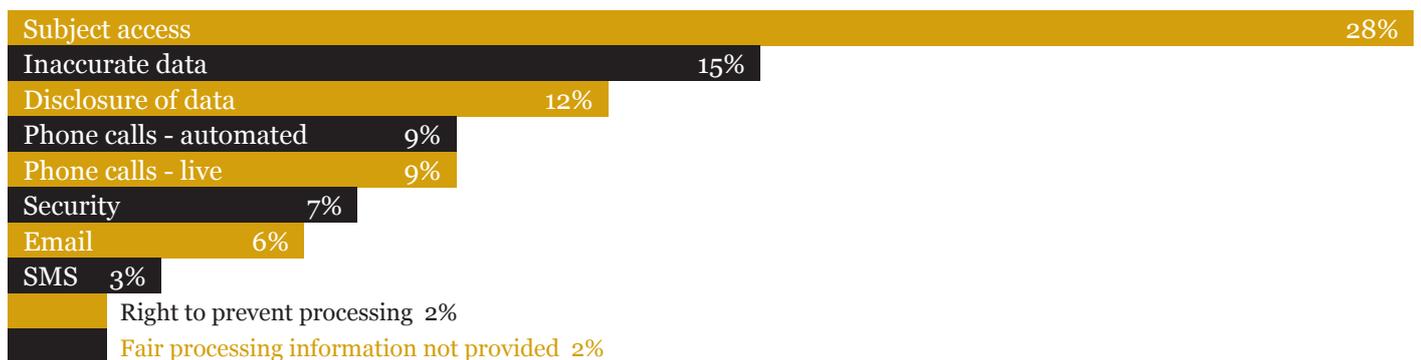
Outcomes of cases for casework finished this year



The top 10 areas generating most complaints where sector is specified



Top 10 reasons for complaining



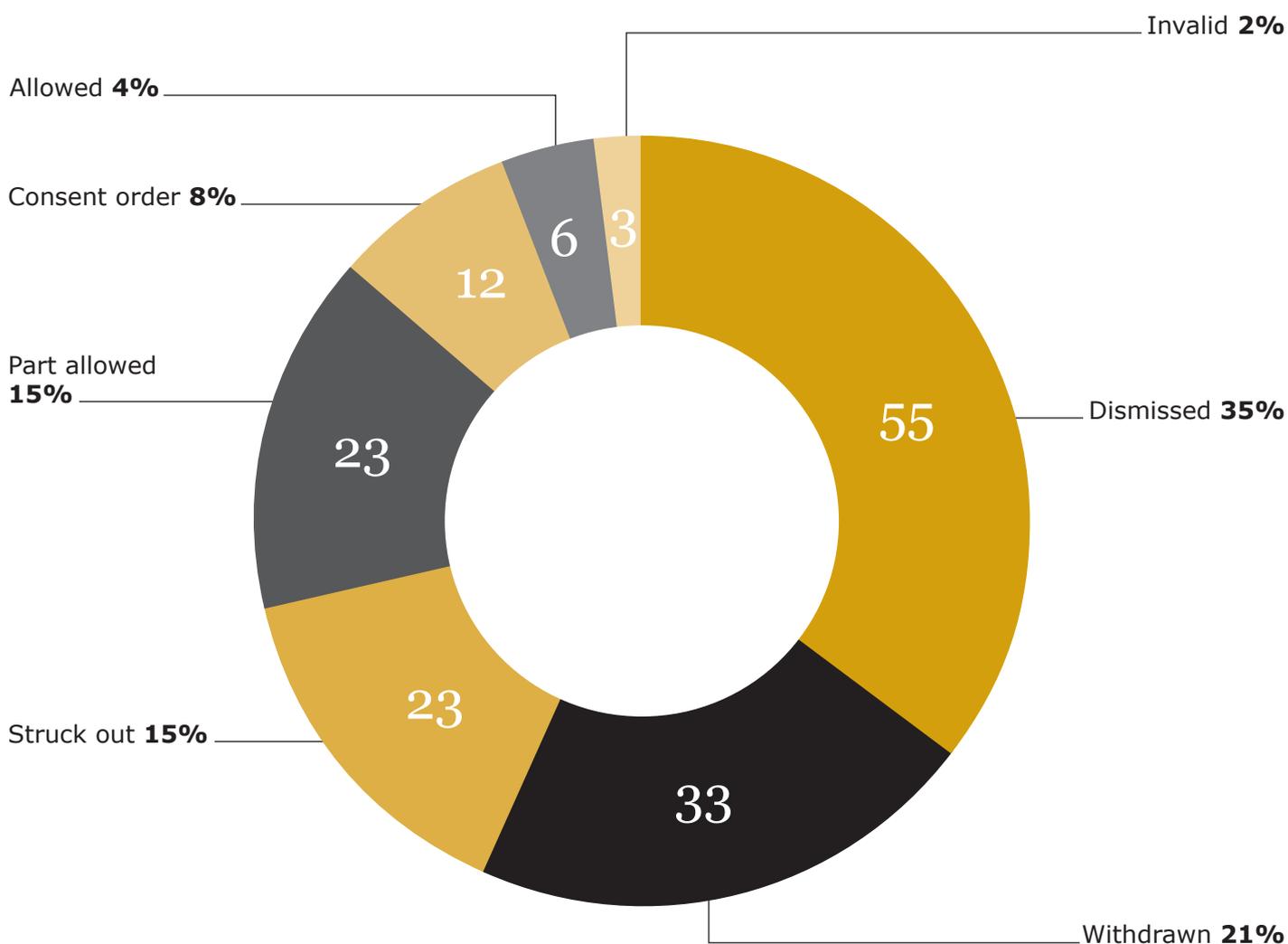
Appeals to the Information Tribunal

We issued 817 decision notices under the Freedom of Information Act and Environmental Information Regulations, compared to 628 in 2009/10.

There were 202 appeals against our decisions (25%), a level consistent with 2009/10 in which 161 cases were appealed (26%).

170 (84%) of appeals were made by complainants, 32 (16%) were made by public authorities.

The Information Tribunal determined 155 appeals in 2010/11. The outcome was as follows:



Public authority: Kirklees Council

The Upper Tribunal upheld a decision of the Commissioner to conclude that a local authority was obliged under the Environmental Information Regulations to allow an applicant to inspect property search information free of charge. The Tribunal also concluded that a local authority could not charge for locating and retrieving relevant information prior to allowing inspection of that information.

Public authority: Chichester District Council

This highlighted the potential for freedom of information to contribute meaningfully to the openness and accountability of public bodies. The Commissioner ordered disclosure of information which the Council had refused to release. The Tribunal, having heard two days of evidence, agreed with the Commissioner, noting with concern what appeared to be a “deficit of democratic engagement” evident at the authority. Disclosure, it was felt, would go some way to redress that. It is to be regretted that, despite these strong words, and having two decisions against it, the Council has chosen to appeal the Tribunal’s decision further.

Public authority: DEFRA

In exercising his statutory powers, the Commissioner often has to balance competing legitimate interests and the various pieces of legislation he regulates. In this case, involving an accidental release of a small quantity of genetically modified rapeseed into the environment, the Commissioner was called upon to strike the balance between the public’s right to know the location of the spill and protecting the personal data of the innocent landowner who was not responsible for the spill, but on whose land it had happened. To disclose the exact location of the spill would, by definition, also disclose the identity of the landowner. The Tribunal agreed with the Commissioner’s analysis, confirming the Commissioner’s view that disclosure of the general area (in that case limited to an electoral boundary) but not the location of the land itself was appropriate to protect the competing interests.

Case outcome: SmartSource Drainage

The Upper Tribunal upheld a decision of the Commissioner to conclude as a matter of law, that privatised water utility companies are not public authorities for the purpose of the Environmental Information Regulations 2004 (EIR). The Upper Tribunal also concluded that a body cannot be a public authority under the EIR for some purposes but not for others.

Audit - an integral part of the ICO's work

Our good practice audits are designed to help organisations meet their data protection obligations through sharing good practice and making helpful and practical recommendations.

We issued 26 audit reports, 60% more than in 2009/10. A further seven audit fieldwork visits were completed.

The increase this year is a result of a more efficient audit process coupled with a more proactive approach to making organisations aware of the audit work the ICO undertakes. In line with best regulatory practice, we use a risk based process to identify and contact organisations that handle personal information. This risk assessment takes into account a number of factors such as volume and type of data an organisation holds, complaints received by the ICO and cases where enforcement action was considered. This allows the ICO to prioritise those data controllers who would benefit most and where the audit will have the most impact on reducing data protection risk.

Eight audits this year have directly resulted from organisations agreeing to an audit as part of investigations by our enforcement teams of breaches of the Data Protection Act. Audits such as NHS Greater Glasgow and Clyde in Scotland, Aneurin Bevan Health Board in Wales and the Northern Ireland Department of Finance and Personnel have also allowed us to work with our offices in Edinburgh, Cardiff and Belfast to help share good data protection practice.

Our audit reports have helped organisations identify good practice and areas of improvement while also providing proportionate and pragmatic advice. They are making a difference: 97% of recommendations made in audit reports issued this year were accepted by organisations, and the 11 follow up audits conducted this year show that, when we return to check on progress, 92% of ICO recommendations are either fully or partially implemented by organisations. This shows the positive impact an ICO audit has in improving data protection practices and procedures. We believe that audit, along with the guidance and advice available on our website and helpline, plays a key role in educating organisations.

Common areas for improvement include: awareness amongst employees of internal data protection policies; timely, relevant and specific data protection training; and security issues in general, including the lack of encryption on portable IT devices, the use of shared passwords and a lack of basic physical security controls, such as lockable storage.

We know that our work helps. All the organisations who have provided feedback agreed that our recommendations were constructive and addressed key risk areas. Nearly 90% of them also said that the process had raised awareness of the importance of data protection within their organisation.

92% of ICO recommendations are either fully or partially implemented by organisations.

Case study – ICO audit

We contacted over 100 organisations, both private and public sector, to make them aware of the consensual audit service the ICO offers and to explain the benefits of agreeing to take part in the programme. These include improved understanding and awareness of the need to protect personal data and sharing knowledge with experienced ICO staff who provide practical, pragmatic and organisational-specific recommendations.

Of the organisations we approached, 30% agreed to take part in a consensual audit. The response varied between sectors, with the most positive response from central government departments, who are also subject to our power of compulsory audit via Assessment Notices. There was also a good response from other public sector organisations, in particular those contacted in the policing and local government sectors.

We also wrote to private sector organisations, and received interest from a wide range of businesses, in particular in the banking, finance and telecommunications sectors. However, only 19% of private sector companies approached agreed to an audit, compared to 71% of public sector organisations. Encouraging businesses to engage with the audit process will be a continued focus for the year ahead.

