



Criminal Injuries
Compensation
Authority

Annual Report & Accounts

2019-20



HC 719
SG/2020/121



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Compensation
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Criminal Injuries Compensation Authority Annual Report & Accounts 2019-20

Presented to Parliament pursuant to section 6 of the Criminal Injuries Compensation Act 1995.
Ordered by the House of Commons to be printed on 5 November 2020.
Laid before the Scottish Parliament by the Scottish Ministers on 5 November 2020.

HC 719

SG/2020/121



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ISBN 978-1-5286-2168-7

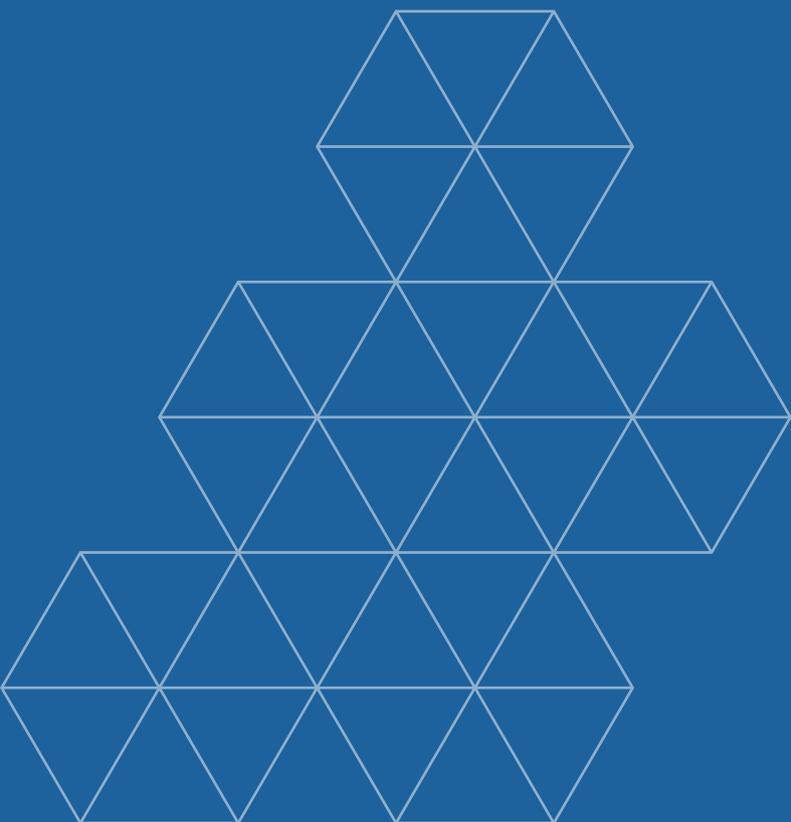
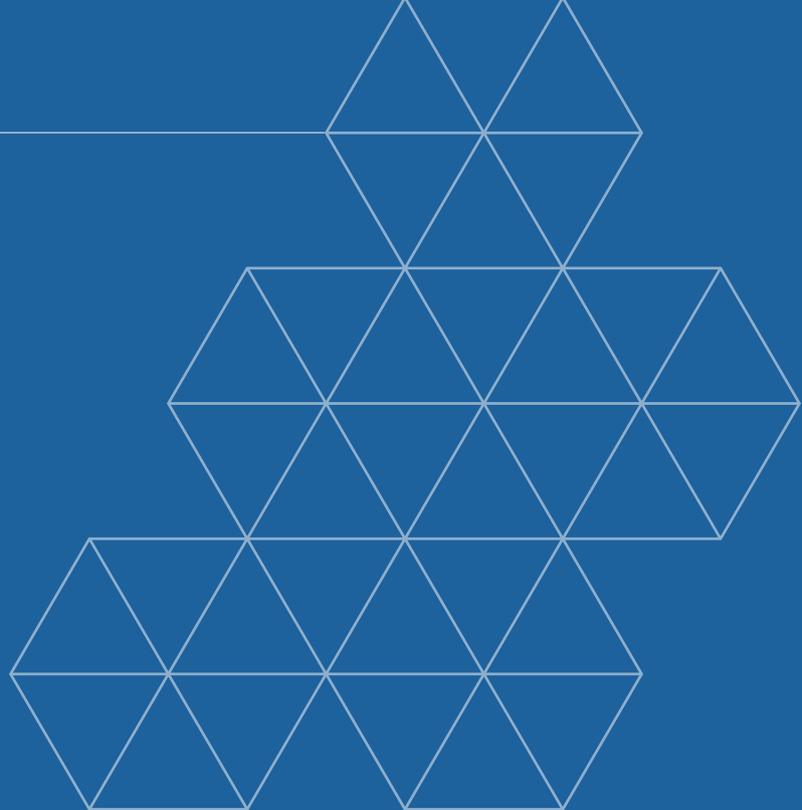
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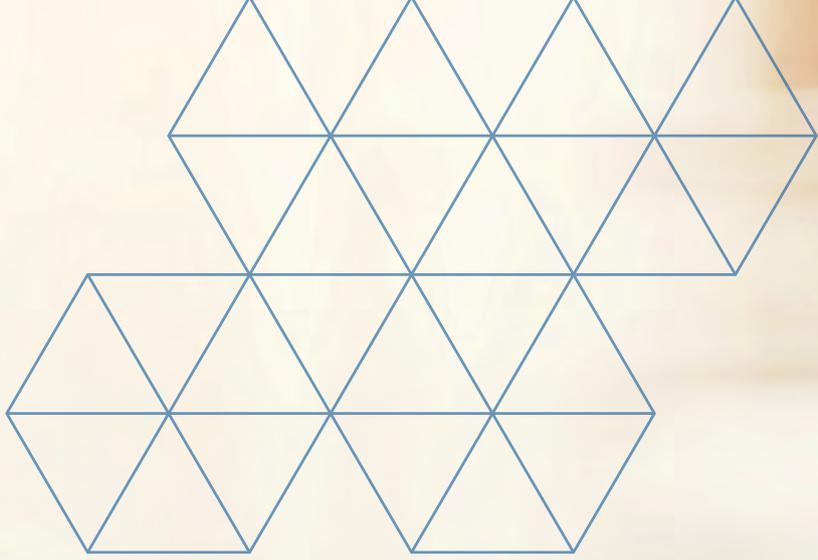
Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

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Performance report



Overview

Chief Executive's Foreword

As Chief Executive and Accounting Officer, I am pleased to present the Annual Report and Accounts for the Criminal Injuries Compensation Authority (CICA) for the period 2019-20. Our purpose at CICA is to ensure that those who suffer injury or bereavement as a result of violent crime receive the taxpayer-funded financial compensation to which they may be entitled. Each year, we receive a delegated budget from the Ministry of Justice (MoJ) to fund compensation in England and Wales, with income provided by the Scottish Government to fund the scheme in Scotland. In 2019-20 our total budget, including additional budget from MoJ received in March, enabled us to provide £195m in compensation entitlements.

