

Annual Report 2007/08



Our vision

A society where information rights and responsibilities are respected by all.

- Organisations inspire trust by collecting and using personal information responsibly, securely and fairly;
 - People understand how their personal information is used, are aware of their rights and are confident in using them;
- and
- Public authorities are open and transparent, providing people with access to official information as a matter of course;
 - People are aware of their rights of access to official information and are confident in using them.



Information Commissioner's Office

Annual Report 2007/08

Presented by the Information Commissioner 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.

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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 for people who want 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.

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Information Commissioner's
foreword



A year ago I wrote of a sea-change in attitudes towards information rights. Not only has the tide now well and truly turned, but data protection and freedom of information have substantially grown in stature and influence through the tumultuous waters of the last 12 months.

At last our work is valued as highly relevant, topical and centre-stage – providing constructive guidance, taking tough action where necessary, setting national agendas and stimulating difficult and serious debate. Getting data protection and privacy right is central to people’s lives and to the good reputations of organisations. Freedom of information has become a firmly-established part of the fabric of public life. Both underpin modern democracy and public involvement in politics; both focus on the liberties of British life; and both are pivotal to the relationship between state and citizen.

It was a great boost to the ICO that the Prime Minister devoted a large part of his speech on liberty in October to data protection and freedom of information. It must be right that the opportunities of new technology need to be matched by proper standards and oversight to protect liberty. And the speech confirmed that the guiding principle of freedom of information must be that public information does not belong to government, but to the public on whose behalf government is conducted.

Just a few weeks after the Prime Minister’s speech, the publicity and controversy generated by the loss of 25 million child benefit records by HMRC and 600,000 service records by the Ministry of Defence can have left no-one in any doubt that data protection really does matter. There have been other security storms – all of which have reinforced messages about the importance of addressing the risks of handling personal information more seriously. Six months on, in mid-2008, an unprecedented plethora of reports all point in the same direction – information can have great value as an organisational asset, but can be a toxic liability if not handled properly. And information management is a Board level governance issue – demanding clear lines of accountability and responsibility, coherent policies and procedures, rigorous training and regular checks.

The issues go beyond security. Data minimisation – the least information, held no longer than necessary – is a fundamental data protection approach which

the ICO has long advocated. It is very encouraging to see the concept adopted as the heart of the recent Home Affairs Committee report on surveillance. That report praised the ICO for our work in this area, highlighting for example our initiatives with privacy impact assessments and the CCTV Code of Practice and – in line with the Justice Committee and other reports – calling for our powers and resources to be increased.

It is right to see limits on excessive surveillance and the wider application of data protection as building blocks of the liberties which we can so easily take for granted. Just as terrorism and other threats to our national security remind us that privacy and data protection cannot be absolute rights, so the fight against these evils must not run roughshod over our liberties. Sometimes the best-intentioned plans bring the most insidious threats, where freedoms are not appreciated until it is too late to turn the clock back. The targeted, and duly authorised, interception of the communications of suspects can be invaluable in the fight against terrorism and other serious crime. But would that provide justification for the scheme which – it has been suggested – is under consideration to create a government-run database to hold details of the telephone and internet communications of the entire population? Do we really want the police, security services and other organs of the state to have access to more and more aspects of our private lives? Any such scheme would require the fullest public debate to establish whether, whatever the benefits, it amounted to excessive surveillance as a step too far for the British way of life.

Freedom of information has generated its own controversies, but we have seen a more positive attitude from government. The threat from changes to the fees regulations has disappeared, proposals to designate further public bodies are awaited and the 30 year rule is under review. At the ICO, we have been able to close more cases than we received and an increase in our budget is now enabling us to restore the much-missed guidance and enforcement programme and move towards more acceptable service standards. If we can secure sufficient secondments, we hope to be able to begin reducing our existing backlog and start new cases sooner.

Freedom of information is not easy and Members of Parliament have not been alone in feeling discomfort at its transitional impact, but it is gratifying that there has nevertheless been almost universal support for the principles of transparency. Daily disclosures from public bodies are increasing accountability across the public sector. With the substance of most of our formal decisions upheld when examined by the Tribunal or the High Court, the casework – ranging from the Iraq war to local government pensions – involves detailed investigation and analysis of complex and sensitive factual and legal issues and careful judgements.

We work for the public and we want people to be confident in their information rights. We have secured the highest levels of awareness ever – with a staggering 90% aware of their right to see the personal information held about them – up from 74% just three years ago. For freedom of information, there have been corresponding increases in awareness of the right to see official information (up to 85% from 73% in 2005) and even sharper rises in identifying specific benefits of the right to access official information. In our survey, people put protection of personal information as a top social concern – ranking it more important than the health service or the environment.

After such a tumultuous year the ICO is set to grow significantly. It is good to be able to welcome more staff for freedom of information work. Thanks to cross-party consensus and co-operation in Parliament, we will shortly have an important new power to impose civil penalties for serious data protection contraventions. We hope soon to have long-awaited inspection and audit powers. Modest increases in the notification fee for the largest data controllers will give us significant resources to improve our infrastructure and make the best possible use of existing and new powers.

I am immensely proud of the great year of achievement by the ICO's staff which this report records. It is clear that good practice in handling personal and official information can never again be ignored or seen as an optional add-on or after-thought. As I enter my last year as Commissioner, the ICO faces many welcome challenges and it is unlikely that we will find calmer waters. But we are privileged to be entrusted with this work and we are ready, willing and able to embark on the journey ahead.

A handwritten signature in blue ink that reads "Richard Thomas". The signature is stylized with a large, sweeping initial "R" and a horizontal line underlining the name.

Richard Thomas
Information Commissioner

Our year at a glance



Annual Report 2007/08

This report looks back over the four main focuses of the ICO's work, covering both our data protection and freedom of information responsibilities.

Educating and influencing

- Promoting good practice, rights and obligations
- Making it as easy as possible for organisations to know how they should behave
- Targeting our efforts where we can secure the greatest impact

Resolving problems

- Providing effective solutions and remedies for justified complaints
- Prioritising robustly so as to concentrate on cases of substance
- Learning from cases, especially those highlighting wider problems
- Aiming where possible to achieve results by co-operation in preference to compulsion

Enforcing

- Using legal sanctions against those who ignore or refuse to accept their obligations
- Adopting a firm but fair approach
- Targeting our efforts where risks from non-compliance are greatest
- Prepared to take measured risks of our own when taking enforcement action

Developing and improving

- Developing staff to fulfil their individual and team potential
- Taking advantage of new technology
- Providing a better service for customers and better working environment for staff

Highlights of 2007/08

Apr-07	<p>We launch an investigation into Barclays Bank following alleged breaches of customer privacy.</p> <hr/> <p>Freedom of information guidance published for first tier councils.</p> <hr/> <p>Infocfind Ltd, a private investigations firm, convicted of 44 counts of unlawfully obtaining and selling personal information.</p>
May-07	<p>We call for new privacy safeguards whilst giving evidence to the Home Affairs Committee.</p> <hr/> <p>We publish a paper setting out our approach to information sharing.</p> <hr/> <p>We issue a practice recommendation to Liverpool City Council recommending improvements in the provision of advice and assistance and its internal review procedures for freedom of information requests.</p> <hr/> <p>The Information Tribunal upholds our decision notice against the Office of Government Commerce ordering them to release information relating to the Gateway review on identity cards programme.</p>
Jun-07	<p>We launch a crackdown on recruitment agencies urging them to meet their obligations to notify under the Data Protection Act.</p> <hr/> <p>We find Orange and Littlewoods Home Shopping in breach of the Data Protection Act following an investigation into their processing of customer information.</p> <hr/> <p>Three men sentenced to prison for their involvement in bogus data protection agencies.</p> <hr/> <p>We publish new guidance to help elected councillors understand their obligations under the Data Protection Act.</p>
Jul-07	<p>A Chester man is sentenced to 20 months in prison for running a bogus data protection agency.</p> <hr/> <p>We take action against Satellite Direct UK and Satcover Ltd for unsolicited cold calling under the Privacy and Electronic Communications Regulations.</p> <hr/> <p>Guidance on vexatious and repeated requests is updated and expanded to help public authorities' understanding of freedom of information.</p> <hr/> <p>We urge CEOs to raise their game following a number of unacceptable privacy breaches.</p>
Aug-07	<p>We rule under the Freedom of Information Act that Royal Mail must disclose statistics on the number of thefts from private vehicles being used to deliver mail.</p> <hr/> <p>We issue our good practice notes on data protection issues around the publication of examination results.</p> <hr/> <p>New freedom of information guidance issued for dealing with requests relating to MP's correspondence.</p> <hr/> <p>We publish 'Charter for responsible freedom of information requests'.</p> <hr/> <p>We issue a series of 'how to complain' leaflets for individuals to help them exercise their data protection and freedom of information rights.</p>
Sep-07	<p>We find the Northern Ireland Office in breach of the Data Protection Act after it failed to supply an individual with information it held on him.</p> <hr/> <p>We order debt recovery companies Clear Debt Solutions and ADC Organisations Ltd to stop sending unwanted faxes to individuals and businesses.</p>
Oct-07	<p>We issue a freedom of information practice recommendation to Nottingham City Council regarding its records management practice.</p> <hr/> <p>We remind local authorities in Scotland to protect residents from ID theft by advising them to restrict the amount of personal information published on their websites.</p> <hr/> <p>We hold a Data Sharing conference for stakeholders in Northern Ireland.</p> <hr/> <p>We launch additional guidance aimed specifically at small businesses to help them understand their obligations under the Data Protection Act.</p> <hr/> <p>We launch 'The framework code of practice for sharing personal information'.</p>

Nov-07	<p>We launch our young people's website with guidance about protecting personal details on social networking sites.</p> <p>Market research shows that awareness of data protection and freedom of information rights is the highest ever.</p> <p>We find the Foreign and Commonwealth Office in breach of the Data Protection Act following an investigation into the online application facility for UK visas.</p> <p>We order four police forces to delete old criminal convictions from the Police National Computer.</p> <p>The Information Commissioner and two ICO colleagues give presentations at the Information Commissioners' International Conference held in New Zealand to mark its 25th year of freedom of information.</p> <p>Series of workshops held in Wales and Northern Ireland as part of our publication scheme development and maintenance initiative.</p> <p>The UK's largest personal data security breach is recorded following the loss of over 25 million personal records by HMRC.</p>
Dec-07	<p>We find the Department of Health in breach of the Data Protection Act following an investigation into a security breach on the Medical Training Application Service website.</p> <p>The government announces its commitment to strengthening the powers of the Information Commissioner.</p> <p>We rule that the Department for Culture, Media and Sport must release documents relating to the takeover of Manchester United Football Club.</p> <p>Draft of new model publication scheme and definition documents published, and web based consultation started.</p> <p>We host a 'Surveillance society' conference in Manchester and launch our privacy impact assessment handbook.</p>
Jan-08	<p>We mark European Data Protection Day by launching our CCTV code of practice at the Houses of Parliament.</p> <p>We take enforcement action against Carphone Warehouse after investigating complaints concerning the way personal information was stored and processed.</p> <p>We take enforcement action against Marks & Spencer after an unencrypted laptop containing 26,000 employees' details is stolen.</p> <p>We order the House of Commons to release further details of some MPs' spending, including costs of second homes and staff incidental costs.</p>
Feb-08	<p>We order 32 local authorities to release information on pension payments.</p> <p>We order the Cabinet Office to release the minutes of Cabinet meetings where military action against Iraq was discussed.</p> <p>We find Skipton Financial Services in breach of the Data Protection Act.</p> <p>We prosecute a Manchester debt recovery company for bombarding individuals and businesses with unwanted faxes.</p> <p>We launch our CCTV code of practice in Scotland, at the Scottish Parliament.</p> <p>Response submitted to Ministry of Justice consultation on Designation for Additional Public Authorities for the Freedom of Information Act.</p>
Mar-08	<p>We launch our data protection strategy at the Data Protection Officers conference in Manchester.</p> <p>We respond to the independent review of the 30 year rule regarding release of official information.</p> <p>We take enforcement action in relation to the Department of Health, issuing the first practice recommendation to a central government department, recommending the improvements needed to conform to the freedom of information code of practice.</p> <p>We prosecute a London solicitor and a Bolton accountant for failing to notify as data controllers.</p>

Educating and influencing

Our first step is to ensure that organisations are aware of their obligations and that individuals are aware of their rights. Using clear, targeted communication, we make it plain to organisations what is expected of them, and help individuals understand their rights and how to exercise them.

Information rights hit the political and social agenda this year, with awareness of the rights the highest they have ever been. In research commissioned by the ICO, individuals' awareness of the data protection right to see information held about them reached 90%, and 86% were aware of the freedom of information right to request information held by public authorities.

Creating free-flowing information to the public is no easy task but progress so far indicates that the ICO will be up to the job, if it is given the greater powers and funding it no doubt deserves.

Public Servant,
March 2008

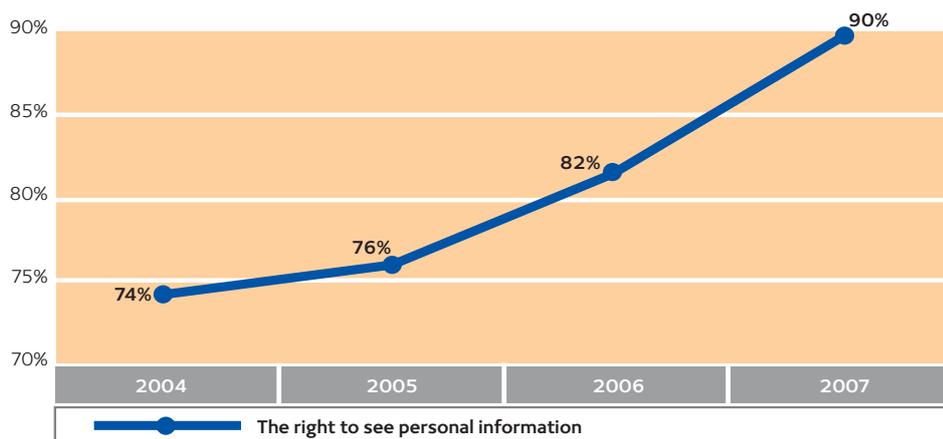
Information Commissioner, Richard Thomas urged the Government last night to review the amount of sensitive data to be kept on the ID database.

The Daily Mail,
22 November
2007

Warnings from the Information Commissioner, trade unions and prominent academics calling into doubt the security of government data systems were ignored – leading to the loss of 25 million electronic records on unencrypted CDs sent by HMRC using internal post.

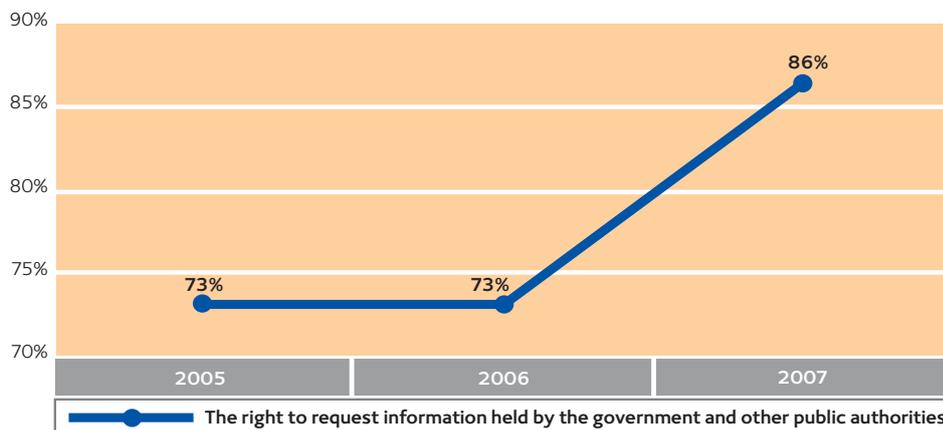
Public Servant,
1 December
2007

Prompted awareness of the right to see personal information



Source: ICO Annual Tracking Survey 2007 Sample size 1223

Prompted awareness of the right to request information held by the government and other public authorities



Source: ICO Annual Tracking Survey 2007 Sample size 1222

Case study

Privacy impact assessments – road pricing

The prospect of a national road pricing scheme generated a lot of interest last year, with many individuals concerned about the potential threat to their privacy and the prospect of the government being able to track their movements. A petition on the Number 10 website quickly gained over a million signatures from those unhappy with the plans. Congestion on our roads is a growing problem and road pricing may be a legitimate way of dealing with this. However, it also has the potential to be intrusive and, depending on the type of scheme adopted, could be capable of building a detailed picture of an individual's movements. We have stressed that any scheme adopted, whether national or local, needs to address these privacy concerns from the outset if it is to get the support of individuals. The Department for Transport, in exploring the potential for road pricing, is focussing on privacy as a priority; it is urging those responsible for developing local schemes to carry out privacy impact assessments.