Consensual audits are seen as key in proactively working with data controllers to help and educate organisations to meet their data protection obligations. The audit programme has historically been focussed on large, public sector organisations and one of the challenges in the year was to increase the number of audits and to diversify the types of organisations we work with.

**We contacted over 100 organisations;
both private and public sector,
to make them aware of the consensual
audit service the ICO offers and
to explain the benefits**

Monetary penalties and other enforcement action

We issued our first four monetary penalty notices. None of these was appealed.

The power to impose a monetary penalty relates to serious breaches of the data protection principles occurring after 6 April 2010. To begin, we had to develop procedures for deciding when a monetary penalty is appropriate; we continued to refine the process and have developed a framework for deciding the amount of the monetary penalty.

Details of the first four cases attracting a Civil Monetary Penalty:

Hertfordshire County Council: fax addressing error.

Papers concerning a live court case involving detailed allegations of the sexual abuse of a child were faxed to a member of the public in error. A very similar incident then occurred 13 days later.

Contributory factors in our decision to issue a monetary penalty were:

- The lack of a risk assessment in respect of such sensitive faxes.
- The failure to devise alternative secure electronic means for the correspondence of such data.
- The failure to employ a 'ring ahead' system for secure fax transmissions and failure to use a cover sheet. (As a consequence the data controller was unaware of the data loss until a member of public reported it).
- A live court case could have been jeopardised.
- The remedial action taken was to hurriedly draft ineffectual policy changes and fail to ensure the re-education of appropriate staff.
- The almost identical breach occurring 13 days later.
- The council demonstrated lack of understanding of the cause and significance of the breach.

Consequently it was considered the criteria for a monetary penalty had been met, and a penalty of £100,000 was issued in November 2010.

A4e Limited: loss of an unencrypted laptop containing 24,000 data sets.

An unencrypted laptop with sensitive personal data of 24,000 individuals was stolen from the home of a private company's employee.

The company had issued the unencrypted laptop in breach of its own policies, knowing that the employee would work remotely and with a large amount of sensitive personal data.

The company was aware that some employees had problems with remote access to its server.

The company ran two legal advice centres. Each month, the employee produced statistical reports about these operations on the laptop. These reports allowed individual clients to be identified.

The reports contained information about individuals' social status, reason for seeking advice, disability, ethnic origin, criminal record and other sensitive personal data.

Consequently it was considered the criteria for a monetary penalty had been met, and a penalty of £60,000 was issued.

Ealing Council and Hounslow Council: loss of two unencrypted laptops.

Two separate councils were involved in the same breach.

Two unencrypted laptops with sensitive personal data of approximately 1,700 individuals were stolen from a council employee's home.

Ealing Council had issued an unencrypted laptop in breach of its own policies, knowing that the employee would work from home and deal with large amounts of sensitive personal data. The employee was also using a personal laptop to carry out the same work.

Ealing Council ran an out of hours service on behalf of itself and Hounslow Council. Hounslow Council did not have a written contract in place to enable the sharing of data.

Nine members of staff worked in the team and each used laptops as they needed to react promptly in casework matters.

No checks were carried out by management to establish with certainty what equipment was in use by employees. The laptops contained an array of sensitive personal data.

The decision was made to issue monetary penalties of £80,000 and £70,000.

Taking enforcement action

Our aim is to make sure that organisations take their information rights responsibilities seriously. We only use our powers when necessary and, where appropriate, we use undertakings as a precursor to more formal action. If an organisation improves, achieving an acceptable standard, then we have done our job. Last year, we obtained 44 data protection undertakings and two relating to freedom of information.

As well as including a commitment to make specific improvements, some undertakings also commit the organisation to allowing the ICO to conduct an audit. An example of this is the undertaking signed by Google, in which Google agreed to an ICO audit taking place within nine months.

We took prosecution action in five cases, two of these relating to offences for unlawfully obtaining personal data. Both defendants in these cases pleaded guilty in the Crown Court. Due to the unlawful sale of data taking place over the course of a year and the amount of money involved, confiscation proceedings under the Proceeds of Crime Act 2002 were started. Defendants were awaiting sentence at year end.

The other three cases, involving two estate agents and one private investigator, were prosecuted in the Magistrates Court for failing to notify the Commissioner that they were processing data electronically. All three defendants had failed to respond to correspondence from the office reminding them of their requirement to notify.

We issued one freedom of information enforcement notice and introduced a monitoring programme to identify public authorities who were not meeting their obligations to deal with freedom of information requests in a timely manner.

This monitoring has been a great success with 19 out of 33 monitored public authorities showing such improvement that no further action was necessary.



Case study - ICO monitoring programme

In autumn 2010, the ICO launched a new initiative to address delays in responding to requests for information under the Freedom of Information Act. We asked 33 authorities to supply details of request response times for September, October and November. The authorities were also asked to provide details of overdue requests and substantial delays occurring in 2010.

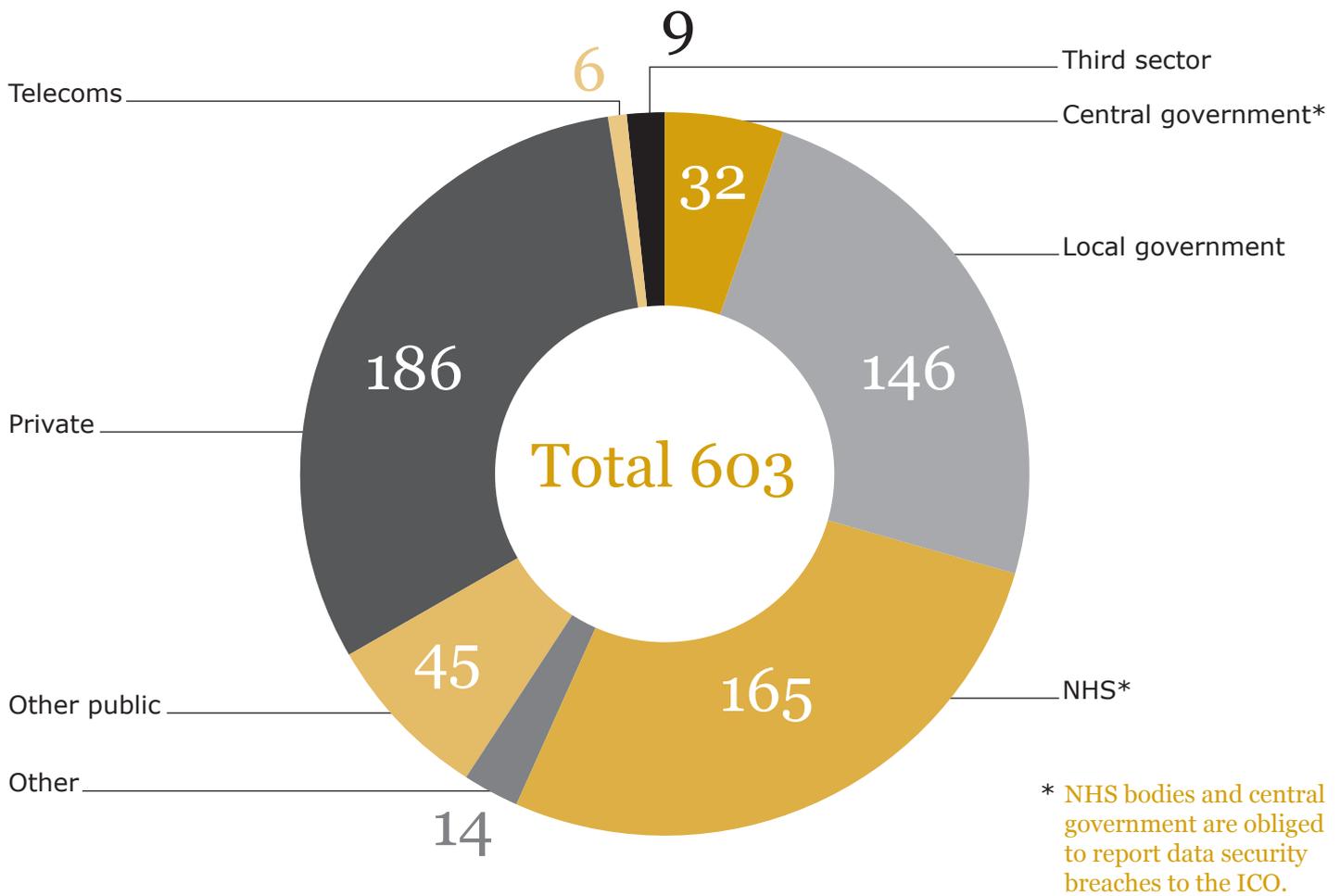
Over two thirds of the organisations monitored were able to demonstrate that performance was of a sufficient standard. However, the monitoring revealed that several public bodies, including the Cabinet Office and the Ministry of Defence, were regularly failing to respond to requests within time. Action was taken to secure improvements within these authorities.

Following a successful first round, a second tranche of monitoring began in April 2011.

Data breaches reported

In the absence of a legal obligation on data controllers to report breaches of security which result in loss, release or corruption of personal data, the Information Commissioner operates a voluntary scheme under which serious breaches can be brought to the attention of his office. We received reports of 603 such breaches in 2010/11.

Data breaches reported to ICO in 2010/11



The information that these breaches provided, coupled with audit findings, highlighted the fact that a failure to encrypt personal data in appropriate circumstances remains a concern. It is also clear that, despite advances in technology, a significant amount of highly sensitive personal information continues to be sent by fax – as a result of which we added new guidance to our website on using faxes securely.

The amended Privacy and Electronic Communications Regulations, from 26 May 2011, introduce mandatory breach notification by providers of a public electronic communications service.

Ensuring organisations notify

Most organisations that process personal information are obliged to notify with us unless they can rely on the notification exemptions. We continue to look out for organisations who should notify with us but haven't. In particular we targeted private medical practitioners and estate agents to make them aware of their obligations.

Over 42,000 new notifications were received, of which 3,314 were as a direct result of our targeted campaigning. The number of estate agents on the register increased from 3,617 to 4,312, an increase of 19%. The number of private doctors and other private medical practitioners increased from 10,503 to 13,122, an increase of 25%.

During the reporting period, the public register of data controllers notifying with us increased by just over 3% to 339,298.

Around 302,000 notifications were renewed for a further year. Over 57,000 businesses amended their register entry and we received 26,994 written and 93,059 telephone enquiries about notification.

Developing and improving

Talent management

This year has seen the implementation of the ICO talent management processes designed to improve staff engagement and support organisational effectiveness.

Following consultation with staff, managers and unions, potential assessment and potential ratings have been incorporated into the performance review process. Validation meetings have been introduced to benchmark indicative performance and potential ratings with managers in peer groups.