The five strategic objectives which we set at the start of 2019-20 were designed to ensure that those seeking compensation receive the best possible service by ensuring our interactions with them are sensitive and compassionate, that we assess claims in a fair and accurate way and that we provide an efficient service which is timely and presents value-for-money for the tax-payer. We have continued to build on the improvements made to our service which were acknowledged in the Victims Strategy published in the autumn of 2018 and on which we reported more fully in July 2019, and to respond positively to the eleven recommendations concerning our service made by the then Victims' Commissioner for England and Wales, Baroness Newlove of Warrington, in her report "Compensation without re-traumatisation: a Review into Criminal Injuries Compensation" which was published in January 2019.

We have continued to invest in our work with specialist agencies to build a trauma-informed workforce through increased awareness and training. We have made substantial progress in embedding this into the way we equip our people to interact and support applicants through the compensation process. Our customer support team has made further enhancements to its service, introducing live wait time information for those calling our helpline and by providing a call-back service. Improved call routing and technical training for our operators ensure we can support more callers at the point of contact. For those with more complex or time-sensitive claims we have expanded the named caseworker service with the aim of providing continuity of contact as we gather the evidence needed to establish entitlement to compensation. This service was first introduced for those who have lost loved-ones due to homicide, and we have since streamlined the way we manage these claims to support earlier resolution and to alleviate some of the financial pressures that may be experienced at such a difficult time. We have done this taking on board feedback from victims and victims' support organisations to ensure the changes we have made are user informed.

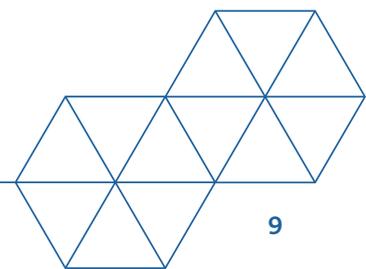
We recognise that timely compensation can help victims in their recovery both practically and emotionally. This year, we raised our aspiration for new application decisions made within 6 months from 40% to 50%. I am pleased to report that, although there was a 6% growth in new applications, this challenging outcome was achieved with 52% of new applications decided within six months and 81% within twelve months, exceeding these key performance indicators for the second year in succession. We have focused on ensuring those claims which are related to more complex injuries or where an internal review of our decision is sought are resolved in a timely way. This has resulted in an 18% reduction in the number of outstanding applications which are more than two years old by the end of year. There is more to be done in the year ahead as we aim to reduce this portion of our live caseload to no more than 10% of the total.

During this year, we also responded to the changes conveyed by the amendment of the Criminal Injuries Compensation Scheme 2012 (CICS) which removed paragraph 19 of the scheme, thereby abolishing what has commonly been referred to as the "same roof rule". The amended CICS came into effect on 13 June 2019, enabling applicants affected by the rule to apply or reapply for compensation. We recognised the difficulties faced by this group of victims, many of whom were children at the time of the abuse and the complexities of evidence gathering presented by the passage of time. We provided updated information on our website, specialist assistance with making an application through our customer support team and the support of a named caseworker for these applicants. By 31 March 2020, CICA had received almost 1,500 applications from victims affected by the "same roof rule" and the dedicated team established to consider these claims had resolved over 40% of them, providing over £10m in compensation.

In the course of 2019-20, we aimed to further progress the development of our digital services. Although the pace of this project has been slower than anticipated due to the level of complexity, I am pleased to report that after a period of live testing, the new digital "Apply" service became available to most victims of sexual assault including those who have suffered disabling mental injuries, in March. This new service simplifies the information required to make an application where the information can be obtained from other official sources, and specifically removes the need for an applicant to give details of what happened to them, which some victims find to be a re-traumatising experience. The information reported to the police authorities will be relied upon by our claims officers and further information will only be sought from an applicant, at a later point, if necessary. The corresponding question for victims of sexual assault who cannot yet use the new service, because their claim is for other injuries or losses, has also been removed from our existing Online Application Service. The "Apply" service will become available to all victims of violence in the next year and offer broader functionality in a phased implementation, undertaken in partnership with the MoJ Digital and Technology Directorate. This service and its continuing development are founded on a substantial level of user research and user testing to ensure that the service is accessible and easy to use. We also recognise that some applicants will prefer or need more tailored support and specialists in our customer support team are available to help with making applications over the telephone.

Our investment in ensuring a positive applicant experience is reflected in consistently high customer satisfaction feedback, with an annual satisfaction score for 2019-20 of 93% and a 26% reduction on the number of applicants making a complaint compared with the previous year, producing a cumulative reduction of 48% in the last two years. We have more recently strengthened our handling of customer complaints by establishing a centralised team to manage complaints resolution and to ensure learning from complaints is effective, as we aim to continuously improve and to ensure that every applicant has a positive experience, whether or not their claim results in an award of compensation.

In the final quarter and more specifically during March 2020, the coronavirus presented our society with a largely unforeseen and unprecedented set of challenges. At CICA, our business continuity measures enabled us to respond quickly, with a high level of operational resilience. Our email and telephony enquiry channels remained open, offering modified service hours and maintaining our recently introduced call-back service. We continued to accept new claims, gather evidence, assess compensation entitlements and issue payments. I am grateful for the tremendous spirit and commitment of my team who have adapted well to the business and personal challenges they have encountered. They have endeavoured to maintain our services and minimise the impacts on the flow of compensation, in the main working from home, supported by a small number of colleagues carrying out essential office-based work.



We do not yet fully understand the duration or lasting impacts of the current emergency as we, and others, maintain compliance with the emergency regulations. The impact on organisations such as police authorities and general practitioners who provide us with evidence which supports the assessment of compensation entitlements will affect the timescales in which we can decide some claims and disruption in HM Courts and Tribunals Service will impact the pace at which appeals are heard. It is, therefore, realistic to expect that these, and other factors arising from the emergency, will produce a pressure on the timing and volume of claims decided in 2020-21, although every effort will be made to maintain service standards where it is within our control to do so and to recover quickly and effectively from negative impacts to our performance.

Linda Brown

Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority

29 October 2020

Our work

The Criminal Injuries Compensation Scheme was set up in 1964 to compensate victims of violent crime. Before 1996, awards were set 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, 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. An amendment to the current scheme took effect in June 2019.

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

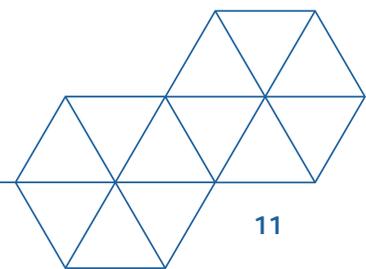
The compensation components for personal injury awards are:

- 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 fatal 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. 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 on the provisions of the scheme is available at www.gov.uk or by contacting CICA on 0300 003 3601.