Publication schemes – making openness the norm

We continue to encourage the proactive disclosure of official information. Extensive consultations took place with public authorities throughout the year as part of our publication scheme development and maintenance initiative. This will help public authorities provide information to the public consistently and proactively. As our promotions budget was cut to fund complaint handling teams, this was the mainstay of freedom of information promotional work this year.

Building privacy into the system

Following widespread consultation the ICO's data protection strategy was launched at the Data Protection Officers conference in March. Aimed at our major stakeholders the strategy sets out how we approach our task of minimising data protection risk. It spells out the basis upon which we select the issues to engage, the outcomes we seek and the approach taken to engagement. Last year saw plans for identity cards, e-borders, electronic health records and road pricing develop apace. We advised and guided those responsible for the schemes – highlighting the potential risks of large-scale databases and increased sharing, and warning of the need to safeguard against data losses through effective security measures and data minimisation by designing privacy into the system.

Surveillance society

We continued to take practical steps to help avoid the unwanted consequences of a surveillance society.

The potential consequences of the surveillance society attracted the attention of two parliamentary committees: the House of Commons Home Affairs Committee and the House of Lords Constitution Committee. We submitted written and oral evidence to both, highlighting our concerns and our suggestions for possible solutions, including the use of privacy impact assessments and increased powers for the Commissioner.

In December 2007 we hosted a follow-up to the international conference we had hosted in 2006. 'Turning debate into action' highlighted many of the practical measures we have taken to progress the issue and provide safeguards for the future. This included launching our privacy impact assessment handbook.

Privacy impact assessments

Privacy impact assessments are currently used in other countries as a practical tool to help organisations to address data protection and privacy concerns at the project development stage, building data protection compliance in from the outset. We are now promoting privacy impact assessments and have had interest from public and private sector bodies

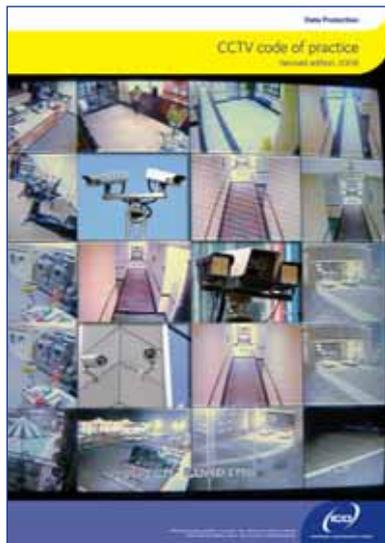
willing to share their experiences with us. The feedback we receive will help to inform us on any changes to be made to the handbook.

Research

The conference also gave us the opportunity to launch the results of our research into public perceptions of the surveillance society. These showed that individuals were not overly concerned about levels of surveillance as they felt it helped to make society more secure. However, there were underlying concerns about how data is used once it is collected, and how secure it is.

Information security

This took on a high profile after the loss of personal data by HMRC and other major public sector organisations. We highlighted the importance of information security in our last annual report and we have since forged links with the Cabinet Office and others involved in the security of public sector information to make sure our work is complementary.



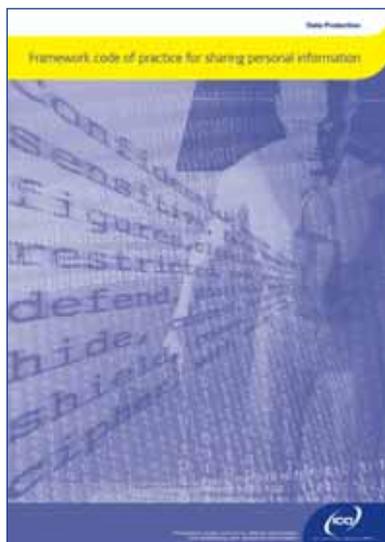
CCTV

We celebrated European Data Protection Day on 28 January 2008 by launching our revised CCTV code of practice at the Houses of Parliament. This important piece of guidance was updated to reflect changes in the law, the technology and the number of CCTV cameras in the UK.

Information sharing

There is an increasing call for more information sharing not just in the public sector but also within industry and between the public and private sectors. In November we published a framework code of practice for organisations wanting to produce their own codes for information sharing.

We have worked closely with credit reference agencies, financial institutions, government departments and local authorities to help ensure that individuals' rights are respected whenever data sharing is proposed. We have stressed the need for transparency and that any proposed sharing is a proportionate response which will help to solve a real problem.



Case study

Information sharing case study – integrated children's systems

Connexions, ContactPoint and eCAF (electronic common assessment form) have now been integrated into one project. We have strong links with the team running the project and the integration will enable us to advise the programme even more efficiently. We attend the information sharing advisory group (ISAG) meetings which draw together representatives from across these areas of work.





Case studies

A series of speaking engagements have been held with all 14 Scottish Data Sharing Partnerships involved in the protection of vulnerable groups from Shetland to the Borders and from Aberdeen to the Western Isles.

Wales has proportionately more small- to medium-sized businesses than does the UK as a whole. Therefore we have targeted our data protection promotional work accordingly and in September held a series of data protection breakfast seminars in north Wales, jointly hosted by the local branch of the Federation of Small Businesses.

In October 2007, the Northern Ireland Regional Office hosted a Data Protection Conference in order to capture consultation feedback on our new framework code of practice on data sharing. The conference was well attended by local practitioners, chief executives and other key stakeholders from Northern Ireland.

Influencing internationally

Our international work continues to develop in line with our commitment to improve the image, relevance and effectiveness of data protection worldwide.

We take an active role in the work of the EU Article 29 Working Party. The working party has adopted 14 documents since March 2007, including the paper on the definition of personal data and opinions on both the US passenger name record agreement, and the European Union passenger name record proposals.

We have been involved in promoting a dialogue between EU data protection authorities and our counterparts in the Asia Pacific Economic Co-operation (APEC) region on a cross-border privacy rules system. This is designed to facilitate the international transfer of personal data in a similar way to binding corporate rules.

We continue to be involved in the supervisory arrangements for policing, immigration and border control at EU level and our Deputy Commissioner, David Smith, is currently the chair of the Europol Joint Supervisory Body (JSB). We sit as members on the JSB for both Europol and the Customs Information System. We are observers on the Joint Supervisory Authority (JSA) for the Schengen Information System. We are also part of the supervisory arrangements for Eurodac (asylum seekers fingerprint scheme) and Eurojust (co-operation between EU judicial authorities). The work of these bodies is aimed at making sure proper data protection safeguards are observed in these member state co-operative arrangements.

We are active members of the international working group on data protection for all electronic communications. The group recently produced the Rome declaration providing advice on social networking sites for regulators, operators and users.

Our communications work has received international recognition too, with our data protection training DVD "The lights are on" being translated for use by the Basque data protection authority, and our social networking web pages being adapted in Australia by the Victorian Privacy Commissioner. The ICO is leading on the development of an international network of data protection communicators.

Information, advice and guidance

A key part of our work is to produce guidance for our stakeholders. We have issued 25 pieces of new or amended guidance this year that have helped individuals and organisations comply with, and understand the implications of, data protection and freedom of information.

It's your information

'It's your information' guidance gives individuals straightforward, practical advice, particularly about exercising their legal rights:

- How to access your information
- Use and disclosure of vehicle information
- Access to pupil information
- Sharing information about you

Good practice notes

We have continued to publish practical and easy to understand good practice notes. They explain to organisations what they need to do to comply with the law. We have issued guidance on the following:

- Collecting personal information using websites
- Publication of examination results by schools
- Training checklist for small and medium sized businesses
- Taking photos in schools
- The use and disclosure of information about business people
- Security of personal information

Technical and legal guidance

Sometimes organisations want more detailed explanation of the requirements of the law. The technical guidance we have produced this year has met this need:

- Access to information about public authorities' employees
- Filing defaults with credit reference agencies
- Determining what is personal data
- Frequently asked questions (and the answers) about relevant filing systems
- Access to personal information held by schools in Scotland
- Sharing personal information: Our approach
- The use of biometrics in schools
- Guidance on data security breach management
- Notification of data security breaches to the Information Commissioner's Office

A welcome dose of common sense has been prescribed for the nation by the office of the Information Commissioner.
(photography in schools)

Manchester
Evening News,
14 November
2007

To help small businesses understand their obligations under the (Data Protection) Act the Information Commissioner has launched additional guidance aimed specifically at the sector.

Managing Information,
1 December
2007

Official guidance for millions of people who use networking sites will be published today by the Information Commissioner amid growing concerns that young people are being naïve about the personal details they put online.

The Guardian,
23 November
2007

Case study

Subscriptions to our e-newsletter have grown over 250% and we now have nearly 4,000 subscribers

To sign up, visit www.ico.gov.uk

Reaching out to customers

Our website continues to attract around one million separate visitors a year, who make around 1.6 million visits. We continued to improve the site, launching regional and foreign language pages, and a section for young people on social networking.



The ICO's public information advert urging people to protect their personal information was broadcast over 50,000 times. We distributed over 21,000 copies of the accompanying publication, the 'Personal information toolkit'.



We distributed over 230,000 publications to members of the public and organisations. Nearly 75,000 requests were made for our most popular publication 'Credit explained'. It gives information to individuals about how to check credit reference files. We also launched a new corporate DVD, explaining the role of the ICO.



Our most popular publications

Rank	Publication	Total requested
1	Credit explained	74,667
2	Freedom of Information - Your guide to openness	25,465
3	Personal information toolkit	21,386
4	How to check your personal information using the Data Protection Act	10,457
5	The lights are on (Data Protection Act training DVD)	9,764
6	Brief guide to notification	8,740
7	Freedom of Information Act 2000 and Environmental information regulations 2004 - When and how to complain	8,693
8	About us leaflet	8,169
9	Getting it right - a brief guide to data protection for small businesses	5,645
10	Data Protection Act 1998 - when and how to complain	4,281

Resolving problems



Thank goodness for the Data Protection Act. A friend had told me about it – as soon as I got hold of the information, I knew it would clear my name.

Robin Page,
former BBC presenter,
Daily Star,
16 January 2008

When things go wrong the ICO needs to resolve problems effectively and efficiently. We have worked hard to speed up our response to freedom of information cases, working as efficiently as possible to achieve maximum productivity.

Aiming to learn from cases, we gather management information to identify common problems, frequently asked questions, problem areas and trends. We use this information to prioritise our guidance production, inform our enforcement activities and to create relevant material for individuals and organisations. Where possible, we also work with organisations to prevent problems occurring in the first place.

We continue to provide an efficient and effective front-line service to our customers through:

- **The ICO telephone helpline service** which answered over 100,000 calls and provided help and advice to individuals and organisations with concerns about their rights and obligations.
- **A notification helpline** which provided advice for new and existing businesses regarding their data protection notification and queries. We dealt with over 82,000 calls answering 93.6% with an average waiting time of less than 35 seconds. We also dealt with over 22,500 written requests for notification guidance during 2007/08.
- **The central case reception unit** which received some 25,000 complaints and enquiries in 2007/08. The unit resolved the complaint or dealt with the enquiry at first contact in over 50% of cases. Those cases requiring more detailed investigation or consideration are assessed before being allocated to the appropriate area of the ICO for resolution.

Monitoring performance

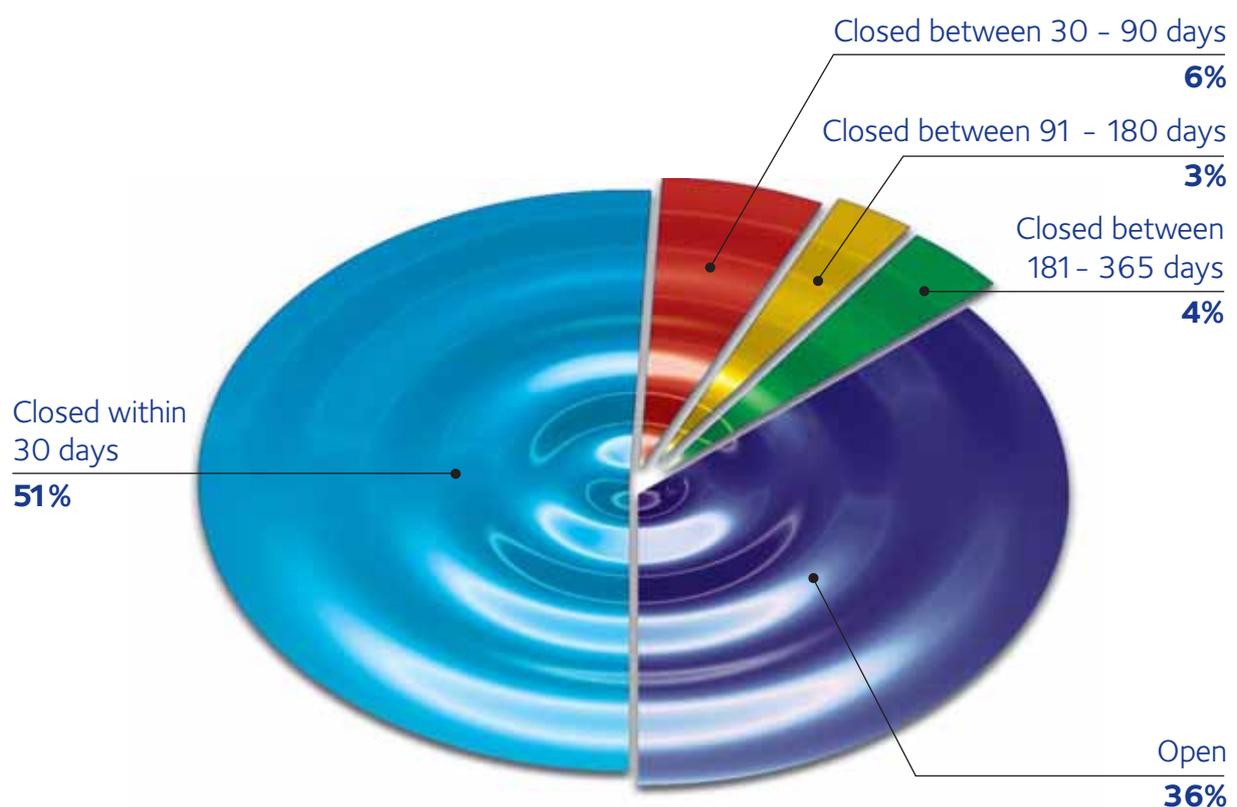
We post our service standards on our website every quarter. These are both a statement of our commitment to improvement and a measure of our performance.