To support the potential assessment and ratings process, a talent board will meet to oversee process for fairness of application, to review and highlight opportunities that can support development of talent. Next steps include an ICO mentoring scheme and further development of resources on the ICO intranet. A full review of the new processes will be carried out next year.

Pay and reward

This year, the public services pay freeze measures were adopted at the ICO.

Equality and diversity

We have continued to make solid progress against our equality and diversity action plan. We have recently published a Single Equality Scheme which brings together all our commitments and obligations in one place. The scheme outlines what we have achieved and what actions we will take to improve our approach to ensuring equality and fair treatment for all our staff and service users.

Management and leadership development

Following the recruitment of a dedicated management development manager in mid 2010, a number of initiatives have been introduced to enhance ICO management effectiveness:

- 'New manager' induction programme for all promotions and all new managers.
- Management development centres delivered to all senior managers and the Executive Team.
- Delivery of an executive coaching programme for the Executive Team and Heads of Departments with specific identified development needs.
- Design and delivery of an in-house business coaching programme for group managers.
- Greater reliance on managers to manage performance and development – process enhancements, manager validation, talent management processes and associated training.

A 'Leadership and management development strategy' will be implemented in 2011 to support the further development of ICO managers.

Learning and development

We have developed our information rights for training for staff by:

- designing and delivering new modular training programmes;
- developing a workbook for staff new to their role;

- introducing workbook mentors;
- creating a network of information rights trainers; and
- in-house delivery of ISEB certificate in data protection.

A new in-house customer service training programme has been designed and delivered for staff working on our helpline. New training programmes have also been created, using internal resources, to support ICO policies, processes and procedures.

We have worked in partnership with the Plain Language Commission to create resources to support staff in communicating with our customers clearly.

Freedom of information training

A new freedom of information training programme has been developed. The programme consists of an introductory awareness module and four further intermediate modules. Over 40 members of staff were trained on the programme in the last year. The programme also provides staff with a freedom of information workbook they can use with a mentor, following the taught programme.

Accommodation project

We have successfully completed our accommodation project which involved relocating Wilmslow based staff onto one site. After an options appraisal, we worked with our landlord to develop our existing premises and build an extension to house all staff under one roof. We worked closely with staff representatives to ensure we developed a working environment that met staff needs and would endure any future changes. Work continued to ensure the security of our information assets during the process of relocating Wilmslow staff.

Part of the accommodation strategy was a move to agile working with a need for staff to hotdesk. We introduced desk booking software and a room booking system to facilitate the management of an increased number of meeting and quiet rooms.

We took the opportunity presented by the accommodation move to introduce secure printing, reducing the number of printers from 70 to 20 and introducing the flexibility to collect prints at any printer.

We changed our telephony system to voice over internet protocol (VoIP), allowing staff to login/out from phones to further support agile working. We also upgraded our helpline software. Overall this has introduced much more flexibility into the location of staff within the office and has given us tools for added functionality for the helplines.



Case study

The upgrading of our office facilities in Wilmslow has resulted in savings in expenditure on off-site accommodation for training and corporate events. Video conferencing facilities enable ICO staff to take part in external meetings without leaving the office. We now have the facilities to host more visits to the ICO rather than our staff having to attend meetings at stakeholders' premises. This in turn increases engagement with the ICO and also saves the ICO both time and money on travel and subsistence.

Governance

We undertook a detailed review of our corporate governance arrangements to ensure we are as efficient as possible for the challenges of coming years. We refreshed our corporate and business planning processes to support our new structure, focusing on priorities, outcomes and SMART objectives. Our risk management procedures were further developed to allow more input from across the organisation. We also reviewed our main committees to enable more focussed decision-making and improved consultation.

The Information Commissioner reports directly to Parliament. As Accounting Officer, he is directly responsible for safeguarding the public funds of which he has charge, for propriety and regularity in the handling of public money, and for the day-to-day operations and management of his office.

The Commissioner is supported by his Management Board which provides high-level oversight and support for the Commissioner and the ICO. It develops long term strategy, monitors progress against strategy and provides assurance to the Commissioner that the ICO is properly managed.

The Board meets quarterly and is made up of Members of the Executive Team and four Non-Executive Directors.

Neil Masom and Enid Rowlands were Non-Executive Directors for the whole of the financial year. Robert Chilton left the ICO in July 2010 and Clare Tickell in April 2010. They were succeeded by Jane May who joined the ICO in May 2010 and Andrew Hind who joined in September 2010.

The Management Board is supported by the Audit Committee which provides scrutiny, oversight and assurance on risk control and government procedures. Neil Masom took over as chair of the Committee from August 2010. Michael Thomas, an independent Audit Committee Member, was appointed in March 2011, replacing Graham Smith.

There is also a Remuneration Committee. The Committee considers and advises the Commissioner and his Management Board on the ICO's remuneration policies and practices. The Committee consists of two Non-Executive Directors: Enid Rowlands and Andrew Hind.

The Executive Team provides day-to-day leadership and management of the ICO and has overall responsibility for delivering against the ICO's corporate and business plans.

Non-Executive Directors

| | | | | | |
|---|---|--------------------------|--|-----------------------------|---|
| <p>Dr Robert Chilton To 31 July 2010</p> | <p>Andrew Hind From 1 September 2010</p> | <p>Neil Masom</p> | <p>Jane May From 1 May 2010</p> | <p>Enid Rowlands</p> | <p>Dame Clare Tickell To 30 April 2010</p> |
|---|---|--------------------------|--|-----------------------------|---|

The Executive Team

| | | | | |
|--|---|---|--|--|
| <p>Vicky Blainey Director of Organisational Development</p> | <p>Simon Entwisle Director of Operations</p> | <p>Susan Fox Director of Corporate Affairs</p> | <p>David Smith Deputy Commissioner and Director for Data Protection</p> | <p>Graham Smith Deputy Commissioner and Director for Freedom of Information</p> |
|--|---|---|--|--|

Audit Committee

| | | | | |
|---|---|---|---|--|
| <p>Dr Robert Chilton Chair to 31 July 2010</p> | <p>Neil Masom Chair from 1 August 2010</p> | <p>Jane May From 1 August 2010</p> | <p>Graham Smith To 7 June 2010</p> | <p>Michael Thomas From 1 March 2011</p> |
|---|---|---|---|--|

Remuneration Committee

| | |
|---|-----------------------------|
| <p>Andrew Hind From 1 September 2010</p> | <p>Enid Rowlands</p> |
|---|-----------------------------|

Our compliance and information requests to the ICO

This year has seen a record number of information requests to the ICO - a 23% increase compared with the number received last year.

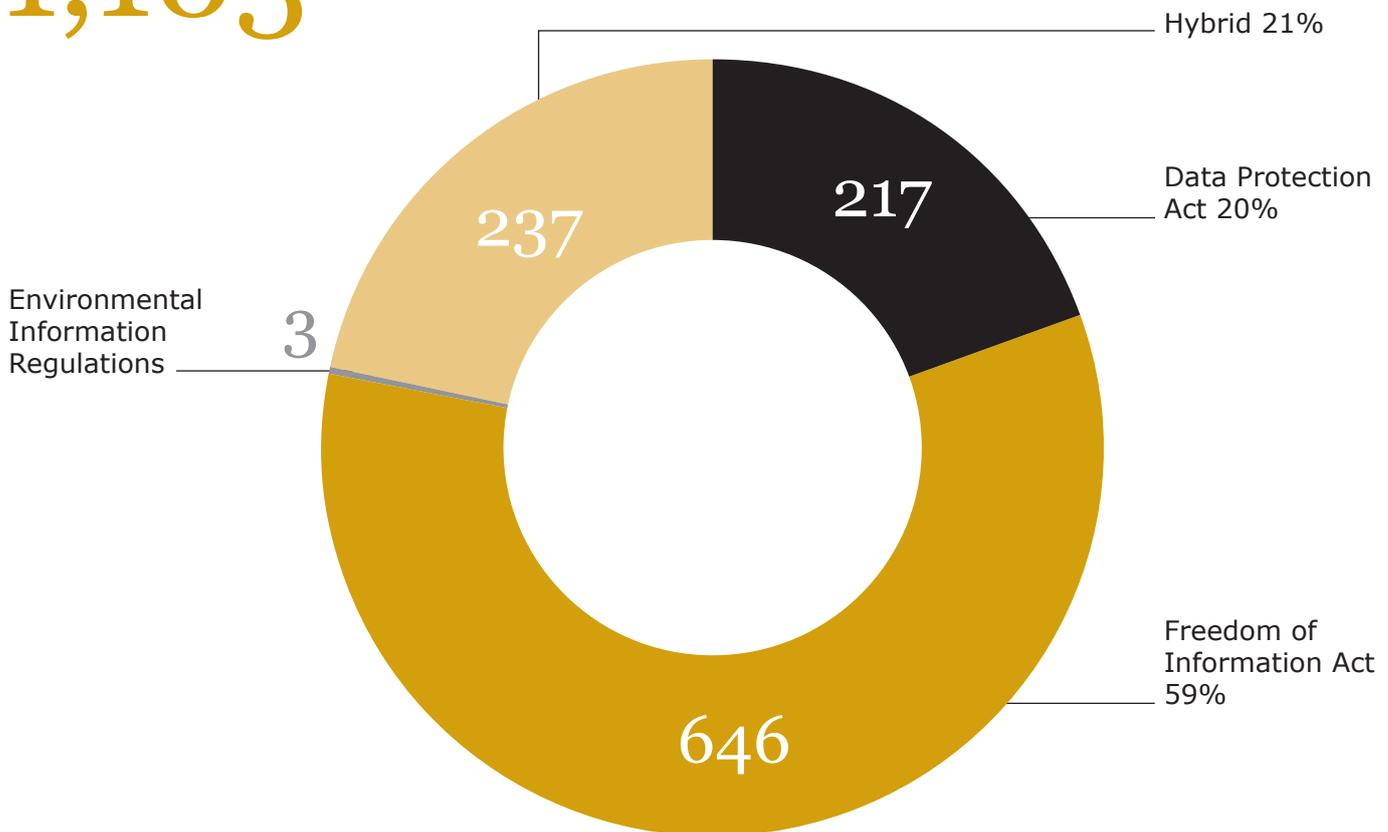
During this year we completed our project to implement an electronic document and records management system for all our corporate records. We now have a reviewed and updated retention and disposal schedule.

Work continues to develop our proactive publication of information. For example, we have refreshed our disclosure log and reviewed and updated our publication scheme. Our website now includes new pages to increase the transparency of how we comply with information rights legislation.

We also began our first privacy impact assessment. The subject of this assessment is whether the Data Protection Register should be made available in a machine readable and reusable format. During the consultation we received more than 167 responses. This work will be completed during the early part of next year.