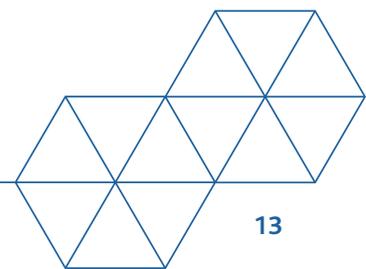


Going concern

At 31 March 2020, CICA's Statement of Financial Position records net liabilities of £222m (£207m at 31 March 2019). Of this total, £181m (£194m at 31 March 2019) 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 the 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 requirement for 2020-21, taking into account the amounts required to meet CICA's liabilities falling due that year, has already been included in MoJ and Scottish Government estimates for that year, that have been approved by Parliament. 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.



Key achievements



Strategic Objective 1

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

We commenced a comprehensive programme of improvements to our corporate literature, to ensure letters reflect current legislation, are easy to understand and communicate our compassion and sensitivity for what victims have experienced. The programme is due to be completed in 2020.

We reviewed the timescales set out for responses to our correspondence ensuring they are relevant, reasonable and expressed with respect for the applicant's circumstances.

We enhanced our telephony service with new call wait time information, a call back service and improved call routing to ensure callers have a more accessible service, which gives them the specialist assistance they require.

We achieved 93% customer satisfaction with 88% of applicants reporting that low to moderate effort was required to complete our current application process online.

We achieved a 26% reduction in the number of customers who complained, with 96% of those complaints resolved without further escalation. This represents a cumulative reduction in the level of stage one complaints of 48% over two years.

We extended our named contact service for bereaved applicants to include other applicant groups requiring specialised assistance during the claims process.



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.

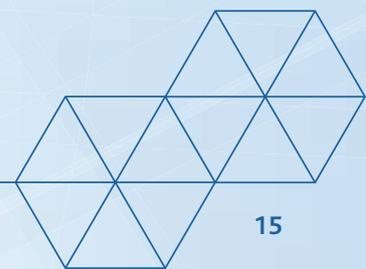
We delivered trauma informed training, led by organisations including Samaritans, Rape Crisis and TARA to enable operational staff to assist victims of violent crime and sexual crime with compassion and sensitivity.

We launched Civil Service Success Profiles for all our recruitment campaigns in August 2019 to attract people with the right skills, strengths and potential to support the delivery of a trauma sensitive service.

We invested over 10,000 hours of face-to-face training via in house programmes and external suppliers to further develop our people capability.

The Civil Service People Survey confirmed our people have a strong connection to our purpose and organisational objectives, with an 83% positive response. The survey also confirmed 88% of our people believe they have the skills to do their job effectively.

We promoted diversity and inclusion, and social mobility initiatives, including the hosting of work experience placements and supporting the MoJ Schools Programme to have a positive impact on our local community.



Key achievements



Strategic Objective 3

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

We resolved 35,618 claims, providing compensation of just under £195 million.

We decided 52% of new applications within 6 months and 81% within 12 months, both measures exceeding target.

We reduced the number of live cases over two years old by 18%, compared with the previous end of year position.

Our internal quality assurance framework continues to operate effectively to assure that the decisions we make are accurate before they are issued. It identified first-time accuracy of 95%, and the learning provided served to inform the training and guidance we provide for our people.

We further improved applicant confidence in our decision making, reflected in the reduction of the percentage of applicants requesting a review of their decision from 21% of first decisions in 2018-19 to 17% in 2019-20.



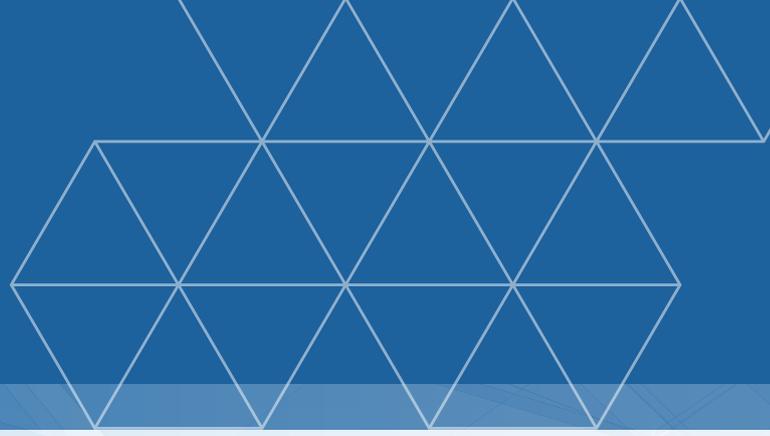
Strategic Objective 4

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

We implemented the amendment to the Criminal Injuries Compensation Scheme 2012, which came into effect in June 2019, providing new information and specialist claims assistance for those affected by the "same roof rule".

We developed a new stakeholder strategy that will build broader and stronger connections with organisations that support victims and with whom we can partner to provide a better experience to those seeking compensation.

We provided input to the ongoing MoJ led review of the Criminal Injuries Compensation Scheme, first announced in the Victims Strategy published in 2018, this included a three-year caseload dataset that was analysed to give a detailed picture of how the Scheme is operating. The Lord Chancellor launched a consultation on 16 July 2020 which will close on 9 October 2020, with a published response to the consultation expected in January 2021.



Strategic Objective 5

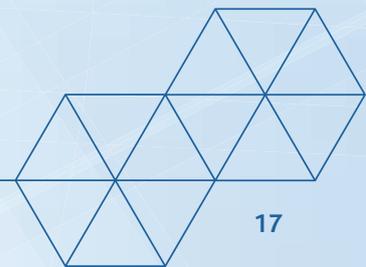
We will listen and continue to improve the experience of applicants, using customer insight and feedback, to inform changes to processes and to develop improved digital services.

We established a working group across different business areas to continuously review and make improvements to our processes including the introduction of a method to identify priority cases and a new verification approach for BACS payments to prevent the risk of error.

We introduced a specialist caseworker service for applicants aged over 70 or known to have a life-limiting health condition. Since introducing this service in November 2019, the average time from application to resolution has reduced from over 12 months to around 3 months.

We introduced a digital enquiry form option for applicants affected by the abolition of the "same roof rule" to request special assistance with making a claim.

We completed testing and secured Government Digital Service Standards approval for the launch of the new "Apply" service which will be available first to victims of sexual assault or abuse. The new service will simplify the information requested of the applicant and will reduce the time taken to complete an application by more than 50%.



Performance analysis

Claim activity

We received 32,895 new applications in 2019-20, a 6% increase on the number of applications received in 2018-19. We made a total of 38,223 decisions of which 30,880 were first decisions and 6,188 were review decisions. A total of 35,618 cases were resolved.

Performance measures

Table 1 New applications received

	2019-20	2018-19
New applications received	32,895	31,008

Table 2 Number of applications resolved

	2019-20	2018-19
Number of applications resolved	35,618	35,355

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 2018-19 in which the Key Performance Indicator (KPI) of 40% was exceeded, the KPI was increased by 10% for 2019-20. Both the percentage of new applications decided within 6 and within 12 months exceeded target. The percentage of new reviews decided within 6 months was 74%, one percentage point behind the previous year's performance, with growth required to achieve the stretch target of 80% within 6 months.