Freedom of information casework

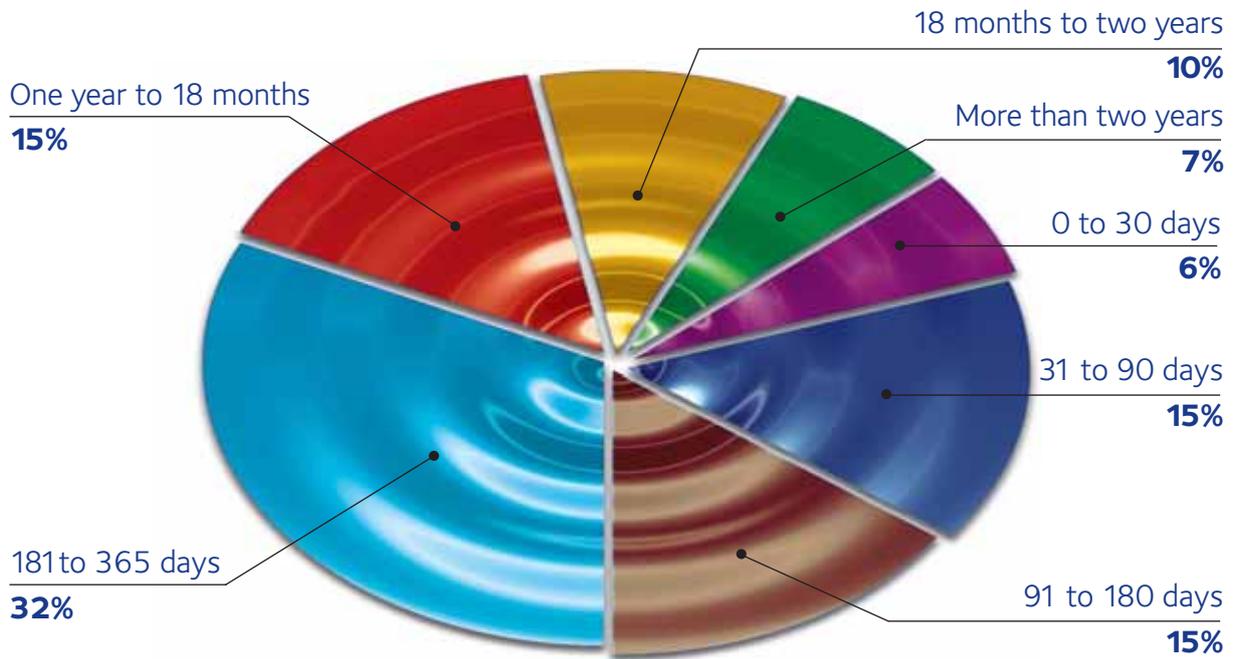
We began the year with 1,375 cases either under active investigation or waiting to be allocated to a complaints officer. By the end of March 2008 this caseload had reduced to 1,363. This is made up of 950 cases received in 2007/08 and 413 cases carried forward from previous years.

Received	Closed	Caseload carried forward to 2008/09
2,646	2,658	1,363

What has happened to the 2,646 cases received during 2007/08?	
Closed 30 days or less	51%
Closed 90 days or less	57%
Closed 180 days or less	60%
Closed 365 days or less	64%
Open (includes cases allocated and under investigation, and those awaiting allocation)	36%

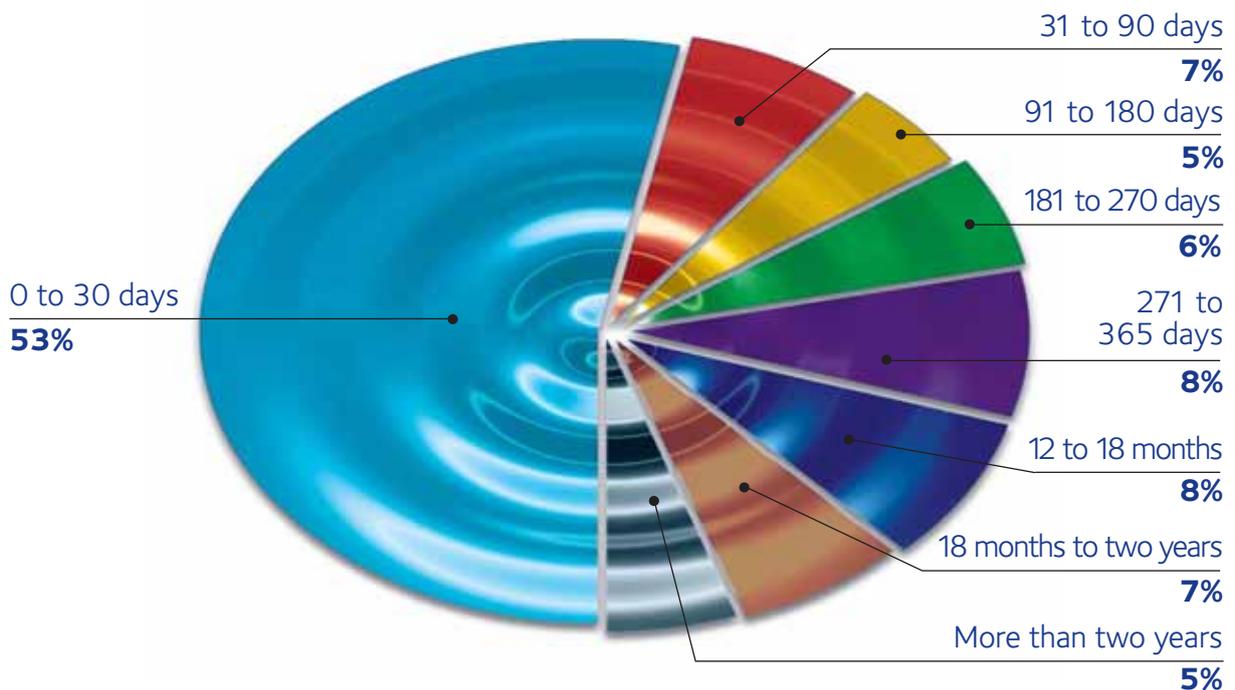


What is the age of the cases carried forward at 31 March 2008?

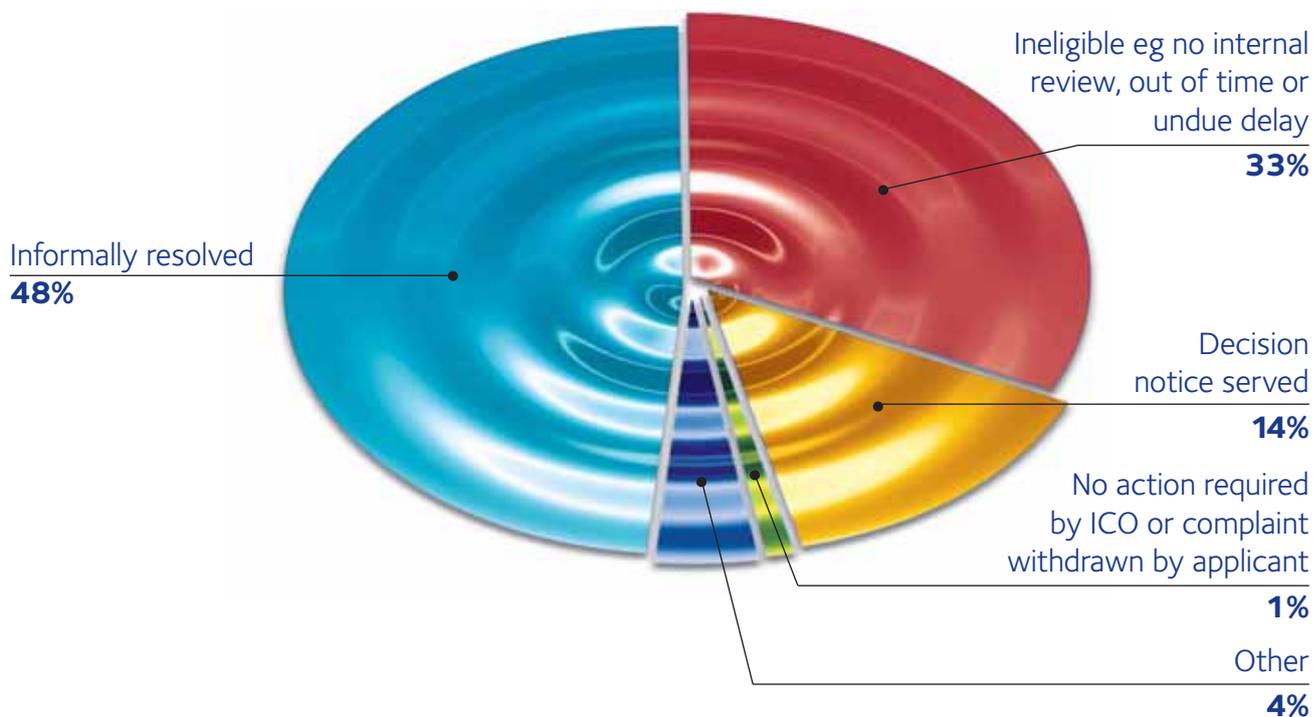


How old were the 2,658 cases closed during 2007/08 when they were closed ?

	Target	Actual
30 days or less	50%	53%
90 days or less	60%	60%
180 days or less	65%	65%
365 days or less	80%	80%

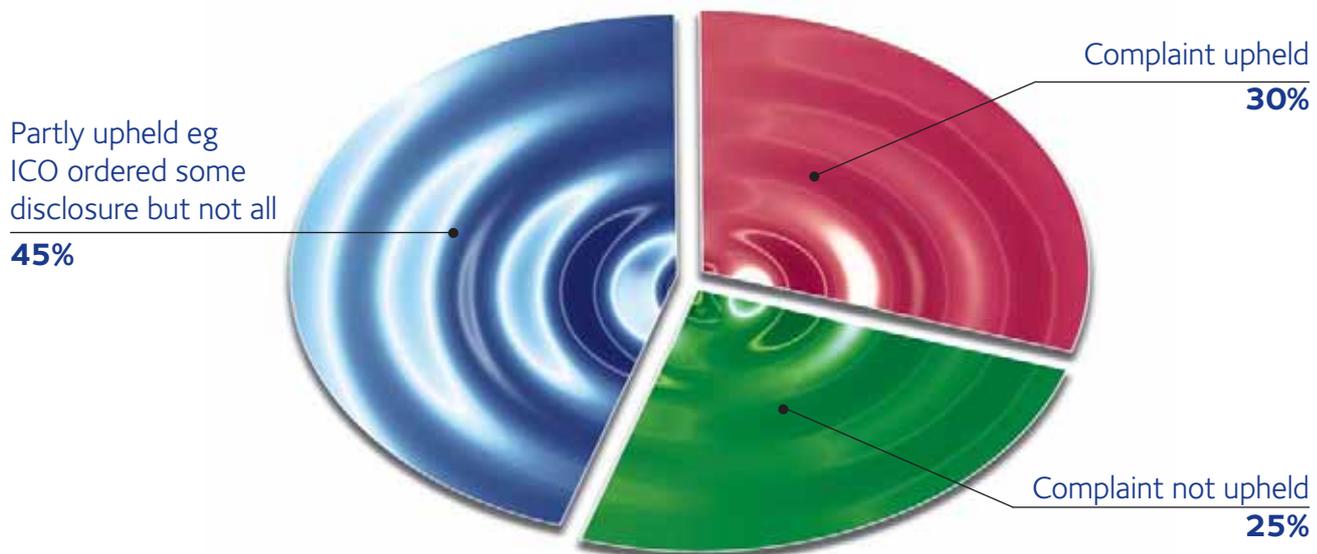


Outcome of cases closed



Outcome of decision notices

Total decision notices served 2007/08 **395**



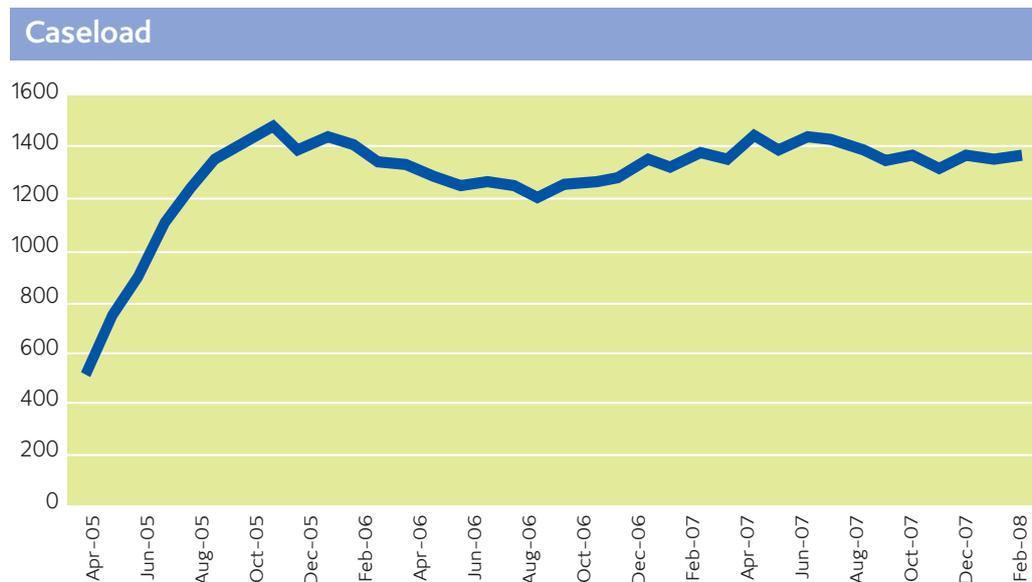
Freedom of information cases closed by sector

Local government	39%	Other	8%
Central government	29%	Education	4%
Police and criminal justice	10%	Private companies	1%
Health	9%		

Resolving freedom of information complaints

We received 2,646 freedom of information complaint cases in 2007/08 (1.2% more than in 2006/07), and closed marginally more than we received at 2,658 (2.19% more than in 2006/07). Despite reduced resources, for the second successive year we have prevented any increase in caseload we carry at any one time. These figures need to be set in context in order to understand what an achievement this represents.

We began receiving freedom of information complaints in January 2005. That first year was a very challenging one for the organisation: we received more cases than we had predicted and they were also more complex than we had expected. During 2005, our caseload rose dramatically, and by December 2005 it stood at over 1,470.



A caseload consists of two parts: cases that are under active consideration and those waiting to be allocated to a caseworker. Since 2005, we have been doing all we can to make inroads into the number of cases we carry at any one time. During 2006/07, we were allocated additional resources for the year which enabled us to review and improve our processes and to employ a number of temporary caseworkers. This work was successful and we increased output significantly. At the end of 2005/06, the number of cases coming in had reduced, and we used this reduced intake for our predictions for 2006/07. In fact, the reduction turned out not to be sustained and the number of cases increased. At the start of 2007/08, despite the increased output, we had only reduced our caseload by single figures.

2007/08 has proved to be an even more challenging year for us. In 2006/07, with the extra funding of £850,000, which was allocated exclusively to freedom of information casework, the total amount of funds for freedom of

information work was £5.55 million. This additional funding was no longer available in 2007/08, which meant that we had to make some difficult choices around how we allocated our £4.7 million freedom of information budget.

We chose to cut back in areas such as communications and guidance, and used the £450,000 we saved for freedom of information casework. This left freedom of information complaints handling with £400,000 less than the previous year. The internal reallocation went some way to making up for the £850,000 shortfall, but meant that work planned in other areas had to be shelved.

Our predictions at the start of 2007/08 were based on the number of cases we received in the final six months of 2006/07. These suggested we would get around 210 cases a month. We felt that we would just be able to match these figures by keeping on some temporary staff from the previous year. In fact, we received more cases than expected – an average of over 220 per month.

Set against this background of reduced resources and increased complaints coming in, we believe that the increase in the number of cases closed represents a satisfactory year for all those involved in freedom of information case handling at the ICO.

Length of time to close cases

The ICO met its targets on the length of time it takes to close those cases which we have closed. Although we close over 50% of new cases within 30 days of receipt, the more substantive cases take significantly longer to deal with. We believe that this is an effective measure of ICO performance. Of course, as we make inroads into the caseload, more older cases will appear in our figures.

However, we are conscious that these only show part of the picture. We also prepare figures that show a snapshot of the age of our caseload at the beginning of each month. From April 2008, we have published these on our website alongside the other figures that we produce every quarter.

