Criminal Injuries
Compensation
Authority

Annual Report & Accounts

2020–21

HC 395
SG/2021/167

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Criminal Injuries Compensation Authority
Annual Report & Accounts 2020–21

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Overview

Chief Executive's Foreword

I am pleased to present the Annual Report and Accounts for the Criminal Injuries Compensation Authority (CICA) for 2020–21, a year dominated by the prevailing circumstances of the COVID-19 pandemic. As we entered this period, CICA had already responded promptly to the public health emergency, facilitated by our remote working capability. The adapted service model operated throughout the year and the results reported in this report are testament to the commitment, flexibility and innovation of my team at CICA. Their resilience has enabled us to provide continuity of our service to victims of violent crime, providing public acknowledgement of the harm suffered and financial compensation with the associated benefits that may bring to their recovery. Although the pressures arising from COVID-19 affected our capacity and disrupted the flow of evidence from medical practitioners on which we rely, slowing some aspects of our performance, we have adapted successfully and provided over £153m in compensation.

By April 2020, in compliance with Scottish Government COVID-19 restrictions, CICA had transitioned to an interim working from home model, supported by a small team undertaking essential office-based activities. I am immensely grateful to those colleagues who performed these essential activities, as their commitment enabled and supported continuity of the whole service. We, in turn, have implemented workplace measures to protect those attending, in accordance with government guidelines. For those working remotely, we have provided additional flexibilities, equipment and digital tools to help them adapt and achieve their best possible contribution. We have made extensive use of virtual meeting formats to facilitate and build our connections to each other and strengthen our community, ensuring that even in the most difficult of circumstances our people are supported.

The proficiency of our staff in quickly gripping new digital tools to adapt ways of working has been the foundation of our resilience. The successful onboarding of nearly 40 new team members in-year, whose training and deployment has been managed remotely, has been a key factor in enabling continuity of service as home schooling and caring responsibilities reduced staff capacity, and attrition forecasts materialised. Besides the use of our digital application services and case management system, our use of digital meeting tools and editing tools allowed more functions to be undertaken remotely than previously. Specialist software has enabled us to support the appeals process and respond to subject access requests. Attendance at appeals hearings, hosted by HM Courts and Tribunals Service (HMCTS), via tele-conferencing and video-conferencing has not only proved effective but offers to provide a more practical, cost-effective and sustainable delivery approach for the future.

Also important this year has been the broadening of our customer contact channels. We have adapted our customer contact routing strategies, providing a telephony service with live wait time and call-back offer, with amended operating hours to accommodate resource pressures, balanced with greater use of email for non-urgent customer enquiries and the submission of documentary evidence. A new Live Chat service for general and customer-specific enquiries was introduced and although still in its pilot phase, feedback suggests this is welcomed by those applicants who find speaking about their experience emotionally more challenging than in the live chat format. The differentiation of channels provides greater choice for customers and has reduced the volume of physical post handled by our office-based team.

Making our service more accessible and sensitive to the experience of victims of violent crime, reducing the potential triggers for re-traumatisation, has remained a key priority for us. There are three main strands to this work: trauma-informed training, the redesign of our system notifications and letters, and the development of our new Apply service. We have sought to maintain our commitment to trauma-informed training which will continue into future years, and were delighted to receive a Civil Service Operational Delivery award in March 2021 for this programme. We completed the work to deploy our revised system letters which aim to present information more clearly and with greater sensitivity to the circumstances of the recipient, and these are now in use. In May 2020, we launched our new Apply service for adult victims of sexual violence and in January 2021, extended this to adult victims of physical violence. The service can now be accessed by over 60% of our applicants and work was begun to enable minors and those with appointed representatives to use the service. The service design is informed by extensive user research and usability testing and removes as many possible triggers for re-traumatisation as possible, while ensuring that we have sufficient information to process applications.

At CICA we understand that for many victims, timely compensation can support them in their practical and emotional recovery. In recent years we have made considerable progress in both increasing the pace at which new applications are decided and reducing the number of applicants awaiting resolution of their case. This year, the impacts of COVID-19 on our capacity and on the availability of medical evidence to support the assessment of claims, resulted in it taking longer to assess applications. Nevertheless, 70% of new applications were decided within 12 months, 11% below the previous year. By year end, we saw a modest increase of 9% more applicants awaiting resolution of their case than at the same point in 2020, although this increase was assisted by a reduction in intake of new applications, reviews and appeals across the year. Although the effects of COVID-19 on our service affected many applicants, the investment we have made in improving applicant experience was acknowledged by a customer satisfaction rating of 94%, 1% up on the previous year, and a reduction in the number of applicants who made a complaint for the third successive year. Of those applicants who complained, delay was the primary reason for their complaint and, this year, we have seen more complaints escalate beyond Stage 1 of our process. While our aim is to create a positive applicant experience for all and respond swiftly to dissatisfaction, this year, we are also investing more resource and specialist training for our Complaints Resolution Team to ensure that we do all that we reasonably can to put things right for those who are dissatisfied.

We recognise that the impacts of the pandemic may continue to affect our environment and place pressures on our performance for some time to come. This is reflected in our priority in 2021–22 to incrementally recover our pre-pandemic level of performance of 2019–20 and our Key Performance Indicators have been set accordingly.

Achieving a full recovery from COVID-19 impacts will be challenging, not least as we remain in an environment of continuing restrictions and uncertainties about the path of the pandemic ahead of us. We expect to see continuing instability in the assumptions we make to inform our delivery plans and will manage the resultant risks accordingly. We will make full use of new ways of working adopted with success during the pandemic, while reviewing those which have been more costly to operate and drive forward a new Continuous Improvement programme to streamline processes, secure efficiencies in the way we work and improve applicant experience.

Linda Brown
Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority

14 July 2021

Our work

The Criminal Injuries Compensation Authority (CICA) is an Executive Agency, sponsored by the Ministry of Justice (MoJ). We operate the Criminal Injuries Compensation Scheme and the Victims of Overseas Terrorism Compensation Scheme in England, Wales and Scotland. The Schemes are funded by the UK Government in England and Wales, and by the Scottish Government.

A Criminal Injuries Compensation Scheme was set up in 1964 to compensate victims of violent crime under the auspices of the Criminal Injuries Compensation Board (CICB). Before 1996, awards were made on the basis of common law damages. Since April 1996, the level of compensation has been determined according to a tariff approved by Parliament. Following the enactment of the Criminal Injuries Compensation Act 1995, the Criminal Injuries Compensation Authority (CICA) was established to administer a tariff-based compensation scheme in England, Wales and Scotland.

Since 1996, the tariff scheme has been revised three times, with the latest scheme having been approved by Parliament in November 2012 (the 2012 Scheme). An amendment to the 2012 Scheme took effect in June 2019.

Under the tariff scheme there are two main types of compensation: personal injury and bereavement awards, with additional compensation for loss of earnings, dependency or special expenses where applicable.

The compensation components for personal injury awards are:

- an award based on the tariff of injuries (with a maximum of £250,000);
- a contribution to loss of earnings or earning capacity, beyond the first 28 weeks of loss as a direct result of the injury; and
- other special expenses which may be payable in certain circumstances.

The compensation components for bereavement injury awards, where applications are made as a result of a fatality following a violent crime are:

- a bereavement award of £5,500 for each applicant who qualifies, or £11,000 if there is only one qualifying applicant;
- compensation for financial or physical dependency;
- in the case of a child under 18, compensation for the loss of parental services; and
- the reasonable cost of a funeral.

The maximum award under the tariff-based scheme is £500,000.

The Victims of Overseas Terrorism Compensation Scheme was enacted in 2012 to provide separate provisions for eligible individuals affected by acts of terrorism abroad.

Applicants who disagree with CICA's decision can request a review by a different claims officer and, if still dissatisfied with CICA's review decision, can appeal to the independent First-tier Tribunal. More information about the scheme is available at **www.gov.uk** or by contacting CICA on 0300 003 3601.

Key achievements

Strategic Objective 1

We will provide an accessible service which treats victims with compassion, sensitivity and fairness.

We revised our Customer Charter, explaining the rights and responsibilities of those applying for compensation.

Recognising the increased importance of being available for our applicants, as the uncertainties of the COVID-19 pandemic continued, we invested in improving and diversifying our customer contact channels.

We made improvements to our Interactive Voice Response (IVR) facility, signposting applicants to the availability of self-service options and providing new call routing options to connect them to the right source of support.

We continued to operate the reduced telephony service hours first introduced in March 2020 to help us manage our resources flexibly, balancing this with an improved call back offer. We exceeded the two business day standard for callbacks, returning 75% of calls within one business day from August onwards.

We offered an enhanced email service for enquiries and submission of claims evidence to complement the telephony enquiries service and reduce the need for evidence to be posted.

A new Live Chat channel was piloted for both general and case-specific enquiries. Although the uptake of this service remains relatively low, it responds particularly well to the needs of direct applicants who find writing about their application more comfortable than speaking about it.

We completed a comprehensive review of our corporate literature deploying a new portfolio of template letters into our case management system. These changes build on user feedback and are designed to help us communicate in a simple, clear and compassionate manner.

A new corporate style guide and training to support implementation of the corporate literature review were introduced.

The number of applicants who complained reduced for the third successive year and customer satisfaction remained high. We achieved 94% customer satisfaction across our online, telephone and overall customer experience metrics.

Strategic Objective 2

We will have a highly competent and motivated workforce which shares our values and operates our service in a professional and efficient way.

The commitment and flexibility of our staff to respond to the challenges presented by the COVID-19 pandemic was critical to the continuity of our service.

Extending our flexible working arrangements for staff balancing work and caring responsibilities during the pandemic helped reduce the potential impact of nursery and school closures on our capacity, alongside the flexibilities provided by MoJ Special Leave policies.

We made changes in the way we manage and use our office to comply with COVID-19 health and safety requirements for those individuals delivering essential office-based services. A small dedicated team of people handling post and paper files enabled the whole organisation to continue to operate effectively.

We equipped our staff to embrace new software tools to support remote working. This included quickly building the confidence of those operating the telephony service. We answered 91% of calls, with an average time to answer of just over five minutes. Although this was longer than our telephony standard of within four minutes, we provided live wait time information and a choice to arrange a callback.

Recruiting talented people remained a priority and we successfully transitioned to a virtual environment in managing our recruitment, induction and training programme, supporting the onboarding of nearly 40 new staff.

A strong focus on keeping our people connected was delivered, making best use of virtual meeting platforms. These connected our people to MoJ staff events led by the Permanent Secretary and attended by Ministers, and to CICA events led by the Chief Executive and Executive Management Board. These events helped keep our people connected to our purpose, priorities and values. These platforms also provided regular face-to-face meetings across our organisation.

The health and wellbeing of our staff has been prioritised through CICA-wide information, support and opportunities to be involved in our 'CICA Community' initiatives, including a virtual health club and parents' group.

We continued to support a programme of Learning and Development across the organisation. We exceeded our target of five days of training per member of staff by 20%, providing an average of six days per member of staff.

We worked with training providers to continue our programme of trauma-informed training. The programme received a silver award from the Civil Service Head of Operational Delivery Profession (ODP).

We continued to focus on Diversity and Inclusion in the workplace, delivering Inclusive Teams training, launching our Race Action Plan and sponsoring the first of our team members to join the MoJ Bridges leadership development programme.

We retained our Disability Confident Leader accreditation, evidencing our commitment to ensuring disabled people can fulfil their potential and realise their aspirations.

The Civil Service People Survey saw staff engagement increase from 61% the previous year to 67%, supported by an 84% response rate.

Strategic Objective 3

We will operate an efficient and accurate assessment process and account for the public funds we spend.

The pandemic affected our capacity and disrupted the flow of medical evidence which we rely on to assess claims. These factors combined to slow the volume and pace of decision making, creating an upward pressure on the number of applicants awaiting a decision.

By adapting our operational strategy to recognise the new circumstances in which we were operating, we established a positive level of operational resilience, resolving 27,669 claims and providing over £153m in compensation.

We decided 43% of new applications within 6 months and 70% within 12 months, 7% and 10% respectively below our 'business as usual' Key Performance Indicators.

Our internal quality assurance framework continues to operate effectively to test that the decisions we make are accurate before they are issued. It identified first-time accuracy of over 92%, and the learning provided served to inform the training and guidance we provide for our people.

Strategic Objective 4

We will work with stakeholders and other agencies to promote understanding of the statutory compensation schemes we administer.

We put our new Stakeholder Engagement and Outreach Strategy into practice, building broader and stronger connections with organisations that support victims to provide a better experience to those seeking compensation.

We have delivered tailored awareness sessions on the Criminal Injuries Compensation Scheme 2012 (the Scheme) to the police, Independent Sexual Violence Advisers, doctors, mental health specialists and charities, reaching over 200 attendees.

We worked with stakeholders including the Metropolitan Police and Victim Support on the materials they provide about the Scheme.

We liaised with police representatives for England & Wales and Scotland to discuss our operational protocols and how we can align our joint working practices for the benefit of victims of violent crime. We agreed upon a revised police information sharing protocol for England & Wales.

Our Stakeholder Engagement and Equality Forum (SEEF) was relaunched to ensure key stakeholders could come together to meet the needs of customers. Our existing SEEF membership included:

- Victim Support Homicide Service;
- Victim Support (England and Wales);
- Victim Support Scotland;
- the Association of Personal Injury Lawyers;
- Her Majesty's Courts and Tribunals Service;
- Scottish Women's Aid;
- Rape Crisis Scotland; and
- Enable (Scotland).

In 2020–21 SEEF membership was expanded to include representation of:

- the Victims' Commissioner for England & Wales;
- the Victims' Commissioner for London;
- the Domestic Abuse Commissioner;
- the Children and Young People's Commissioner Scotland;
- Barnardo's;
- the Angelou Centre; and
- police forces across Scotland, England and Wales.

The new SEEF met once in 2020–21 using a digital meeting platform which offered greater opportunity for those from geographically distant organisations to connect with us.

We liaised with Northern Ireland Compensation Services and the Northern Ireland Office in respect of our experience in handling compensation claims. We met with the Council of Europe's Group of Experts on Action against Trafficking in Human Beings.

We engaged with policy colleagues from the Scottish Government on a variety of projects including the Scottish Government Victims Taskforce, and to discuss the interaction between the Scheme and the Scottish Government Advance Payment and Redress Schemes.

During the year, we have provided information and operational insight to inform the ongoing review of the Scheme, announced in 2018 and the subject of a public consultation during 2020.

Strategic Objective 5

We will listen and continue to improve the experience of applicants, using customer insight and feedback, to inform changes to processes and to develop improved digital services.

The new "Apply service" was launched in May 2020 initially for victims of sexual violence.

The service has been built using modern, open-source technologies by our MoJ Digital and Technology providers. The redesigned system complies with UK government digital standards.

An extensive programme of user research and usability testing continues to inform the design of the new service. The design is centred on streamlining the information gathered at the point of application and to reduce, wherever possible, the potential triggers for retraumatising victims.

In January 2021, the service was extended to individuals who had suffered physical injuries, increasing the volume of applicants able to access this service, by year end, to an estimated 62%.

The redesign of our case management system notifications and letters has been informed by feedback from applicants and stakeholders, to ensure that the new formats, the style guide and training to support their use is centred on the needs of those who use our service.

Performance analysis

Claim activity

We received 28,771 new applications in 2020–21, a 13% decrease on the number of applications received in 2019–20. The reduced volume of new applications was sharpest in the first quarter as pandemic restrictions took effect. The end of year position was the lowest annual volume of new applications received since the 2012 Scheme was introduced and 10% below the prior 5-year average of 32,032.