Measure	KPI 2019-20	2019-20	2018-19
% of cases with a first decision within 6 months	50%	52%	45%
% of cases with a first decision within 12 months	80%	81%	81%
% of cases with a review decision within 6 months	80%	74%	75%

Table 4 Age of caseload

We have continued to reduce the small number of unresolved or 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	2019-20	2018-19
2012	99.18%	98%
2008	0.67%	1.81%
2001	0.14%	0.25%
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 at 95.9%. The percentage of final First-tier Tribunal appeal decisions amended on merit remained broadly consistent with the previous year. Those that resulted in an increased value of award rose 11.8% above the 2018-19 position which is more closely aligned with the level of 22% seen in the previous year.

	2019-20	2018-19
% of first decisions proceeding to internal review	17% (5,233 cases)	21%
% of first decisions proceeding to appeal	4.1% (1,263 cases)	6%
Cases amended at appeal		
% of decisions amended at appeal – value	26.8% (303 cases)	15%
% of decisions amended at appeal – merit*	2.7% (31 cases)	2.5%

*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 rose 6%, at 31 March 2020 the live caseload was almost 3% lower than the previous year end position. The volume of cases currently awaiting review or appeal decisions is lower by 16% and 29% respectively.

	2019-20	2018-19
First decision stage	27,583	27,336
Review	3,177	3,798
Appeal	1,251	1,762
Total live tariff caseload	32,011	32,896

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

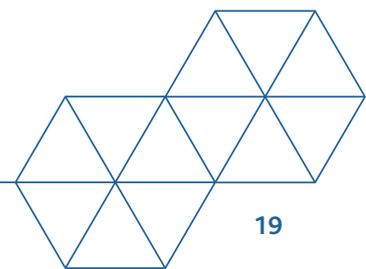


Table 7 Refused claims

The following table shows the reasons used when an application has been refused. In 2019-20 a total of 15,147 resolved claims were refused compensation. Applications may have more than one refusal reason. The full statistics are published annually on <https://www.gov.uk/government/organisations/criminal-injuries-compensation-authority/about/statistics>.

	2019-20	2018-19
Injury does not qualify for compensation	4,789	6,826
Failure to cooperate with CICA	2,974	3,200
Injury did not result from crime of violence	2,020	2,986
Convictions & character	1,491	2,133
Failure to cooperate in bringing assailant to justice	1,635	1,920
Conduct before, during or after the incident	694	1,280
Failure to report as soon as reasonably practicable	639	853
Claim not submitted within time limit	429	640
Other	2,218	1,493

Our service

Table 8 Customer feedback

We measure overall customer satisfaction and the customer effort score – a measure of how much time and effort our customers take when making an application.

In 2019-20 customer satisfaction remained high with an average of 93% across the year.

We aim to ensure that a high proportion of customers find our services simple to operate. 88% reported a low level of effort was required on their part. The resulting measurement is consistent with the previous year's customer effort score, averaging a measurement of 'Low-Moderate'. This shows that the majority of respondents found the process of applying to be straightforward.

Customer satisfaction	2019-20	2018-19
Good customer service	93%	95%
Customer effort Low-Moderate	88%	91%

Table 9 Complaints

Complaints are an important source of feedback which provide us with an opportunity to remedy any failures in our service and learn lessons for the future.

We act on feedback from customers and victims' organisations to improve our complaint handling process and overall customer experience. We are a member of the Cross-Government Complaints Forum which shares best practice to focus on complaints and feedback to improve public service.

We have a three-stage complaints process to deal with dissatisfaction about the service we provide when dealing with applications:

Stage 1 – managed by case officer

Stage 2 – manager will investigate

Stage 3 – senior manager will investigate

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 2019-20, the number of customers who complained reduced by 26% compared with the previous year.

Complaints received	2019-20	2018-19
Stage one	633	860
Escalation to stage two	23	55
Escalation to stage three	7	13

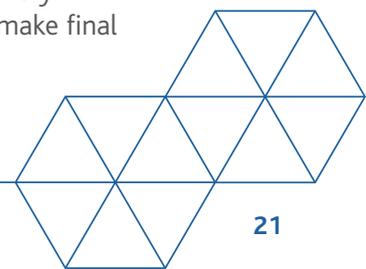
If a complaint cannot be resolved at the end of stage three, complainants in England & Wales can ask a Member of Parliament to raise the issue with the Parliamentary and Health Service Ombudsman (PHSO). In Scotland, an applicant may make a complaint directly to the Scottish Public Services Ombudsman (SPSO). This year there were no investigations conducted on our cases by either the PHSO or SPSO. Our complaints process is available on <https://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 completion, outstanding 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. These complex cases mainly involve applicants who were very seriously injured as young children. As these children reach adulthood, we are able to make final



payments based on reliable prognoses of their long-term care needs by taking account of the impact of their education and rehabilitation.

We provided £195m in compensation to victims of violent crime during 2019-20 (see Note 10 to the Accounts for additional detail). This was allocated as follows:

- £162m of the total settled relates to amounts that had been 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.
- £33m is recognised in the SoCNE, within tariff scheme compensation, as settlements relating to claims not previously provided for in 2018-19. These claims relate to applications both received and settled during 2019-20. 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 £165.6m).

New liabilities, for all compensation schemes, recognised during 2019-20 totalled £147.2m. Based upon tariff claims received during 2019-20 and still outstanding at year-end, £144.8m has been recognised as new tariff provision.

There were no pre-tariff cases settling at a higher value than that previously provided during 2018-19. Upward movements on live cases, due to re-assessment of liability, totalled £2.3m. No new liability has been recognised, based upon claims received, for the Victims of Overseas Terrorism Compensation Scheme (VOTCS) in 2019-20.

For compensation recognised during 2019-20 the SoCNE can be summarised to its constituent parts, as below, 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	144.8
Liabilities no longer required	0.0
Settlements not recognised in provision	33.0
Sub Total Tariff	177.8
Pre-tariff schemes	
Settlements higher than previous provision	0.0
Settlements lower than previous provision	0.0
Revaluation of aged cases	2.3
Sub Total Pre-tariff	2.3
Victims of Overseas Terrorism Compensation Scheme (VOTCS)	
Net Impact of VOTCS	0.0

During 2019-20, one pre-tariff case was finalised for £1.3m. A further three cases have an estimated liability based on valuation by the First-tier Tribunal.

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

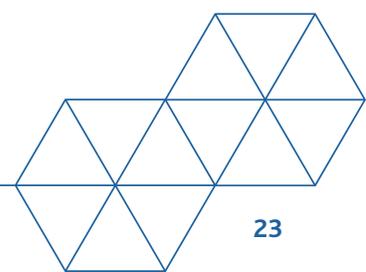
Staff costs have increased in 2019-20 from the previous year by £0.2m. This is primarily driven by an increase in 2019-20 to employer's pension contributions.