The future

During the year, we negotiated an increase in our baseline funding for freedom of information work from April 2008. As part of these negotiations, we set out what permanent caseworker staffing levels we would need to keep on top of predicted caseloads. We also calculated what additional staff would be required to make significant inroads into our caseload. However, while the additional funding we were able to secure will enable us to recruit enough permanent staff to meet current demand (estimated to be around 220 cases per month), it is unlikely to be enough to enable us to close significantly more cases during the coming year. Unfortunately, this means some of our customers will have to wait longer than we would wish for their cases to be resolved. However, with the full support of the Ministry of Justice, we are aiming to recruit secondees who will be funded by their sponsoring department. If we can secure sufficient secondments, we will be able to reduce our existing backlog and start new cases sooner.

Making a difference

Informal resolution

Many freedom of information complaints were resolved through discussion, persuasion and negotiation between the complainants, public authorities and the ICO.

- A Mr W had a request turned down to see correspondence from the Scotland Office about an all postal ballot for the European Elections. After receiving his complaint we wrote to the Scotland Office to request an explanation. After looking at the case again they changed their decision and now found the public interest in maintaining the exemption was outweighed by the public interest in disclosure. The information was released.
- A complainant made a request for information to Oldham Metropolitan Borough Council regarding the proposed establishment of a partnership arrangement with a private company for the provision of car parking services in the Borough. The council provided some of the requested information, but not all. Following the intervention of the Commissioner, the council reconsidered its initial position and agreed to release the rest of the information.
- A complainant requested information from Wiltshire and Swindon Safety Camera Partnership about a particular speed camera. The police provided some of the information but refused to provide information about how many tickets have been issued from a particular camera since it was set up, and the dates. The police drew the complainant's attention to the Information Tribunal's judgment in a case which emphasised the 'precedent argument' in relation to releasing site-specific speed camera data. In light of this earlier judgement and as a result of the Commissioner's intervention, the complainant said that he would be happy to accept information about the total number of notices of intended prosecutions issued from the date the camera was set up, and asked that this information include up to the present day. The police agreed to disclose this information.

Freedom of information decision notices where the ICO ordered the public authority to disclose the information requested

Public authority: Cabinet Office

The ICO ordered the Cabinet Office to release the minutes of Cabinet meetings where military action against Iraq was discussed. The Commissioner does not believe, however, that the disclosure of these minutes will necessarily set a precedent in respect of other Cabinet minutes.

Public authority: House of Commons

The ICO ordered the House of Commons to release further details of some MPs' spending, including the cost of running a second home, on the grounds that such expenses arise from their role as public representatives and are reimbursed from the public purse. The ICO accepted that MPs are entitled to privacy in respect of their personal and family lives.

Public authority: Tameside council

The ICO ordered 32 local authorities to disclose the amount of money paid to brokers by investment managers on behalf of employees' pension funds. The Information Commissioner has ruled that there is a strong public interest in releasing the information.

Public authority: Sheffield Teaching Hospitals NHS Foundation Trust

The ICO ordered the Trust to release a copy of an internal audit report. The report examines allegations of financial irregularities made against a former director.

Public authority: Royal Mail

The ICO ruled that Royal Mail must disclose statistics on the number of thefts from private vehicles being used to deliver mail.

Public authority: Department for Culture, Media and Sport

The ICO ordered the Department for Culture, Media and Sport to release documents relating to the takeover of Manchester United Football Club. He took the view that the policy formulation and development process had effectively ended, and that the disclosure of advice given by government officials in this case would not inhibit government officials from giving frank advice in the future.

Public authority: Department for Environment Food and Rural Affairs

The ICO ordered DEFRA to release a copy of the agendas for meetings of the Green Ministers Committee since 1997. He accepted the information related to the development of government policy but did not accept that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Gordon Brown and Tony Blair have been ordered by the information watchdog to disclose details of their expenses in a move that could lead to most of MPs' spending being broken down for publication.

Daily Telegraph,
23 January 2008

Minutes of Cabinet meetings in 2003 discussing military action against Iraq should be released, a watch-dog ruled yesterday. Information Commissioner Richard Thomas pointed to the 'gravity and controversial nature' but said it wasn't necessarily a precedent.

Daily Mirror,
27 February 2008

Richard Thomas, the information commissioner, will condemn Hounslow Primary Care Trust's "completely unacceptable" handling of a case in which a man asked for information about his father-in-law's stay in a nursing home and death in a hospice.

Financial Times,
27 March 2008

Freedom of information decision notices where the ICO agreed with the public authority's decision not to release information

Public authority: Estyn

Anne Jones, the ICO's Assistant Commissioner for Wales, ruled that Estyn, Her Majesty's Chief Inspector of Schools in Wales, was right to neither confirm nor deny whether it holds information relating to alleged complaints made against two Estyn staff.

Public authority: Centro

The ICO concluded that the West Midlands Passenger Transport Executive (Centro) was entitled to refuse to answer a request for information on the grounds that it was vexatious. Between January and November 2005 the same person made 15 requests to Centro concerning the authority's financial relationship with four bus companies. Centro provided a range of information to the requester. In November and December 2005 Centro received the 14th and 15th requests and informed the requester that it would not be answering any further questions on this issue. Centro highlighted that it had already provided detailed responses to requests, made offers of direct discussion and had already spent a considerable amount of time on this issue.

Public authority: National Gallery

The ICO ruled the National Gallery was right to withhold correspondence between the Gallery and the owner of a specific painting. The National Gallery maintained that releasing its correspondence with the owner of a painting could prejudice its ability to negotiate in the future and that disclosure may adversely affect the confidence that auction houses, vendors, dealers and donors have in the Gallery.

Public authority: BBC

The ICO ruled that the BBC was justified in refusing requests for information on the grounds that the requests were vexatious. Following the introduction of the Freedom of Information Act in January 2005, the BBC received approximately 90 requests from the same person relating to the authority's hospitality expenditure and employee expenses claims during a short period of time.

Public Authority: Driving Standards Agency

The ICO agreed with the Driving Standards Agency's decision not to release information surrounding their decision to alter two rules in the Highway Code relating to cycle lanes on the grounds it related to the formulation or development of government policy.

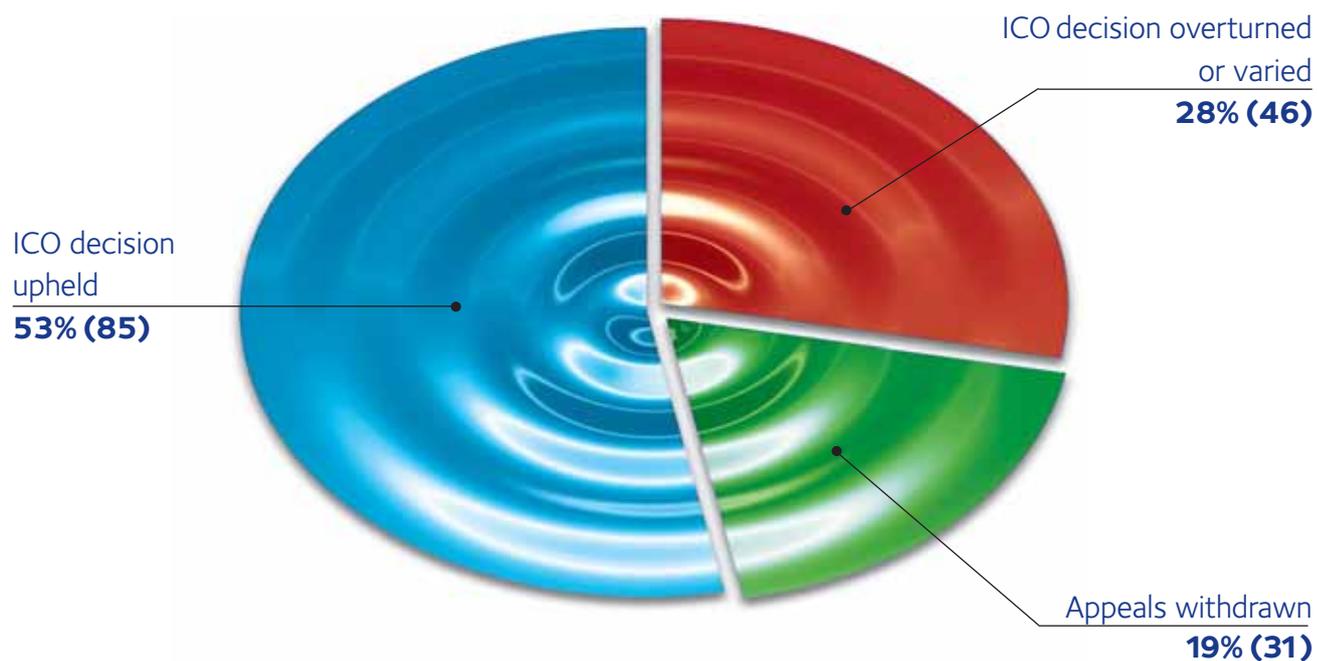
Public Authority: London Borough of Camden

The ICO agreed with Camden council that releasing the list of all shops and premises visited by bailiffs during 2000 and November 2005, for the collection of rent debts and council taxes, could potentially harm those businesses' commercial interest and also that the public interest would be better served if the information was not made public.

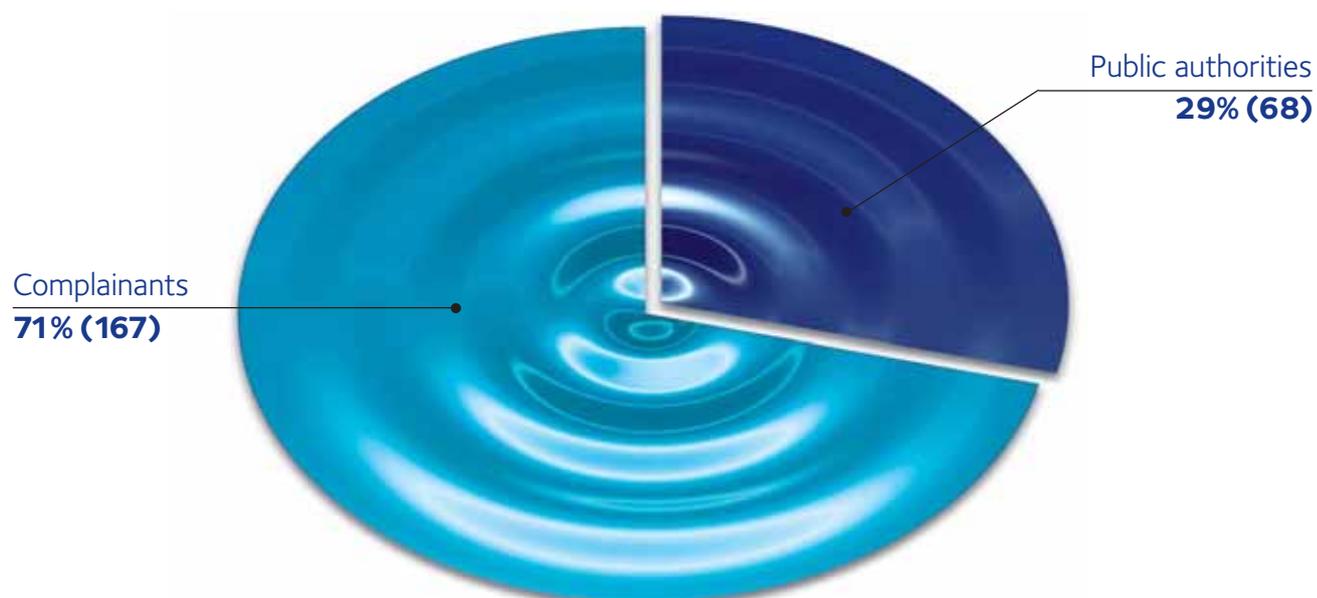
Freedom of information appeals to the Information Tribunal

Total appeals since January 2005 (from a total of 922 decision notices issued)	235
Appeals caseload as at 31 March 2008 (open cases)	73