The effects of the pandemic on decision making were evident in a 17% reduction in the volume of decisions made. A total of 31,407 decisions were made, of which 26,260 were first decisions and 4,455 were review decisions.

A total of 27,669 cases were resolved. This was 22% lower than the previous year and 20% below the prior 5-year average of 34,467.

Performance measures

Table 1 New applications received

	2020–21	2019–20
New applications received	28,771	32,895

Table 2 Number of applications resolved

	2020–21	2019–20
Number of applications resolved	27,669	35,618

Table 3 Pace of decision making

We aim to progress new applications promptly and in keeping with the availability of the information and supporting evidence needed to assess entitlement to compensation.

Following a strong performance in 2019–20, in which the Key Performance Indicators (KPIs) for cases with a first decision in 6 and 12 months were exceeded, the pace of deciding new applications slowed in 2020–21. The pace of deciding review applications also slowed.

Measure	KPI 2020–21	2020–21	2019–20
% of cases with a first decision within 6 months	50%	43%	52%
% of cases with a first decision within 12 months	80%	70%	81%
% of cases with a review decision within 6 months	75%	64%	74%

Table 4 Age of caseload

We have continued to reduce the small number of unresolved and reopened cases relating to pre-2012 schemes. Those cases that remain unresolved relate mainly to applicants whose claims cannot be finalised until the long-term implications of their injuries are known.

% of live cases by scheme	2020–21	2019–20
2012	99.49%	99.18%
2008	0.42%	0.67%
2001	0.08%	0.14%
1996	0.01%	0.01%

Table 5 Rates of review and appeal

The proportion of cases resolved at first decision or review stage and not proceeding to external appeal remains high, with the volume of cases proceeding to appeal representing under 5% of first decisions made.

	2020–21	2019–20
% of first decisions proceeding to internal review	24% (6,316 cases)	17% (5,233 cases)
% of first decisions proceeding to appeal	4.8% (1,267 cases)	4.1% (1,263 cases)
Cases amended at appeal		
% of decisions amended at appeal – value	36.1% (280 cases)	26.8% (303 cases)
% of decisions amended at appeal – merit*	2.6% (20 cases)	2.7% (31 cases)

*This figure relates to appeals concerning the eligibility of an applicant to receive an award of compensation.

Table 6 Size of live tariff caseload

Although new application intake reduced by 13%, the combined impacts of the pandemic drove an upward growth in the live caseload which increased by 9% compared to the previous year and was 3% below the 5-year average of 36,113.

	2020–21	2019–20
First decision stage	30,740	27,583
Review	3,145	3,177
Appeal	1,014	1,251
Total live tariff caseload	**34,899**	**32,011**

Listing and hearing of appeals is the responsibility of HM Courts & Tribunals Service.

Table 7 Refused claims

The following table shows the reasons applications were refused. In 2020–21 a total of 10,478 (38%) resolved claims were refused compensation compared with 15,147 (43%) in the previous year.

Applications may have more than one refusal reason. The full statistics are published annually on **www.gov.uk/government/organisations/criminal-injuries-compensation-authority/about/statistics**.

	2020–21	2019–20
Injury does not qualify for compensation	2,871	4,789
Failure to cooperate with CICA	1,074	2,974
Injury did not result from crime of violence	2,012	2,020
Convictions & character	1,062	1,491
Failure to cooperate in bringing assailant to justice	1,444	1,635
Conduct before, during or after the incident	653	694
Failure to report as soon as reasonably practicable	470	639
Claim not submitted within time limit	573	429
Other	1,720	2,218

Our service

Table 8 Customer feedback

We measure overall customer satisfaction and the customer effort score. This is a measure of the time and effort required by our customers when making an application.

In 2020–21 customer satisfaction remained high with a score of 94%, 1% up on the previous year. We aim to ensure that a high proportion of customers find our services simple to operate and 96% reported a low level of effort was required on their part, 8% up on the previous year.

Customer satisfaction	2020–21	2019–20
Good customer service	94%	93%
Customer effort Low-Moderate	96%	88%

Table 9 Complaints

Complaints are an important source of feedback which provide us with an opportunity to remedy any failures and learn lessons to improve our services.

We act on feedback from customers and victims' organisations to improve our complaint handling process and overall customer experience. We aim to fully address complaints at the earliest opportunity by discussing with the customer how we can resolve the matter to their satisfaction within an agreed timescale. Where customers remain dissatisfied there are routes to escalate their complaint.

During 2020–21, the number of customers who complained reduced by 8% compared with the previous year. This was the third successive year in which the number of complainants reduced, bringing the reduction to 47% since 2017–18.

Complaints received	2020–21	2019–20
Stage one	585	633
Escalation to stage two	101	23
Escalation to stage three	37	7

Where customers remain dissatisfied there are opportunities to escalate their complaint through the three stage complaint process. As a complaint escalates through the stages, the seniority of the manager seeking to resolve the complaint increases. If a complaint cannot be resolved at the end of stage three, complainants in England & Wales can ask a Member of Parliament to raise the issue with the Parliamentary and Health Service Ombudsman (PHSO). In Scotland, an applicant may make a complaint directly to the Scottish Public Services Ombudsman (SPSO).

In 2020–21 there was one investigation conducted by the SPSO and no investigations conducted by the PHSO. Our complaints process is available on **www.gov.uk/government/organisations/criminal-injuries-compensation-authority/about/complaints-procedure**.

Our finances

Programme expenditure

The schemes provide compensation to victims of violent crime. It is our role to assess claims in accordance with the applicable statutory scheme, which is approved by Parliament. To inform our decisions we gather evidence from police authorities and medical experts. This is an ongoing process which means we will always have cases at various stages of case progression in our live caseload at year end.

We also manage a very small number of cases where the claim was made before the introduction of the tariff-based schemes including those that have been reopened on medical grounds. These complex cases previously fell under the jurisdiction of the Criminal Injuries Compensation Board and have since passed into the jurisdiction of the First-tier Tribunal (FTT). CICA gathers evidence to support the FTT consideration of these claims and they may only be resolved by a decision of the FTT. The FTT may direct interim or final payments based on reliable prognoses of the applicant's long-term care needs.

We provided £153m in compensation to victims of violent crime during 2020–21 (see Note 10 to the Accounts for additional detail). This was allocated as follows:

- £129m of the total settled relates to amounts that were previously provided for and recognised in the Statement of Comprehensive Net Expenditure (SoCNE) in previous financial years. Therefore, these settlements are all routed through the provision and there is no in-year impact on the SoCNE. The SoCNE only includes amounts at point of recognition in addition to resources consumed during the relevant period. In Note 10, these settled awards are shown in the provision statement as utilised during the year and reduce the provision accordingly.

- £24m is recognised in the SoCNE, within tariff scheme compensation, as settlements relating to claims not previously provided for in 2019–20. These claims relate to applications both received and settled during 2020–21. Therefore, these claims were not recognised in the provision from prior years.

New liabilities

The tariff schemes' provision is reflective of CICA's liabilities under the 1996, 2001, 2008 and 2012 Schemes. CICA recognises liabilities that are based upon an evaluation of total applications that have been received by CICA but have not yet been processed; these are referred to as claims reported but not completed (CRBNC) (discounted value £161m).

New liabilities, for all compensation schemes, recognised during 2020–21 totalled £122.4m. Based upon tariff claims received during 2020–21 and still outstanding at year-end, £122m has been recognised as new tariff provision.

There were no pre-tariff cases settling at a higher value than that previously provided during 2019–20. Upward movements on live cases, due to re-assessment of liability, totalled £0.3m. A new liability of £0.05m has been recognised, based upon claims received, for the Victims of Overseas Terrorism Compensation Scheme (VOTCS) in 2020–21.

For compensation recognised during 2020–21 the SoCNE can be summarised to its constituent parts, as follows, noting that comparative information is disclosed in Note 10 to the Accounts:

Table 10 Changes to programme liabilities in year

Tariff schemes	£m
New tariff liabilities arising	122
Liabilities no longer required	0.0
Settlements not recognised in provision	24.0
Sub Total Tariff	**146**
Pre-tariff schemes	
Settlements higher than previous provision	0.0
Settlements lower than previous provision	0.0
Revaluation of aged cases	0.3
Sub Total Pre-tariff	**0.3**
Victims of Overseas Terrorism Compensation Scheme (VOTCS)	
Net Impact of VOTCS	0.05

The pre-tariff cases have an estimated liability of up to £15m.

Case-handling costs, classified as programme expenditure, have increased slightly from the previous year. These are for medical, legal and other fees related to finalising compensation claims.

Staff costs have increased in 2020–21 from the previous year by £1.2m. This increase reflected an accrual for an assumed pay award from August 2020, an uplift in staffing and targeted use of overtime to manage the capacity impacts of attrition and COVID-19.

Administration expenditure

The costs associated with managing and administering compensation schemes increased from £6.4m to £8.8m due to an increase in MoJ corporate recharges, mainly from MoJ Digitech. This is due to a change in the methodology for calculating the recharge that has resulted in additional IT costs being recharged to CICA in 2020–21 that weren't recharged in 2019–20. Combined amortisation and depreciation decreased by £0.13m.

Supplier payment policy and performance

CICA follows the Better Payment Practice Code and undertakes to pay 80% of internally authorised invoices within five days of receipt. Compliance with this standard in 2020–21 was 98% of invoices paid within five days.

Going concern

At 31 March 2021, CICA's Statement of Financial Position records net liabilities of £216m (£222m at 31 March 2020). Of this total, £176m (£181m at 31 March 2020) relates to compensation payable in the future, as recognised in programme provision (Note 10).

Compensation liabilities falling due in future years can only be met by cash funding from MoJ and the Scottish Government. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such amounts are not paid in advance of need.

The net cash requirements for 2021–22, taking into account the amounts required to meet CICA's liabilities falling due that year, are already included in MoJ and Scottish Government estimates for that year. There is, therefore, no reason to believe that both future sponsorship and parliamentary approval will not be forthcoming. As a result, it is deemed appropriate to adopt the going concern basis for the preparation of these financial statements.

Our business plan 2021–22

Our business plan for 2021–22 sets out our strategic objectives and outcome delivery plan for the next 12 months.

We share the MoJ values of purpose, humanity, openness and togetherness and aim to embed these values in the way we operate and develop our service. Our objectives support the wider MoJ vision of a world-class justice system that works for everyone in society and our contribution to the MoJ's outcome objective of providing swift access to justice, for the victims of violent crime we serve.

For 2021–22 we have condensed our five strategic objectives into four strategic outcomes strengthening the focus on enabling activities and customer-centric outcomes, which will support improved access to justice, through the compensation schemes we operate. Our four strategic objectives are:

- Provide an accessible service which treats victims with compassion, sensitivity and fairness.
- Invest in an inclusive, diverse and professional workforce which lives our values and delivers public service with pride.
- Operate an efficient and accurate assessment process and account for the public funds we spend.
- Build strong stakeholder relationships in which we listen and collaborate to improve applicant experience.

Sustainability report

Overview

We are committed to creating an efficient and sustainable office environment which demonstrates awareness and respect for our natural world and positively contributes towards an MoJ-wide reduction in our environmental impact.

Our strategy is focussed in three broad categories:

Energy

Digitalisation

Travel

We have embraced the Greening Government Commitments (GCC) and exceeded our target, by reducing carbon emissions from energy and travel by 83% since the 2009–10 baseline measurements were established.

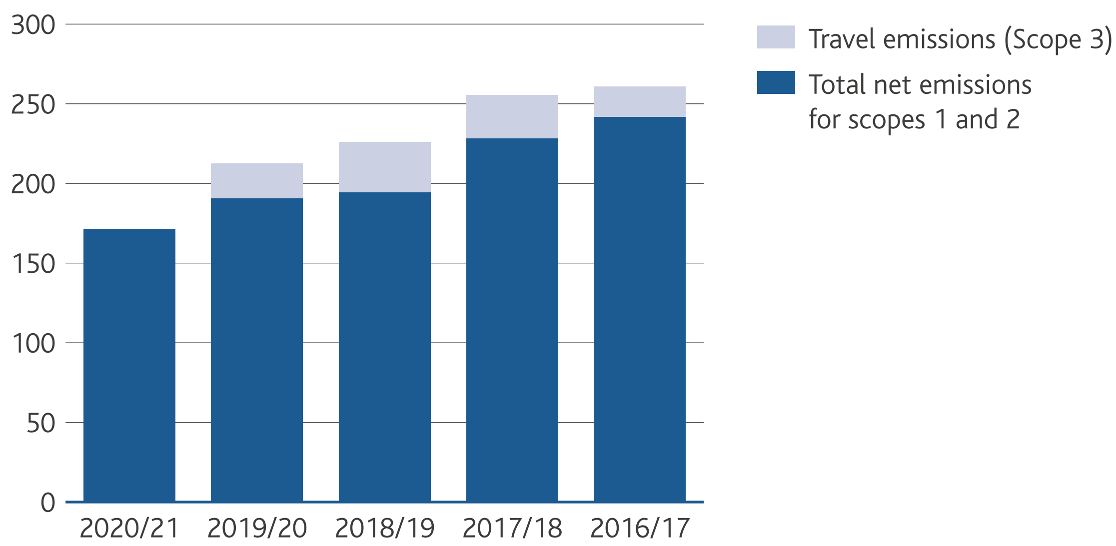
Greenhouse gas emissions

Table 11 shows CICA's Greenhouse Gas (GHG) emissions, as defined by the GHG protocol (available at **www.ghgprotocol.org**), over the past five years. Overall, the total gross GHG emissions and expenditure on energy and travel reduced significantly over the five-year period, and dramatically in the last year in response to COVID-19.

Table 11 Greenhouse gas (GHG) emissions

		2020–21	2019–20	2018–19	2017–18	2016–17
Non-financial indicators (tCO_2e)	Total gross emissions for scopes 1 and 2	171.35	190.49	194.15	228.13	241.54
	Electricity: green/ renewable	0	0	0	0	0
	Total net emissions for scopes 1 and 2	171.35	190.49	194.15	228.13	241.54
	Gross emissions for scope 3 – travel	0	22.10	31.84	27.49	19.40
	Total gross GHG emissions (all scopes)	**171.35**	**212.60**	**226.00**	**255.60**	**260.90**
Non-financial (kWh)	Electricity: Grid, CHP and non-renewable	211,326	263,607	280,896	275,893	273,090
	Electricity: renewable	0	0	0	0	0
	Gas	613,114	638,353	586,221	566,106	645,847
	Other energy sources	0	0	0	0	0
	Total energy	**824,440**	**901,960**	**867,117**	**841,999**	**918,937**
Financial indicators	Expenditure on energy	£29,660	£31,106	£28,676	£28,491	£53,003
	Expenditure on official business travel	£1,739	£66,914	£77,639	£60,632	£51,114

Tonnes of carbon (tCO_2e)



Energy Consumption

The main impacts are estate energy consumption. While gas consumption is not within our control, as it is attributed to CICA on a space-occupied basis, we actively monitor our direct electricity consumption at Alexander Bain House which has assisted in reducing our carbon emissions further.

Along with ensuring that staff switch off equipment at the end of the day to reduce the use of phantom power, we also promoted initiatives to reduce electricity consumption such as supporting Earth Hour and encouraging staff to engage in the first ever "digital switch off". On 27 March 2021, we joined the millions of people, businesses and landmarks around the globe who turned off lights and energy using appliances for the specified hour in a commitment to the Earth and its preservation.

Lighting within Alexander Bain House is operated by energy saving sensors and has been installed by British Standards approved suppliers.