Administration expenditure

The cost associated with managing and administering compensation schemes has increased from £5.3m to £6.4m due to an increase in MoJ recharges. Combined amortisation and depreciation has increased by £0.036m.

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. The average for 2019-20 was 99.5% of invoices paid within five days.



Our business plan 2020-21

Our business plan update for 2020-21 sets out a strategy for the delivery of our services. Our aims and objectives support the wider Ministry of Justice vision of a world-class justice system that works for everyone in society. They reflect our shared values: of purpose, humanity, openness and togetherness.

- Provide an accessible service which treats victims with compassion, sensitivity and fairness.
- Have a highly capable, motivated and trauma-informed workforce which shares our values and operates our service in a professional and efficient way.
- Operate an efficient and accurate assessment process and account for the public funds we spend.
- Work with stakeholders and other agencies to promote understanding of the statutory compensation schemes we administer.
- 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.



Sustainability report

Overview

In 2009-10, we implemented a number of measures to reduce greenhouse gas (GHG) emissions, waste and finite resources and their related costs. As a result, we have exceeded the Greening Government Commitment to reduce carbon emissions from energy and travel by 43% by 2020, with current carbon emissions reduced by 79% compared to 2009-10.

Our smaller premises have continued to provide a reduced environmental impact including reduced energy and water consumption. We have continued to invest in digital solutions for our applicants and staff to reduce paper usage.

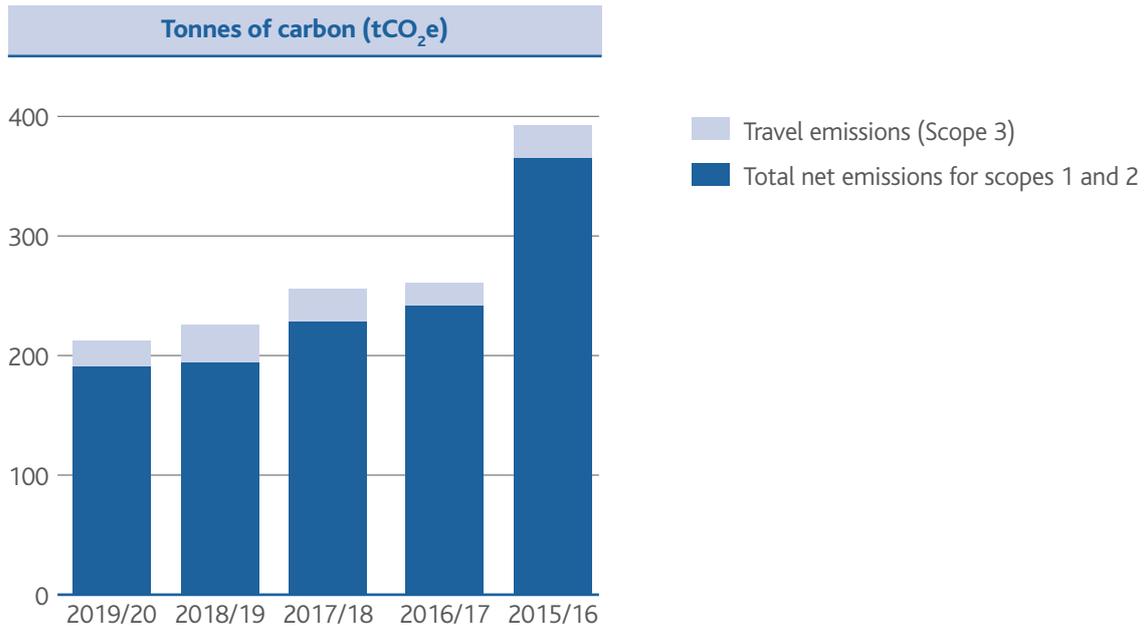
Greenhouse gas emissions

Performance

Table 11 shows CICA's 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.

Table 11 Greenhouse gas (GHG) emissions

		2019-20	2018-19	2017-18	2016-17	2015-16
Non-financial indicators (tCO₂e)	Total gross emissions for scopes 1 and 2	190.49	194.15	228.13	241.54	364.76
	Electricity: green/renewable	0	0	0	0	0
	Total net emissions for scopes 1 and 2	190.49	194.15	228.13	241.54	364.80
	Gross emissions for scope 3 - travel	22.10	31.84	27.49	19.40	27.60
	Total gross GHG emissions (all scopes)	212.60	226.00	255.60	260.90	392.40
Non-financial (kWh)	Electricity: Grid, CHP and non-renewable	263,607	280,896	275,893	273,090	249,692
	Electricity: renewable	0	0	0	0	0
	Gas	638,353	586,221	566,106	645,847	526,954
	Other energy sources	0	0	0	0	0
	Total energy	901,960	867,117	841,999	918,937	776,646
Financial indicators	Expenditure on energy	£31,106	£28,676	£28,491	£53,003	£49,675
	Expenditure on official business travel	£66,914	£77,639	£60,632	£51,114	£45,068



Controllable impacts

The main impacts are estate energy consumption. Gas consumption is attributed to CICA on a space-occupied basis and is therefore uncontrollable. We can however monitor our direct electricity consumption at Alexander Bain House which has assisted in reducing our carbon emissions further.

Influenced impacts

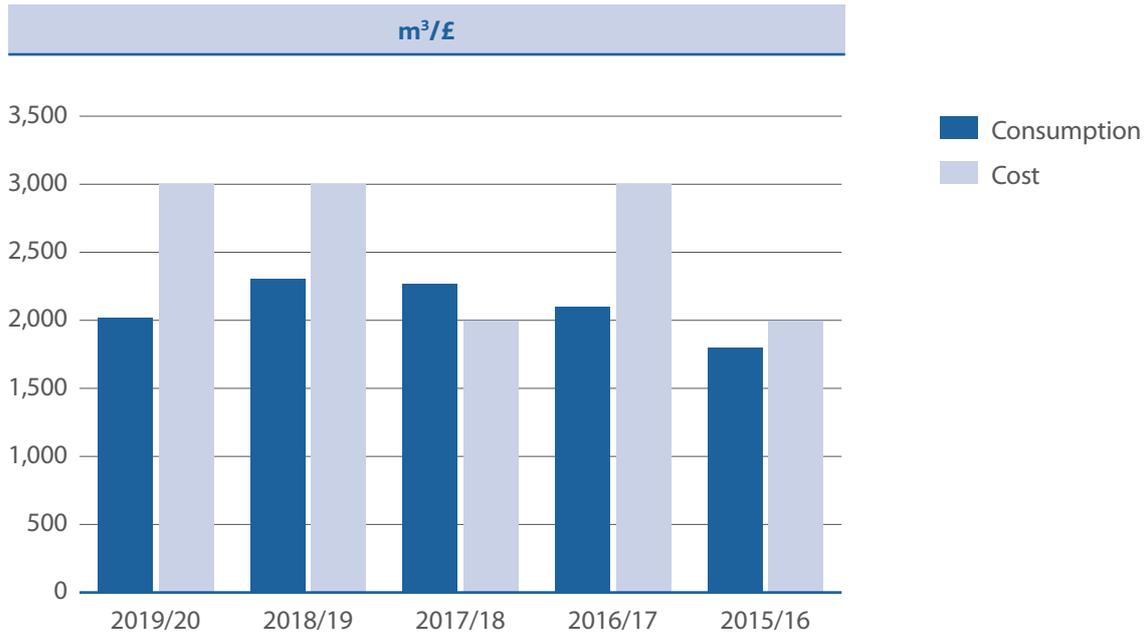
We influence employee commuting by allocating parking spaces for car sharers. In addition, we remind staff to switch off equipment at the end of the working day. CICA has invested in laptops and mobile phones to provide staff with the option of home working, reducing CICA's own energy consumption and reducing the need for staff to commute.