Completed appeals outcomes



Parties appealing

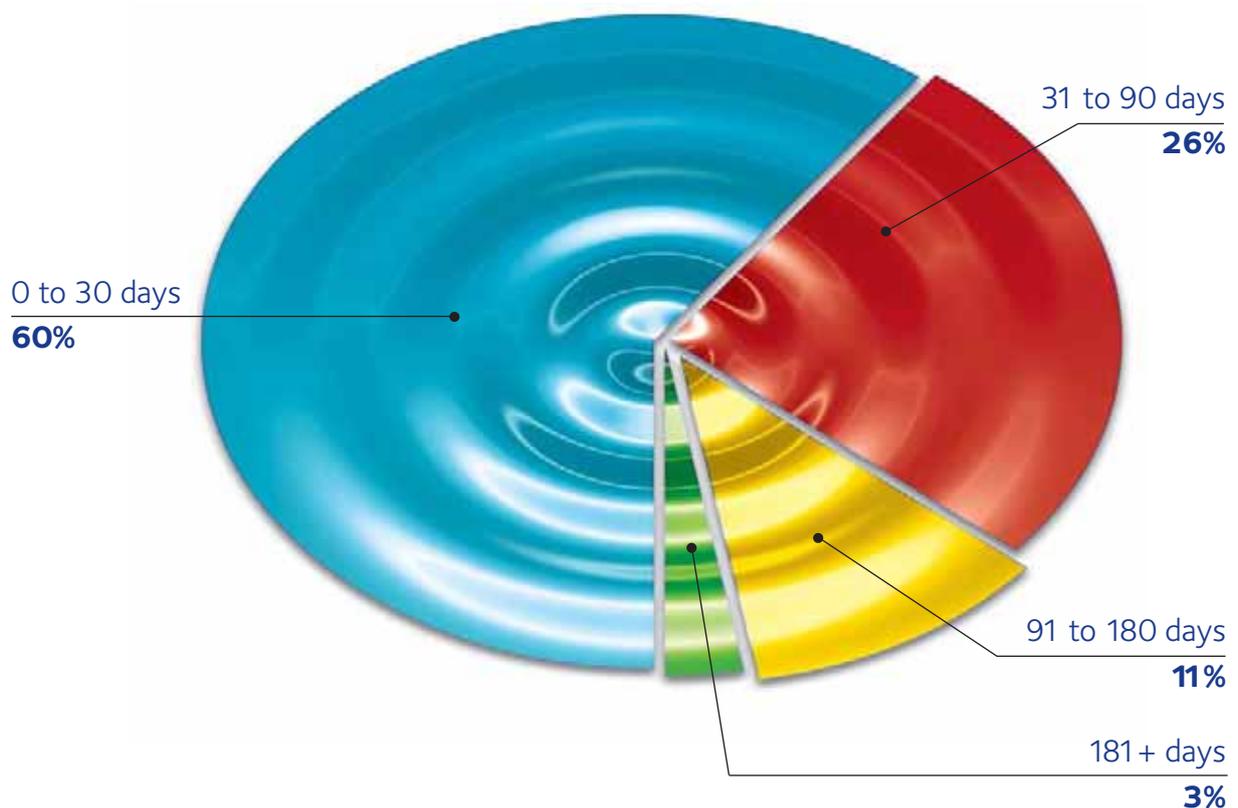


Data protection casework

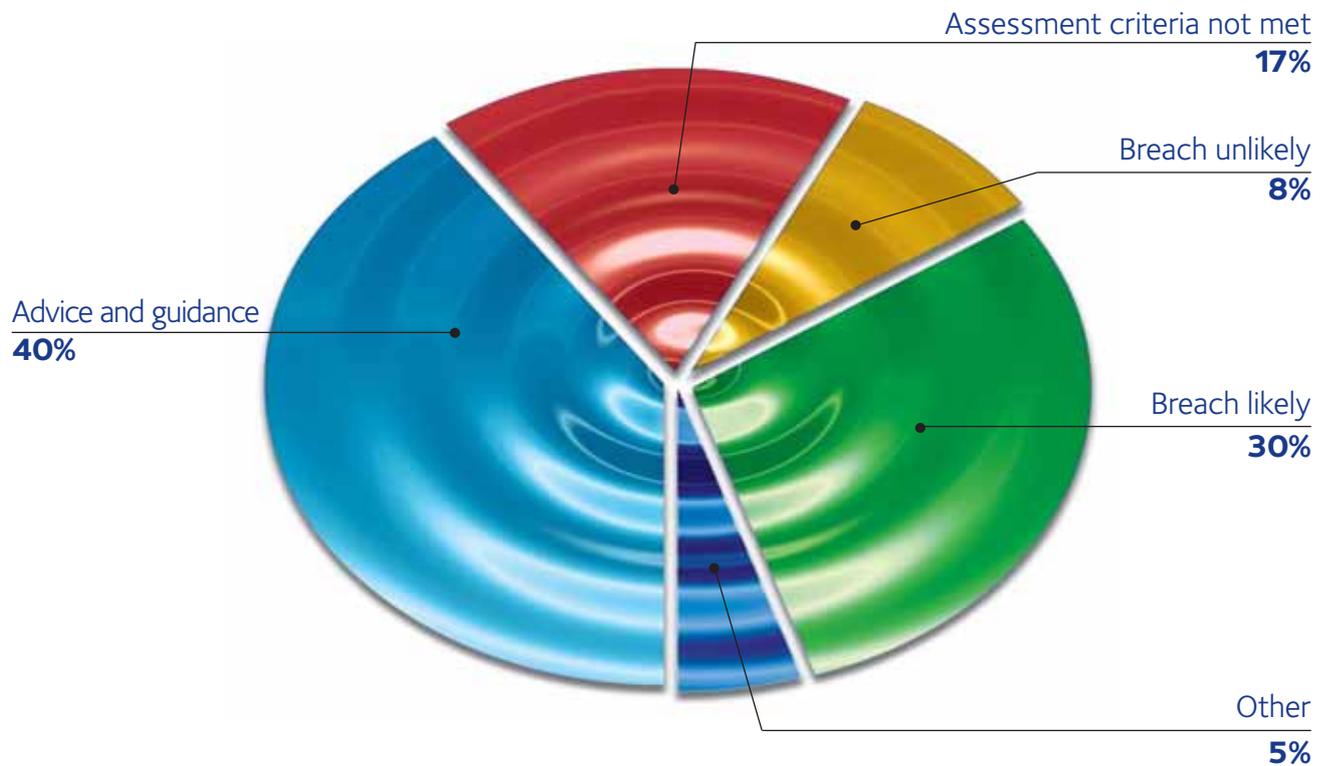
Received	Closed	Work in progress
24,851	25,592	1,237

Performance against targets		
Time to close cases	Target	Actual
30 days or less	45%	60%
90 days or less	93%	85%
180 days or less	99%	97%

Age of cases closed



Outcome of cases closed



The business areas generating the most complaints are:

Lenders	33%	Central government	5%
Other	7%	Local government	4%
General business	7%	Health	4%
Telecoms	5%	Direct marketing	4%
Policing and criminal records	5%	Internet	3%

The most frequent reasons for complaining are as follows:

Subject access	47%	SMS	2%
Inaccurate data	13%	Right to prevent processing	2%
Disclosure of data	9%	Fair processing info not provided	2%
Phone calls - live	5%	Retention of data	2%
Security	5%	Use of data	1%
Email	4%		
Phone calls - automated	3%		
Fax	2%		

Making a difference

Resolving data protection complaints

Under the Data Protection Act individuals who have experienced a data protection problem can ask the Commissioner to assess whether it is likely or unlikely that the Act has been breached in their case. Where the Commissioner is satisfied that the Act is likely to have been breached he can ask the organisation to take steps to rectify that problem. His main focus is to change the organisation's behaviour so that they comply with the Data Protection Act in the future. Much of our time this year has been spent dealing with complaints about financial institutions failing to respond to subject access requests properly.

Listed below are details from cases where we have helped individuals when they believed organisations were not complying with the Act.

- In April 2006 the Office of Fair Trading announced that bank charges over £12 in standard credit card contracts were likely to be unfair. As a result, tens of thousands of consumers made subject access requests to their credit card provider to find out how many times they were charged more than £12 so they could claim back the difference. Due to the unprecedented volume of requests they received, many financial institutions were unable to provide the statements within the 40 days allowed by the Act and so their customers complained to us. The fairness of these charges is currently being considered by the courts. We are expecting an announcement in 2008-2009 and the intense media interest in this matter means that this will probably be a significant feature of our work next year too.

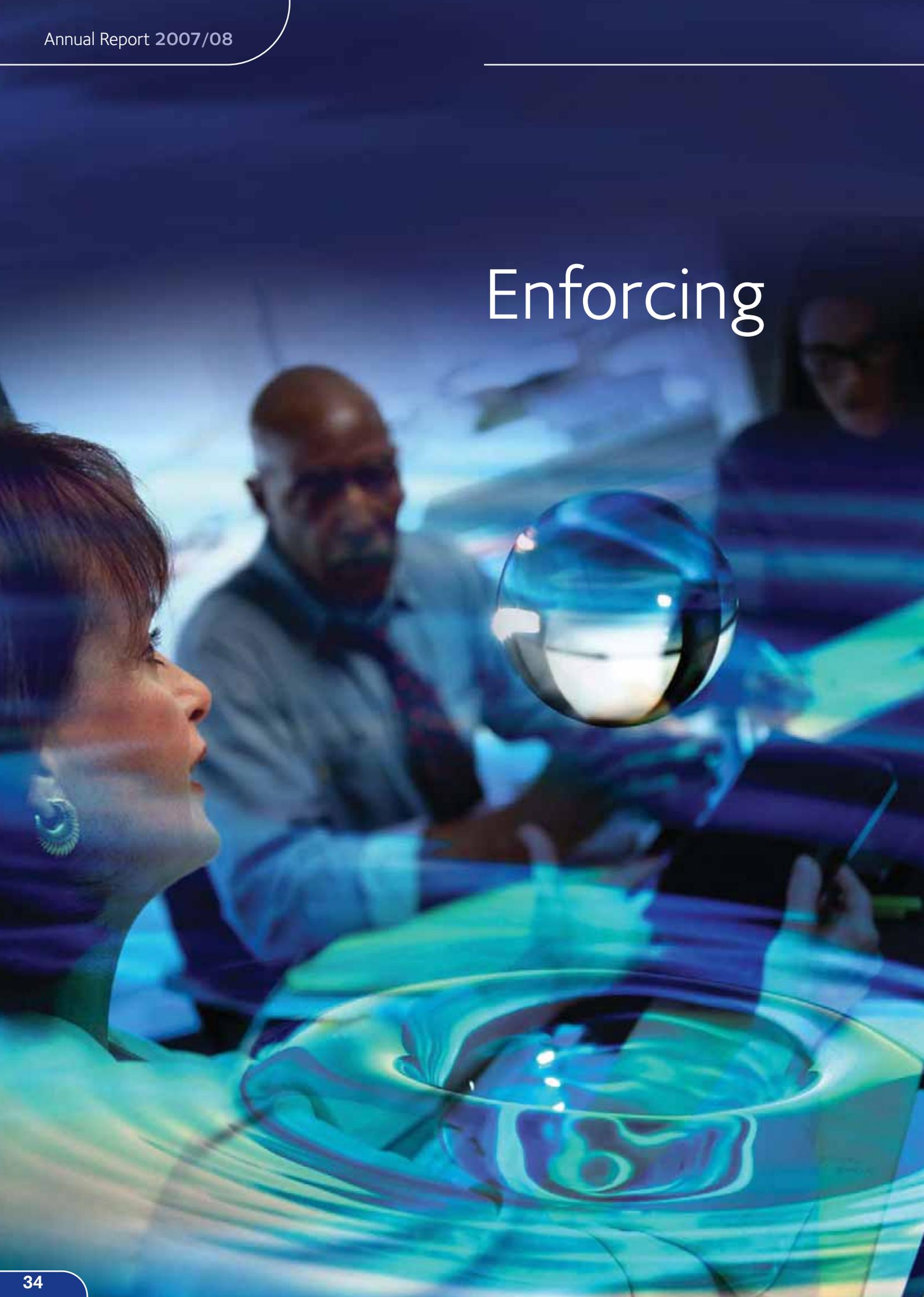
- Mr C noticed a default on his credit file from 2001. He denied he had defaulted but did not pursue the matter with the telecoms company concerned as he was advised that the default would be removed from his file after six years. He later discovered that the company had put the default information back on his file, more than six years after the date of default, and had changed the default date so that it remained on his file. We wrote to the company and asked them to remove the default, which they did.

- Mr B contacted us believing a default on his credit reference file was unfair. He closed his credit card after paying the balance but forgot to cancel his insurance premium which continued to be taken from his card. However, Mr B had moved address and was therefore unaware of the balance on his card or the accruing interest, so he did not make any payments. The lender marked the account as being in default which prevented him from opening new accounts. We wrote to the lender who agreed that the entry was an unfair reflection of Mr B's credit worthiness and removed the default from the account. Consequently Mr B was able to obtain credit.

Making a difference

- Mr A asked for our help after making a subject access request to his GP for copies of his medical records. The GP practice said they would provide a copy for £200. We wrote to the practice advising them the maximum fee they could charge was £50, and that to charge more would not comply with the Data Protection Act.
- After not getting a job, Doctor A made a subject access request to the University of Cambridge asking to see an employment reference which he suspected was unfavourable. The university refused as the author had not given consent. After seeing a copy of the reference, we took the view that the reference should be disclosed as there did not appear to be any basis under the Act for withholding it. The university released the reference to Doctor A.
- Mrs C complained that she had been receiving debt collection mailings for a former housemate for several months. Despite writing to the company concerned numerous times, and even providing them with an up to date forwarding address, they continued to write to her address. We wrote to the company, reminding them that they must maintain accurate records and stop sending the mailings. Mrs C stopped receiving the mailings.
- Mr E received a marketing email from a well known airline which contained his full credit card number in the subject line. The airline said this incident happened as Mr E entered his credit card number immediately after his name in the field 'Name as appears on card'. Following our intervention the airline has initiated a system change to ensure numeric characters cannot be entered into such fields.
- The ICO's Scotland Office was made aware of a detailed household survey being undertaken by East Lothian Council in which a covering letter incorrectly blamed the Data Protection Act for the inability to access the information from other sources. A number of questions within the survey form also appeared to be requesting excessive information for its stated purpose. After we met with officers, the letter was amended and the survey form was completely revised.
- Mr B senior had a county court judgement on his credit reference file that actually belonged to his son, Mr B junior. Since there was no date of birth on file we pointed out to the agency it was probably contravening the Data Protection Act because they could not be certain who the county court judgement belonged to. It was removed from the credit file of Mr B senior.

Enforcing



When organisations fail to implement good practice or fail to respond to our efforts to sort out a problem, our enforcement strategies will dictate how we use our legal powers to ensure compliance. We take a targeted approach, putting effort into areas which pose the greatest risks.

Enforcing freedom of information

A practice recommendation can be issued by the Information Commissioner where a public authority does not conform to the codes of practice associated with the Act. It must be given in writing and refer specifically to both the areas that do not conform, and also the remedial action which must be taken.

We issued four practice recommendations during the year. One about the records management code was to Nottingham City Council. This followed close working with The National Archives who conducted an audit of the council's records management policies and processes.

The other three were issued to Liverpool City Council, the National Offender Management Service (an executive agency of the Ministry of Justice) and the Department of Health.

Enforcement notices for data protection breaches

Nine enforcement notices were issued during the year. These were against:

- Carphone Warehouse
- Greater Manchester Police
- Humberside Police
- Lothian and Borders Police
- Marks & Spencer
- Northumbria Police
- Staffordshire Police
- Talk Talk Telecom
- West Midlands Police.

Formal undertakings

Nine formal undertakings not to breach the Data Protection Act were obtained during the year. They were from:

- Dipesh Ltd
- Littlewoods Shop Direct Home Shopping
- Orange Personal Communications Services Limited
- Phones 4 U
- Skipton Financial Services
- Sunfield
- The Department of Health
- The Foreign and Commonwealth Office
- The Northern Ireland Office.

The Information Commissioner is sending a clear message to businesses that he intends to be a force to be reckoned with. Although we may have heard similar messages over the years, this time it's worth sitting up and listening.

Southern Daily Echo,
7 August 2007

An enforcement notice issued by Information Commissioner Richard Thomas, confirming that M&S had breached the Data Protection Act, reveals: 'M&S have concluded they are only prepared to provide undertakings on condition they are not made public, which is not acceptable'.

Mail on Sunday,
27 January 2008

The mobile phone retailer Carphone Warehouse and its sister company TalkTalk broke data protection laws by publishing the confidential bank details of up to 4,000 customers online, the privacy watchdog said.

The Times,
17 January 2008

The reprimand (Foreign Office undertaking) is the latest stage of a campaign by the ICO against “frankly horrifying” cases in which companies and government agencies had failed to secure sensitive data such as personal and bank information.

Financial Times,
14 November
2007

The Department of Health has been severely reprimanded by the Information Commissioner’s Office for failing to protect personal details of junior doctors, which were published on a website.

The Guardian,
20 December
2007

In June, the Information Commissioner’s Office, the statutory body responsible for enforcing data protection legislation, launched a crackdown on recruitment agencies.

Recruitment Matters,
1 December
2007

Department of Health – formal undertaking

In May 2007 the ICO was alerted to a security breach which allowed sensitive personal details about junior doctors, including religious beliefs and sexual orientation, to be seen by anyone accessing the Medical Training Application Service website. The ICO required the Department of Health to sign a formal undertaking to comply with the principles of the Data Protection Act and in particular required the Department to encrypt any personal data on their website which could cause distress to individuals if disclosed. They were also required to train staff on compliance with the Act.

Enforcing Privacy and Electronic Communication Regulations

Five Privacy and Electronic Communication (EC Directive) Regulations enforcement notices have been issued this year. These were against:

- Acorn Business Finance Limited
- ADC Organisation Limited
- Clear Debt Solutions Limited
- H. Morris Limited
- Recovery Services Limited.

Five undertakings have been obtained this year. They were from:

- ADC Organisation Limited
- Clear Debt Solutions Limited
- LCI Travel
- SBP Limited
- Weatherseal Holdings Limited.

Undertakings under the Enterprise Act 2002 have also been obtained from Space Kitchens & Bedrooms Limited, Satellite Direct UK Limited and Satcover Limited.

Since January 2007 the ICO has taken a far more robust approach to organisations breaching the Privacy and Electronic Communication (EC Directive) Regulations 2003. Formal enforcement notices have been issued and undertakings have been obtained from the more serious offenders. In January 2008 ADC Organisation Limited was successfully prosecuted through the criminal courts for breaching an enforcement notice – the first such prosecution.

As a result of the action taken, the number of complaints made to the Telephone Preference Service and to the ICO in respect of the Privacy & Electronic Communication Regulations has reduced. In January 2007 the worst offender generated over 420 Telephone Preference Service complaints in just one month. In January 2008 the worst offender generated just 25 complaints.

Case studies

Prosecution – breach of data protection

In April 2007 a private investigation company Infocind Limited and its Director Nick Munroe were convicted of 44 counts of unlawfully obtaining personal data. The conviction related to a number of calls made to a number of Department of Work and Pensions offices across the country, where the caller purported to be an employee of the Department of Work and Pensions. The caller obtained or confirmed the current addresses of hundreds of people. This information was subsequently sold back to finance houses who were trying to trace the whereabouts of individuals who had not honoured their credit agreements.

Notification

The principal purpose of notification and the public register is openness and transparency. The public should know who is processing personal information and how this is being done.

Through 2007/08, the number of data controllers on the public register increased to over 304,000. Some 37,776 new notifications were received, and 265,766 registrations were renewed and maintained on the public register. We continue to encourage organisations to notify using direct debit. This is the most efficient method of processing the payment and is used by around 150,000 data controllers. We continue to look at other options for online payment.

We issue automatic letters to businesses that have failed to renew and we directly contact organisations from under-notified sectors that have failed to register. We have successfully targeted accountants, solicitors, recruitment and employment agencies.