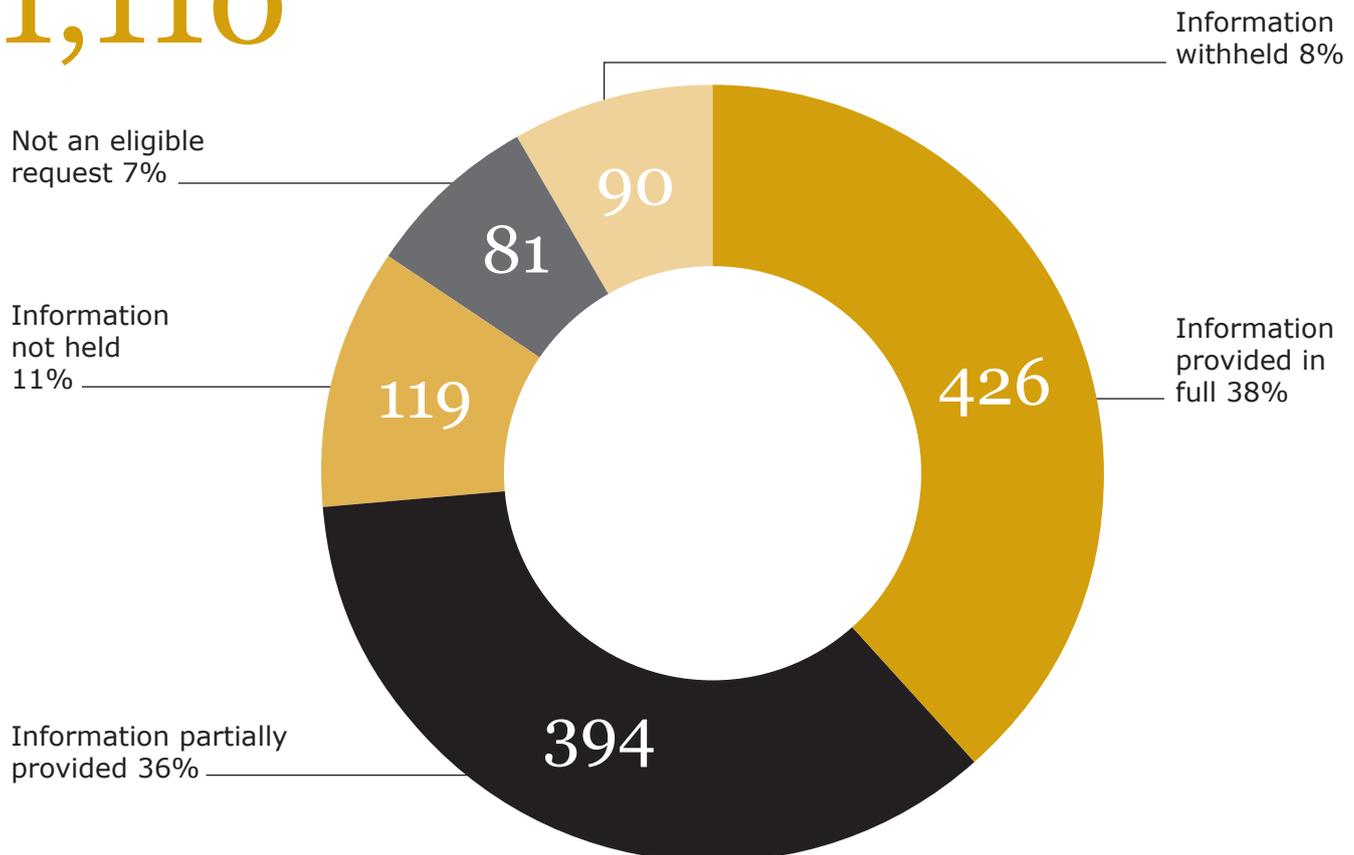
Total number of information requests received

1,103



Total number of information requests responded to

1,110



Time for compliance

96% of data protection requests made to the ICO were responded to within statutory limits. The average time for compliance was 21 calendar days.

97% of freedom of information requests were responded to within statutory time limits. The average time for compliance was 14 working days.

100% of requests made under the Environmental Information Regulations were responded to within statutory limits. The average time for compliance was 18 working days.

Hybrid requests made to the ICO, relating to one or more pieces of legislation, were responded to on average within 17 working days, 94% of hybrid requests were responded to within 20 working days.

Internal reviews

We received 53 requests for an internal review. Of these, 49 were dealt with within 20 working days. In 73% of internal reviews the outcome was that the request had been dealt with correctly, in 23% of cases the outcome was partially upheld, and in 4% of cases the original decision was overturned.

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Foreword

History

The Data Protection Act 1984 created a corporation sole in the name of Data Protection Registrar. The name was changed to Data Protection Commissioner on implementation of the Data Protection Act 1998 and again to Information Commissioner on implementation of the Freedom of Information Act 2000.

Statutory background

The Information Commissioner is an independent Non-Departmental Public Body sponsored by the Ministry of Justice (MOJ), but reports directly to Parliament.

The Information Commissioner's main responsibilities and duties are contained within the Data Protection Act 1998, Freedom of Information Act 2000, Environmental Information Regulations 2004, Privacy and Electronic Communications Regulations 2003, and Inspire Regulations 2009.

The Information Commissioner's decisions are subject to appeal to the Information Tribunal and, on points of law, to the Courts.

The Information Commissioner is responsible for setting the priorities of his Office (ICO), for deciding how they should be achieved, and is required annually to lay before each House of Parliament a general report on performance.

Annual accounts and audit

The annual accounts have been prepared in a form directed by the Secretary of State for Justice with the consent of the Treasury in accordance with paragraph (10)(1)(b) of Schedule 5 to the Data Protection Act 1998.

Under paragraph (10)(2) of Schedule 5 to the Data Protection Act 1998 the Comptroller and Auditor General is appointed auditor to the Information Commissioner. The cost of audit services in the year was £31K (2009-10: £33.5K which included fees of £4.5K for the audit of the shadow International Financial Reporting Standard (IFRS) re-stated accounts for 2008-09). No other assurance or advisory services were provided.

So far as the Accounting Officer is aware, there is no relevant audit information of which the Comptroller and Auditor General is unaware, and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of relevant audit information and to establish that the Comptroller and Auditor General is aware of that information.

Employee involvement and well being

The ICO has a policy of cooperation and consultation with recognised Trade Unions over matters affecting staff.

The Commissioner and Director of Organisational Development meet regularly with the Trade Union side to exchange information on issues of current interest.

Staff involvement is actively encouraged as part of the day-to-day process of line management and information on current and prospective developments is widely disseminated.

The health and safety committee continued throughout the year, as did the availability to staff of a range of benefits to staff to enhance their health, wellbeing and quality of life.

More detail on the actions undertaken during the year can be found elsewhere in the published Annual Report.

Equal opportunities and diversity

The ICO is committed to promoting equality and diversity in all that it does and wants to eliminate barriers that prevent people accessing its services or enjoying employment opportunities within the ICO.

More detail on the actions undertaken during the year can be found elsewhere in the published Annual Report.

The environment and community

The ICO remains committed to sustainability through how it manages its business, which has been a high concern this year as the ICO completed the refurbishment of its main office accommodation in Wilmslow to high sustainability standards.

The ICO undertakes a variety of recycling and energy-saving initiatives, and routinely sources stationery products made from recycled materials.

Staff have supported a local charity "Mediquip4Kids" throughout the year.

Directorships and other significant interests held by Board Members which may conflict with their management responsibilities.

A Register of Interests is maintained for the Information Commissioner and his Management Board, and is published on the Commissioner's website www.ico.gov.uk

Sickness absence

The average number of sick days taken per person was 5 days (2009-10: 5 days).

Pension liabilities

Details regarding the treatment of pension liabilities are set out in note 4 to the Financial Statements.

Management commentary

The objectives for the year were the continuance of the Information Commissioner's statutory duties:

- the promotion of freedom of information and data protection, through publications and debate;
- to resolve freedom of information and data protection problems with responsible and efficient casework;
- to take purposeful risk-based enforcement action when necessary; and
- to maintain a public register of data controllers.

A detailed review of activities and performance for the year is set out in the published Annual Report, and future plans are set out in the Corporate Plan 2011-14.

Principal risks

The principal risks for the ICO are set out in the corporate risk register and agreed by the Executive Team and Management Board.

At the year end the risks identified were in the areas of:

- The level of funding available to the ICO.
- Maximising the efficient use of scarce resources.
- Maintaining the strong reputation of the ICO.
- Future responsibilities and relationships.

The Management Board and Executive Team constantly monitor these risks through the Corporate Risk Register, taking action to mitigate these risks where possible. The Audit Committee monitors and discusses the Risk Register and the actions taken at each meeting. The Statement on Internal Control provides a description of the key elements of the risk and control framework.

Financial performance

Grant-in-aid

Freedom of information expenditure continued to be funded by a grant-in-aid from the MOJ and, for 2010-11, £5,200K (2009-10: £5,500K) was drawn down. The MOJ also provided £2,000K capital grant-in-aid to cover the costs of the fit-out and refurbishment of office accommodation.

Under the conditions of the agreed framework document between the Information Commissioner and the MOJ, up to 2% of the annual grant-in-aid can, with the prior consent of the MOJ, be carried forward to the following financial year. No grant-in-aid was carried forward to 2010-11 (2009-10: £nil).

There are no fees collected in respect of freedom of information activities.

Fees

Expenditure on data protection activities is financed through the retention of the fees collected from data controllers who notify their processing of personal data under the Data Protection Act 1998.

The annual notification fee is £35, and remains unchanged from its introduction on 1 March 2000 for charities and smaller entities with fewer than 250 employees, and from 1 October 2009 a higher tier fee of £500 was implemented for data controllers with an annual turnover of £25.9 million or more and employing 250 people or more, or £500 for Public Authorities employing 250 people or more.

Fees collected in the year totalled £14,965K (2009-10: £13,192K) representing a 13.4% increase over the previous year of which £1,502K (11.4%) was from the first full year of collecting the higher tier fee which was introduced in October 2009, and £271K (2.0%) was from an increase in the size of the Data Protection Register.

Under the conditions of the Framework Document agreed between the Information Commissioner and the MOJ, fees 'cleared' through the banking system (in other words available to spend), up to an amount of 3% of the total expenditure on data protection, can be carried forward for expenditure in the following financial year. At the end of the year an amount of £464K (3%) was carried forward (2009-10: £169K (1.3%)) as was an additional amount of £364K (2009-10: £208K) as 'uncleared' cash in transit.

At the end of the year £505K was forwarded to the MOJ, being unspent data protection fees above the carry forward limits above.

Other income

During the year the first civil monetary penalties for serious breaches of the Data Protection Act 1998 were levied. Monetary penalties of £248K were collected and forwarded to the MOJ.