Waste

As a result of a change in supplier CICA is no longer provided with data on the volume of waste uplifted from its premises. We are therefore unable to provide current year information.

Table 12 Finite resource consumption

Water	2019-20	2018-19	2017-18	2016-17	2015-16
Non financial indicators					
Total water consumption (m³)	2,020	2,304	2,268	2,100	1,798
Financial indicators					
Total water supply costs (£)	3,000	3,000	2,000	3,000	2,000

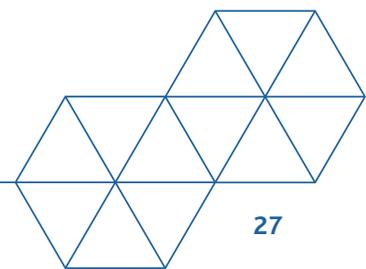
**Controllable impacts**

Water consumption is attributed to CICA on a space-occupied basis and is therefore uncontrollable. 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.

Linda Brown

Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority

29 October 2020





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 7 principles of public life highlighted within 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.

CICA's Agency Framework Agreement can be viewed on <https://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. Three Non-executive Board Members served during 2019-20 and provided assurance on this set of Annual Report and Accounts at 31 July 2020. Each Non-executive Board Member has strategic leadership experience at board and audit committee levels.

During 2019-20, the Non-executive Board Members were:

- Andrew Flanagan BAcc, ICAS.
- William Matthews MBA, BSc, BA, BA, C. Eng, MIET.
- Ron Barclay-Smith MA, MPhil, MBA.

During the year the Accounting Officer held individual and collective performance meetings with Non-executive Board Members to discuss their contribution to CICA. Government Internal Audit Agency have been commissioned to undertake a review of board effectiveness and is due to report in quarter 2 of 2020.

In addition, the Non-executive Board Members attended the CICA 2020-21 business planning session, and an extraordinary SPB meeting in March 2020 to provide oversight for proposed business continuity measures in response to the COVID-19 emergency.

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 2019-20, one data breach was reported to the Information Commissioner's Office (ICO) and this matter related to a single security incident. The ICO has provided recommendations to ensure the security of personal data is maintained.

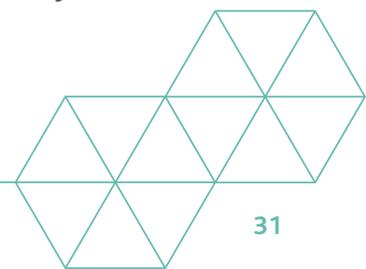
Statement of Accounting Officer's Responsibilities

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; and
- prepare the accounts on a going concern basis.

The MoJ has appointed the Chief Executive as Accounting Officer of CICA. 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 CICA's assets, are set out in *Managing Public Money*, published by HM Treasury.



The Accounting Officer has taken all reasonable and necessary steps to ensure CICA's auditors are provided with all information relevant to the audits undertaken and has confidence that the information is accessible to them.

The Accounting Officer has confirmed that these Annual Report and Accounts as a whole are fair, balanced and understandable, and takes personal responsibility for the judgements required for determining this.

Governance Statement

CICA is an Executive Agency of the Ministry of Justice (MoJ). From 1 April 2019 until 31 March 2020, CICA was part of the MoJ Chief Financial Officer (CFO) Group which monitored and provided support on matters relating to organisational performance.

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 2019-20, 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 Edward Argar, on two occasions and participated in four meetings of the Scottish Government's Victims Taskforce. In September 2019, the Chief Executive met with the Victims Commissioner for England and Wales, Dame Vera, to discuss CICA's ongoing commitment to service improvements and issues affecting victims of violent crime.

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 2019-20, the EMB members supporting the Accounting Officer were June Fellowes (interim Deputy Chief Executive), Tracy MacBrayne (Director of Operations (formally appointed 3 June 2019, interim Director April-June 2019)), Jackie Keenan and Iain Mackinnon (interim Directors of Corporate Services, April 2019-January 2020 and January-March 2020 respectively), Laura Johnston (Director of Legal and Policy Services) and Craig Morton, MoJ Finance Business Partnering Group (Director of Finance).

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, business transformation, people management, policy, and health and safety. The quality and organisation-wide relevance of this management information provided EMB with an acceptable 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 interim Deputy Chief Executive, Director of Operations, Director of Corporate Services, Director of Legal and Policy Services, and the 3 Non-executive Board Members. Members of MoJ Policy, MoJ Finance and the Scottish Government attend by invitation. The SPB was attended by the MoJ Director General, Chief Financial Officer in September 2019.

The SPB met quarterly to consider performance, propose change to operational policy and offer constructive challenge across CICA's operations and activities. Non-executive Board Members provided advice on 5 key areas in line with HM Treasury Corporate Governance in central government departments. These were:

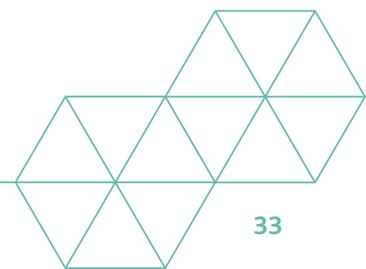
- Strategic Clarity – setting the vision mission and ensuring all activities, either directly or indirectly, contribute towards it; long-term capability and horizon scanning, ensuring strategic decisions are based on a collective understanding of policy issues; using outside perspective to ensure that CICA is challenged on outcomes;
- Commercial Sense – approving the distribution of responsibilities; advising on sign-off of large operational projects or programmes; ensuring sound financial management; scrutinising the allocation of financial and human resources to achieve the plan; ensuring organisational design supports attainment of strategic objectives; setting CICA's risk appetite and ensuring controls are in place to manage risk; evaluation of the board and its members; and succession planning;
- Talented People – ensuring CICA has the capability to deliver and to plan to meet current and future needs;
- Results Focus – agreeing the operational business plan, including strategic aims and objectives; monitoring and steering performance against plan; scrutinising performance of sponsored bodies; and setting CICA's standards and values;
- Management Information – ensuring clear, consistent, comparable performance information is used to drive improvements.