Prosecutions – failing to notify

There have been a number of prosecutions where organisations have failed to notify under the Act. On Monday 7 January 2008 the ICO prosecuted Peter Greenhalgh, a solicitor based in Glossop. Greenhalgh pleaded guilty to the offence of failing to notify and he was given a six month conditional discharge and ordered to pay £804 costs.

Court action was also taken against six other businesses after repeated reminders to notify were ignored.

What price privacy?

Last year we outlined how we had presented our report ‘What price privacy?’ and its follow up ‘What price privacy now?’ to Parliament. These

Notifications

A record number of 536 barristers in Northern Ireland are now registered as data controllers thanks to an initiative between ourselves and the Northern Ireland Bar Council. The new arrangements mean barristers can no longer obtain, or renew, a practising certificate unless they first notify under the Data Protection Act.

Although there were 6,472 employment agencies on our register in July 2007, figures indicated a significant number were not registered. To address this we launched a campaign targeting employment agencies and by January 2008 there were 7,142 on the register – an increase of over 10%.



The Information Commissioner's Office has prosecuted two London solicitors for offences under the Data Protection Act.

Computer Weekly,
26 February
2008

reports called for the government to introduce a custodial sentence for individuals convicted under the Data Protection Act of the offences of unlawful obtaining, buying and selling of personal information. We were therefore pleased that the government included the necessary amendments to the Data Protection Act in the Criminal Justice and Immigration Bill which was introduced into Parliament in June 2007. We followed the progress of the Bill closely and worked hard in an effort to ensure that the relevant clauses of the Bill remained intact. In the meantime we continued to investigate and prosecute these offences although there was some evidence that the prospect of custodial sentences is already starting to have the desired deterrent effect.

Enhanced powers and penalties

ICO gets litigious on London lawyers.

The Register,
22 February
2008

Prompted by HMRC and other data losses we pressed our case for enhancing the powers and penalties available to us under the Data Protection Act. We submitted a business case to the government in December 2007 and have subsequently been involved in constructive discussions with them. We have specifically asked for a power to inspect the processing of personal data without necessarily having the consent of the organisation concerned. We also asked for the creation of criminal penalties for serious breaches of the data protection principles which take place knowingly or recklessly although we subsequently accepted that civil penalties are likely to be more effective.

Prosecutions 1 April 2007 to 31 March 2008

Defendant	Offence	Court	Date of hearing	Plea	Result	Sentence	Costs
Infofind Ltd/ Nicholas Munroe	S55 x 44 x 2 obtain and disclose	Kingston upon Thames Magistrates	23 April 2007	Guilty	Convicted	£3200	£5000
Tracey Malcolmson	S55	Glasgow	9 November 2007	Not guilty	Deserted	£0.00	£0.00
Robbie Alexander Hastie	S55	Edinburgh	28 December 2007	Guilty	Guilty	£400.00	£0.00
Peter Greenhalgh	S17	Manchester City Magistrates	7 January 2008	Guilty	Guilty	6 month conditional discharge	£804.00
ADC Organisation Ltd	S47 x 6 offences for non compliance of enforcement notice	Manchester City Magistrates	19 February 2008	Guilty	Guilty	£100 per offence = £600 plus £15 victim surcharge	£1911.25
Olubi Adejobi	S17	Stratford Magistrates	20 February 2008	Guilty	Guilty	£300 plus £15 victim surcharge	£500
Robert Bentley	S17	Stratford Magistrates	20 February 2008	Guilty	Guilty	£300 plus £15 victim surcharge	£500
Azhar Saleem	S17	Bolton Magistrates	25 March 2008	Guilty	Guilty	£300 plus £15 victim surcharge	£428.50
Sajjad Khan	S17	City of London Magistrates	26 March 2008	Guilty	Guilty	£650 plus £15 victim surcharge	£525.40
Charles Pycraft	S17	City of London Magistrates	26 March 2008	Guilty	Guilty	£300 plus £15 victim surcharge	£500
YD Image Ltd	S17	City of London Magistrates	26 March 2008	Guilty	Guilty	£100 plus £15 victim surcharge	£0.00

Developing and improving

ACHIEVEMENT

The ICO is small, but complex. We have grown and changed substantially in recent years, absorbing new functions and new people. With increased powers and funding we are set for further growth and our staff are keen to be involved in worthwhile and well-managed change. A high priority has been to improve the quality of our senior leadership and management, ensuring the ICO makes the most effective and efficient use of our human, financial and organisational resources.

Developing staff continues to be a high priority for the ICO, helping them to fulfil their individual and team potential. We are also keen to take best advantage of new technology, to provide a better service for customers and a better working environment for staff.

Internal communication

The ICO has continued to work hard to develop a culture of internal communications and common aims. We launched our vision, and introduced new ways to consult and involve staff in corporate initiatives, such as developing the corporate plan and the communications strategy. We held successful staff and charity events, created a green office group to improve our environmental performance, and put more resource into communicating change. Central to these initiatives was the launch of our new ICONNECT staff briefings programme, designed to involve, inform and inspire staff. Topics have included market research results, diversity and equality, and the surveillance society.

We repeated our staff survey, which showed recognition for improvements made over the last two years (for example, in the services we offer our customers, in communications, in training and support for managers and availability of policies and procedures). Senior managers have launched an action plan to address areas of concern which were highlighted, including overall staff satisfaction, trust, confidence and morale.

Human Resources

We have seen significant changes and improvements in our approach to human resources in the last year. We have continued to implement the human resources strategy and have already started to benefit from the significant reforms that have been implemented, such as the reduction in sickness absence from 4.4% in 2006/07 to 2.84% in 2007/08. The aim of the strategy is to ensure that our approach to recruitment, leadership and development is professional and emphasises our commitment to building, rewarding and retaining a diverse, highly skilled and motivated workforce.

We have placed great emphasis on ensuring that the changes that have been implemented are embedded into organisational culture. We have completed a significant leadership development programme which has equipped our senior managers to lead the organisation effectively and to manage the challenges that lie ahead. We have introduced a new performance management and development

system which is designed to reward performance and behaviours that reinforce our organisational values – this is another step forward to meet our commitment to create a recognisable ICO culture.

The ICO is committed to providing effective and appropriate learning and development opportunities for all staff. This year, we built upon successes of previous years and provided a wide range of learning and development opportunities to staff. As well as the leadership development programme, we delivered training to staff on plain English skills, dignity at work and competency based performance review training. We have also gained ISEB accreditation for data protection and have delivered a significant and highly successful ISEB course for existing staff.

We have established an Equality and Diversity Committee which has made considerable progress in implementing our Equality and Diversity Strategy. We have completed a policy audit and equality screening exercise and have developed an equality impact assessment toolkit. We have established an internal reference panel and are working closely with Cheshire Public Authorities' Disability Equality Group. We have also delivered a major programme of equality and diversity training for all staff which supports our work on equality and diversity.

Information technology

We appointed a new supplier to deliver the ICO's information technology requirements. Carillion (AMBS) Ltd, formerly Alfred McAlpine Business Services Ltd achieved preferred supplier status and following due diligence and contract finalisation the agreement was signed in May 2007.

The new five year contract includes the provision and support of a range of IT services including the support of the entire IT infrastructure and management of the application suite. It was felt that Carillion (AMBS) would be a good fit for the ICO in terms of its size, approach and services offered.

The new contract provides a timely opportunity for the ICO, working with its new supplier, to refresh its IS strategy with the key themes of responding to change and the continued reliance on IT services and ensuring that fit for purpose applications are in place.

During the year good progress has been made with the ICO's electronic document and records management project. This project involves the implementation of Meridio software to manage the ICO's corporate records and documents. Meridio will be rolled out across the ICO during the next year.

Welsh language

We continue to implement the requirements of our Welsh language scheme and to review our progress. Significant improvements have been made to the website's Welsh language pages, and internal staff guidance has also been produced and disseminated.

Environment

All used paper is confidentially shredded on site and recycled. This includes archive

files for which four recycling days are held each year. Newspapers and cardboard are also recycled. In 2007/08 our recycling saved 174 trees, an increase of 7% over the previous year.

We use paper from well managed sustainable forests, controlled sources and recycled wood or fibre. Our printed publications are produced on 100% recycled Revive Offset paper. Low energy light bulbs are used throughout our offices, and our vending machines contain fair trade tea and coffee.

In November 2007 the ICO's Green Group was formed from volunteer members of staff. The group meets regularly to discuss new ideas and practices which the ICO could adopt to lower the organisation's impact upon the environment. It reviews suggestions from members of staff, and has the power to ask departments to implement its policies. It can also refer ideas to the Executive Team for approval or support.

Requests for information received by the Information Commissioner's Office under the Freedom of Information Act 2000 and Data Protection Act 1998.

The Information Commissioner is a public authority for the purposes of the Freedom of Information Act 2000 and a data controller for the purposes of the Data Protection Act 1998. This year a new Internal Compliance Team was established to ensure compliance with the legislation including responding to any formal request for information.

	2007/08	2006/07	2005/06
Total requests received	232	297	232
Average number of working days taken to deal with a freedom of information request	14	15	15
Number of internal reviews requested	18	24	11
Average number of working days taken to deal with a review	21	18	36
Outcome of reviews:			
Upheld	10	16	9
Overtaken	3	4	2
Partly upheld	5	4	0

Corporate governance

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

The Commissioner is supported by his Management Board which is responsible

for developing strategy, monitoring progress in implementing strategy, and providing corporate governance and assurance for the ICO.

The board meets quarterly and is made up of members of the Executive Team and four non-executive directors:

Dr Robert Chilton

David Clarke

Sir Alistair Graham

Clare Tickell

The Executive Team provides leadership and oversight of the ICO and has overall responsibility for developing and delivering against the ICO's corporate and business plans. The Executive Team meets fortnightly and in addition to the Commissioner its members are:

Vicky Best – Director of Human Resources

Simon Entwisle – Chief Operating Officer

Susan Fox – Director of Communications and External Relations

David Smith – Deputy Commissioner data protection

Graham Smith – Deputy Commissioner freedom of information

The Commissioner is also supported by the Audit Committee which provides scrutiny, oversight and assurance of risk control and governance procedures. The Committee members are:

Dr Robert Chilton – chair

David Clarke

Graham Smith

Changes during 2007/08

The corporate governance and management structure of the ICO was reviewed to help improve the quality of decision making and, in particular, to clarify the role and authority of decision-making bodies. The main changes include:

- In addition to normal business meetings, the Executive Team now holds staff engagement meetings where issues can be considered in detail with those members of staff directly involved .
- There is an expanded role for and membership of the Operational Management Committee.
- Planning began in support of proposed new data protection powers and penalties for the Commissioner, and their impact on our organisation.

The image is a composite of several elements. In the foreground, a silver calculator is visible on the left, with its keypad and display showing. To the right, a hand is pointing at a bar chart with several vertical bars of varying heights. The background is dominated by a large, circular ripple in water, creating a sense of depth and movement. The entire scene is bathed in a cool blue light, giving it a professional and analytical feel.

Financial statements

The Information Commissioner's Office

Financial Statements

for the year ended 31 March 2008

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Foreword



History

The Information Commissioner is sponsored by the Ministry of Justice (MOJ). The Ministry of Justice was established on 9 May 2007, replacing the Department for Constitutional Affairs.

Responsibility for the Information Commissioner was passed to the newly created Department for Constitutional Affairs on 12 June 2003. Previously responsibility for the Information Commissioner passed to the Lord Chancellor's Department from the Home Office following the Machinery of Government changes announced in June 2001.

The Freedom of Information Act 2000 received Royal Assent on 30 November 2000. The title of the Data Protection Commissioner changed to the Information Commissioner with effect from 30 January 2001.

Following implementation of the Data Protection Act 1998 on 1 March 2000, the corporation sole by the name of Data Protection Registrar, established by the Data Protection Act 1984, continued in existence but under the name Data Protection Commissioner.

Statutory background

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

The Information Commissioner is not a typical Non-Departmental Public Body. Such bodies usually have a relationship with Ministers which is based on the delegation of Ministerial powers. The Commissioner is an independent body created by statute that reports directly to Parliament. The Commissioner is required to carry out those functions laid down in the Data Protection Act 1998 and Freedom of Information Act 2000, using only those powers which these Acts set out. The Commissioner's decisions are subject to appeal to the Information Tribunal and, on points of law, the Courts.

The Information Commissioner is responsible for setting the priorities for his Office, 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 £24,000 (2006/07: £21,000) and 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.

Senior management

A list of senior managers is set out in the Remuneration report on page 52.

Pension liabilities

The treatment of pension liabilities is set out in the Remuneration report on pages 53-55, and Note 4 to the Accounts.

Employee policies

The Commissioner's Equal Opportunities policy aims to ensure that no potential or actual employee receives more or less favourable treatments on the grounds of race, colour, ethnic or national origin, marital status, sex, sexual orientation, religious belief or disability. To further this policy the Information Commissioner's Office (ICO) promotes the observance of good employment practice.

The Commissioner has an Equality Scheme approved by the Equality Commission for Northern Ireland, produced as part of his responsibilities under section 75 of the Northern Ireland Act 1999.

The Information Commissioner continues to place importance on ensuring priority is given to the provision of appropriate training so that staff can develop skills and understanding of their roles in line with the aims and objectives of the ICO. A full-time training officer has been in place throughout the year.

Maintenance of the provision of information to, and consultation with, employees continues to be managed through a regular newsletter, staff intranet and regular meetings with Trade Union representatives, and again briefings for all staff were held to ensure staff were being kept up to date with the significant changes affecting the ICO. A formal Health and Safety Policy Manual is available to all members of staff and a Health and Safety Committee is in place to address health and safety issues.

Changes in fixed assets

During the year £72,953 was spent on an information services project to implement electronic document record handling for the organisation, £69,177 was spent on the refurbishment of newly leased premises in Belfast, and £56,284 was spent on equipment.

Creditor Payment Policy

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 2008, 98.55% (31 March 2007: 98.3%) 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%.

Management commentary

A detailed review of activities and performance for the year is set out in the published Annual Report. Future plans are set out in our Corporate Plan.

Financial performance

Grant-in-aid

Freedom of information expenditure continued to be financed by a grant-in-aid from the Ministry of Justice, and for 2007/08 £5,050,000 (2005/06: £5,550,000) was drawn down.

Under the conditions of the 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 2008/09.

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 has been unchanged since it was introduced on 1 March 2000.

Fee income collected in the year was £10,817,621 (2006/2007: £10,204,761) representing an increase of 6.0% over the previous year. This information is provided for fees and charges purposes, rather than compliance with Standard Statement of Accounting Practice 25 (SSAP 25).

Under the conditions of the Framework Document between the Information Commissioner and the MOJ, fees 'cleared' through the banking system, up to an

amount of 3% of the expenditure of data protection activities, can be carried forward for expenditure to the following financial year. At the end of the financial year an amount of £274,499 (2.2%) (2006/07: £301,467 (3.0%)) was carried forward for expenditure in 2008/09, as was a further £105,420 (2006/07: £159,236) of cash in transit.

Accruals outturn

There was a retained deficit for the year of £6,363,687. This result is largely brought about due to the required accounting policy for grant-in-aid which resulted in £5,050,000 of grant-in-aid received in the year being taken to the Income and Expenditure Reserve rather than the Income and Expenditure Account. In addition, accruals of both income and expenditure have contributed to the year end position, whilst on a cash basis the ICO achieved the cash controls placed upon it.

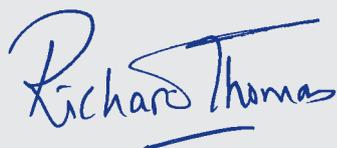
The accounts continue to be prepared on a going concern basis as a non-trading entity continuing to provide public sector services. Grant-in-aid has already been included in the MOJ's estimate for 2008/09, which has been approved by Parliament, and there is no reason to believe that future sponsorship and future parliamentary approval will not be forthcoming.