We have actively promoted flexible working since 2017, encouraging staff to regularly take the opportunity to work from home but COVID-19 had a radical impact on this. Significant and prolonged reductions in our electricity consumption have been noted as a result of operating an almost entirely remote workforce.

Waste

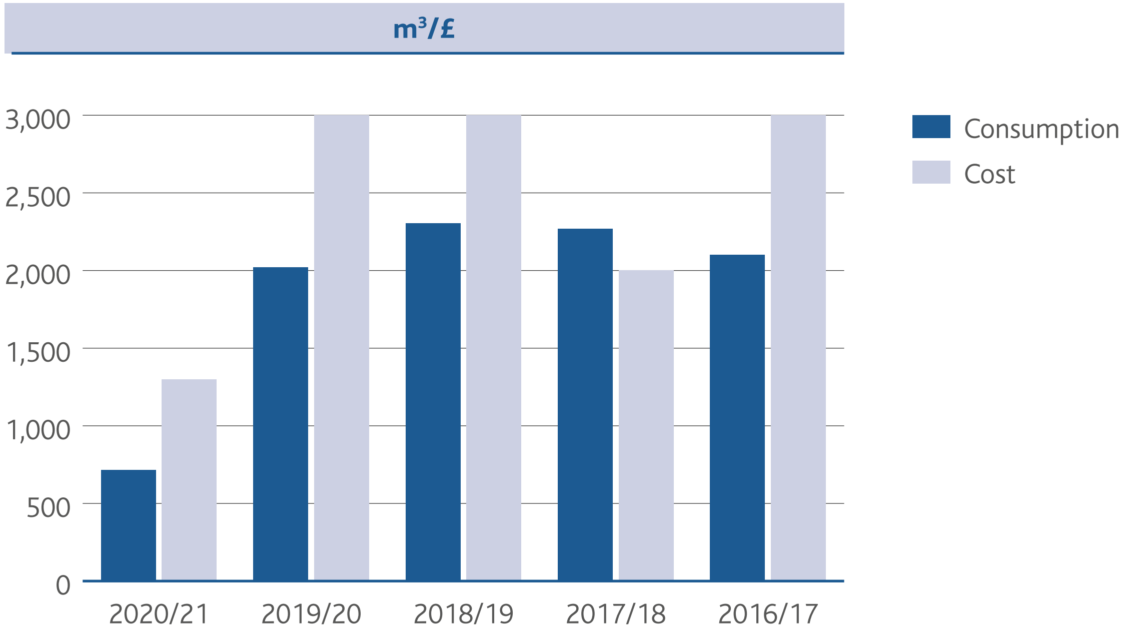
Although the majority of staff have not been attending the office, the importance of waste recycling is promoted at Alexander Bain House by CICA and by our landlord in shared facilities. Waste recycling facilities are readily accessible to reduce the volume of waste being sent to landfill.

All confidential waste is disposed of by a specialist contractor who ensures that 100% of destroyed paper is securely recycled.

Finite Resource Consumption

Table 12 Finite resource consumption

Water	2020–21	2019–20	2018–19	2017–18	2016–17
Non financial indicators					
Total water consumption (m^3)	**716**	**2,020**	**2,304**	**2,268**	**2,100**
Financial indicators					
Total water supply costs (£)	**1,300**	**3,000**	**3,000**	**2,000**	**3,000**



The main impacts on water consumption are through sanitation and staff consumption. Our washrooms in Alexander Bain House are of a modern design and therefore use less water reducing our environmental impact.

Notwithstanding the above, the significant reductions in water consumption for 2020–21 are the result of the majority of staff working from home in response to COVID-19.

Digitalisation

Remote working capability was introduced in 2016–17, with a limited offer of one day per week across the organisation from 2017–18 onwards. Whilst associated carbon footprint reductions were modest in previous years, as we have built confidence in our remote working capability, the impact of COVID-19 forced full scale implementation at an accelerated pace from March 2020.

During 2020–21, with the exception of a small number of essential workers, we have successfully transitioned to a home working environment for the vast majority of staff. We have provided enhanced and new digital tools and training to work effectively from home.

We have invested in online meeting tools and video technology to ensure that collaborative working remains a core function of our service delivery, ensuring that we maintain our service.

This has reduced our consumption of energy and consumables, and most significantly reduced the need for regular travel, both in terms of general commuting and to attend geographically distant meetings.

Travel

Similarly, we have reduced the requirement for staff to attend tribunal hearings in person by utilising video and tele-conferencing. This has reduced the carbon emissions associated with GB wide travel, whilst also increasing efficiency, allowing staff to participate in more virtual hearings on the same day, which geographical limits would normally restrict.

We have redesigned our online training packages, both internally and through MoJ, to ensure that staff are appropriately skilled for the roles they perform, but without the requirement for travel to a venue.

These changes ensured that emissions from motor vehicle, rail and air travel reduced to zero in 2020–21. The financial expenditure reduction on the previous year was 97%, compared with 14% in 2019–20.

Going Forward

The UK Government has laid the groundwork to reduce its contribution to climate change and has committed to net zero carbon by 2050 or earlier. As part of our plans for the forthcoming year, we will enhance our sustainability strategies to ensure that we continue to contribute to a systematic reduction of our carbon footprint.

Further progress in digital working and a reduction in the reliance on paper should also contribute to improvements and we are committed to investigating this in the next performance year.

We will work collaboratively with colleagues across MoJ and other agencies to identify opportunities to contribute towards a shared sustainability agenda.

We will also ensure that our strategic outcomes take account of Government priorities and align with our own organisational plans to manage climate related risk around procurement, consumption, travel, recycling, waste reduction and environmental impact.

Linda Brown
Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority

14 July 2021

Accountability report

Corporate Governance report

Director's report

The Accounting Officer has responsibility for maintaining a sound system of internal controls which support the achievement of strategy, aims, objectives and policies as agreed with the Ministry of Justice (MoJ) and the Scottish Government. These responsibilities extend to personal accountability for the safeguarding of public funds administered by the Criminal Injuries Compensation Authority (CICA) and for the management and operation of the organisation.

I was appointed Chief Executive and Accounting Officer of CICA on 1 October 2018, having held these roles on an interim basis since 4 April 2018.

Corporate governance is central to the effective operation of all public bodies. CICA operates best practice as detailed within HM Treasury and Cabinet Office Corporate Governance Code of Good Practice and the HM Treasury guidance on Managing Public Money.

Our Agency Framework Agreement sets out the arrangements for corporate governance matters, including the role of the Accounting Officer, and the duties around financial and budgetary management, risk management, business planning, audit and assurance.

The Agency Framework Agreement can be viewed on **www.gov.uk/government/publications/criminal-injuries-compensation-authority-agency-framework**.

In this Accountability report, I have detailed our governance arrangements. It includes information about our Executive Management Board (EMB), Strategy and Performance Board (SPB) and Audit and Risk Committee (ARC). It explains their activities in establishing strategic direction, delivering against objectives and managing risk. Our Corporate Governance Framework can be found at Appendix A. The record of attendance of members at meetings is attached at Appendix B. I am satisfied that these forums represent, and deliver, effective corporate governance within CICA.

Non-executive Board Members

Non-executive Board Members provide support and advice on matters relating to strategy, performance, audit and risk.

In a period of transition, by exception, the Lord Chancellor extended the appointments of Andrew Flanagan and William Matthews beyond the usual term, with both serving until 31 July 2020 and that of Ron Barclay-Smith until 31 March 2021.

Three new Non-executive Board Members were appointed by the Lord Chancellor, with effect from 15 December 2020: Russell Frith, Martin Spencer and Derek Bray. These Non-executive Board Members provided assurance on this set of Annual Report and Accounts. During 2020–21, the Non-executive Board Members were:

- Andrew Flanagan BAcc, ICAS. Appointment ended 31 July 2020.
- William Matthews MBA, BSc, BA, BA, C. Eng, MIET. Appointment ended 31 July 2020.
- Ron Barclay-Smith MA, MPhil, MBA. Appointment ended 31 March 2021.
- Russell Frith BA, ACA. Appointment commenced 15 December 2020.
- Martin Spencer BA. Appointment commenced 15 December 2020.
- Professor Derek Bray BA, LLB, MPhil. Appointment commenced 15 December 2020.

The independent review of board effectiveness undertaken by Government Internal Audit Agency (GIAA) recommended that an annual board effectiveness review was undertaken by the Board. This will be implemented in 2021–22, with annual review points at mid-year, with findings and any identified recommendations presented to the SPB for consideration ahead of implementation.

The Non-executive Board Members participated in an organisation-wide business planning session to inform the 2021–22 Annual Business Plan during March 2021.

Register of Interests

All Executive and Non-executive Board Members participated in a quarterly declaration of any directorships held and other significant interests which may conflict with their role or the conduct of CICA. A Register of Interests is held and no conflicts were noted during the financial year.

Personal Data Related Incidents

During 2020–21, two data breaches were reported to the Information Commissioner's Office (ICO) relating to separate security incidents. Whilst one incident still awaits a final ICO response, the other (which occurred in 2017) resulted in no action being taken against CICA by the ICO. However, case-specific recommendations are being implemented.

Statement of Accounting Officer's Responsibilities

Under section 6(3) of the Criminal Injuries Compensation Act 1995 and paragraph 136 of the Criminal Injuries Compensation Scheme 2012, the Secretary of State (with the approval of HM Treasury) has directed CICA 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 provide a true and fair view of the state of affairs of CICA and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer 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 (with the approval of HM 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 accounts
- prepare the accounts on a going concern basis
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer of the Ministry of Justice has designated the Chief Executive as Accounting Officer of the Criminal Injuries Compensation Authority. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Criminal Injuries Compensation Authority's assets, are set out in 'Managing Public Money' published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CICA's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Linda Brown
Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority

14 July 2021

Governance Statement

CICA is an Executive Agency of the Ministry of Justice (MoJ). For 2020–21 there was a continuance of CICA's reporting line to the department via MoJ's Chief Financial Officer (CFO) on matters of CICA's performance and financial management.

These arrangements continued in operation on an interim basis following the announcement in March 2021 that CICA's reporting line would transfer to the newly appointed Second Permanent Secretary of MoJ. These arrangements will take full effect in the next reporting year.

CICA also provides a service on behalf of the Scottish Government. A Memorandum of Understanding sets out the framework of CICA and the Scottish Government's relationship. This includes arrangements for the Scottish Government contribution towards scheme funding.

During 2020–21, the Chief Executive of CICA had a direct line management relationship and met regularly with the MoJ Chief Financial Officer as well as attending weekly meetings of the CFO Group. The Chief Executive met with the then Parliamentary Under Secretary of State at the Ministry of Justice, Mr Alex Chalk in July 2020.

The Scottish Government was represented in meetings of the CICA Strategy and Performance Board by the Head of Victims and Witnesses Unit.

CICA's Business Plan is subject to Ministerial approval. There is no separate requirement for CICA to consult with Ministers on key financial or operational decisions. This is compatible with the requirements of the primary and secondary legislation by which CICA is empowered.

CICA staff are MoJ employees and subject to standard terms and conditions of employment. Accordingly, CICA does not have, nor require, a separate Remuneration Committee or Nominations Committee.

Executive Management Board

The Executive Management Board (EMB) supports the Accounting Officer in the management and operation of CICA. During 2020–21, the EMB members supporting the Accounting Officer were:

- June Fellowes, Deputy Chief Executive (appointed 2 July 2020, interim April–June)
- Laura Johnston, Director of Legal and Policy Services
- Tracy MacBrayne, Director of Operations
- Iain Mackinnon, Interim Director of Corporates Services (April–December 2020)
- Martin McGoldrick, Director of Corporate Services (with effect from 5 January 2021)
- May Smith, Senior Finance Business Partner

In the discharge of its duties, the EMB was informed by advice from a Strategy and Performance Board (SPB) and an Audit and Risk Committee (ARC), together with specific reports relating to financial accounting, operational performance, risk management, governance, business transformation, people management, policy, and health and safety. The quality and organisation-wide relevance of this management information provided EMB with an appropriate level of detail with which to monitor and react to all matters relating to organisational activity and performance. This ensured that decisions were taken with objectivity, transparency and a clear focus on achieving organisational objectives.

Strategy and Performance Board

The Strategy and Performance Board (SPB) is chaired by the Chief Executive and includes membership of the Deputy Chief Executive, Director of Operations, Director of Corporate Services, Director of Legal and Policy Services, and the Non-executive Board Members.

Members of MoJ Policy, MoJ Finance and the Scottish Government attend by invitation.

The SPB met on 18 May, 25 September, 22 December 2020 and 12 February 2021 to consider performance, propose changes to operational policy and offer constructive challenge across CICA's operations and activities. Non-executive Board Members provided advice on five key areas in line with HM Treasury Corporate Governance in central government departments (**Corporate governance in central government departments: code of good practice (publishing.service.gov.uk)**). These were:

- Strategic Clarity
- Commercial Sense
- Talented People
- Results Focus
- Management Information.

The SPB considered and advised on a range of improvements to our services including performance and people management, business planning, budget management, customer service and business transformation.

The SPB is provided with financial, performance and risk information on a quarterly basis and may request supplementary information should this be required. The data supplied to the SPB is acceptable as it is informed by monthly reporting to the EMB and monthly submissions to MoJ regarding CICA's financial management, performance and risk. Risks and controls in operation are further scrutinised on a quarterly basis by the Audit and Risk Committee.

All matters were reported openly, and no business required a confidential addendum or closed minute relating to commercial or personal sensitivities.

Audit and Risk Committee

The Audit and Risk Committee (ARC) operates in accordance with HM Treasury's Audit and Risk Assurance Committee handbook and provided support to the SPB and the EMB in their responsibilities towards risk management, control and corporate governance. The ARC provided oversight of the management of CICA's operations and assets; accounting policies (including the integrity of financial statements and the Annual Report and Accounts); practices relating to risk, control and governance; and the adequacy of response to audit findings.

Membership of the ARC comprised the Non-executive Board Members. Meetings of the ARC are intended to be held quarterly. However, in 2020–21 the transfer of responsibilities from the outgoing ARC Chair and members to the appointment of the incoming ARC Chair and new members impacted the timetable. ARC meetings were held on 18 May, 30 June (Special ARC), 22 December 2020 and 12 February 2021.

In addition to regular business matters, the Special ARC in June discussed COVID-19 business continuity arrangements. The ARC scheduled for September 2020 was delayed to December 2020 to accommodate the incoming Non-executive Board members.

These ARC meetings were supported by the attendance of the Chief Executive, Deputy Chief Executive, and Senior Governance Manager. Other members of the CICA Executive Management Board attended as required to support the business of the ARC. The Senior Governance Manager attended on each occasion. The Senior Governance Manager role was held by Rory Tracey until Max Nowakowski was appointed on an interim basis on 6 January 2021. From February 2021, the Director of Corporate Services attended.

The ARC was also supported by the attendance of the MoJ Deputy Director Finance Business Partner for CICA and, by invitation, experts in financial modelling and forecasting, and financial accounts management from MoJ's finance function.

Representatives of the Government Internal Audit Agency (GIAA) and the National Audit Office (NAO) also attended each meeting.

The ARC routinely considered and offered insight and challenge to reports relating to risk and risk management, information management, internal audit and internal assurance. One additional notable report was provided to the ARC. This related to an in-depth review of risk regarding modelling of the financial provision.

The ARC provided the EMB with a written minute of each quarterly meeting. All matters were reported openly and no business required a confidential addendum or closed minute relating to commercial or personal sensitivities. The ARC provided its opinion, in its annual report to CICA, confirming the ARC's reasonable assurance that there is an adequate level of control and governance in place across CICA and that matters arising during the year have been, or are being, addressed by management.