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.

All matters were reported openly, and no business required a confidential addendum or closed minute relating to commercial or personal sensitivities. Minutes of the SPB meetings were published quarterly on CICA's intranet.

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 additional transparency over 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 three Non-executive Board Members. Meetings were held quarterly and supported by the attendance of the Chief Executive, interim Deputy Chief Executive, Director of Finance, Director of Operations, and Senior Governance Manager. The Senior Governance Manager role was held by Cameron Cavin until 25 October 2019 and, thereafter, Rory Tracey was appointed to the role on 20 January 2020. The MoJ Chief Financial Officer attended in September 2019, and 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. Additional notable reports provided to the ARC related to in depth reviews of risk regarding: (i) budget delegation; (ii) business continuity management; (iii) mid-year budget position and modelling of the financial provision; (iv) risk management and assurance and; (v) fraud risk.

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.

CICA maintains a policy that entitlements are never reduced or refused due to budget pressures, although the timing of payments may be affected by the availability of budget.

In 2019-20, CICA managed this risk by providing forecasts and regular reports to the Chief Financial Officer on budget utilisation. In year, additional budget was provided to meet an estimation of the value of claims likely to arise from the amended scheme coming into effect and in response to the increased value of claims decided by year end.

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.

This increased the compensation payable under the Criminal Injuries Compensation Scheme 2012 and a total of £10,590,982 was paid in 2019-20 in respect of applications which were made eligible by the amendment.

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 -0.25%, being the Lord Chancellor's discount rate. The discount rate applies to the provision for the remaining pre-tariff cases. There is a risk that future changes to the Lord Chancellor's discount rate will have a material financial impact on the value of CICA's pre-tariff caseload. This risk will remain until all cases to be decided under pre-tariff schemes are resolved.

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 2020. 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 because it is not possible to establish the total number of eligible criminal injuries or other relevant factors, such as the likelihood of an application being made and the potential value of any award made.

Legal challenge to unspent convictions rule

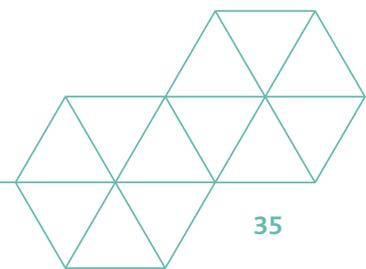
The Supreme Court granted permission to the applicants to appeal against the decision of the Court of Appeal dated 3 July 2018 that the provisions of the Criminal Injuries Compensation Scheme 2012 are not unlawful insofar as they prohibit an award of compensation to applicants who are victims of human 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 will hear the appeal on 10 November 2020.

Fraud Risk

We continued to raise awareness of the potential for fraudulent activity and maintained a Fraud Risk Register with a comprehensive suite of fraud risk controls. Referrals of possible instances of fraud in 2019-20 increased from the previous year, whilst the overall value of prevented financial loss decreased. Referrals to the National Fraud Intelligence Bureau also decreased. We continued to engage with the Cabinet Office review process concerning the HM Government Functional Standard for Counter Fraud to implement their recommendations. In the 2019 calendar year, 9 of the 12 standards were fully met, with the remaining 3 partially met. Measures have been taken to achieve full compliance in 2020.

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 had a nominated Senior Information Risk Owner, 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.



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 onsite to support our operations.

We have continued to maintain our Public Services Network accreditation to assure overall network security and safety. We were not affected by any cyber-attacks during the year.

People Risk

Our people deliver our business and their capability and engagement is crucial to CICA's effective operation.

We continue to invest in learning and development for our people at all levels, with opportunities to participate in MoJ and Civil Service wide programmes. In the Civil Service People Survey 2019, CICA achieved a 61% people engagement indicator based on a completion rate of 81%. Our Attendance Management Strategy, and continued focus on offering flexible working patterns and supporting wellbeing initiatives maintained a low rate of average working days lost at 7 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.

During 2018-19 we were required by MoJ to reduce our resource level to no more than 262 full time equivalents by 31 March 2019, and within affordability. This benchmark remained in place throughout 2019-20. Although workforce attrition reduced over the previous year, it remained significant at 15.9%, with the largest group of leavers attracted to other government departments offering positions at increased salary. The risks presented by this reduction in staff resource levels was mitigated through a programme of recruitment and training for the talented people promoted within CICA, joining from other government departments and the private sector. Our average staffing position remained just above the benchmark at 264.8, impacted by delayed transfers to other government departments in the latter part of the year.

Coronavirus Risk

In the final quarter of 2019-20, the coronavirus presented CICA with an unprecedented set of challenges. Our business continuity measures enabled us to respond quickly, with a high level of operational resilience and awareness of emergent risks. To ensure efficient oversight, CICA adopted a coronavirus-specific risk register that enabled the assessment and control of risks grouped into enterprise-wide themes: financial, legal, people, digital and technology, information management, estates, demand and supply, commercial and change. Adaptations were made to our service delivery model to protect our people, recognise the immediate pressures on organisations with whom we work and maximise the use of existing and additional digital solutions to mitigate the potential impact of these risks, ensuring continuity of service during the emergency.

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. A report from the CRAG was included in the monthly governance report provided to the EMB. 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 2019-20, the CRAG continued to identify areas of improvement to our business continuity management, business impact analysis and organisational change programmes. This was complemented by horizon scanning activities to identify emerging risks, and an ongoing review of the key person register.

Health and Safety Committee

The Health and Safety Committee ensures compliance with health and safety regulations, 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, Trade Union representatives and Health and Safety representatives from all directorates. Meetings were held by agreement on 13 June and 6 September 2019.

Other Committees and Forums

Information Management Group

The Information Management Group (IMG) oversees information management and regulatory compliance. The IMG, which met quarterly, is chaired by the Senior Governance Manager and comprised the Senior Information Risk Owner, and all Information Asset Owners.

The 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.

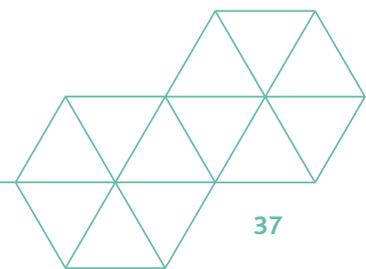
People Engagement Group

Maintaining an engaged and committed workforce remained a key priority and we supported a wide range of actions ensuring CICA continues to be a great place to work. The People Engagement Group (PEG), which met monthly, provided feedback and supported engagement across the organisation through a programme of activities and initiatives. The PEG also helped to gauge engagement levels and provided feedback and recommendations to the Executive Management Board.

Stakeholder Engagement

The Stakeholder Engagement and Equality Forum (SEEF) is chaired by the Head of Policy and is a meeting with CICA's key stakeholders. The role of the SEEF is to facilitate and provide insight into customers' needs and experience 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.