Accruals outturn

The total comprehensive expenditure for the year was £4,858K (2009-10: £5,501K).

Financial instruments

Details of our approach and exposure to financial risk are set out in note 9 to the Financial Statements.

Going concern

The accounts continue to be prepared on a going concern basis as a non-trading entity continuing to provide statutory public sector services. Grant-in-aid has already been included in the MOJ's estimate for 2011-12, and there is no reason to believe that future sponsorship and Parliamentary approval will not be forthcoming.

Treasury management

Under the terms of the agreed Framework Document between the Information Commissioner and the MOJ, the Commissioner is unable to borrow or invest funds speculatively.

Fee income is collected and banked into a separate bank account, and 'cleared' funds are transferred weekly to the Information Commissioner's administration account to fund expenditure.

In accordance with Treasury guidance on the issue of grant-in-aid that precludes Non-Departmental Public Bodies from retaining more funds than are required for their immediate needs, grant-in-aid is drawn in quarterly tranches. In order not to benefit from holding surplus funds, all bank interest and sundry receipts received are paid to the Secretary of State for Justice on a quarterly basis.

Payment of suppliers

The Information Commissioner has adopted a policy on prompt payment of invoices which complies with the 'Better Payment Practice Code' as recommended by government. In the year ended 31 March 2011, 98.41% (2009-2010: 98.93%) of invoices were paid within 30 days of receipt or, in the case of disputed invoices, within 30 days of the settlement of the dispute. The target percentage was 95%.

In October 2008, government made a commitment to speed up the public sector payment process. Public sector organisations should aim to pay suppliers wherever possible within 10 days and, to this end, the Information Commissioner pays all approved invoices on a weekly cycle, and the Information Commissioner has started monitoring payments against a 10 day target from 1 April 2009. For the year ended 31 March 2011, 43.03% of payments were paid within 10 days (2009-10 52.01%).

Personal data related incidents

There were no personal data related incidents reportable to the Information Commissioner in 2010-11 or in any previous financial years.

Future developments and events after the reporting period

The Protection of Freedoms Bill is currently before Parliament. The Bill covers a wide range of issues in which the ICO has a long standing interest. These include the oversight and use of CCTV, DNA, biometrics in schools, car clamping on private land, safeguarding vulnerable groups, criminal records and the disregarding of certain convictions. The Bill also seeks to enhance the independence of the Information Commissioner and introduce changes to the Freedom of Information Act to establish the legal "right to data".

A project has been initiated to replace the aged notification and finance systems.

Christopher Graham
Information Commissioner
27 June 2011

Remuneration report

Remuneration policy

Schedule 5 to the Data Protection Act 1998 provides that the salary of the Information Commissioner is to be specified by a Resolution of the House of Commons.

On 24 November 2008, the House of Commons resolved that, in respect of service after 30 November 2007 (the start of the Commissioner's second term of office), the salary of the Information Commissioner shall be at a yearly rate of £140,000.

The salary of the Information Commissioner is paid directly from the Consolidated Fund in accordance with the Schedule.

The remuneration of staff and other officers is determined by the Information Commissioner with the approval of the Secretary of State for Justice.

In reaching the determination, the Information Commissioner and Secretary of State for Justice have regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- government policies for improving the public services;
- the funds available to the Information Commissioner; and
- the government's inflation target and Treasury pay guidance.

A Remuneration Committee comprising two Non-Executive Board Members considers and advises the Management Board on remuneration policies and practices for all staff.

There is no formal performance pay or bonus scheme for Management Board Members. Performance is one of a number of factors reflected in the overall level of remuneration determined by the Remuneration Committee.

Service contracts

Unless otherwise stated below, staff appointments are made on merit on the basis of fair and open competition, and are open-ended until the normal retiring age. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Non-Executive Board Members are paid an annual salary of £12,000 and are appointed for an initial term of three years, renewable by mutual agreement for one further term of a maximum of three years.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Information Commissioner and the most senior officials employed by the Information Commissioner.

Remuneration (audited)

| | 2010-11 £'000 | 2009-10 £'000 |
|--|------------------|------------------|
| Salary | | |
| Christopher Graham, Information Commissioner and Chief Executive (from 29 June 2009) | 140-145 | 105-110 |
| David Smith, Deputy Commissioner & Director for Data Protection | 75-80 | 70-75 |
| Graham Smith, Deputy Commissioner & Director for Freedom of Information | 80-85 | 80-85 |
| Simon Entwisle, Director of Operations | 80-85 | 80-85 |
| Susan Fox, Director of Corporate Affairs | 55-60 | 55-60 |
| Victoria Blainey, Director of Organisational Development | 50-55 | 50-55 |
| Robert Chilton, Non-Executive Board Member (to 31 July 2010) | 0-5 | 10-15 |
| Andrew Hind, Non-Executive Board Member (from 01 September 2010) | 5-10 | n/a |
| Neil Masom, Non-Executive Board Member | 10-15 | 0-5 |
| Jane May, Non-Executive Board Member (from 01 May 2010) | 10-15 | n/a |
| Enid Rowlands, Non-Executive Board Member | 10-15 | 0-5 |
| Clare Tickell, Non-Executive Board Member (to 30 April 2010) | 0-5 | 10-15 |

Salary

'Salary' comprises gross salary and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind

None of the above received any benefits in kind during 2010-2011.

Pension benefits (audited)

| | Accrued pension at pension age as at 31 March 2011 and related lump sum £'000 | Real increase in pension and related lump sum at pension age £'000 | CETV at 31 March 2011 £'000 | CETV at 31 March 2010 £'000 | Real increase in CETV £'000 |
|--|---|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Christopher Graham Information Commissioner (from 29 June 2009) | 5-10 | 2.5-5 | 84 | 35 | 39 |
| David Smith Deputy Commissioner and Director for DP | 30-35 +lump sum 100-105 | 0-2.5 +lump sum 0-2.5 | 809 | 709 | 6 |
| Graham Smith Deputy Commissioner and Director for FOI | 10-15 +lump sum 30-35 | 0-2.5 +lump sum 2.5-5 | 198 | 159 | 15 |
| Simon Entwisle Director of Operations | 30-35 +lump sum 100-105 | 0-2.5 +lump sum 0-2.5 | 703 | 615 | 7 |
| Susan Fox Director of Corporate Affairs | 5-10 | 0-2.5 | 90 | 68 | 10 |
| Victoria Blainey Director of Organisational Development | 0-5 | 0-2.5 | 37 | 26 | 5 |

The CETV figures are provided by Capita Hartshead, the ICO's Approved Pensions Administration Centre, who have assured the ICO that they have been correctly calculated following guidance provided by the government Actuary's Department.

The actuarial factors used in the calculation of CETV figures were changed during 2010, due to changes in demographic assumptions and the move from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) as the measure to uprate Civil Service pensions. The new factors mean that the CETV values for 31 March 2010 shown in the table above will not be the same as the corresponding figure shown in last year's remuneration report.

Partnership pensions

There were no employer contributions for the above executives to partnership pension accounts in the year.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, employees may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is up-rated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Christopher Graham
Information Commissioner
27 June 2011

Statement of the Information Commissioner's responsibilities

Under paragraph 10(1)(b) of Schedule 5 to the Data Protection Act 1998, the Secretary of State for Justice has directed the Information Commissioner to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Information Commissioner at the year end and of his income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Information Commissioner is required to comply with the requirements of the government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Justice with the approval of the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Financial Statements; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Information Commissioner will continue in operation.

The Accounting Officer of the Ministry of Justice has designated the Information Commissioner as Accounting Officer for his Office. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records and for safeguarding the Information Commissioner's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Treasury and published in Managing Public Money.

Statement on internal control

Scope of responsibility

1. As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the ICO's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.
2. I work directly with my Executive Team and Management Board. The Executive Team has responsibility for developing and delivering against the ICO's corporate and business plans, and for allocating resources and delegating financial and managerial authority as appropriate. The ICO's Management Board develops strategy, monitors progress in implementing strategy, and provides corporate governance and assurance. The Board receives regular reports on financial and operational performance. It is involved in the management of risk at a strategic level by considering the major factors which could prevent the ICO's strategic aims from being met.

3. The ICO is funded from both grant-in-aid (for our freedom of information work) and from data protection fee income (which funds our data protection work), collected and spent under the direction of the Ministry of Justice. I am designated as Accounting Officer by the Ministry's Principal Accounting Officer. As such I advise the Ministry on the discharge of my responsibilities in connection with income and expenditure in accordance with the terms of an agreed Framework Document, and by way of quarterly liaison meetings with the Ministry of Justice for which financial, performance and risk reports are provided. The Ministry of Justice also receives copies of internal audit reports and Audit Committee minutes.

The purpose of the system of internal control

4. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the ICO's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the ICO for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance except for membership of the Audit Committee for one meeting. Treasury guidance recommends that a member of the Executive should not also be a member of the Audit Committee. A third independent member has now been appointed to Audit Committee.

Capacity to handle risk

5. As Accounting Officer I acknowledge my overall responsibility for the effective management of risk at the ICO. There is a Corporate Risk Register which summarises the views of myself, my Management Board and my Executive Team on the significant risks to the achievement of the ICO's aims, and risk registers for IT projects. These registers identify and assess each strategic risk and set out existing and planned mitigating actions for each risk. In addition the ICO's recently adopted Project Management Methodology includes the need for risk to be formally considered for all projects.
6. Responsibility for the management and review of corporate risks rests with Executive Team members. The Executive Team reviews risks continually, including the identification of new corporate risks, but also undertakes an annual formal review of the risks that the ICO may not achieve its aims. Consideration is given to the likelihood of the risk materialising and the impact on the ICO if it does. The ICO's risk appetite has also been considered in general terms and the structure of the register prompts discussion as to the level of risk appetite in risk areas that the ICO will tolerate. The register itself is also reviewed quarterly by the Executive Team, Management Board and Audit Committee. The Corporate Risk Register and the Risk Management Policy and Procedure are available for all staff via the ICO's intranet.
7. In addition, the format of the Corporate Risk Register has been updated, a staff group will be set up to input into the risk management process, and risk management will be included within management training.