Financial Risk

CICA receives a delegated budget from MoJ each financial year to operate the Scheme in England and Wales, and income from the Scottish Government to fund the scheme in Scotland. CICA is required to manage controls to ensure the budget is not exceeded. Compensation entitlements are never reduced or refused due to budget pressures, although the timing of payments may be affected by the availability of budget.

In circumstances where the delegated budget is insufficient to meet the value of claims ready to offer, CICA has an opportunity to request the authorisation of additional budget cover from MoJ and/or income from the Scottish Government. In 2020–21, CICA managed this risk by providing forecasts and regular reports to the Chief Financial Officer on budget utilisation and updates to the Scottish Government quarterly. The Scottish Government responded positively to requests from CICA for additional income with an additional £6.2m approved in quarter 4. An additional £6m was authorised by MoJ for England and Wales in March 2021.

Financial Liability Risk

The key financial liability risks were:

Removal of the "Same Roof Rule"

The "same roof rule" (formerly paragraph 19 of the Criminal Injuries Compensation Scheme 2012) prevented an award being made to applicants injured before 1 October 1979 by an assailant who they were living with as a member of the same family. In 2018–19, a successful legal challenge to the same roof rule led to the materialisation of an existing financial risk. In July 2018, the Court of Appeal found that the same roof rule had unfairly denied compensation to the claimant, in contravention of Article 14 of the European Convention on Human Rights (ECHR) when read with Article 1 of Protocol 1 ECHR. The Government chose not to appeal this judgment to the Supreme Court and announced in September 2018 that the rule would be abolished.

An amendment to the Criminal Injuries Compensation Scheme 2012, removing the rule, took effect on 13 June 2019. This enabled new applications from people who were previously refused compensation because of the rule, as well as from those who had not previously applied. These applications must be made within a two-year period which expired on 13 June 2021. However, where exceptional circumstances apply and the application can be determined without further extensive enquiries, this period may be extended.

In 2020–21 a total of £10.7m was provided to those affected by the "same roof rule", bringing the total compensation provided to those affected to more than £21m since the amendment came into effect.

Pre-Tariff Cases and the Lord Chancellor's Discount Rate

Prior to the introduction of the Criminal Injuries Compensation Scheme 1996, cases derived an award value based on pre-tariff schemes including the application of a discount rate to future care costs and loss of earnings. The rate currently applied to these cases is the Lord Chancellor's discount rate, which is currently fixed at -0.25%. There are a small number of remaining pre-tariff cases which are yet to be decided by the FTT including medically re-opened cases. These cases are recognised as provisions in our financial statements. Changes to the Lord Chancellor's discount rate could have a material financial impact on the value of any award to be made under the pre-tariff schemes, if a case is medically re-opened at some future indeterminate point in the applicant's lifetime. This risk will remain until such point as all pre-tariff cases are fully settled.

Incidents Incurred But Not Yet Received (IBNYR)

Incidents Incurred But Not Yet Received (IBNYR) is an unquantifiable contingent liability in respect of a possible future obligation to individuals who have been victims of violent crime as of 31 March 2021. This liability depends upon uncertain future events occurring and an application being submitted which meets the criteria set out in the relevant scheme. Although CICA recognises that this contingent liability exists in respect of IBNYR, it is not practicable to estimate the financial effect of the liability. This is because it is not possible to establish with any reliable certainty the total number of eligible victims who sustained eligible criminal injuries, the likelihood of an application being made and then qualifying for compensation, according to the multiple criteria contained in the Scheme, and thereafter predicting with any reasonable certainty the potential value of any award which may be made, and the timescale in which this may occur.

Legal challenge to unspent convictions rule

On 10 November 2020, the Supreme Court heard an appeal by two applicants against the decision of the Court of Appeal dated 3 July 2018 that the provisions of the Criminal Injuries Compensation Scheme 2012 were not unlawful insofar as they prohibit an award of compensation to applicants who are victims of human trafficking and who have unspent criminal convictions. Permission to appeal was granted on one ground: whether those provisions are contrary to Article 4 of the European Convention on Human Rights (ECHR) (prohibition of slavery and forced labour) combined with Article 14 ECHR (prohibition of discrimination). The Supreme Court dismissed the appeal on Friday 9 July 2021.

Fraud Risk

We continued to raise awareness of the potential for fraudulent activity and maintained a Fraud Risk Register with Anti-Fraud risk controls. The Government Internal Audit Agency (GIAA) audit, which took place in 2020–21, provided a substantial rating for our Anti-Fraud Protocol.

Information Security Risk

Information is essential to our decision-making processes. It is critical that we have an effective organisation-wide approach to processing and protecting all personal and sensitive data which we hold. We have a nominated Senior Information Risk Owner (SIRO), Information Asset Lead Officer and Information Management Group. At directorate level, nominated Information Asset Owners ensured that the security of all our assets benefited from regular review. The CICA SIRO attends the MoJ Information Security Risk Board and has ensured that relevant CICA information assets are captured within the MoJ-wide Asset Register, One Trust.

Information Technology Infrastructure Risk

We were supported in controlling risks to the security, availability and continuity of our Information and Communications Technology infrastructure by our MoJ Digital and Technology service providers who work in partnership with us to support and protect our operations.

The Public Service Network accreditation process is being replaced with the Departmental Security Health Check – Lite (DSHC) and we are working with colleagues in MoJ on our initial submission to the Cabinet Office.

People Risk

Our people deliver our business, and their capability and engagement is crucial to CICA's effective operation. COVID-19 presented new challenges and heightened risk, which we responded to at pace in March 2020, and to which we extended additional controls and mitigations during 2020–21.

We shifted training and learning and development programmes to virtual classrooms, enabling us to continue to invest in learning and development for our people at all levels, with opportunities to participate in MoJ and Civil Service wide programmes.

Our flexible working patterns and remote working capability were stepped up in year to support our people working effectively from home, whilst managing the impact of the pandemic on them personally and on our organisation. Once again, the Civil Service People Survey 2020, showed the strong connection of our people to our organisational purpose and achieved a 67% people engagement indicator, plus 6% on the previous survey, based on a completion rate of 84%.

We invested in an extended programme of activities to stay connected to our people and in 'CICA Community' wellbeing initiatives. These helped maintain a low rate of average working days lost, due to sick absence, at 4.4 days.

Workforce Strategy Risk

It is essential that we maintain workforce levels which are sufficient to meet our organisational objectives, whilst able to adapt to changing business challenges.

At the start of 2020–21 our benchmark resource level carried forward from 2017 was 262 full-time equivalents. The ongoing impact and forecast of workforce attrition, and the cost of churn, arising from time to recruit, train and consolidate new staff, demanded further risk mitigation. It was agreed that the workforce level could be adjusted to provide more realistic mitigation for this risk, using flexibility within the overall programme budget.

Departmental (staff) turnover remained significant at just under 11% with the largest group of leavers attracted by our proximity to other government departments offering positions at increased salary. The risk was mitigated through a programme of recruitment. This resulted in an increase to our average staffing level to 277 for 2020–21, by year end.

COVID-19 Risk

Throughout 2020–21, COVID-19 presented CICA with an unprecedented set of challenges. Our business continuity measures enabled us to respond quickly, with a significant level of operational resilience. Previous investment in smarter working technology enabled a rapid transition from an office environment to full-time working from home. Specialist equipment was provided to create safe, secure home working environments and new working practices introduced to overcome obstacles presented by the situation. A minimised office presence was maintained, supported by suitable risk assessments and appropriate equipment, for essential duties which could not be undertaken from home.

Our workforce was impacted by school closures, loss of childcare and social care facilities during periods of lockdown and a small number of staff worked reduced hours or were unable to undertake work for a limited period.

We provided flexibility in work patterns, in line with MoJ policies, and implemented a health and wellbeing strategy to support all our people. This included a range of activities geared towards keeping our people connected to each other and the organisation.

Our controls enabled us to maintain our services, although the impacts of the pandemic are demonstrated in the performance data and narrative throughout this report.

Corporate Risk and Assurance Group

The Corporate Risk and Assurance Group (CRAG) maintained representation from each of the CICA directorates, MoJ Digital and Technology and Finance Business Partnering Group. The CRAG ensured that directorate level risks were aligned to organisational strategic objectives and related corporate risk considerations. To ensure effective connectivity and opportunity for risk escalation where necessary, the CRAG chairperson participated at meetings of the EMB, reporting on proposals regarding emerging risks, adequacy of controls and internal assurance activities.

In 2020–21, the CRAG used horizon scanning and the insight provided by risk-leads in individual areas of business to identify potential areas of emerging risk. This provided regular insight used to iterate and strengthen our Corporate Risk Register.

Health and Safety Committee

The Health and Safety Committee ensures compliance with legislation and COVID-19 regulations and guidance, providing a collaborative approach to addressing health and safety issues within the workplace.

Meetings of the Health and Safety Committee were chaired by the CICA Health and Safety Manager. Membership included the Director of Corporate Services, Senior Governance Manager, Trade Union representatives and Health and Safety representatives from all directorates. Meetings were held by agreement on 12 June, 4 September, 1 October, 13 November, 1 December 2020 and 4 February 2021. This exceeded the routine quarterly schedule to reflect the additional risks presented by COVID-19.

Other Committees and Forums

Information Management Group

The Information Management Group (IMG) oversees information management and regulatory compliance. The IMG met on three occasions in 2020–21. It is chaired by the Senior Governance Manager and comprised the Senior Information Risk Owner and all Information Asset Owners.

IMG monitors existing and emerging information risks, provides assurance to the Senior Information Risk Owner on the effectiveness of information-risk management, regularly publishes information assurance guidance and promotes an organisation-wide culture of effective and secure information handling.

Stakeholder Engagement

The Stakeholder Engagement and Equality Forum (SEEF) is chaired by the Head of Policy and is a meeting with representatives of CICA's key stakeholder groups. The role of the SEEF is to facilitate and provide insight into customers' needs and experiences to inform service improvements. This includes offering insights on equality in the way that CICA operates the compensation scheme(s). The SEEF has helped develop a more collaborative approach and has improved access to our service through both digital and more traditional channels.

In 2021 we refreshed our stakeholder engagement strategy with the aim of building broader and stronger connections with our stakeholders and to collaborate with them to achieve an improved and victim centric experience for those applying for compensation. This included inviting stakeholders to participate in our work to ensure that our decision letters are trauma-informed; providing CICA awareness sessions; working with Victim Support to create publicly accessible materials concerning CICA and the schemes we administer; and expanding our SEEF membership to include the Children and Young People's Commissioner for Scotland, the Domestic Abuse Commissioner, the Angelou Centre, Barnardo's, Police Scotland and the Victims' Commissioners for England & Wales and London. Our existing SEEF membership includes: Victim Support Homicide Service, Victim Support England & Wales, Victim Support Scotland, the Association of Personal Injury Lawyers, Her Majesty's Courts and Tribunals Service (HMCTS), Scottish Women's Aid, Rape Crisis Scotland and Enable (Scotland). The SEEF met once in 2020–21.

Our Chief Executive met with Dame Vera Baird, the Victims' Commissioner for England and Wales, in May 2020. Our Executive Management Board also participated in the Scottish Government Victims Taskforce, including in the workstreams concerned with trauma-informed training and user-centred service design.

Audit, Assurance and Operational Delivery

Audit Objectives

The plan is designed to support an annual internal audit opinion on the adequacy and effectiveness of governance, risk management and control through which:

- Oversight, structures, authorities and responsibilities, and reporting support a clear understanding of risks and controls and effective decision-making.
- Objectives are specified with sufficient clarity to enable the identification and assessment of risk.
- Risks to the achievement of objectives are identified and assessed to determine how they should be managed.
- Changes that could significantly affect the system of internal control are identified and assessed.
- Control activities are designed adequately and operated as intended to mitigate risks to acceptable levels.
- Relevant, accurate, complete and timely information is available and used to support the functioning of internal control.

Internal Audit Activity

A programme of internal audit was undertaken by the Government Internal Audit Agency (GIAA) in accordance with the Public Sector Internal Audit Standards. This offered robust scrutiny of the adequacy, effectiveness and reliability of controls operating over the following functions:

- Board Effectiveness: A **moderate assurance** rating was offered.
- Counter Fraud Management: A **substantial assurance** rating was offered.
- Trusts: A **substantial assurance** rating was offered.
- Quality Assurance: A **moderate assurance** rating was offered.

An audit of Retained Awards was included within the initial annual audit plan. However, this was deferred until 2021–22 to allow for full implementation of planned process changes. This deferment was agreed by the ARC at its February 2021 meeting, after confirmation from GIAA that they had suitable and sufficient evidence to provide their annual audit opinion.

Internal Audit Opinion

GIAA provided an overall internal audit opinion of moderate assurance for the effectiveness of the systems of governance, risk management and internal control operating across CICA. Of the nine recommendations made by GIAA, four have already been implemented, with the remainder on track to be implemented within agreed timeframes.

Information Assurance

CICA processes personal and sensitive information to guide our decision-making in accordance with compensation scheme(s) requirements. We are committed to making sure that all our actions in handling such information achieve the highest standards of security and that the privacy rights of individuals are respected.

We continue to employ a mandatory requirement for all staff and new recruits to undertake annual information assurance training. This ensures that we maintain an effective information assurance culture. We supported this with staff awareness activities and specific training for our Governance team on data protection and Subject Access Requests.

We recognised the external threat in relation to cyber-security. We have technical controls in place which reflect those recommended by the National Cyber Security Centre. We have successfully tested our ability to restore access to data in the event of any incidents using backup processes. Work began to undertake a significant change to our backup system in March 2021.

During 2020–21, we received 72 requests for information under the Freedom of Information Act 2000 and we achieved 100% compliance with the statutory timescale. We processed 656 Subject Access Requests under the Data Protection Act 2018 and UK General Data Protection Regulation. 95% of these were completed within statutory timescales.

CICA continued to work closely with MoJ's Data Protection Team to comply with the UK General Data Protection Regulation. During 2020–21 we continued to ensure effectiveness of our mechanisms for monitoring and responding to risks and identified issues.

Throughout 2020–21, our Senior Information Risk Owner participated in the MoJ Information and Security Risk Board and in the Data Protection Sub Committee. This ensured we were fully integrated with developments affecting wider government.

Whistleblowing

A CICA Whistleblowing Policy (contained within the Anti-Fraud Protocol) is aligned with the MoJ Whistleblowing process and published on the CICA intranet. During 2020–21 no whistleblowing submissions were received. Our Anti-Fraud Protocol and Whistleblowing Policy further support vigilance around potential for bribery and corrupt practice.

Conclusion

I am confident that this statement provides a comprehensive account of the corporate governance, risk management and control arrangements operating across CICA.

I am satisfied that these governance arrangements offered effective control and transparency over the management of and accountabilities of CICA.

Linda Brown
Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority

14 July 2021

Remuneration and staff report

Remuneration policy

All permanent members of staff, including those on secondment and fixed term appointments are employees of MoJ.

Remuneration policy – senior civil servants (Not subject to audit)

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In 2020–21, there were two posts classified as senior civil servants, the Chief Executive and the Deputy Chief Executive. Performance based pay awards for senior civil servants are determined by an assessment of performance against objectives agreed between the individual and their line manager at the start of the reporting year.

Remuneration policy – non-senior civil servants (Not subject to audit)

Remuneration packages fall under the schemes operated by MoJ and follow Government policy guidelines for public sector pay. Performance is recognised through MoJ Performance Management and Reward and Recognition Policies. Staff at all grades are eligible for in-year reward which is used to recognise staff in a timely way throughout the financial year.