Treasury management

Under the terms of the Framework Document between the Information Commissioner and the MOJ, the Commissioner is unable to borrow or to 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 appropriated in aid to the Secretary of State for Justice on a quarterly basis.



Richard Thomas
Information Commissioner

10 June 2008

Remuneration report



Remuneration Policy

The remuneration of the Information Commissioner is set in accordance with a motion made pursuant to Standing Order 118(6) (Standing Committees on Delegated Legislation) and is increased annually on 1 April, by the average percentage by which the mid-points of the Senior Civil Service pay bands increase.

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The salary of the Information Commissioner is paid directly from the Consolidated Fund in accordance with paragraph 3(5) to Schedule 5 to the Data Protection Act 1998.

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;
- the government's inflation target and Treasury pay guidance.

During the year a Remuneration Committee was formed which will consider and advise the Management Board on remuneration policies and practices for all staff. Sir Alistair Graham and Claire Tickell, both Non-Executive Board Members were appointed as the initial members of the 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 on fixed term contract periods expiring on 18 June 2009.

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, his two Deputy Commissioners and his four Non-Executive Board Members, and is published on the Commissioner's website www.ico.gov.uk.

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)

Salary	2007/08 £'000	2006/07 £'000
Richard Thomas, Information Commissioner	95-100	95-100
David Smith, Deputy Commissioner	65-70	60-65
Graham Smith, Deputy Commissioner	75-80	70-75
Simon Entwisle, Chief Operating Officer	75-80	70-75
Nicholas Tyler, Chief Legal Advisor (to 31 December 2007)	50-55	65-70
Susan Fox, Director of Communications and External Relations	50-55	45-50
Victoria Best, Director of Human Resources	45-50	40-45

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 2007/08.

Pension benefits (audited)

	Accrued Pension at age 60 as at 31 March 2008 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 31 March 2008 £'000	CETV at 31 March 2007 £'000	Real increase in CETV £'000
Richard Thomas Commissioner	30-35	0-2.5	683	591	1
David Smith Deputy Commissioner	25-30 + lump sum 80-55	0-2.5 + lump sum 0-2.5	608	523	7
Graham Smith Deputy Commissioner	5-10 + lump sum 15-20	0-2.5 + lump sum 0-2.5	117	89	13
Simon Entwisle Chief Operating Officer	25-30 + lump sum 75-80	0-2.5 + lump sum 0-2.5	535	462	3
Nicholas Tyler Chief Legal Adviser	5-10 + lump sum 5-10	0-2.5	123	101	10
Susan Fox Director of Communications and External Relations	0-5	0-2.5	45	28	10
Victoria Best Director of Human Resources	0-5	0-2.5	9	6	1

Due to certain factors being incorrect in last year's CETV calculator there may be a slight difference between the final period CETV for 2006/07 and the start of period CETV for 2007/08.

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.

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 changes in the Retail Prices Index (RPI). 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 pensionable salary for each year of service. In addition, a lump sum equivalent to three years' 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 calculated 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 RPI. 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 employers 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 drawn.

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.

Compensation for loss of office

A member of the Executive Team left under Flexible Early Severance Terms on 31 December 2007. Data protection requirements, applicable to the particular circumstances, prevent disclosure of further details.



Richard Thomas
Information Commissioner

10 June 2008



Statement of the Information Commissioner's responsibilities

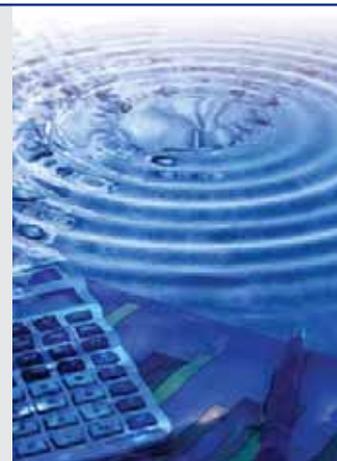
Under paragraph 10(1)(b) of Schedule 5 to the Data Protection Act 1998 the Secretary of State for Justice has directed the Information Commissioner to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an 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 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.

Statement on Internal Control



1. Scope of responsibility

As Information Commissioner and Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the ICO, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

I work with my Executive Team to develop and implement the plans of the ICO, allocating resources and delegating financial and managerial authority to others as appropriate. The Management Board decides and advises on issues of strategic importance, makes decisions on matters involving significant expenditure and receives regular reports on financial and operational performance. The Board is also involved in the management of risk at a strategic level, by considering major factors that could prevent the ICO's objectives being achieved.

The ICO is funded partly from grant-in-aid and partly from data protection fee income collected and used for expenditure under direction of the Ministry of Justice. I am designated as Accounting Officer by the Ministry's Principal Accounting Officer. I advise the Ministry of Justice on the discharge of my responsibilities in connection with income and expenditure in accordance with the terms of an agreed Framework Document. In addition there is a programme of formal liaison meetings with the Ministry of Justice and reports are circulated as appropriate.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve the ICO's policies, aims and objectives. The system can therefore only provide reasonable, and not absolute, assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise risks to the achievement of the policies, aims and objectives of the ICO, 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 for the year ended 31 March 2008 and up to the date of approval of the annual report and accounts, and accords with Treasury Guidance.

3. Capacity to handle risk

As Accounting Officer I acknowledge my overall responsibility for the effective

management of risk throughout the ICO.

Registers that identify, assess and set out mitigating actions to significant risks are in place at a corporate level, and for specific projects. The corporate risk register and the policy and procedure under which it is maintained are available to all members of the organisation via the staff intranet.

The management and review of the corporate risks identified are led at Executive Team level, in particular through an annual review of the corporate risks, and a quarterly review of the corporate risk register itself focused on performance in completing mitigating actions. In addition, for each individual business area there are quarterly reviews of progress against business plans. These reviews compare performance with key indicators in the business plan and describe activities that have been completed, note variance against the business plan and highlight significant activities for the next quarter. The ICO's Operational Management Committee also considers the corporate risk register on a quarterly basis.

Significant risks are considered by the Management Board and Audit Committee through their consideration of the corporate risk register which covers the entire organisation.

4. The risk and control framework

The risk strategy utilises the following processes to identify, evaluate and control risk:

The continued development and maintenance of risk registers. This includes reviewing the major risks facing the organisation, and performance in mitigating actions. Risks that could affect the achievement of ICO objectives are identified and analysed in terms of impact and likelihood, and are reported on quarterly via the corporate risk register to Executive Team, Management Board and the Audit Committee. Risk registers are also maintained for certain projects and significant risks are channelled into the corporate risk register. Ownership of each corporate risk is assigned to a named member of the Executive Team responsible for the active management of that risk. Risk management is incorporated into the decision making processes.

The other key elements in the control system are regular reports on key performance indicators which come quarterly to Executive Team and Management Board, and a comprehensive budgeting system with an annual budget which is approved at Management Board, regular reviews by the Management Board and Executive Team of quarterly and annual financial reports and a system of delegation and accountability.

The system of internal control continues to be supported by a Fraud Policy and a 'Whistle-Blowing' policy for confidential reporting of staff concerns. This latter policy has been revised and was adopted at Management Board in April 2008.

5. Review of effectiveness

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control. My review is ongoing throughout the year and is informed by the work of the internal auditors (PricewaterhouseCoopers) and the executive managers within the ICO who have responsibility for the development and maintenance of the internal control framework, and by comments made by external auditors in their management letter and other reports. I have been advised throughout the year by the Management Board and the Audit Committee and plans are in place to address weaknesses and ensure continuous improvement of the system.

In January 2008 a revised corporate governance and management structure was adopted by the Management Board. Terms of reference for the various corporate governance groups were reviewed and revised in order to improve the quality of decision making and achieve maximum clarity about the role and authority of the decision-makers within the ICO and their inter-relationships. The aim was to devolve more power and responsibility to senior management, to minimise overlaps and duplication, and to bring about an integrated approach to the leadership and management of the office as a whole.

The corporate risk register was maintained and in January 2008 updated, taking into account risks arising from expected future changes to the powers and responsibilities of the ICO in respect of data protection work and also uncertainty over the level of funding for freedom of information work. Mitigating actions were additionally revised to make them more specific and achievement of them more measurable.

The audit process exposed low level improvements which did not represent serious systemic failures. However, there were concerns expressed in certain areas including the slow implementation of some internal audit recommendations. Work has since been undertaken to clear a number of recommendations outstanding from a year ago, and in future the ICO will specifically act to ensure that recommendations are actioned as soon as possible.

The impact of IT legacy systems and delays in replacing or upgrading them has also been an area of concern. The ICO IT strategy is being developed and it may be necessary to seek further funding if the ICO is to improve the IT infrastructure further.

The effectiveness of the system of internal control was maintained and reviewed throughout the year by:

- The Management Board which meets five times a year and on a quarterly basis. Its agenda includes the subject of risk management and internal control. The Board also looks at management information relating to key performance indicators for the ICO as a whole. These relate to operational performance in respect of both data protection and freedom of information casework as well as current and projected data protection fee income.

- The Executive Team which meets approximately every two weeks, and is responsible for providing leadership and oversight for the ICO and has overall responsibility for developing and delivering against the ICO's corporate and business plan. As part of this, formal quarterly reports on performance against the business plan are prepared by the Executive Team member responsible.
- The Audit Committee is chaired by a Non-Executive Board Member and attended by internal auditors (PricewaterhouseCoopers) and external auditors (National Audit Office). It reports to me as the Accounting Officer on the adequacy of audit arrangements and on the implications of assurances provided in respect of risk and control. It considers all audit reports and recommendations and the formal management responses. I have also seen the annual report of the audit committee which is available on the ICO's website.

The internal auditors have a direct line of communication to me as the Accounting Officer. In addition the internal auditors regularly report to the Audit Committee in accordance with government internal audit standards, including their independent opinion on the adequacy and effectiveness of the ICO's system of internal control. The internal auditors also provide an annual statement based on areas they scrutinised during the year.

The auditors established that they did not identify any significant control weaknesses that they considered to be pervasive in their effects on the system of internal control. However they did identify significant control weaknesses in the following specific systems and processes that have had an impact on the achievement of the system's objectives:

- IT service provision: transition planning
- Management of contractors (agency staff)
- Legislative compliance (equality legislation and health and safety)

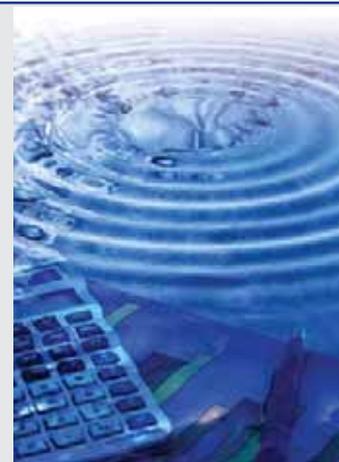
Except for these matters noted above, the auditors gave moderate assurance on the design, adequacy and effectiveness of the system of internal control.



Richard Thomas
Information Commissioner

10 June 2008

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament



I certify that I have audited the financial statements of the Information Commissioner for the year ended 31 March 2008 under the Data Protection Act 1998. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Recognised Gains and Losses 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 described on page 56, The Information Commissioner is responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Data Protection Act 1998 and directions made thereunder by the Secretary of State for Justice with the approval of Treasury and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Information Commissioner's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited 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 Treasury. I report to you if, in my opinion, certain information given in the Annual Report is consistent with the financial statements. I also report whether 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. In addition, I report to you if the Information Commissioner has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Information Commissioner's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Information Commissioner's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Information Commissioner in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Commissioner's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

Audit Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Data Protection Act 1998 and directions made thereunder by the Secretary of State for Justice with the approval of Treasury, of the state of the Information Commissioner's affairs as at 31 March 2008 and of its deficit for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited 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 Treasury; and
- the information given within the Annual Report is consistent with the financial statements.

Audit 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.

I have no observations to make on these financial statements.

T J Burr,
Comptroller and Auditor General,
17 June 2008

National Audit Office,
151 Buckingham Palace Road,
Victoria London SW1W 9SS

Income and expenditure account for the year ended 31 March 2008

	Note	2007/08		2006/07	
		£	£	£	£
Income					
Operating income	2	10,592,887		9,898,052	
Other income	3	20,230		26,222	
			10,613,117		9,924,274
Expenditure					
Staff costs	4	8,616,009		8,353,825	
Other operating costs	5	7,088,324		6,928,451	
Depreciation of tangible fixed assets	7	1,254,220		2,050,724	
Profit on disposal of fixed assets		(1,979)		-	
Permanent diminution of tangible fixed assets	12	-		4,961	
			(16,956,574)		(17,337,961)
Operating deficit			(6,343,457)	(7,413,687)	
Interest receivable	6		62,632		53,115
Notional cost of capital	1.7		80,891		30,330
Deficit for the year before appropriations			(6,199,934)	(7,330,242)	
Notional cost of capital	1.7		(80,891)		(30,330)
Appropriations due (total)	6		(82,862)		(79,337)
Retained deficit for the year			(6,363,687)	(7,439,909)	

The notes on pages 66 to 75 form part of these accounts

Statement of recognised gains and losses

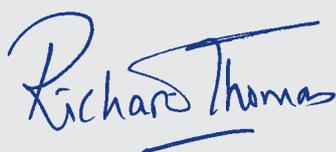
	Note	2007/08		2006/07	
		£	£	£	£
Net (loss)/gain on revaluation of fixed assets	12		(116,391)		164,236

All income and expenditure relates to continuing operations.
There were no material acquisitions or disposals in the year.
The notes on pages 66 to 75 form part of these accounts.

Balance Sheet as at 31 March 2008

		31 March 2008		31 March 2007	
	Note	£		£	
Fixed assets					
Tangible fixed assets	7	2,105,316		3,280,534	
Current assets					
Debtors and prepayments	8	654,926		514,163	
Cash at bank and in hand	9	391,399		472,224	
		<u>1,046,325</u>		<u>986,387</u>	
Creditors—amounts falling due within one year	10	<u>(6,078,672)</u>		<u>(5,929,871)</u>	
Net current (liabilities)		(5,032,347)		(4,943,484)	
Total assets less current liabilities		<u>(2,927,031)</u>		<u>(1,662,950)</u>	
Provision for liabilities and charges	11	(32,400)		-	
Net (liabilities)		<u>(2,959,431)</u>		<u>1,662,950</u>	
Reserves					
Income and expenditure reserve	12	(3,032,583)		(1,852,493)	
Revaluation reserve	12	73,152		189,543	
		<u>(2,959,431)</u>		<u>(1,662,950)</u>	

The notes on pages 66 to 75 form part of these accounts.



Richard Thomas
Information Commissioner

10 June 2008

Cashflow Statement for the year ended 31 March 2008

	Note	31 March 2008		31 March 2007	
			£		£
Net cash outflow from operating activities	13		(4,917,181)		(4,729,177)
Returns on investment and servicing of finance					
Interest received			62,632		53,115
Capital expenditure and financial investment					
Payment to acquire tangible fixed assets	7		(198,414)		(703,271)
Proceeds from the sale of tangible fixed assets			5,000		-
Net cash outflow before financing			(5,047,963)		(5,379,333)
Financing					
Grant-in-aid received	12	5,050,000		5,550,000	
Appropriations made	6	(82,862)		(79,337)	
			4,967,138		5,470,663
Decrease in cash			(80,825)		91,330

The notes on pages 66 to 75 form part of these accounts.



Notes to the Accounts

1 Statement of accounting policies

1.1 Accounting convention

These accounts have been prepared in accordance with an Accounts Direction issued by the Secretary of State for Justice, with the approval of the Treasury, in accordance with paragraph (10)(1)(b) of Schedule 5 to the Data Protection Act 1998.

These accounts shall give a true and fair view of the income and expenditure, and cashflows for the financial year, and state of affairs at the year end. The accounts are prepared in accordance with The Government Financial Reporting Manual for 2007/2008 and other guidance which the Treasury has issued in respect of accounts which are required to give a true and fair view, except where agreed otherwise with the Treasury, in which case the exception is described in the notes to the accounts.