The risk and control framework

8. The main element of the risk management strategy is the maintenance of the Corporate Risk Register. Risks are refreshed annually by the Executive Team and identified risks and mitigating actions are reviewed quarterly by discussion with risk owners and managers responsible for the mitigating actions. The register is also discussed at Executive Team, Management Board, Audit Committee and at quarterly liaison meetings with the Ministry of Justice. Discussion includes consideration of the ICO's risk appetite.
9. Risks relating to the handling of information are covered in the Corporate Risk Register. In addition, there is an Internal Compliance Team which reports quarterly to the Executive Team on security and compliance.
10. The ICO's fraud and whistle blowing policies come to Audit Committee annually along with reports on fraud incidents. There were no incidents of fraud during 2010/11.
11. Risk management is built into the work of the ICO in a variety of ways. It is included in business planning processes with managers encouraged to identify risks to the achievement of aims and objectives. Risk management was also included within a review of corporate governance undertaken during 2010/11. Consideration for risk has been built into work plans for specific committees. In addition, the template for major ICO strategies includes the need for risks to be considered and articulated, and the project management methodology prompts the consideration of risk in the running of projects. Also, the Corporate Risk Register and policy and procedure are available to all staff on the ICO's intranet, and risk management is referred to during staff induction.

Review of effectiveness

12. As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the internal auditors and my Executive Team who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Management Board and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.
13. The effectiveness of the system of internal control was maintained and reviewed throughout the year by the Management Board, Audit Committee and Executive Team.
 - The Management Board meets quarterly and considers the Corporate Risk Register and reports containing financial and operational performance across the ICO, including performance in relation to data protection and freedom of information casework and data protection fee income.
 - The Audit Committee meets quarterly. It is chaired by a Non-Executive Board Member, and has as members a Non-Executive Board Member and an independent member. It is attended by internal and external auditors and by members of my office. The Committee reports directly to me, as Accounting Officer, on the adequacy of audit arrangements and on the implications of assurances provided in respect of risk and control. It also considers all audit reports and recommendations including the formal management response.

- The Executive Team meets formally fortnightly and informally every week. It is responsible for providing leadership and oversight for the ICO and has overall responsibility for developing and delivering the ICO's corporate and business plans.
14. The internal auditors have a direct line of communication to me as Accounting Officer and regularly report to the Audit Committee in accordance with government Internal Audit Standards. The internal auditors also include their independent opinion on the adequacy and effectiveness of the ICO's risk management, governance and control processes and provide an annual statement on areas they scrutinise during the year.
 15. I am pleased that for 2010/11 the internal auditors state that overall, in the area of risk management, the activities and controls examined were suitably designed to achieve the objectives required by management and those activities and controls were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance, that the related risk management objectives were achieved during the period under review. There was, however, an identified need to improve the knowledge and understanding of risk management activities at a managerial and staff level. Risk management is to be included in management training and a staff risk group is to be set up. An intention by my office to move to providing a greater level of integrated assurance over the next few years will also help improve the focus on risk management.
 16. The internal auditors highlighted delays in actioning agreed internal audit recommendations as an area where performance could be improved, and significant progress has been made to actively manage the clearance of overdue recommendations from 30 at the beginning of the year to six now – the outstanding items relate to developing a performance framework and a balanced scorecard, and reporting on value for money. Plans are in place to address these recommendations and these are embedded in the Corporate Plan 2011/12. In addition, the internal auditors identified a need for more formal project management arrangements and improvements to purchasing practice. In response to this we have recently developed and implemented an ICO project management methodology, which is being rolled out across the organisation, and have revised our purchasing practice guidelines.

Christopher Graham
Information Commissioner
27 June 2011

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the Financial Statements of the Information Commissioner for the year ended 31 March 2011 under the Data Protection Act 1998. These comprise the Statement of comprehensive net expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These Financial Statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Information Commissioner and auditor

As explained more fully in the Statement of the Information Commissioner's Responsibilities, the Information Commissioner, as Accounting Officer, is responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the Financial Statements in accordance with the Data Protection Act 1998. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Information Commissioner's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Information Commissioner; and the overall presentation of the Financial Statements. In addition, I read all the financial and non-financial information in the Financial Statements: Foreword and Governance sections of the Annual Report to identify material inconsistencies with the audited Financial Statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the Financial Statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Financial Statements

In my opinion:

- the Financial Statements give a true and fair view of the state of the Information Commissioner's affairs as at 31 March 2011 and of its net expenditure, changes in taxpayers' equity and cashflows for the year then ended; and
- the Financial Statements have been properly prepared in accordance with the Data Protection Act 1998 and directions made thereunder by the Secretary of State for Justice with the approval of HM Treasury.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Data Protection Act 1998 and directions made thereunder by the Secretary of State for Justice with the approval of HM Treasury; and
- the information given in the sections Information Commissioner's Foreword, Educating and Influencing, Developing and Improving and the Foreword to the Financial Statements for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters, which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the Financial Statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

I have no observations to make on these Financial Statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
28 June 2011

Statement of comprehensive net expenditure for the year ended 31 March 2011

| | Note | 2010-11 | | 2009-10 RE-STATED | |
|---|------|---------|----------|----------------------|----------|
| | | £'000 | £'000 | £'000 | £'000 |
| Expenditure | | | | | |
| Staff costs | 4 | | 11,219 | | 10,693 |
| Depreciation | 5 | 1,221 | | 901 | |
| Other expenditures | 2,5 | 7,622 | | 7,097 | |
| | | | 8,843 | | 7,998 |
| | | | 20,062 | | 18,691 |
| Income | | | | | |
| Income from activities | 6 | | (14,965) | | (13,192) |
| Other income | 6 | | (258) | | (17) |
| | | | (15,223) | | (13,209) |
| Net expenditure | | | | | |
| | | | 4,839 | | 5,482 |
| Interest payable (receivable) | 5,6 | | 14 | | (1) |
| Net expenditure after interest | | | | | |
| | | | 4,853 | | 5,481 |
| Other comprehensive expenditure | | | | | |
| Net loss on revaluation of property, plant and equipment | | | (31) | | (258) |
| Total comprehensive expenditure for the year ended 31 March 2011 | | | | | |
| | | | 4,822 | | 5,223 |

All income and expenditure relates to continuing operations.
The notes on pages 70 to 85 form part of these accounts.

Statement of financial position

as at 31 March 2011

| | Note | 31 March 2011 | | 31 March 2010 | |
|---|------|---------------|-------|---------------|-------|
| | | £'000 | £'000 | £'000 | £'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 7 | 4,921 | | 3,282 | |
| Intangible assets | 8 | 363 | | 76 | |
| Total non-current assets | | | 5,284 | | 3,358 |
| Current assets: | | | | | |
| Trade and other receivables | 10 | 660 | | 530 | |
| Cash and cash equivalents | 11 | 828 | | 377 | |
| Total current assets | | | 1,488 | | 907 |
| Total assets | | | 6,772 | | 4,265 |
| Current liabilities | | | | | |
| Trade and other payables | 12 | | (624) | | (831) |
| Total current liabilities | | | (624) | | (831) |
| Non-current assets plus net current assets | | | 6,148 | | 3,434 |
| Non-current liabilities | | | | | |
| Provisions | 13 | | (93) | | - |
| Assets less liabilities | | | 6,055 | | 3,434 |
| Reserves | | | | | |
| Revaluation reserve | | | 223 | | 231 |
| General reserve | | | 5,832 | | 3,203 |
| | | | 6,055 | | 3,434 |

Christopher Graham
Information Commissioner
 27 June 2011

The notes on pages 70 to 85 form part of these accounts.

Statement of cash flows

for the year ended 31 March 2011

| | Note | 2010-11 £'000 | 2009-10 £'000 |
|--|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net expenditure after interest (comparative re-stated) | | (4,853) | (5,501) |
| Adjustment for non-cash items (comparative re-stated) | 4,5 | 1,464 | 1,314 |
| (Increase)/Decrease in trade and other receivables | 10 | (130) | 207 |
| (Decrease) in trade payables | 12 | (207) | (23) |
| Use of provisions | 13 | 93 | (8) |
| Net cash outflow from operating activities | | (3,633) | (4,011) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 7 | (1,777) | (136) |
| Purchase of intangible assets | 8 | (422) | (69) |
| Proceeds of disposal of property, plant and equipment | | - | - |
| Net cash outflow from investing activities | | (2,199) | (205) |
| Cash flows from financing activities | | | |
| Capital element of payments in respect of on-balance sheet PFI contracts | 7 | (917) | (1,212) |
| Grant-in-aid received from the Ministry of Justice | | 7,200 | 5,500 |
| Net financing | | 6,283 | 4,288 |
| Net increase in cash and cash equivalents during the period | | 451 | 72 |
| Cash and cash equivalents at the beginning of the period | 11 | 377 | 305 |
| Cash and cash equivalents at the end of the period | 11 | 828 | 377 |

The notes on pages 70 to 85 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2011

| | Note | Revaluation reserve £'000 | General reserve £'000 | Total reserves £'000 |
|--|------|---------------------------------|-----------------------------|----------------------------|
| Balance at 31 March 2009 | | - | 2,764 | 2,764 |
| Changes in reserves 2009-10 | | | | |
| Grant-in-aid from the Ministry of Justice | | - | 5,500 | 5,500 |
| Transfers between reserves | | (47) | 47 | - |
| Comprehensive expenditure for the year (re-stated) | | 278 | (5,501) | (5,223) |
| Non-cash charges - Information Commissioner's salary costs | 4 | - | 190 | 190 |
| Non-cash charges - Secondment salary costs | 4 | - | 203 | 203 |
| Balance at 31 March 2010 | | 231 | 3,203 | 3,434 |
| Changes in reserves for 2010-11 | | | | |
| Grant-in-aid from the Ministry of Justice | | - | 7,200 | 7,200 |
| Transfers between reserves | | (44) | 44 | - |
| Comprehensive expenditure for the year | | 36 | (4,858) | (4,822) |
| Non-cash charges - Information Commissioner's salary costs | 4 | - | 190 | 190 |
| Non-cash charges - Secondment salary costs | 4 | - | 53 | 53 |
| Balance at 31 March 2011 | | 223 | 5,832 | 6,055 |

The notes on pages 70 to 85 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

These Financial Statements have been prepared in accordance with the 2010/11 government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged most appropriate to the particular circumstances of the Information Commissioner's Office for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Information Commissioner are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets at their value to the business by reference to current costs.

1.2 Disclosure of IFRSs in issue but not yet effective

The Information Commissioner has reviewed the IFRSs in issue but not yet effective, and has determined that there are no new IFRSs relevant or likely to have a significant impact on future Financial Statements.

1.3 Notional costs

Salary of the Information Commissioner

The salary and pension entitlements of the Information Commissioner are paid directly from the Consolidated Fund as a standing charge, and are included within staff costs and also as a corresponding credit to the income and expenditure reserve.

Secondments

A notional charge reflecting the benefit of central government secondees, working on freedom of information casework whilst being paid by their home department, are included in staff costs at the rate the Information Commissioner's Office would have paid such staff had they been employed directly by him, together with a corresponding credit to the income and expenditure reserve.

Cost of capital

As set out in note 2, there has been a change in accounting policy to remove the notional cost of capital included in earlier Financial Statements. The resulting re-statement has not resulted in any changes to Statement of Financial Position.