Remuneration report

Service contracts (Not subject to audit)

Unless otherwise stated below, staff appointments are made on merit on the basis of fair and open competition and are open-ended until the individual wishes to retire, subject to satisfactory attendance and performance. Early termination, other than for misconduct, may result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Civil Service Pensions (Audited)

All permanent members of staff are eligible for membership of the Principal Civil Service Pension Scheme (PCSPS). MoJ is responsible for making contributions to their pension schemes.

The PCSPS is an unfunded multi-employer defined benefit scheme. MoJ is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the Scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office Civil Superannuation (**www.civilservice.gov.uk/pensions**).

In 2020–21, employer's contributions of £2.034m (2019–20, £1.876m) were payable to the PCSPS at one of four rates in the range 26.6% to 30.3% of pensionable earnings based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020–21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Table 13 Remuneration and pensions for senior management for 2020–21 (Audited)

Name	Salary	Bonus	Value of pension benefits for single total figure of remuneration	Total	Accrued pension at pension age as at 31/03/21 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/21	CETV at 31/03/20	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Linda Brown – Chief Executive	90–95	0	52	145–150	Pension 40–45 Lump sum 110–115	Pension 2.5–5 Lump sum 0–2.5	926	856	39
June Fellowes – Deputy Chief Executive	70–75	0	38	110–115	Pension 30–35 Lump sum 90–95	Pension 0–2.5 Lump sum 0–2.5	750	697	27

*CETV figure contains a restated closing figure as at 31 March 2020 for June Fellowes. This CETV component was restated from £691k (closing 2019–20) to £697k (opening 2020–21). This correction of £6k is based on information provided by Civil Service Pensions.

Table 14 Remuneration and pensions for senior management for 2019–20 (Audited)

Name	Salary	Bonus	Value of pension benefits for single total figure of remuneration	Total	Accrued pension at pension age as at 31/03/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/20	CETV at 31/03/19	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Linda Brown – Chief Executive	90–95	0	36	125–130	Pension 35–40 Lump sum 110–115	Pension 0–2.5 Lump sum 0–2.5	856	792	24
June Fellowes – Interim Deputy Chief Executive	70–75	0	239	310–315	Pension 30–35 Lump sum 85–90	Pension 10–12.5 Lump sum 27.5–30	691	448	221

Employees joining the Civil Service after 1 October 2002 can, or may opt to, open a partnership pension account, which is a stakeholder pension with an employer contribution. No staff members working for CICA had taken this option during the financial year 2020–21 and this was also the case in 2019–20.

Senior staff disclosures (Audited)

The Chief Executive fulfils the role of Accounting Officer of CICA. The Chief and the Deputy Chief Executive, for the purposes of disclosure, are classified as the senior management of CICA. Their emoluments disclosed represent the total amount paid.

The six Non-executive Board Members earned, in total, £7,200 in fees and claimed £0 in expenses during 2020–21 (2019–20, £6,400.00 + £0).

Fair Pay Disclosure (Audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid executive in their organisation and the remuneration of the organisation's workforce.

Table 15

	2020–21	2019–20
Highest paid executive in CICA salary	£95 – £100K	£90 – £95K
Median CICA Salary	£22,567	£22,567
Multiplier of Median Remuneration	4.3	4.1

The banded remuneration of the highest paid executive in CICA during 2020–21 was £95k – £100k (2019–20, £90k – £95k). This was 4.3 times (2019–20, 4.1 times) the median remuneration of the workforce which was £22,567 (2019–20, £22,567). The range of remuneration in year was £95k – £100k to £15k – £20k. In 2020–21 and 2019–20 no employee received remuneration exceeding that of the highest paid executive.

Total remuneration includes salary, overtime payments, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Salary (Audited)

Salary includes gross salary, overtime, and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind (Audited)

No senior staff received any benefits in kind.

The table below shows the fees paid to Non-executive Board Members (Non-executive Board Member fees are non-pensionable but are subject to national insurance and taxation).

Table 16

	Fee (£'000) 2020–21	Fee (£'000) 2019–20
Andrew Flanagan (Left 31 July 2020)	0–5	0–5
William Matthews (Left 31 July 2020)	0–5	0–5
Ron Barclay-Smith (Left 31 March 2021)	0–5	0–5
Derek Bray (Started 15 December 2020)	0–5	0–5
Martin Spencer (Started 15 December 2020)	0–5	0–5
Russell Frith (Started 15 December 2020)	0–5	0–5
Total	**7.2**	**6.4**

Senior management travel and subsistence (Not subject to audit)

In 2020–21, the Chief Executive claimed £0 (2019–20, £4,010). The Deputy Chief Executive claimed £0 (2019–20, £647) in expenses. There were no claims for expenses not related to travel and subsistence.

Compensation for loss of office (Audited)

No senior managers received compensatory payments in 2020–21 (2019–20, nil).

Cash Equivalent Transfer Values (CETV) (Audited)

A 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 or 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 buying additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in CETV reflects the increase funded by the employer. It does not include the increase in accrued pension due to inflation or 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.

General notes

The 2020–21 CETV return reflects the two senior civil servants employed at CICA included within the Pension Scheme. There were nil returns for all disclosures relating to benefits in kind and employer contributions to partnership pension accounts.

Table 17 Staff costs (Audited)

Staff costs		2020–21	2019–20
	Note	£'000	£'000
Salaries and emoluments		7,267	6,380
Early departure other adjustment		0	0
Early departure in year costs		0	0
Provision in year costs	10	(0)	(0)
Social security costs		694	637
Pension costs		2,034	1,876
Overtime payments		229	139
Total		**10,224**	**9,032**

The disclosures above include the costs within the body of the remuneration report.

MoJ Digitech team staff costs (not included above) have been capitalised as key inputs to delivery of specific IT-related projects for CICA. The total staff cost subject to capitalisation was £679k (2019–20, £0k). The assets will be transferred to CICA from MoJ when they are brought into full use.

Consultancy costs for 2020–21 were nil (2019–20 nil).

Staff numbers (Audited)

The average number of full-time equivalent persons employed (including senior management) during the year was as follows:

Table 18

	2020–21	2019–20
Casework	251	239
Administration	26	26
Total	**277**	**265**

Staff composition

As at 31 March 2021, CICA employed 307 people which constituted 284.6 full-time equivalent (FTE). This included two full-time senior civil service (SCS) posts.

Table 19

	Number employed	Full-time equivalent	SCS 1	SCS 2
Male	140	136.10		
Female	167	148.50	1	1
Total	**307**	**284.60**	**1**	**1**
Full-time	**237**	**237.00**		
Part-time	**70**	**47.60**		

Civil Service – Exit packages (Audited)

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year the exit package is confirmed. Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Principal Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table above.

During 2019–20 and 2020–21 there were no exit packages paid.

During the financial year 2020–21, CICA reviewed off-payroll engagements where we are required to consider intermediaries, legislation (IR35) using HMRC's guidance and on-line status indicator. We have advised our contracting body of the outcome of the status determinations so that, where appropriate, tax deductions are made at source from payments made in respect of the engagement with CICA. Further details of off-payroll engagements in CICA can be found in MoJ departmental resource accounts.

Pension liabilities

CICA has no pension liabilities. As detailed in the Remuneration report permanent members of staff are eligible for membership of the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is an unfunded multi-employer Defined Benefit Scheme which prepares its own accounts where individual employers are unable to identify their share of the underlying assets and liabilities of the scheme.

Our staff (Not subject to audit)

Employment policies

CICA is staffed by MoJ employees and follows all MoJ HR practices. People involvement is actively encouraged as part of the day-to-day process of line management. The senior management team is committed to working in a collaborative way with trade unions.

Equality and diversity

We value the diversity of our workforce and promote a culture where all are treated with fairness and respect. Diversity data is held and collated by MoJ and we continue to promote and encourage our people to record their personal diversity information. This will help us ensure we have the best information possible on the diversity profile of our people and can be confident that there is strong and robust data for ensuring that our policies and processes are applied fairly. We actively encourage and support our people to participate in the Civil Service wide Positive Action Pathway programmes. However, these programmes were paused in 2020 as a result of COVID-19 and have not yet re-opened.

This year one of our people graduated from Crossing Thresholds, a Civil Service development programme aimed at supporting women in overcoming barriers to success in the workplace. We also had two of our people join the MoJ Bridges leadership development programme. This programme has been designed to support and develop BAME colleagues to progress into leadership roles. MoJ publishes diversity information annually in its Workforce Monitoring report. We have an established Diversity Champions Network which is proactive in celebrating diversity and ensures CICA continues to be an inclusive working environment which promotes access to opportunities for all.

Employment of disabled persons

MoJ has clear rules on employing disabled staff and we apply these rules. We encourage a culture in which we remove barriers for disabled people and promote a better understanding of disability issues. During 2020–21 this included introducing Disability Allies, undertaking Becoming Disability Confident e-learning and delivering Disability and Disability Ally Awareness sessions. In March 2021 we were awarded Disability Confident Leaders accreditation which recognises our approach to challenging attitudes towards disability, increasing the understanding within the organisation of disability and ensuring that disabled people have opportunities to fulfil their potential.

Learning and development

During 2020–21, we continued to promote learning opportunities and encouraged all our people to undertake, as a minimum, five days learning. We continued to develop our people by delivering training on our compensation scheme(s), providing opportunities for job shadowing, and supporting activities during Learning at Work Week. Our people upskilled on new technology and working practices to ensure our services could be delivered effectively in response to COVID-19. We supported our managers delivering training on Leading Remote Teams and Leading with Wellbeing in Mind.

Social and community issues

We remain committed to supporting our local community and wider society. Our people are encouraged to volunteer for community projects and to help raise funds for local and nationwide charitable organisations. In 2020–21 volunteering projects and social mobility initiatives could not take place. However, our people continued to support Social Bite as their chosen charity and raised funds throughout the year.

Sickness absence

We continued to proactively manage sickness absence and improve health and wellbeing at work. We supported new line managers to increase knowledge and skills on attendance management, mental health and disability awareness. In 2020–21 our people completed resilience and wellbeing awareness training.

During 2020–21, the average working days lost to sickness in CICA was 4.4 days. Of these, 2.5 days (57%) were due to long-term sickness and 1.9 days (43%) were due to short-term sickness.

Staff turnover

In 2020–21, staff turnover was 3.9% (2019–20: 5.9%) and department turnover was 10.9% (2019–20: 14.2%). Department turnover includes transfers of staff within the Civil Service. Transfers within the Civil Service are not included in staff turnover.

The department continues to monitor turnover rates and support initiatives to maintain a healthy level of turnover. The annual Civil Service People Survey, coupled with other research, helps us to understand our people's experience of working in MoJ and take appropriate action to improve effectiveness, including where turnover becomes problematic.

Parliamentary accountability and audit report

Audit

The Comptroller and Auditor General is the external auditor of CICA and is appointed under statute, reporting to both the UK Parliament and the Scottish Parliament.

The notional fee for the statutory audit in 2020–21 is £100,000 (2019–20, £100,000). No additional audit fees or remuneration for non-audit work were recognised in 2020–21, as was also the case in 2019–20.

Regularity of expenditure (audited)

	2020–21	2019–20
	£	£
Write-downs	0	0
Special Payments	30,447	41,215

In accordance with Managing Public Money, individual losses over £300,000 are required to be disclosed separately. No individual or cumulative events breached the disclosure level of £300,000.

Remote contingent liabilities (audited)

On occasion, compensation cases at appeal stage, under the jurisdiction of the First-tier Tribunal – Criminal Injuries Compensation, may proceed to judicial review. These could have an impact on CICA's future liabilities. These cases are not included within the provision due to the fact that a possible obligation exists which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of CICA.

Linda Brown
Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority

14 July 2021

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

Opinion on financial statements

I certify that I have audited the financial statements of Criminal Injuries Compensation Authority for the year ended 31 March 2021 under the Criminal Injuries Compensation Act 1995. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of Criminal Injury Compensation Authority's affairs as at 31 March 2021 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Criminal Injuries Compensation Act 1995 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Criminal Injuries Compensation Authority in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Criminal Injuries Compensation Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Criminal Injuries Compensation Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of the certificate.

The going concern basis of accounting for the Criminal Injuries Compensation Authority is adopted in consideration of the requirements set out in HM Treasury's Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Criminal Injuries Compensation Act 1995; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Criminal Injuries Compensation Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Accountability report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer, is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Chief Executive as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the Criminal Injuries Compensation Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive as Accounting Officer anticipates that the services provided by the Criminal Injuries Compensation Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Criminal Injuries Compensation Act 1995.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- inquiring of management, the Criminal Injuries Compensation Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Criminal Injuries Compensation Authority's policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Criminal Injuries Compensation Authority's controls relating to the Criminal Injuries Compensation Act 1995 and Managing Public Money.
- discussing among the engagement team including modelling experts regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and the estimation for the tariff provision;
- obtaining an understanding of the Criminal Injuries Compensation Authority's framework of authority as well as other legal and regulatory frameworks that the Criminal Injuries Compensation Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Criminal Injuries Compensation Authority. The key laws and regulations I considered in this context included the 2020–21 Government Financial Reporting Manual (FReM) issued by HM Treasury, the Criminal Injuries Compensation Act 1995, Managing Public Money, Employment Law, Pension and Taxation regulations and data protection laws.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- ensuring that compensation payments are in accordance with the tariffs set out in legislation.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of my certificate.

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies **14 July 2021**
Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

		2020–21		2019–20	
	Note	£'000	£'000	£'000	£'000
Staff costs	3	10,224		9,032	
Other expenditure	4	8,752		6,398	
Depreciation and impairment charges	5	673		806	
Provision expense	10	148,067		180,913	
Total Expenditure			**167,716**		**197,149**
Income	2	(998)		(930)	
Income – Scottish Government	2	(21,141)		(15,005)	
Income repaid to Consolidated Fund		0		0	
			(22,139)		(15,935)
Net Operating Expenses			**145,577**		**181,214**
Finance expense (Unwinding of discount)	10		821		1,259
Net expenditure for the year			**146,398**		**182,473**

There was no other comprehensive expenditure incurred during the year. The notes on pages 66 to 95 form part of these accounts.

Statement of Financial Position at 31 March 2021

		31 March 2021		31 March 2020	
	Note	£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	5	476		738	
Intangible assets	5	2,129		2,539	
Total non-current assets			**2,605**		**3,277**
Current assets					
Trade and other receivables	6	7,010		825	
Cash and cash equivalents	7	16,266		17,038	
Total current assets			**23,276**		**17,863**
Total assets			**25,881**		**21,140**
Current liabilities					
Provisions (not later than one year)	10		(104,173)		(92,595)
Trade and other payables	8		**(50,869)**		(50,828)
Total assets less current liabilities			**(129,161)**		**(122,283)**
Non-current liabilities					
Provisions (later than one year)	10	(72,751)		(88,833)	
Other payables	9	(14,281)		(10,518)	
Total non-current liabilities			**(87,032)**		**(99,351)**
Total assets less total liabilities			**(216,193)**		**(221,634)**
Taxpayers' equity and other reserves					
General reserve			(216,193)		(221,634)
Total equity			**(216,193)**		**(221,634)**

The notes on pages 66 to 95 form part of these accounts.