These accounts have been prepared under the historical cost convention, as modified by the inclusion of fixed assets at current cost. The accounts meet the accounting disclosure requirements of the Companies Act 1985 and the accounting standards issued or adopted by the Accounting Standards Board to the extent that those requirements are appropriate.

Going concern

The accounts have been prepared on a going concern basis. For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents is normally sufficient evidence of going concern. The Government Financial Reporting Manual states sponsored entities whose balance sheet show total net liabilities should prepare their financial statements on the going concern basis unless, after discussion with their sponsors, the going concern basis is deemed inappropriate.

1.2 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 upon receipt.

1.3 Fee income

Fee income is received from notifications made under the Data Protection Act 1998, and is retained as operating income.

The notification fee is paid in advance for a period of one year, and a proportion of this income is therefore deferred and released back to the Income and Expenditure Account over the fee period.

1.4 Tangible fixed assets

Assets are capitalised as fixed assets if they are intended for use on a continuous basis, and their original purchase cost, on an individual basis, is £2,000 or more. Fixed assets (excluding assets under construction) are valued at net current replacement cost by using appropriate indices published by National Statistics, when the effect of re-valuing assets over time is material.

1.5 Depreciation

Depreciation is provided on all fixed assets 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 use. 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 years.

1.6 Stock

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

1.7 Notional charges

A notional charge reflecting the cost of capital employed in the year is included in the Income and Expenditure Account along with an equivalent reversing notional income to finance the charge. The charge is calculated using the Treasury's discount rate of 3.5% applied to the mean value of capital employed during the year.

1.8 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.

1.9 Pension contributions

Pension contributions are charges to the Income and Expenditure Account in the year of payment.

1.10 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.

1.11 Operating leases

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

1.12 Value added tax

Most activities of the Information Commissioner are outside of the scope of VAT. VAT is charged to the relevant expenditure category, or included in the capitalised purchase cost of fixed assets. Where output tax has been charged or input tax recovered the amounts are stated net of VAT.

2. Operating income

Fees collected under the Data Protection Act 1998

	2007/08 £	2006/07 £
Deferred income at 1 April 2007	5,513,709	5,207,000
Fee receipts	10,817,621	10,204,761
Deferred income at 31 March 2008	(5,738,443)	(5,513,709)
	<u>10,592,887</u>	<u>9,898,052</u>

3 Other income

Other income is appropriated-in-aid to the Ministry of Justice

	2007/08 £	2006/07 £
Legal fees recovered	9,655	12,333
Travel expenses recovered	10,508	13,781
Other	67	108
	<u>20,230</u>	<u>26,222</u>

4 Staff costs

Staff costs were:

	2007/08 £	2006/07 £
Wages and salaries	6,967,716	6,816,118
Social security costs	452,579	440,767
Other pension costs	1,195,714	1,096,940
	<u>8,616,009</u>	<u>8,353,825</u>

Average number of full-time equivalent staff were:

	Number	Number
Staff with a permanent UK employment contract with the Information Commissioner	245	243
Other staff engaged on the objectives of the Information Commissioner	16	19
	<u>261</u>	<u>262</u>

The salary and pension entitlements of the Information Commissioner are paid directly from the Consolidated Fund as a standing charge. Included in staff costs above are costs of £133,597 (2006/2007: £132,909).

The Principal Civil Service Pension Scheme (PCSPS) is an un-funded 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-pensions.gov.uk).

For 2007/2008, employers' contributions of £1,186,353 were payable to the PCSPS (2006/2007: £1,087,058) at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2008/09 the salary bands will be revised but the rates will remain the same. (The rates will be changing with effect from April 2009). The contribution rates are set to meet the cost of benefits accruing during 2007/08 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 £8,545 (2006/07: £9,213) 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 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employers' contributions of £815 (2006/07: £669), 0.8 per cent of pensionable pay, were payable to the PCSPS to cover the cost of the 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 £1,526 (2006/07: £ nil)

No individuals retired early on health grounds during the year.

5 Other operating costs

	2007/08 £	2006/07 £
Accommodation (rent, rates and services)	1,178,142	1,126,717
Office supplies, printing and stationery	267,529	206,349
Carriage and telecommunications	100,883	107,231
Travel, subsistence and hospitality	487,776	435,968
Staff recruitment	175,389	142,799
Specialist assistance, consultancy and policy research	358,429	558,692
Communications and external relations	1,472,604	1,861,782
Legal costs	532,980	290,449
Staff training, health and safety	374,131	378,314
Information services	2,115,336	1,797,544
Vehicle expenses	1,125	1,606
Audit fee	24,000	21,000
	<u>7,088,324</u>	<u>6,928,451</u>

Included above are operating lease payments for land and buildings of £580,666 (2006/07: £606,060)

6 Appropriations

	2007/08 £	2006/07 £
Interest receivable	62,632	53,115
Other income	20,230	26,222
Appropriations due	<u>82,862</u>	<u>79,337</u>

7 Tangible fixed assets

	Leasehold improvements £	Equipment & Furniture £	Information technology £	Total £
Cost or valuation				
At 1 April 2007	537,056	427,857	7,567,944	8,532,857
Additions	69,177	56,284	72,953	198,414
Disposals	-	(61,137)	-	(61,137)
Revaluation	(5,146)	37,995	(330,431)	(297,582)
At 31 March 2008	601,087	460,999	7,310,466	8,372,552
Depreciation				
At 1 April 2007	187,260	298,537	4,766,526	5,252,323
Charged in year	72,134	56,635	1,125,451	1,254,220
Disposals	-	(58,116)	-	(58,116)
Revaluation	(1,794)	26,724	(206,121)	(181,191)
At 31 March 2008	257,600	323,780	5,685,856	6,267,236
Net Book Value				
At 31 March 2008	343,487	137,219	1,624,610	2,105,316
At 31 March 2007	349,796	129,320	2,801,418	3,280,534

Tangible fixed assets of £24,426 (2006/07: £13,649) have not been capitalised and are included within 'other operating costs', as the individual costs were below the capitalisation threshold of £2,000.

Information services are outsourced through a managed service agreement. The previous contract expired in July 2007 upon which the title of hardware and software procured under the previous agreement was transferred to the new provider Carillion (AMBS) Limited. The Information Commissioner is entitled to purchase the title of such assets for a nominal sum on expiry of the contract. The current contract term is a period of five years ending in July 2012.

Information technology includes software licences procured as part of the managed service agreement, and as they are not separately identifiable, are not disclosed as intangible assets.

8 Debtors

	31 March 2008 £	31 March 2007 £
Other debtors	56,994	14,146
Prepayment	597,932	500,017
	654,926	514,163
Split:		
Other Central Government bodies	42,460	-
Bodies external to Government	612,466	514,143
	654,926	514,143

9 Cash at bank and in hand

	31 March 2008 £	31 March 2007 £
Balance at 1 April	472,224	380,894
(Decrease)/Increase in cash	(80,825)	91,330
Balance 31 March	391,399	472,224
Split:		
Commercial banks	389,810	470,421
Cash in hand	1,589	1,803
	391,399	472,224

10 Creditors; amounts falling due within one year

	31 March 2008 £	31 March 2007 £
Other taxes and social security	1,866	2,611
Trade creditors	182,695	171,883
Other creditors	26,192	32,220
Accruals and deferred fee income	5,867,919	5,723,157
	6,078,672	5,929,871
Split:		
Other Central Government bodies	28,111	81,306
Bodies external to Government	6,050,561	5,848,565
	6,078,672	5,929,871

11 Provision for liabilities and charges

	Early departure costs £
Balance at 1 April 2007	-
Provided in year	32,400
Balance at 31 March 2008	32,400

12 Reserves

	Income and Expenditure reserve £	Revaluation reserve £	Total £
Balance at 1 April 2007	(1,852,493)	189,543	(1,662,950)
Retained deficit for the year	(6,363,687)	-	(6,363,687)
Grant-in-aid from the Ministry of Justice	5,050,000	-	5,050,000
Consolidated Fund standing charge			
- Information Commissioner's salary	133,597	-	133,597
Net (loss) on revaluation of fixed assets	-	(116,391)	(116,391)
Balance at 31 March 2008	(3,032,583)	73,152	(2,959,431)

13 Reconciliation of operating surplus to net cash inflow from operations

	2007/08 £	2006/07 £
Operating deficit for the year	(6,343,457)	(7,413,687)
Depreciation charged in the year	1,254,220	2,050,724
Profit on disposal of assets	(1,979)	-
Loss on revaluation of fixed assets	-	4,961
Consolidated fund standing charge - Information Commissioner's salary	133,597	132,909
Movement in provisions	32,400	-
(Increase)/reduction in debtors relating to operating activities	(140,763)	3,257
Increase in creditors relating to operating activities	148,801	492,659
Net cash outflow from operating activities	(4,917,181)	(4,729,177)

14 Commitments under operating leases

	31 March 2008 £	31 March 2007 £
Land and buildings		
Expiry within 1 year	8,670	-
Expiry within 2 to 5 years	159,363	-
Expiry thereafter	428,683	530,381
	596,716	530,381

15 Capital commitments

There were authorised and contracted for capital commitments outstanding at 31 March 2008 of £56,999 in respect of computer hardware (31 March 2007: £nil).

16 Financial Commitments

Information services are outsourced through a managed service agreement with Carillion (AMBS) Limited. The current contract term is a period of five years ending in July 2012 and the anticipated service charges for the coming year are £1,634,980 (2007/2008 £1,186,678 over nine months). Depending on the services provided under the contract, service charges will fluctuate over the life of the contract.

17 Related Party Transactions

The Information Commissioner confirms that he had no personal or business interests which conflict 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 sundry receipts 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).

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

18 Financial instruments

Financial Reporting Standard 13, Derivative and other Financial Instruments: Disclosures, requires disclosure of the role which financial instruments have had during the year in creating or changing the risk an entity faces in undertaking its activities. Because of the non-trading nature of its activities and the way in which central government sector entities are financed the Information Commissioner is not exposed to the degree of financial risk faced by business entities

Moreover, financial instruments play a much more limited role in creating or changing risk that would be typical of the listed companies to which Financial Reporting Standard 13 mainly applies. The Information Commissioner has no powers to invest surplus funds and may only borrow with the prior approval of the Secretary of State for Justice.

Financial assets and liabilities are generated by day-to-day operation activities and are not held to change the risks facing the Information Commissioner in undertaking his activities.

As permitted by Financial Reporting Standard 13, debtors and creditors which mature or become payable within 12 months from the balance sheet date have been omitted from the currency profile.

Liquidity risk

The Information Commissioner's funding is provided by fee income and grant-in-aid voted annually by Parliament within the Supply Estimate of the Ministry of Justice. It is not, therefore, exposed to significant liquidity risks.

Interest rate risk

The Information Commissioner is not exposed to any interest rate risk.

Foreign currency risk

The Information Commissioner's foreign currency transactions are not significant.

19 Accountability

No exceptional kinds of expenditure such as losses and special payments that required separate disclosure because of their nature or amount were incurred.

20 Post Balance Sheet Events

The Annual Report, including the financial statements were authorised for issue on 14 July 2008, by Richard Thomas, Information Commissioner.

21 Resources by function

Data protection

The Secretary of State for Justice has directed that the notification fees collected by the Information Commissioner under the Data Protection Act 1998 shall be retained by the Information Commissioner to fund his expenditure on data protection work.

The annual fee for notification is £35, and has remained unchanged since it was introduced on 1 March 2000.

The data protection notification fee is set by the Secretary of State, 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 any expenses of the Secretary of State in respect of the Commissioner or the Tribunal, and any prior deficits incurred, so far as attributable to the functions under the Data Protection Act 1998.

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

Freedom of Information

The Secretary of State for Justice provides an annual grant-in-aid to the Information Commissioner to fund his expenditure on freedom of information work. Grant-in-aid issued to the Information Commissioner reflects a need for cash, and is not paid to match accruals based expenditure.

There are no fees collected by the Information Commissioner in respect of freedom of information.

Apportionment of costs

Staff costs and other running costs are 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 a reasoned estimates where costs are shared.

Accounting basis

Accruals accounting is an accounting concept under which income and expenditure are recognised in the accounts for the period in which they are earned or incurred. This is in contrast to cash accounting under which income and costs are recognised in the accounts as money is received and paid out. Accruals accounting allows the income received from fees to be properly matched over the accounting period to the expenditure.

Controls

The apportioned splits between data protection and freedom of information activities is shown below, firstly on an accruals basis to comply with the spirit of the Treasury Fees and Charges Guide, and secondly to demonstrate compliance with the general framework of controls agreed between the Ministry of Justice and the Information Commissioner, on a cash basis.

Under the terms of the agreed Framework Document between the Ministry of Justice and the Information Commissioner up to 2% of the annual grant-in-aid for freedom of information received can, with prior consent, be carried forward for spending in the next financial year. Similarly up to 3% of fees collected (once

they have cleared the banking system and can be spent) can be carried forward for spending in the next financial year. Fees not cleared in the banking system at the end of the year are regarded as cash in transit and are available for expenditure in the next financial year.

The segmental information has not been disclosed for the purpose of Standard Statement of Accounting Practice 25: Segmental Reporting.

Accruals basis	Freedom of Information £	Data Protection £	Total 2007/08 £	Freedom of Information £	Data Protection £	Total 2006/07 £
Income						
Operating income	-	10,592,887	10,592,887	-	9,898,052	9,898,052
Other income	-	20,230	20,230	-	26,222	26,222
	-	10,613,117	10,613,117	-	9,924,274	9,924,274
Expenditure						
Staff costs	3,110,122	5,505,887	8,616,009	3,460,800	4,893,025	8,353,825
Other operating costs	1,925,201	5,163,123	7,088,324	1,749,988	5,178,463	6,928,451
Depreciation and revaluation	194,499	1,057,742	1,252,241	568,860	1,486,825	2,055,685
	5,229,822	11,726,752	16,956,574	5,779,648	11,558,313	17,337,961
Operating deficit	(5,229,822)	(1,113,635)	(6,343,457)	(5,779,648)	(1,634,039)	(7,413,687)
Grant-in-aid credited to reserves	5,050,000	-	5,050,000	5,550,000	-	5,550,000
Consolidated fund standing charge	66,798	66,799	133,597	66,455	66,454	132,909
Appropriations for other income	-	(20,230)	(20,230)	-	(26,222)	(26,222)
Income and expenditure reserve b/f	348,142	(2,200,635)	(1,852,493)	511,335	(606,828)	(95,493)
Income and expenditure reserve c/f	235,118	(3,267,701)	(3,032,583)	348,142	(2,200,635)	(1,852,493)
Cash basis						
	£	£	£	£	£	£
Receipts						
Grant-in-aid drawn to spend	5,050,000	-	5,050,000	5,550,000	-	5,550,000
Fees available to spend (cleared)	-	10,673,504	10,673,504	-	10,045,526	10,045,526
	5,050,000	10,673,504	15,723,504	5,550,000	10,045,526	15,595,526
Payments						
Staff costs	3,093,678	5,538,425	8,632,103	2,593,610	4,725,226	7,318,836
Other operating costs	1,913,388	5,204,506	7,117,894	2,847,102	4,794,153	7,641,255
Tangible fixed assets	42,940	155,474	198,414	206,858	496,413	703,271
	5,050,006	10,898,405	15,948,411	5,647,570	10,015,792	15,663,362
Surplus cash from the year	(6)	(224,901)	(224,907)	(97,570)	29,734	(67,836)
Surplus cash b/f	6	460,703	460,709	97,576	271,733	369,309
	-	235,802	235,802	6	301,467	301,473
Cash in transit	-	144,117	144,117	-	159,236	159,236
Fees held under direction	-	11,480	11,480	-	11,515	11,515
Surplus cash c/f	-	391,399	391,399	6	472,218	472,224
Percentage of cleared funds c/f	0.0%	2.2%		0.0%	3.0%	

The year end outturn for all of the financial annuality 'cash' controls were met.

Contact us

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