1.4 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme.

1.5 Property, plant and equipment

Assets are classified as property, plant and equipment if they are intended for use on a continuing basis, and their original purchase cost, on an individual basis, is £2,000 or more, except for laptop and desktop computers procured through the IS Managed Services Agreement, which are capitalised even when their individual cost is below £2,000.

Property, plant and equipment (excluding assets under construction) are carried at fair value. Depreciated modified cost is used as a proxy for fair value by using appropriate indices published by the Office for National Statistics, due to the short length of the useful life of information technology and furniture and fittings, and the low values of items of plant and machinery.

At each balance sheet date the carrying amounts of property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the fair value of the asset is estimated in order to determine the impairment loss. Any impairment charge is recognised in the net expenditure account in the year in which it occurs.

1.6 Depreciation

Depreciation is provided on property, plant and equipment on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated life. A full year's depreciation is charged in the year in which an asset is brought into service. No depreciation is charged in the year of disposal.

The principal lives adopted are:
Leasehold improvements over the remaining life of the property lease.
Equipment and furniture 5-10 years
Information technology 5-10 years

1.7 Intangible assets

Intangible assets are stated at the lower of replacement cost and recoverable amount. Computer software licences and their associated costs are capitalised as intangible assets where expenditure of £2,000 or more is incurred. Software licences are amortised over the shorter of the term of the licence and the economic useful life.

1.8 Inventories

Stocks of stationery and other consumable stores are not considered material and are written off to the Net Expenditure Account as they are purchased.

1.9 Income

Fee income is received from notifications made under the Data Protection Act 1998, and is recognised as operating income in the year in which it is received.

Other income, including monetary penalties collected, is recognised as income in the year in which it is received and is surrendered to the Ministry of Justice in accordance with the provisions of paragraph 9 of Schedule 5 to the Data Protection Act 1998, unless the Ministry of Justice has directed otherwise.

1.10 Grant-in-aid

Grant-in-aid is received from the Ministry of Justice to fund expenditure on freedom of information responsibilities, and is credited to the income and expenditure reserve on receipt.

1.11 Operating leases

Amounts payable under operating leases are charged to the Net Expenditure Account on a straight-line basis over the lease term, even if the payments are not made on such a basis.

1.12 Service concessions

Information Services are procured through a Managed Services Agreement which exhibits many of the characteristics which typify a Private Finance Initiative arrangement, and is therefore accounted for under International Financial Reporting Interpretations Committee (IFRIC) 12: Service Concession Arrangements.

1.13 Provisions - early departure costs

The additional cost of benefits, beyond the normal PCSPS benefits in respect of employees who retire early, are provided for in full when the early departure decision is approved by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.9%. The estimated payments are provided by Capita Hartshead.

1.14 Value added tax

The Information Commissioner is not registered for VAT as most activities of the Information Commissioner's Office are outside of the scope of VAT and fall below the registration threshold. VAT is charged to the relevant expenditure category, or included in the capitalised purchase cost of non-current assets.

1.15 Segmental reporting

The policy for segmental reporting is set out in note 3 to the Financial Statements.

2 Prior year adjustment

£'000

Cost of capital

Following new guidance from the Treasury, the notional cost of capital has been removed from these accounts. Previously, a charge reflecting the cost of capital utilised by the Information Commissioner was included in the Statement of comprehensive net expenditure, at the real rate set by the Treasury (3.5%) on the average carrying amount of all assets less liabilities. The charge was subsequently reversed in the Statement of Changes in Taxpayer's Equity.

The effect of this change in accounting policy on other figures within these accounts are:

Statement of comprehensive net expenditure

| | |
|---|--------------|
| Other expenditure as previously reported | 7,206 |
| Prior year adjustment to remove notional cost of capital charge | (109) |
| As re-stated for 2009-10 | 7,097 |

Statement of changes in taxpayers' equity

| | |
|---|----------------|
| Changes in taxpayers' equity for 2009-10 | |
| Comprehensive expenditure for the year charged to the general reserve as previously reported. | (5,610) |
| Prior year adjustment to remove notional cost of capital charge | 109 |
| As re-stated for 2009-10 | (5,501) |

The changes have no impact on the Statement of Financial Position.

3 Analysis of net expenditure by segment

| | Data protection £'000 | Freedom of information £'000 | 2010-11 Total £'000 |
|-------------------|--------------------------|---------------------------------|---------------------------|
| Gross expenditure | 14,829 | 5,252 | 20,081 |
| Income | 15,223 | - | 15,223 |
| Net expenditure | (394) | 5,252 | 4,858 |

| | Data protection £'000 | Freedom of information £'000 | 2009-10 Total £'000 |
|-------------------|--------------------------|---------------------------------|---------------------------|
| Gross expenditure | 13,165 | 5,545 | 18,710 |
| Income | 13,209 | - | 13,209 |
| Net expenditure | (44) | 5,545 | 5,501 |

The analysis above is provided for fees and charges purposes and for the purpose of IFRS 8: Segment Reporting.

The ICO organises itself as an arbiter of information rights, rather than having a segregated structure for data protection and freedom of information.

The factors used to identify the reportable segments of data protection and freedom of information were that the Information Commissioner's main responsibilities are contained within the Data Protection Act 1998 and Freedom of Information Act 2000, and funding is provided for data protection work by collecting an annual notification fee from data controllers under the Data Protection Act 1998, whilst funding for freedom of information is provided by a grant-in-aid from the Ministry of Justice as set out in the Framework Agreement agreed between the Information Commissioner and the Ministry of Justice.

The data protection notification fee is set by the Secretary of State for Justice and, in making any fee regulations under section 26 of the Data Protection Act 1998, as amended by paragraph 17 of Schedule 2 to the Freedom of Information Act 2000, he shall have regard to the desirability of securing that the fees payable to the Information Commissioner are sufficient to offset the expenses incurred by the Information Commissioner, the Information Tribunal and the Secretary of State, in respect of the Commissioner or the Tribunal, and any prior deficits incurred, as attributable to the function under the Data Protection Act 1998.

These accounts do not include the expenses incurred by the Information Tribunal or the Secretary of State in respect of the Information Commissioner, and therefore cannot be used to demonstrate that the data protection fees offset expenditure on data protection functions, as set out in the Data Protection Act 1998.

Expenditure is apportioned between the data protection and freedom of information functions on the basis of costs recorded in the Information Commissioner's management accounting system. This system allocates expenditure to various cost centres across the organisation. A financial model is then applied to apportion expenditure between data protection and freedom of information on an actual basis, where possible, or by way of reasoned estimates where expenditure is shared. This model is monitored by the Ministry of Justice.

4 Staff numbers and related costs

Staff costs comprise:

| | 2010-11 Total | Permanently employed staff | Others | 2009-10 Total |
|---|------------------|----------------------------------|--------|------------------|
| Wages and salaries | 9,118 | 8,780 | 338 | 8,650 |
| Social security costs | 572 | 553 | 19 | 544 |
| Other pension costs | 1,583 | 1,541 | 42 | 1,512 |
| Sub-total | 11,273 | 10,874 | 399 | 10,706 |
| Less recoveries in respect of outward secondments | (54) | (54) | - | (13) |
| Total net costs | 11,219 | 10,820 | 399 | 10,693 |

The above costs include:

The salary and pension entitlements of the Information Commissioner and the associated employers national insurance contributions are paid directly from the Consolidated Fund. Included in staff costs above are notional costs of £190K (2009-10: £190K).

Also included in staff costs above are notional costs of £53K (2009-10: £203K) in respect of staff seconded to the Information Commissioner during the year from central government departments. Costs have been estimated on the basis of the salary which would have been paid had the Information Commissioner recruited such staff under his current pay scales.

Staff costs above also includes expenditure of £156K (2009-10: £268K) for temporary agency staff.

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows.

| | 2010-11 Total | Permanently employed staff | Others | 2009-10 Total |
|-------------------|------------------|----------------------------------|--------|------------------|
| Directly employed | 324 | 324 | 0 | 311 |
| Other | 7 | 0 | 7 | 16 |
| Total | 331 | 324 | 7 | 327 |

Pension arrangements

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi employer defined benefit scheme. The Information Commissioner is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/my-civil-service/pensions).

For 2010-11, employer contributions of £1,526K (2009-10: £1,434K) were payable to the PCSPS at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of benefits accruing during 2010-11 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £15K (2009-10: £13K) were paid to one or more of a panel of three appointed stakeholder pension providers. Employers' contributions are age related and range from 3% to 12.5% of pensionable pay. Employers also match the employee contributions up to 3% of pensionable pay. In addition, employers' contributions of £101 (2009-10: £108), 0.8% of pensionable pay, were payable to the Principal Civil Service Pension Scheme to cover the cost of future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to partnership providers at the balance sheet date were £nil (2009-10: £1K).

Other pension costs include notional employers' contributions of £34K (2009-10: £34K) in respect of the Information Commissioner and £8K (2009-10: £31K) in respect of staff seconded to the Information Commissioner.

No individuals retired early on health grounds during the year.

Reporting of Civil Service and other compensation schemes - exit packages

| Exit package cost band | Number of compulsory redundancies | | Number of other departures agreed | | Total number of exit packages by cost band (total cost) | |
|---|-----------------------------------|---------|-----------------------------------|---------|---|---------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| <£10,000 | - | - | - | - | - | - |
| £10,000 - £25,000 | - | - | 3 | - | 3 | - |
| £25,000 - £50,000 | - | - | 2 | - | 2 | - |
| £50,000 - £100,000 | - | - | - | - | - | - |
| £100,000 - £150,000 | - | - | 1 | - | 1 | - |
| Total number of exit packages (total cost) | - | - | 6 | - | 6 | - |
| Total resource cost £000 | - | - | 240 | - | 240 | - |

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972.

Exit costs are accounted for in full in the year of departure.

Where the Information Commissioner has agreed early retirements, the additional costs are met by the Information Commissioner and not by the Civil Service Pension Scheme. Ill health retirement costs are met by the pension scheme and not included in the table above.

Ex-gratia payments made outside of the provisions of the Civil Service Compensation Scheme are agreed directly with the Treasury.