Signed .... (Chief Executive and Accounting Officer)

14 July 2021

Statement of Cashflow for the year ended 31 March 2021

		2020–21		2019–20	
	Note	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net operating cost	12	(146,398)		(182,473)	
Adjustments for non-cash transactions	12	15,017		7,788	
(Increase)/decrease in trade and other receivables	12	(6,185)		4,726	
Increase in trade and other payables	12	3,804		22,432	
Net movement of provisions	10	(4,504)		(12,688)	
Net cash outflow from operating activities			**(138,266)**		**(160,215)**
Cash flows from investing activities					
Purchase of property, plan and equipment	5	(6)		(115)	
Purchase of intangible assets	5	0		(784)	
			(6)		(899)
Net cash outflow			**(138,272)**		**(161,114)**
Cash flows from financing activities					
Funding from MoJ	11		137,500		161,000
Net (decrease) in cash and cash equivalents in the period	7		**(772)**		**(114)**
Cash and cash equivalents at the beginning of the period			**17,038**		**17,152**
Cash and cash equivalents at the end of the period	7		**16,266**		**17,038**

The notes on pages 66 to 95 form part of these accounts.

Statement of Change in Taxpayer's Equity for the year ended 31 March 2021

		General Reserve	Total Reserves
	Note	£'000	£'000
Balance at 1 April 2019		**(207,131)**	**(207,131)**
Net Parliamentary funding received from MoJ	11	161,000	161,000
Intra-departmental balances settled with MoJ		3,219	3,219
Notional recharge from MoJ	4	3,651	3,651
Auditors remuneration	4	100	100
Net expenditure		(182,473)	(182,473)
Balance at 31 March 2020		**(221,634)**	**(221,634)**

		General Reserve	Total Reserves
	Note	£'000	£'000
Balance at 1 April 2020		**(221,634)**	**(221,634)**
Net Parliamentary funding received from MoJ	11	137,500	137,500
Intra-departmental balances settled with MoJ		7,993	7,993
Notional recharge from MoJ	4	6,246	6,246
Auditors remuneration	4	100	100
Net expenditure		(146,398)	(146,398)
Balance at 31 March 2021		**(216,193)**	**(216,193)**

The notes on pages 66 to 95 form part of these accounts.

Notes to the Accounts

Note 1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2020–21 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where a choice of accounting policy is permitted by the FReM, CICA selects the policy which best presents a true and fair view. CICA's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1a Basis of Preparation

The Financial Statements are presented in Pound Sterling rounded to the nearest thousand (£000) unless otherwise stated. These accounts have been prepared under the historical cost convention.

The Financial Statements, together with the Notes on pages 66 to 95, have been prepared on an accruals basis in accordance with the Accounts Direction given by the Secretary of State for Justice, with approval of HM Treasury, in accordance with the Criminal Injuries Compensation Schemes 1990, 1996, 2001, 2008 and 2012.

At 31 March 2021, CICA's Statement of Financial Position records net liabilities of £216 million (31 March 2020, £222 million). This reflects the inclusion of liabilities falling due in future years which may only be met by future funding from both MoJ and the Scottish Government. This follows the normal conventions applying to parliamentary control over income and expenditure in that funding is not provided in advance of need.

Funding for 2021–22, allowing for the amounts required to meet CICA's liabilities, had already been included in estimates for this period, which had been approved by Parliament, and there is no reason to believe that future sponsorship and future parliamentary approval will not be forthcoming. It has therefore been considered appropriate to adopt the going concern basis for the preparation of these financial statements.

1.1b Significant Judgements Used in the Production of the Accounts

CICA has prepared the annual accounts in accordance with latest International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) guidance as of 31 March 2021.

In 2020–21 CICA has used historical profiles in the production of the provision for live cases and the assumption that past performance is an indicator of future outturn.

The percentage (%) Decided Cases that Get Offered: Decided cases are subject to quality assurance checks prior to being offered to ensure that no exclusions or adjustments should be added. Currently 100% of all pre-2012 Scheme are quality assured. For 2012 Scheme cases, 100% of cases with a component payment are quality assured and a sample of 10% of cases without a component are quality assured. Analysis is carried out yearly on historical quality-assured decided cases to estimate the percentage of currently decided value that will be offered.

The percentage (%) Nil Assessed Cases: An adjustment is needed to account for the fact that not all applications receive a monetary award. Some cases are valued at nil or are determined to be ineligible due to exclusions within the scheme. The percentage of non-nil cases assumption is calculated separately for the 2012 Scheme and the pre-2012 schemes together, reflecting differences in eligible injuries contained in the 2012 Scheme and the greater likelihood that a pre-2012 case not yet resolved will result in a value award.

Discount Rates: The general provisions discount rates are used to discount future cash flows related to provisions recognised in accordance with IAS 37 Provisions, contingent liabilities and contingent assets and are obtained from HMT.

Spread of Liability: This splits the liability by current liabilities (to be paid within one year) and non-current liabilities (to be paid after one year) and management decisions are used to inform this assumption.

There is an implicit assumption within the methodology that historical behaviour is a reasonable indicator of future behaviour.

1.1c Changes in Accounting Policies

There have been no changes in the accounting policies for period ending 31 March 2021.

1.2 Funding

Expenditure is met from funds advanced by MoJ and the Scottish Government. Funds received for operating activities and capital expenditure are credited to the general fund.

1.3 Non-Current Assets

Intangibles

Purchased intangibles are split between information technology and software licences and are capitalised where expenditure of £500 or more is incurred. Both sets of assets are disclosed at depreciated historical cost which approximates to fair value.

Software and systems development expenditure on IT systems are capitalised as intangibles where specific criteria are met in accordance with IAS 38. Expenditure on IT systems which maintains expected output requirements, without evidence of enhancement, is written off in the period in which it is incurred.

Property, Plant and Equipment

Items are capitalised if they are intended to be used on a continuous basis for greater than one year. Items costing more than £500, inclusive of delivery and installation, are treated as Non-Current Assets. Where an item costs less than the capitalisation level but forms part of an asset or grouped asset, whose total value is greater than the capitalisation level, the item is treated as a Non-Current Asset. Tangible Non-Current Assets are disclosed at depreciated historical cost which approximates to fair value rather than fair value revaluation as the impact of this policy would not be material to CICA's accounts. The residual value of all assets and the depreciation method applied to them is reviewed at the end of each financial year.

Donated Assets

CICA holds no assets classified as donated.

Assets Under Construction

Costs, inclusive of irrecoverable VAT, associated with discrete projects are pooled until CICA takes the relevant asset on charge (first brings the asset into use). Such items are not depreciated until they are brought into use. The relevant in-year transfers to asset categories, relating to assets which were taken on charge during 2020–21, are disclosed in Note 5.

1.4 Depreciation

Depreciation is provided on Non-Current Assets on a straight-line basis to write-off the cost or valuation evenly over the asset's useful economic life as follows.

Leasehold Improvements	Over the remaining term of the lease
Fixtures, Fittings and Office Equipment	Five years
Computer Equipment	Three to five years
Intangibles (Information Technology and Licences)	Three to five years

1.5 Income

The Scottish Government's contribution towards compensation expenditure is based on the actual amount (including an adjustment for year-end accruals) required to settle tariff-based Scheme claims where the injury was sustained in Scotland. This is classified as income and is accounted for in accordance with the 5-step model set out in IFRS15 Revenue from Contracts with Customers, and HM Treasury's Financial Reporting Manual. Other sources of income include compensation which is repaid by applicants in circumstances provided for in the Scheme(s). These repayments are treated as income and recycled into compensation spending. In accordance with IFRS 9 Financial Instruments, CICA writes-down any future income by the rate of collection to reflect future uncertainty in this income being received.

1.6 Accounting for Employee Benefits

Under IAS 19 CICA is required to provide for the full long-term pension liabilities of any qualifying staff not covered under the Principal Civil Service Pension Scheme (PCSPS) arrangements. In 2020–21, all staff working for CICA were covered under the arrangements, therefore contributions to PCSPS were treated as contributions to a defined scheme. CICA is unable to identify its share of liabilities in the PCSPS defined benefit scheme therefore no disclosure for long-term pension liabilities is charged to these accounts.

IAS 19 requires CICA to provide, in full, short-term employee liabilities for both untaken annual leave and bonus entitlements.

1.7 Leases

Leases are assessed against the criteria laid down within IAS 17. The lease for the accommodation offered at Alexander Bain House has been determined as an operating lease and is therefore charged to the Statement of Comprehensive Net Expenditure as incurred. CICA does not have any leases where contingent rent is payable, and there are no restrictions imposed by lease arrangements, for example those concerning dividends, additional debt, and further leasing.

1.8 Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. CICA provides for legal or constructive obligations which are of uncertain timing or amount at the reporting period end. The provision is established on the basis of the best estimate of the expenditure required to settle the obligation. The provisions (particularly tariff) involve significant estimations and uncertainties (see Note 10 for detail). These obligations are set out below.

Pre-tariff Schemes

The provision for pre-tariff schemes reflects the expected settlement value of all outstanding pre-tariff cases at the reporting period end. The total liability has been derived by an in-depth valuation assessment by the judiciary (wholly independent from CICA). This provision has not been discounted (see Note 10).

Tariff Schemes

CICA recognises a liability in respect of total applications which have been made to CICA but have not yet been paid to applicants. The provision is calculated in accordance with IAS 37. This provision has been discounted by using the prevailing nominal Treasury Discount Rates, highlighted at Note 10. The nominal rate is used because the tariff schemes are not subject to inflation so using the real rate would be inappropriate. The discount is unwound over the remaining life of the provision and is shown as a finance charge in the Statement of Comprehensive Net Expenditure.

In 2020–21, a review of the provision estimate methodology was conducted, resulting in the following refinements to the estimate:

The Percentage (%) Nil Assessed 2012 Scheme

The methodology continues to consider the likelihood of cases being nil assessed independently within each tariff band, rather than globally. There have been three updates:

- Actual age data is retained, with the distribution just focusing on gaining tariff information for nil cases.
- Relaxed date condition has increased the available data for the analysis thereby helping to create more accurate mappings.
- Process has been moved to "R" to allow working with these larger datasets increasing speed and accuracy.

The Percentage (%) Nil Assessed pre-2012 tariff Schemes

The methodology continues to compare end of year data extracts for cases resolved with a monetary award against end of year extracts for live cases. There has been one update:

- The live case extracts are now taken from the File Management Report so cases that are on offer are included in this comparison.

In addition, we are also including consideration of how COVID-19 has impacted the business which we have addressed with the following adjustment:

Award Value Profiling

The profiling of award values continues to aggregate at the level of both tariff band and case age. There has been one update:

- Adjustments have been made to the profiles of the oldest cases (over four years) to take into account that more complicated and expensive cases have been prioritised in this age range by CICA during the year.

Following the review, we have assessed the impact on the tariff provision disclosed in the 2019–20 Annual Report and Accounts. The impact of the refinements has not led to a material difference in the disclosed value.

Victims of Overseas Terrorism Compensation Scheme (VOTCS)

Events designated as Acts of Terrorism by the Foreign Secretary are provided for on the basis of applications that are currently known to CICA. The compensation liabilities are determined by the same principles that underpin the 2012 tariff Scheme.

Dilapidations

Provisions for dilapidations are recognised in the year in which CICA recognises it has a future obligation to transfer economic benefits based on a past event.

Early Departure

CICA meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) for employees who retire early. These costs are provided for in full when the relevant early retirement programme becomes binding by establishing a provision for the estimated payments.

1.9 Recognition of Compensation Accrual

CICA recognises an accrual when an offer of compensation is made to an applicant. The value of liability takes account of the prevailing review and appeal request rate for the tariff Scheme. For pre-tariff cases, the value on-offer is recognised at full liability as the offer made to an applicant is binding.

1.10 Value Added Tax

With effect from 1 April 2014 CICA was reclassified as an Executive Agency of MoJ. As a result of this change CICA is eligible to recover VAT on a limited range of services.

1.11 Holding Accounts

Compensation awards can be held in individual accounts in the name of the applicant prior to guardianship being determined. Final payment including accrued interest is made as directed. As CICA still hold an element of control over these accounts, they remain on the Statement of Financial Position.

1.12 Third Party Assets

Third party assets are not CICA's assets and are therefore not included in the Financial Statements.

The retention of compensation awards made to minors is provided for in the Scheme. The purpose of this to ensure that the victim will be the sole beneficiary of the award (including accrued interest) when they reach their majority (18 years of age). Where appropriate, interim payments may be made upon request and are assessed on a case-by-case basis.

The balances held on behalf of the above parties are disclosed in Note 16.

1.13 Third Party Recharges

During a prior period, MoJ reorganised the structure of IT and finance support services into a functional leadership model providing services across the department and its agencies. This resulted in the staff costs of the finance and IT teams being met by MoJ core teams, as well as the administration costs of IT. These costs, totalling £2.2 m have been recharged through corporate recharges in the Statement of Comprehensive Net Expenditure.

1.14 Segmental Reporting

CICA has one reportable operating segment under IFRS 8. It therefore does not prepare a detailed segmental analysis.

1.15 Financial Reporting Standards Newly Effective

There have been no new standards which have become effective in 2020–21. IFRS 16 (Leases) is due to become effective in 2022–23 but MoJ have decided to 'early adopt' from 1 April 2021. Significant disclosures of the impact on the accounts are detailed in the note below.

1.16 Impending Application of Newly Issued Financial Reporting Standards Not Yet Effective

IFRS 16

IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset is of low value. The assets, to be described as "right of use" assets, will be presented under Property, Plant and Equipment. Under the FReM, the standard is effective from 1 April 2022, with the option to early adopt. CICA will early adopt IFRS 16 in the financial year commencing 1 April 2021.

IFRS 16 will be implemented using the cumulative catch-up method; as a result, comparatives will not be re-stated and the measurement of the asset and liability balances recognised with effect from 1 April 2021 will reflect CICA's intentions as at that date. On the date of transition to IFRS 16, CICA will recognise a right-of-use asset and a lease liability.

The lease liability will be measured at the value of the remaining lease payments, discounted either by the interest rate implicit in the lease, or where this is not readily determinable, the incremental rate of borrowing advised by HM Treasury. Where the lease includes extension or termination options, the lease payments will be for the non-cancellable period together with any extension options CICA is reasonably certain to exercise and any termination options CICA is reasonably certain not to exercise.

The right-of-use asset will initially be measured at the value of the lease liability, adjusted for: any lease payments made before the commencement date; any lease incentives received; any incremental costs of obtaining the lease; and any costs of removing the asset and restoring the site at the end of the lease. As a practical expedient for existing operating leases recognised on transition, the latter two elements will not be included in the asset value.

Where the lease requires nil or nominal consideration (usually referred to as a "peppercorn" lease), the asset will instead be measured at its existing use value, with the difference between the carrying amount of the right-of-use asset and lease liability treated as notional income (or on transition, a credit to the General Fund).

See Note 1.7 for details of CICA's current leases policy. Those leases currently recognised as operating leases will be converted to right of use assets and liabilities on transition to IFRS 16, with those currently recognised as finance leases transferring at their existing values.

CICA expects to recognise a right of use asset and associated finance lease liability in respect of the second floor of Alexander Bain House, our office accommodation in Glasgow, where we have a lease in place until 15 July 2024. The impact of implementation of IFRS 16 is currently considered to be an increase in assets and liabilities of approximately £1.2m and £1.7m respectively. The lease liability is slightly higher than the value of minimum operating lease commitments shown at Note 13, primarily due to the operating lease profile being shown net of the effect of a previous rent-free period, partly offset by the exclusion of VAT from the IFRS 16 liability.

Operating lease impacts for 2020–21, prior to implementation of IFRS 16, are set out in Note 13, Commitments under leases.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. Subject to EU adoption, it may come into effect for accounting periods commencing on, or after, 1 January 2023 and should be included in the 2023–24 FReM at the earliest. To assess the impact of the standard, CICA is reviewing contracts which meet the definition of insurance contracts.

CICA does not consider that any other new, or revised standard, or interpretation will have a material impact.