5 Other expenditure

| | 2010-11 | | 2009-10 | |
|---|---------|--------------|---------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Accommodation (business rates and services) | 673 | | 658 | |
| Rentals under operating leases | 799 | | 612 | |
| Office supplies and stationery | 241 | | 332 | |
| Carriage and telecommunications | 141 | | 127 | |
| Travel, subsistence and hospitality | 315 | | 384 | |
| Staff recruitment | 67 | | 104 | |
| Specialist assistance, consultancy and policy research | 304 | | 512 | |
| Communications and external relations | 997 | | 1,346 | |
| Legal costs | 307 | | 375 | |
| Staff learning and development, health and safety | 250 | | 343 | |
| PFI IS contract service charges | 2,379 | | 1,609 | |
| IS development costs | 354 | | 645 | |
| Audit fees | 31 | | 34 | |
| Surplus fee income surrendered to the Ministry of Justice | 505 | | - | |
| Monetary penalties surrendered to the Ministry of Justice | 248 | | - | |
| Sundry receipts surrendered to the Ministry of Justice | 11 | | 16 | |
| | | 7,622 | | 7,097 |
| Interest charges | | 15 | | - |
| Non-cash items | | | | |
| Depreciation | 952 | | 663 | |
| Loss on disposal of assets | 134 | | 209 | |
| Amortisation | 135 | | 29 | |
| | | 1,221 | | 901 |
| Total | | 8,858 | | 7,998 |

6 Income

| | 2010-11 | | 2009-10 | |
|---|---------|--------|---------|--------|
| | £'000 | £'000 | £'000 | £'000 |
| Income from activities | | | | |
| Fees collected under the Data Protection Act 1998 | | 14,965 | | 13,192 |
| Other income | | | | |
| Monetary penalties collected | 248 | | - | |
| Legal fees recovered | 1 | | 7 | |
| Travel expenses reimbursed | 6 | | 10 | |
| Sundry receipts | 3 | | - | |
| | | 258 | | 17 |
| | | 15,223 | | 13,209 |
| Interest receivable | | | | |
| Bank interest | | 1 | | 1 |
| Total | | 15,224 | | 13,210 |

7 Property, plant and equipment

| | Information technology £'000 | Plant and machinery £'000 | Furniture and fittings £'000 | Payments on account and under construction £'000 | Total £'000 |
|--|------------------------------------|---------------------------------|------------------------------------|--|----------------|
| Cost or valuation | | | | | |
| At 1 April 2010 | 8,415 | 499 | 568 | 144 | 9,626 |
| Transferred | - | - | 144 | (144) | - |
| Additions | 534 | - | 2,160 | - | 2,694 |
| Disposals | - | (366) | (454) | - | (820) |
| Revaluations | (256) | 11 | 117 | - | (128) |
| At 31 March 2011 | 8,693 | 144 | 2,535 | - | 11,372 |
| Depreciation | | | | | |
| At 1 April 2010 | 5,519 | 399 | 426 | - | 6,344 |
| Charged in year | 588 | 10 | 354 | - | 952 |
| Disposals | - | (317) | (369) | - | (686) |
| Revaluations | (168) | 5 | 4 | - | (159) |
| At 31 March 2011 | 5,939 | 97 | 415 | - | 6,451 |
| Net book value at 31 March 2011 | 2,754 | 47 | 2,120 | - | 4,921 |
| Asset financing | | | | | |
| Owned | - | 47 | 2,120 | - | 2,167 |
| On-balance sheet PFI contracts | 2,754 | - | - | - | 2,754 |
| Net book value at 31 March 2011 | 2,754 | 47 | 2,120 | - | 4,921 |

Property, plant and equipment (excluding assets under construction) are revalued annually using appropriate current cost price indices published by the Office for National Statistics.

Included above are fully depreciated assets, in use with a gross carrying amount of £18K (2009-10 £805K).

Information services are outsourced through a Managed Services Agreement which is accounted for as a PFI contract under IFRIC 12: Service Concession Arrangements.

Property, plant and equipment (continued)

| | Information technology £'000 | Plant and machinery £'000 | Furniture and fittings £'000 | Payments on account and under construction £'000 | Total £'000 |
|--|------------------------------------|---------------------------------|------------------------------------|--|----------------|
| Cost or valuation | | | | | |
| At 1 April 2009 | 7,316 | 482 | 562 | 879 | 9,239 |
| Transferred | 879 | - | - | (879) | - |
| Additions | 1,193 | 11 | - | 144 | 1,348 |
| Disposals | (1,811) | - | - | - | (1,811) |
| Revaluations | 838 | 6 | 6 | - | 850 |
| At 31 March 2010 | 8,415 | 499 | 568 | 144 | 9,626 |
| Depreciation | | | | | |
| At 1 April 2009 | 6,025 | 358 | 308 | - | 6,691 |
| Charged in year | 531 | 38 | 94 | - | 663 |
| Disposals | (1,602) | - | - | - | (1,602) |
| Revaluations | 565 | 3 | 24 | - | 592 |
| At 31 March 2010 | 5,519 | 399 | 426 | - | 6,344 |
| Net book value at 31 March 2010 | 2,896 | 100 | 142 | 144 | 3,282 |
| Net book value at 31 March 2009 | 1,291 | 124 | 254 | 879 | 2,548 |
| Asset financing | | | | | |
| Owned | - | 100 | 142 | 144 | 386 |
| On-balance sheet PFI contracts | 2,896 | - | - | - | 2,896 |
| Net book value at 31 March 2010 | 2,896 | 100 | 142 | 144 | 3,282 |

8 Intangible assets

| | Total £'000 |
|--|----------------|
| Cost or valuation | |
| At 1 April 2010 | 117 |
| Additions | 422 |
| At 31 March 2011 | 539 |
| Amortisation | |
| At 1 April 2010 | 41 |
| Charged in year | 135 |
| At 31 March 2011 | 176 |
| Net book value at 31 March 2011 | 363 |
| Cost or valuation | |
| At 1 April 2009 | 48 |
| Additions | 69 |
| At 31 March 2010 | 117 |
| Amortisation | |
| At 1 April 2009 | 12 |
| Charged in year | 29 |
| At 31 March 2010 | 41 |
| Net book value at 31 March 2010 | 76 |

9 Financial instruments

As the cash requirements of the Information Commissioner are met through fees collected under the Data Protection Act 1998 and grant-in-aid provided by the Ministry of Justice, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the Information Commissioner's expected purchase and usage requirements and the Information Commissioner is therefore exposed to little credit, liquidity or market risk.

The Information Commissioner does not face significant medium to long-term financial risks.

10 Trade receivables and other current assets

| | 31 March 2011 | 31 March 2010 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Deposits and advances | 27 | 26 |
| Prepayments and accrued income | 633 | 504 |
| | 660 | 530 |
| Split: | | |
| Other central government bodies | 14 | - |
| Local authorities | 249 | 176 |
| Bodies external to government | 397 | 354 |
| | 660 | 530 |

11 Cash and cash equivalents

| | 31 March 2011 | 31 March 2010 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Balance at 1 April | 377 | 305 |
| Net change in cash and cash equivalent balances | 451 | 72 |
| Balance at 31 March | 828 | 377 |
| The following balances at 31 March were held at: | | |
| Commercial banks and cash in hand | 828 | 377 |

12 Trade payables and other current liabilities

| | 31 March 2011 | 31 March 2010 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Taxation and social security | 248 | 204 |
| Trade payables | 69 | 110 |
| Other payables | 16 | 159 |
| Accruals and deferred income | 291 | 358 |
| | 624 | 831 |
| Split: | | |
| Other central government bodies | 297 | 461 |
| Bodies external to government | 327 | 370 |
| | 624 | 831 |

13 Provisions for liabilities and charges

| Early departure costs | 2010-11 | 2009-10 |
|--|---------|---------|
| | £'000 | £'000 |
| Balance at 1 April | - | 8 |
| Provided in year | 93 | - |
| Provision utilised in the year | - | (8) |
| Balance at 31 March | 93 | - |
| Analysis of expected timing of discounted flows | | |
| Not later than one year | 9 | - |
| Later than one year and not later than five years | 29 | - |
| Later than five years | 55 | - |
| | 93 | - |

14 Capital commitments

There were no contracted capital commitments at 31 March 2011 (31 March 2010: £nil) not otherwise included in these Financial Statements.

15 Commitments under leases

Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

| | 2010-11 | 2009-10 |
|---|---------|---------|
| | £'000 | £'000 |
| Obligations under operating leases comprise: | | |
| Buildings | | |
| Not later than one year | 771 | 573 |
| Later than one year and not later than five years | 3,083 | 1,996 |
| Later than five years | 601 | 794 |
| | 4,455 | 3,363 |

A break clause has been exercised for one of the property leases, to end the lease on 6 September 2011 rather than the current lease term of 6 September 2016, which if met will reduce the obligations above by £143,000.

16 Commitments under PFI contracts

IS Managed Services Agreement

Information services are outsourced through an IS Managed Services Agreement between the Information Commissioner and Capita IT Services Limited.

The current contract, is for a period of five years ending in July 2012, with a potential extension of one year.

Terms and conditions of service, standards of performance, payments, adjustments and arrangements for settling payment disputes are set out within the contract.

Under the contract the title of non-current assets used in delivering the information services is held by Capita IT Services Limited, who have contractual obligations to hand back those assets in a specified condition upon termination of the contract for nominal consideration.

Agreed service charges are paid monthly to Capita IT Services Limited for the IS services delivered to agreed performance standards each month.

Service charges are changed annually by the average increases in the RPI and CEL indices, less deduction of a service improvement target.

Improvements to the IS infrastructure do not form part of the service charge; improvements to the infrastructure are paid separately, and the service charges adjusted by agreement.

The IT assets provided under this PFI contract have been capitalised on the Statement of Financial Position in accordance with IFRIC 12.

| | 2010-11 | 2009-10 |
|---|---------|---------|
| | £'000 | £'000 |
| Changes to the Statement of comprehensive net expenditure | | |
| The total amount charged to the Statement of comprehensive net expenditure in respect of the service element of On Statement of Financial Position PFI transactions was | 2,379 | 1,609 |

17 Related party transactions

The Information Commissioner confirms that he had no personal business interests which conflicted with his responsibilities as Information Commissioner. The Ministry of Justice is a related party to the Information Commissioner. During the year, no related party transactions were entered into, with the exception of providing the Information Commissioner with grant-in-aid and the appropriation-in-aid of other income to the Ministry of Justice.

In addition, the Information Commissioner has had various material transactions with other central government bodies, most of these transactions have been with the Central Office of Information (COI) and Principal Civil Service Pension Scheme (PCSPS).

None of the key managerial staff or other related parties have undertaken any material transaction with the Information Commissioner during the year.

18 Contingent liabilities disclosed under IAS 37

The Information Commissioner is defending an action brought by a current employee. It is not practicable to quantify the likely financial effect of losing the action at this time due to the range or possible outcomes. In order not to prejudice the Information Commissioner's position in this dispute, no provision for costs or compensation has been included in these accounts.

19 Events after the reporting period

There were no events between the balance sheet date and the date the accounts were authorised for issue, which is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

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Information Commissioner's Office

*Where is the wisdom
we have lost in knowledge?
Where is the knowledge we
have lost in information?*

TS Eliot



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