Note 2 Operating Income

	2020–21	2019–20
	£'000	£'000
Compensation repaid (previously civil actions)	**950**	**930**
Court compensation orders	**0**	**0**
Compensation recoverable	48	0
Income from the Scottish Government	21,141	15,005
Income from MoJ including the Victim Surcharge	0	0
Other administrative income	0	0
	22,139	**15,935**

In 2019–20 following the Criminal Justice Act 2003 (Surcharge) (Amendment) Order 2020 No.310, income received from revenue raised by the Victim and Witness Surcharge is no longer contributed to criminal injuries compensation funding. All revenues raised from the surcharge from 2019–20 onwards are included in the victim and witness receipts budget held by MoJ, as was the case prior to 2015–16, and are used to fund services for victims of violent crime through other channels.

Note 3 Staff Costs

	2020–21	2019–20
	£'000	£'000
Salaries and emoluments[1]	7,267	6,380
Early departure other adjustment	0	0
Early departure in year costs	0	0
Provision in year utilisation	0	0
Social security costs	694	637
Pension costs	2,034	1,876
Agency staff	0	0
Overtime payments	229	139
	10,224	**9,032**

[1] Salaries and emoluments include an accrual of £294k for an assumed pay increase for 2020–21. The Cabinet Office and HM Treasury have not yet approved the Ministry of Justice's pay award submission for 2020–21.

Note 4 Other Expenditure

		2020–21	2019–20
	Note	£'000	£'000
Programme expenditure – case-handling costs		1,176	1,128
Other accommodation costs		480	489
Rentals under operating leases		457	491
Miscellaneous fees		21	45
Postage		104	117
Travel and subsistence		3	143
Storage and handling		16	40
Stationery		34	42
Furniture and fittings		2	0
Training, recruitment and staff welfare		17	39
Internal audit fees		37	36
Losses and special payments paid		30	41
Information and publications		3	3
Non Cash Items			
Loss on disposal of Non-Current Assets – PPE		0	2
Dilapidations on lease arising		21	21
Corporate recharge		3,992	793
Corporate recharge – functional leadership		2,254	2,858
Increase/(decrease) to bad debt provision		0	0
Notional external audit fees		100	100
Loss on disposal of Non-Current Assets – IA		5	10
Bad debts written-off		0	0
		8,752	**6,398**

Note 5 Non-Current Assets

Property, plant and equipment 2020–21	Fixtures and fittings	Leasehold improvements – Alexander Bain House	Computer equipment	Office equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2020	297	973	1,343	101	72	2,786
Additions	0	0	0	6	0	6
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
At 31 March 2021	297	973	1,343	107	72	2,792
Depreciation						
At 1 April 2020	(292)	(567)	(1,142)	(47)	0	(2,048)
Charged in year	(2)	(97)	(146)	(23)	0	(268)
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
At 31 March 2021	(294)	(664)	(1,288)	(70)	0	(2,316)
Net book value at 31 March 2021	**3**	**309**	**55**	**37**	**72**	**476**
Net book value at 31 March 2020	**5**	**406**	**201**	**54**	**72**	**738**

Intangible assets	Information technology	Software licences	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2020	2,185	200	1,698	4,083
Additions	(0)	0	(0)	(0)
Disposals	(4)	0	0	(4)
Transfers	0	0	(1)	(1)
At 31 March 2021	2,181	200	1,697	4,078
Amortisation				
At 1 April 2020	(1,465)	(79)	0	(1,544)
Charged in year	(347)	(58)	0	(405)
Disposals	0	0	0	0
At 31 March 2021	(1,812)	(137)	0	(1,949)
Net book value at 31 March 2021	**369**	**63**	**1,697**	**2,129**
Net book value at 31 March 2020	**720**	**121**	**1,698**	**2,539**

Property, plant and equipment 2019–20	Fixtures and fittings	Leasehold improvements – Alexander Bain House	Computer equipment	Office equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2019	297	973	1,350	94	72	2,786
Additions	0	0	78	37	0	115
Disposals	0	0	(90)	(30)	0	(120)
Transfers	0	0	5	0	0	5
At 31 March 2020	297	973	1,343	101	72	2,786
Depreciation						
At 1 April 2019	(289)	(470)	(1,027)	(59)	0	(1,845)
Charged in year	(3)	(97)	(204)	(17)	0	(321)
Disposals	0	0	89	29	0	118
Transfers	0	0	0	0	0	0
At 31 March 2020	(292)	(567)	(1,142)	(47)	0	(2,048)
Net book value at 31 March 2020	**5**	**406**	**201**	**54**	**72**	**738**
Net book value at 31 March 2019	**8**	**503**	**323**	**35**	**72**	**941**

Intangible assets	Information technology	Software licences	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2019	4,237	458	1,748	6,443
Additions	222	59	503	784
Disposals	(2,822)	(317)	0	(3,139)
Transfers	548	0	(553)	(5)
At 31 March 2020	2,185	200	1,698	4,083
Amortisation				
At 1 April 2019	(3,848)	(340)	0	(4,188)
Charged in year	(429)	(56)	0	(485)
Disposals	2,812	317	0	3,129
At 31 March 2020	(1,465)	(79)	0	(1,544)
Net book value at 31 March 2020	**720**	**121**	**1,698**	**2,539**
Net book value at 31 March 2019	**389**	**118**	**1,748**	**2,255**

Note 6 Trade and other Receivables

	2020–21	2019–20
	£'000	£'000
Trade receivables	5,778	87
Court compensation	(23)	(5)
Civil claims	36	1
Other receivables	654	186
VAT receivable	418	433
Prepayments	176	152
Sub-total	**7,039**	**854**
Provision for bad debts	(29)	(29)
Total	**7,010**	**825**

Note 7 Cash and Cash Equivalents

		2020–21	2019–20
	Note	£'000	£'000
Opening balance at Government Banking Service Accounts		5,134	6,069
Increase/(decrease) in cash		(3,149)	(935)
Closing balance at Government Banking Service Accounts		1,985	5,134
Opening balance all other bank accounts and cash		55	0
Increase/(decrease) in cash		(55)	55
Closing balance at all other bank accounts and cash		0	55
Opening balance of awards held on deposit in holding accounts	9	11,849	11,083
Increase/(decrease) in cash	9	2,432	766
Closing balance of awards held on deposit in holding accounts	9	14,281	11,849
Total balance of cash and cash equivalents		**16,266**	**17,038**
Total increase/(decrease) in cash and cash equivalents		**(772)**	**(114)**

Note 8 Trade and other Payables

	2020–21	2019–20
	£'000	£'000
Trade payables	45	127
Consolidated Fund payables	0	0
Other payables	2,879	2,177
Accruals – pre-tariff scheme	0	0
Accruals – tariff scheme	45,004	45,777
Other accruals	2,941	2,747
	50,869	**50,828**

Note 9 Non-current Liabilities: other Payables

Awards held in holding accounts in the name of the applicant prior to appropriate guardianship being determined.

Holding accounts	Number of accounts	2020–21		Number of accounts	2019–20	
		£'000	£'000		£'000	£'000
Opening balance	25		10,518	15		6,212
Restatement						
In-year deposits	15	8,187		14	7,858	
Interest received in-year		1			53	
			8,188			7,911
Closures	(13)	4,425		(4)	3,513	
Withdrawal prior to closure		0			92	
			(4,425)			(3,605)
Closing balance	**27**		**14,281**	**25**		**10,518**

Note 10 Provisions

Provision – Programme 2020–21	Pre-tariff Scheme	Tariff Schemes	VOTCS	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2020	**14,690**	**165,624**	**536**	**180,850**
Arising during the year	323	122,023	45	122,391
Charge for the year (change in discount rate)	0	1,395	0	1,395
Reversed unutilised during the year	0	0	(53)	(53)
Utilised during the year	(185)	(128,848)	(5)	(129,038)
Charge for year (unwinding)	0	821	0	821
Balance at 31 March 2021	**14,828**	**161,015**	**523**	**176,366**

Provision – Programme 2019–20	Pre-tariff Scheme	Tariff Schemes	VOTCS	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2019	**13,678**	**179,301**	**540**	**193,519**
Arising during the year	2,339	144,825	0	147,164
Charge for the year (change in discount rate)	0	761	0	761
Reversed unutilised during the year	0	0	(2)	(2)
Utilised during the year	(1,327)	(160,522)	(2)	(161,851)
Charge for year (unwinding)	0	1,259	0	1,259
Balance at 31 March 2020	**14,690**	**165,624**	**536**	**180,850**

Breakdown of Total Compensation provided	Pre-tariff	Tariff	VOTCS	Totals	Pre-tariff	Tariff	VOTCS	Totals
	2020–21	2020–21	2020–21	2020–21	2019–20	2019–20	2019–20	2019–20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Utilising provisions recognised	185	128,848	5	129,038	1,327	160,522	2	161,851
Claims settled in the Financial Year	0	24,334	0	24,334	0	32,990	0	32,990
	185	**153,182**	**5**	**153,372**	**1,327**	**193,512**	**2**	**194,841**

Compensation provided by region				Totals				Totals
				2020–21				2019–20
				£'000				£'000
Awards relating to victims of crimes of violence occurring in:								
England and Wales				133,536				181,065
Scotland				19,831				13,774
Awards relating to victims of overseas terrorism				5				2
				153,372				**194,841**

Statement of Comprehensive Net Expenditure (SoCNE) Balances	Pre-tariff	Tariff	VOTCS	Totals	Pre-tariff	Tariff	VOTCS	Totals
	2020–21	2020–21	2020–21	2020–21	2019–20	2019–20	2019–20	2019–20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
New liabilities recognised in period and provided for	323	122,023	45	122,391	2,339	144,825	0	147,164
Charge for year (Change in Discount Rate)	0	1,395	0	1,395	0	761	0	761
Claims relating to and settled in the Financial Year, not provided for	0	24,334	0	24,334	0	32,990	0	32,990
Provision no longer required	0	0	(53)	(53)	0	0	(2)	(2)
Provisions reversed unutilised as a result of case settlements being lower than provision	0	0	0	0	0	0	0	0
	323	**147,752**	**(8)**	**148,067**	**2,339**	**178,576**	**(2)**	**180,913**

Pre-tariff Schemes

The provision for pre-tariff schemes reflects CICA's liabilities in respect of all outstanding cases incurred prior to 1996 which remain to be settled in future years. In accordance with CICA's accounting policies, the provision is reviewed annually and reflects the likely settlement values at the year-end based on the circumstances of each application at that time. CICA's estimate of the likely settlement requires judgment and the final payment may differ from this estimate. CICA does not hold any assets in respect of these liabilities; compensation will be paid from parliamentary funding in year of settlement.

Pre-tariff scheme award values are assessed by the First-Tier Tribunal (FTT). This assessment includes the application of a discount rate (the Lord Chancellor's discount rate, which is currently -0.25%). The award values per the FTT are not then further discounted by CICA, due to uncertainties surrounding both the final liability and the settlement date. Additionally, due to these uncertainties no analysis with regard to timing of cash flows is provided.

There are a small number of remaining pre-tariff cases which are yet to be decided by the FTT including medically re-opened cases. This means there is an ongoing risk that changes to the Lord Chancellor's discount rate will have a material financial impact on the value of any award to be made under the pre-tariff schemes. This risk will remain indefinitely due to the possibility that settled pre-tariff cases may yet be medically re-opened, at an indeterminate time in the applicant's lifetime with a high level of uncertainty regarding the financial value of any further award.

Tariff Schemes

The provision for tariff schemes is reflective of CICA's liabilities under the 1996, 2001, 2008 and 2012 Schemes. CICA recognises liabilities that are based upon an evaluation of total applications that are currently known and received which are held within CICA and have not yet been processed; these are referred to as claims reported but not completed (CRBNC) (discounted value £161.015m). The overall liability for the tariff scheme is £206.019m with 161.015m disclosed in this provisions note and £45.004m as disclosed as a tariff scheme accrual in Note 8. Where an event has occurred on or before the reporting date but an application has not yet been made, CICA recognises this as an unquantifiable contingent liability. This is because no legal obligation as a result of a past event exists. It is only where an application for compensation has been received that an obligation is recognised in relation to the Scheme.

Due to the fixed nature of the tariff schemes the liability has been discounted at the prevailing Treasury Discount Rates (see below table), to recognise the time value of money. The rates used are nominal to reflect that the tariffs are not influenced by inflationary pressures, therefore a real rate for discounting is not used. This discount will be unwound over the remaining life of the provision and shown as a finance charge on the face of the Statement of Comprehensive Net Expenditure.

The provision model estimates a provision for three different categories of case:

Decided: These are live cases that have been sufficiently assessed to determine their potential monetary value. However, this has not yet been confirmed and may be subject to revision arising from changes in the circumstances of the applicant, checks by CICA resulting in the identification of error or a change in value determined by the timing at which an offer is made to the applicant. In these cases, an offer has not yet been made to the claimant and the timing and value of an offer yet to be made is subject to continuing uncertainty. Awards are accrued for at the point the case is 'on offer' i.e. a decision letter has been sent to the claimant. These cases are accrued (and removed from the provision). However, an adjustment is made to reflect historical data that a proportion of these offers will not be accepted. (See on offer not accrued section below).

Not Decided: These are cases which are still under assessment by CICA and therefore a potential monetary value has not yet been considered. In order to estimate a provision for these cases, the model builds historical profiles of average award values, aggregated by tariff band and case age, which are then applied to the population of outstanding cases. A further adjustment is made to account for the fact that a subset of the live case population will be 'nil-assessed' i.e. will not attract a monetary award. The proportion of such cases is determined based upon an assessment of the historical proportion of nil-assessed cases within each tariff band.

On Offer Not Accrued: Once an offer is made in respect of a case, the award value is accrued and therefore no provision is required for this case. A small proportion of such cases do not have their offer accepted and therefore an adjustment is made to account for this. The proportion (%) is removed from the total "on-offer" value accrual and added back into the value of the provision. The percentage is determined based upon an assessment of the historical level of the proportion of cases where this occurs..

Since applications are determined under the scheme in force at the date of application, the tariff provision model calculates the provision for pre-2012 schemes (1996, 2001 and 2008) and the current 2012 scheme separately.

In 2019–20 the provision calculation was amended to use historical data to determine the spread of the provision liability into future periods. This is done for discounting purposes to calculate the Net Present Value (NPV). The amendment uses historical data at a more granular level to challenge prior assumptions and increase the confidence level of assumptions now in use.

CICA does not hold any assets in respect of these liabilities; compensation will be paid from parliamentary funding in the year of settlement.

Sensitivity Analysis

A sensitivity analysis for the tariff provision has been undertaken to identify the impact of any changes to assumptions. Each assumption within the provision model has been identified, a reasonable change identified and the impact on the overall financial liability calculated. These changes include flexing historical data trends to show the potential impact on the provision. For each assumption which is being analysed for sensitivity, only that assumption is changed. If two or more assumptions are changed at one time, the actual sensitivity of a change in assumption may be obscured because of the potential interrelation of the assumptions.

To determine the sensitivity of the provision estimate to some of the core features of the methodology, sensitivity analysis was conducted, through which various aspects of the methodology were flexed to determine how sensitive the estimate was to variations in them.

The following tables show the impact of adjusting the key assumptions used for the tariff provision. The sensitivity analysis is included in this note to enable readers to understand the impacts such adjustments would have on the accounts. The ranges of the sensitivity tests shown are based on the variability of past data. They do not represent the maxima or minima of past observed values nor the full range of possible outcomes, but they do capture future values that could plausibly occur. Each change is shown separately but in practice combinations are possible as different assumptions can be correlated.

Average Value Profiles: The provision uses average value profiles for both tariff bands and case age. This is based on historical case data. The sensitivity analysis determines the impact on the provision by using the maximum or minimum average tariff values within each band irrespective of age. The sensitivity analysis suggests that the estimate could increase by £16.4m or decrease by £17m.

The percentage (%) Cases decided at nil value: The provision includes an adjustment to recognise that not all applications result in a monetary award. Some cases are valued at nil or are determined to be ineligible due to exclusions within the scheme. The sensitivity looks at the likelihood of cases being assessed at nil value within each tariff band. The analysis flexes the modelled profiles by five percentage points in either direction. This is sufficient to cover the range of variation observed across the periods of assessment. This will be kept under review each year. The sensitivity analysis suggests that the estimate could increase by £14.3m or decrease by £14.3m.

	Net Present Value			Difference from Base Scenario			% Difference from Base Scenario		
	2012	Pre-2012	Total	2012	Pre-2012	Total	2012	Pre-2012	Total
Scheme Base Scenario	£157,112,368	£3,902,868	£161,015,235						
Average Value									
Low	£140,082,829	£3,902,868	£143,985,696	(£17,029,539)	£0	(£17,029,539)	(10.84%)	0.00%	(10.58%)
High	£173,504,525	£3,902,868	£177,407,393	£16,392,158	£0	£16,392,158	10.43%	0.00%	10.18%
% Nil Profile									
Low (-5%)	£142,812,588	£3,902,868	£146,715,456	(£14,299,779)	£0	(£14,299,779)	(9.1%)	0.00%	(8.88%)
High (+5%)	£171,412,147	£3,902,868	£175,315,015	£14,299,779	£0	£14,299,779	9.1%	0.00%	8.88%
% Decided to Offer									
Low Sample Value	£157,113,782	£3,902,868	£161,016,649	£1,414	£0	£1,414	0.00%	0.00%	0.00%
High Sample Value	£157,110,075	£3,902,868	£161,012,943	(£2,293)	£0	(£2,293)	0.00%	0.00%	0.00%

Treasury Discount Rates utilised		
	Years 1–5	(0.02)%
	Years 6–10	0.18%
	Years 11+	1.99%

Victims of Overseas Terrorism Compensation Scheme (VOTCS)

Events designated as Acts of Terrorism by the Foreign Secretary are provided for on the basis of applications that are currently known to CICA. The compensation liabilities are determined by the same principles that underpin the 2012 Scheme. This provision has not been discounted as it is not material.

Lease Dilapidations

The 2020–21 provision is for CICA's occupancy within Alexander Bain House, Glasgow. This is based on an estimate, of the possible cost, to CICA of departing from Alexander Bain House at the end of our lease in July 2024.

Provision – Administration 2020–2021	Lease	Staff	Total
	Dilapidation	Departures	
	£'000	£'000	£'000
Balance at 1 April 2020	**120**	**458**	**578**
Arising during the year	21	0	21
Reversed unutilised during the year	0	0	0
Utilised during the year	0	(41)	(41)
Charge for year (unwinding)	0	0	0
Balance at 31 March 2021	**141**	**417**	**558**

Provision – Administration 2019–20	Lease	Staff	Total
	Dilapidation	Departures	
	£'000	£'000	£'000
Balance at 1 April 2019	**99**	**498**	**597**
Arising during the year	21	0	21
Reversed unutilised during the year	0	0	0
Utilised during the year	0	(40)	(40)
Charge for year (unwinding)	0	0	0
Balance at 31 March 2020	**120**	**458**	**578**

Staff Departures

The total provision represents a future liability to pay an annual allowance under the Civil Service Injury Benefit Scheme for one individual who left CICA during 2010.

Analysis of expected timing of provisions	2020–21
Cashflow Timing of All Provisions	£'000
Not later than one year	104,173
Later than one year and not later than five years	72,539
Later than five years	212
	176,924

Note 11 Funding

HM Government Funding received	2020–21	2019–20
	£'000	£'000
Compensation payments	122,037	145,596
Operating costs and case handling costs	15,462	14,506
Capital expenditure	1	898
	137,500	**161,000**

Note 12 Reconciliation of Net Expenditure to the Next Cash Outflow from Operating Activities

		2020–21	2019–20
	Note	£'000	£'000
Net Expenditure after finance charge		(146,398)	(182,473)
Depreciation	5	268	321
Amortisation	5	405	485
Notional recharge from MoJ	4	6,346	3,751
Intra-departmental balances settled with MoJ		7,993	3,219
Loss on disposal of Non-Current Assets		5	12
Increase/(decrease) in provision for doubtful debts	6	0	0
Bad debts written off		0	0
Decrease/(increase) in receivables	6	(6,185)	4,726
(Decrease)/increase in payables	8	41	18,126
Increase/(decrease) in awards held on deposit holding accounts	9	3,763	4,306
Net movement in pre-tariff scheme provision	10	138	1,012
Net movement in tariff scheme provision	10	(4,609)	(13,677)
Net movement in VOTCS provision	10	(13)	(4)
Net movement in dilapidations	10	21	21
Net movement in early release provision	10	(41)	(40)
Net Cash Outflow from Operating Activities		**(138,266)**	**(160,215)**

Note 13 Commitments under leases

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

	2020–21	2019–20
	£'000	£'000
Obligations under operating leases comprise:		
Not later than one year	505	505
Later than one year and not later than five years	1,134	1,639
Later than five years	0	0
Total	**1,639**	**2,144**

In September 2014 CICA relocated to Alexander Bain House (ABH). The lease agreement at ABH is in place until 15 July 2024. This lease included a 2.25 year rent-free period which is reflected in the above profile.

Note 14 Capital Commitments

At 31 March 2021 CICA had no capital commitments.

Note 15 Related Party Transactions

MoJ and the Scottish Government are related parties in respect of providing funding resources. CICA also has transactions with HMRC in relation to the payment of VAT and National Insurance Contributions and with Civil Service Pensions in relation to pension contributions.

Note 16 Third Party Assets

Amounts held as Retained Awards	Number of accounts	2020–21		Number of accounts	2019–20	
		£'000	£'000		£'000	£'000
Opening balance	7,487		83,041	7,172		78,881
Open Accounts						
Deposits	1,180	14,475		1,639	17,027	
Additional deposits to existing accounts		42			29	
Interest received		44			1,027	
Withdrawals		(1,865)			(2,078)	
			12,696			16,005
Closures	(1,287)		(11,861)	(1,324)		(11,845)
Closing balance	7,380		83,876	7,487		83,041
Total third-party assets			**83,876**			**83,041**

Note 17 Contingent Liabilities

There have been several financial and legal challenges to the Criminal Injuries Compensation Scheme 2012. If successful these may lead to an increase in the financial liability for CICA. The issues for which financial risks and possible increased liabilities were:

Removal of the "Same Roof Rule"

The "same roof rule" (formerly paragraph 19 of the Criminal Injuries Compensation Scheme 2012) prevented an award being made to applicants injured before 1 October 1979 by an assailant who they were living with as a member of the same family. In 2018–19, a successful legal challenge to the same roof rule led to the materialisation of an existing financial risk. In July 2018, the Court of Appeal found that the same roof rule had unfairly denied compensation to the claimant, in contravention of Article 14 of the European Convention on Human Rights (ECHR) when read with Article 1 of Protocol 1 ECHR. The Government chose not to appeal this judgment to the Supreme Court and announced in September 2018 that the rule would be abolished.

An amendment to the Criminal Injuries Compensation Scheme 2012, removing the rule, took effect on 13 June 2019. This enabled new applications from people who were previously refused compensation because of the rule, as well as from those who had not previously applied. These applications must be made within a two-year period which expired on 13 June 2021. However, where exceptional circumstances apply and the application can be determined without further extensive enquiries, this period may be extended.

The amendment increased the compensation payable under the Criminal Injuries Compensation Scheme 2012. In 2020–21 a total of £10.7m was provided to those affected by the "same roof rule", bringing the total compensation provided to those affected to more than £21m since the amendment came into effect.

Incidents Incurred But Not Yet Received (IBNYR)

Incidents Incurred But Not Yet Received (IBNYR) is an unquantifiable contingent liability in respect of a possible future obligation to individuals who have been victims of violent crime as of 31 March 2021. This liability depends upon uncertain future events occurring and an application being submitted which meets the criteria set out in the relevant scheme. Although CICA recognises that this contingent liability exists in respect of IBNYR, it is not practicable to estimate the financial effect of the liability. This is because it is not possible to establish with any reliable certainty the total number of eligible victims who sustained eligible criminal injuries, the likelihood of an application being made and then qualifying for compensation, according to the multiple criteria contained in the scheme, and thereafter predicting with any reasonable certainty the potential value of any award which may be made, and the timescale in which this may occur.

Legal challenge to unspent convictions rule

On 10 November 2020, the Supreme Court heard an appeal by two applicants against the decision of the Court of Appeal dated 3 July 2018 that the provisions of the Criminal Injuries Compensation Scheme 2012 were not unlawful insofar as they prohibit an award of compensation to applicants who are victims of human trafficking and who have unspent criminal convictions. Permission to appeal was granted on one ground: whether those provisions are contrary to Article 4 of the European Convention on Human Rights (ECHR) (prohibition of slavery and forced labour) combined with Article 14 ECHR (prohibition of discrimination). The Supreme Court dismissed the appeal on Friday 9 July 2021.

Note 18 Derivatives and Other Financial Instruments

Under International Financial Reporting Standards (IFRS) there are various standards that encompass Financial Instruments (IFRS 7, IAS 32 and IAS 39). The standards cover disclosure, presentation, recognition and measurement. As a collective these standards enable an assessment to be made of the way in which all financial instruments have created or changed the risks an entity faces in undertaking its business activities and achieving its outputs. Because of the non-trading nature of its activities and the way in which Executive Agencies are financed, CICA is not exposed to the degree of financial risk faced by some business entities. Moreover, financial instruments play a more limited role in creating risk than would be the case with a typical listed company to which these standards mainly apply.

CICA does hold material cash balances on deposit. Allocated holding accounts (Note 9) are included in the cash balance on the Statement of Financial Position, while funds retained in the applicant's name are excluded from CICA's cash balance. The movement in retained funds is detailed in Note 16. The objective of opening these individual deposit accounts is to accrue cumulative interest in line with agreed interest rates each year over the period in which the funds are retained. These awards were held in a low-risk commercial bank account up to October 2020 and were then transferred into the Government Banking Service. No administration fee is charged to the applicant. The average rate of interest applied to the investments during 2020–21 was 0.01 per cent (2019–20, 0.99 per cent).

Changes to financial instruments were made taking effect from 1 April 2019 in accordance with IFRS 9 implementation. This standard changed the recognition of financial instruments from an actual credit loss model under IAS 39 to an expected credit loss model under IFRS 9. MoJ policy dictates that financial instruments should be recognised at lifetime loss and impairment (stage 3 under IFRS 9).

Going forward, new financial assets will be valued with lifetime impairment upon initial recognition. The net effect on the Statement of Financial Position and SoCNE is zero as the accountancy treatment involves the debit of the bad debt provision with an opposite and equal write-down of the receivable.

The financial impact will be nil on the period 2020–21. Receivables have been adjusted to reflect IFRS requirements. Any future receivables will be recognised, net of the lifetime loss.

Note 19 Events After the Reporting Period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. The COVID-19 pandemic has had far-reaching economic impacts in the period from the reporting date. However, there have been no adjustments made to the accounts as a result of events after the reporting date. As at 31 March 2021, decision of the Supreme Court was awaited on an appeal in relation to compensation to applicants who are victims of human trafficking and who have unspent criminal convictions. This case has been discussed in our Governance Statement, and disclosed as an unquantifiable contingent liability. The Supreme Court delivered its judgment on 9 July 2021, dismissing the appeal. Therefore no contingent liability, or financial risk, exists in respect of this case at date of certification.

Appendices

Appendix A – Governance

UK Justice Ministers

Scottish Government

Ministry of Justice Permanent Secretary

If the Audit and Risk Committee has concerns about potential fraud or maladministration involving members of the Executive Management Board, it may refer these to MoJ

Ministry of Justice Chief Financial Officer Group

Strategy and Performance Board (SPB)

To provide constructive challenge across CICA's operations with a view to ensuring effectiveness and efficiency

Members:

Chief Executive
Deputy Chief Executive
Director of Corporate Services
Deputy Director Finance Business Partner
Director of Operations
Director of Legal and Policy Services
3 x Non-executive Board Members

Other attendees:

Scottish Government Representative
Executive and/or senior management will attend as required

Framework agreement

Sets out the broad framework within which CICA operates in terms of governance, accountability, finance, staffing and operations

Chief Executive and Accounting Officer

Personally responsible for safeguarding public funds; ensuring propriety and regularity; operations and management of CICA

Executive Management Board (EMB)

Responsible for day to day management of the organisation and for all operational decisions

Current membership:

Chief Executive
Deputy Chief Executive
Director of Corporate Services
Director of Operations
Director of Legal and Policy Services
Senior Finance Business Partner

Audit and Risk Committee (ARC)

To support the EMB in their responsibilities for issues of risk control and governance

Members:

3 x Non-executive Board Members

Attendees:

Chief Executive
Deputy Chief Executive
MoJ Deputy Director, Finance Business Partner
MoJ Head of Financial Accounts (Agency)
Government Internal Audit Agency
National Audit Office

Other attendees:

Executive and/or senior management will attend as required

Health and Safety Committee

To ensure the effective monitoring and management of health and safety policy, reporting and risks

Members:

Office Services Manager (Chair)
Business Area Representatives

Corporate Risk and Assurance Group

To ensure the effective monitoring and management of key risks

Members:

Senior Governance Manager (Chair)
Business Area Representatives

Appendix B – Meeting attendance (members)

Key: P = Present A = Absent - = Not in post

Executive Management Board	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Responsible for day to day management of the organisation and for all operational decisions												
Chief Executive Officer	P	P	P	P	P	P	P	P	P	P	P	P
Deputy Chief Executive Officer	P	P	P	A	P	P	P	P	P	P	P	A
Director of Operations	P	P	P	P	P	P	P	A	P	P	P	P
Director of Legal and Policy Services	P	P	P	P	P	P	P	P	P	P	P	P
Director of Corporate Services	P	P	P	P	P	P	P	P	P	P	P	P
Senior Finance Business Partner*	P	P	P	A	P	P	P	P	P	P	P	P

*Deputy attended in Senior's absence.

Key: P = Present A = Absent - = Not in post

Audit and Risk Committee	Q1	Special Meeting	Q2/Q3	Q4
To support the EMB in their responsibilities for issues of risk control and governance				
Ron Barclay-Smith	P	P	P	P
Andrew Flanagan	P	P	-	-
William Matthews	P	P	-	-
Russell Frith	-	-	P	P
Martin Spencer	-	-	P	P
Derek Bray	-	-	P	A

Strategy and Performance Board	Q1	Q2	Q3	Q4	Extra-ordinary
To provide constructive challenge across CICA's operations with a view to ensuring effectiveness					
Chief Executive Officer	P	P	P	P	N/A
Deputy Chief Executive Officer	P	P	P	P	N/A
Director of Operations	P	P	P	P	N/A
Director of Legal and Policy Services	P	P	P	P	N/A
Director of Corporate Services	P	P	P	P	N/A
Ron Barclay-Smith	P	P	P	P	N/A
Andrew Flanagan	P	-	-	-	N/A
William Matthews	P	-	-	-	N/A
Russell Frith	-	-	P	P	N/A
Martin Spencer	-	-	P	P	N/A
Derek Bray	-	-	P	A	N/A

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