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 2019-20.



In addition to the SEEF, we undertook a wide range of collaborative activity including:

- Our Chief Executive met with the new Victims' Commissioner for England & Wales.
- Our Chief Executive joined the Scottish Government Victims Taskforce and provided representatives in the workstreams concerned with trauma informed training and user-centered service design.
- We began working with Victim Support England & Wales to create online resources providing an overview of the Criminal Injuries Compensation Scheme.
- We had regular engagement meetings with HMCTS and participated in the Special Tribunals Reform project.
- Samaritans delivered bespoke training to our customer service and case handling team. This focused on understanding how victims cope with the aftermath of their experiences and providing specialist call handling skills to ensure our staff are equipped to help the most vulnerable of applicants.
- Rape Crisis Scotland delivered training to increase understanding of the nature and impact of sexual violence and how this might affect an applicant's engagement during the process of claiming compensation.
- Women's Aid delivered awareness sessions to our staff on the impact of domestic abuse.
- The Trafficking Awareness Raising Alliance (TARA) delivered an awareness session to our staff concerning their work to support victims of human trafficking.
- We provided an overview of the Criminal Injuries Compensation Scheme to Independent Sexual Violence Advisers in England & Wales.
- Our Director of Legal & Policy Services attended a UK/Germany Victim Support conference at the British Embassy in Berlin which enabled UK and German authorities to exchange best practice and foster cooperation with the goal of improving the information and support provided to victims of crime.
- We liaised with police representatives for England & Wales and Scotland to discuss our operational protocols and how we can enhance our working practices for the benefit of victims of violent crime.

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 risks.

- 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 management functions:

- Payments: A **substantial assurance** rating was offered.
- Retained Awards: A **moderate assurance** rating was offered.
- Stakeholder Correspondence: A **substantial assurance** rating was offered.
- Corporate Performance and Reporting: A **moderate assurance** rating was offered.
- Complaints: A **moderate assurance** rating was offered.

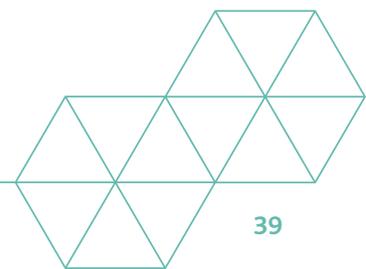
Internal Audit Opinion

GIAA provided an overall internal audit **moderate assurance** rating for the effectiveness of the systems of governance, risk management and internal control operating across CICA. Of the 16 recommendations made by GIAA, 9 have been implemented.

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 at all times. 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 regular staff awareness activities. This included use of the Information Commissioner's Office and MoJ information assurance toolkits, as well as publishing regular news articles highlighting topical examples and impacts of ineffective information security across various sectors. All information security activity is managed through our Information Management Group.

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 tested our ability to restore access to data in the event of any incidents using backup processes.



During 2019-20, we received 83 requests for information under the Freedom of Information Act 2000 (FOI), and processed 822 Subject Access Requests under the Data Protection Act 2018/ General Data Protection Regulation. We achieved 100% compliance for response to FOI requests and 97.4% for Subject Access Requests within specified timescales.

CICA continued to work closely with MoJ's Data Protection Team, to comply with the General Data Protection Regulation introduced on 25 May 2018. During 2019-20 we continued to ensure effectiveness of our mechanisms for monitoring and responding to potential security incidents. We identified our highest risk of security incidents occurring as being due to failure of applicants or their representatives to update contact details, failure by mail carriers, or third-party error.

To ensure we were fully integrated with developments affecting wider Government, throughout the year, our Senior Information Risk Owner participated in the MoJ Information Risk and Security Group and in the Information Assurance Leads Committee.

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 2019-20 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 achievement of the objectives and accountabilities of CICA, and have been instrumental in improving the quality of our services during 2019-20.

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 2019-20, 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 line manager at the start of the reporting year. Performance will also influence any bonus element awarded.

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

Remuneration packages fall under the schemes operated by the MoJ and follow Government policy guidelines for public sector pay. Performance based pay awards for non-senior civil servants are determined by an assessment of performance against objectives agreed between the individual and line manager at the start of the reporting year. Performance will influence any bonus element awarded.

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. 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). The MoJ is responsible for making contributions to their pension schemes.

The PCSPS is an unfunded multi-employer defined benefit scheme, but the 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 2019-20, employer's contributions of £1.876m (2018-19, £1.510m) were payable to the PCSPS at one of four rates in the range 26.6% to 30.3% (2018-19, 20.0% to 24.5%) 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 2019-20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

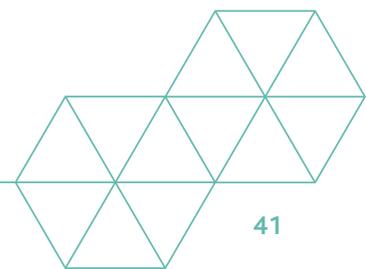


Table 13 Remuneration and pensions for senior management for 2019-20 (Audited)

Name	Salary £'000	Bonus £'000	Value of pension benefits for single total figure of remuneration £'000	Total £'000	Accrued pension at pension age as at 31/03/20 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/20 £'000	CETV at 31/03/19 £'000	Real increase in CETV
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

Table 14 Remuneration and pensions for senior management for 2018-19 (Audited)

Name	Salary £'000	Bonus £'000	Value of pension benefits for single total figure of remuneration £'000	Total £'000	Accrued pension at pension age as at 31/03/19 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/19 £'000	CETV at 31/03/18 £'000	Real increase in CETV £'000
Linda Brown – Chief Executive	90-95	5-10	168	265-270	Pension 35-40 Lump sum 105-110	Pension 7.5-10 Lump sum 22.5-25	792	567	158

*CETV figure contains a restated closing figure as at 31 March 2019 for Linda Brown. This CETV component was restated from £753k (closing 2018-19) to £792k (opening 2019-20). This correction of £39k is based on information provided by Civil Service Pensions.

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 2019-20 and this was also the case for 2018-19.

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 three Non-Executive Board Members earned, in total, £6,400.00 in fees and claimed £0 in expenses during 2019-20 (2018-19, £6,000.00 + £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

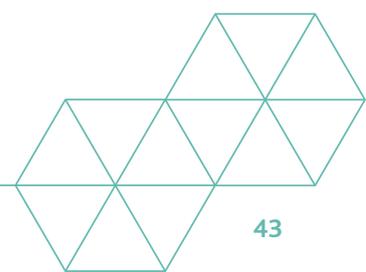
	2019-20	2018-19
Highest paid executive in CICA salary	£90 - £95K	£95 - £100K
Median CICA Salary	£22,567	£21,581
Multiplier of Median Remuneration	4.1	4.5

The banded remuneration of the highest paid executive in CICA during 2019-20 was £90k - £95k (2018-19, £95k - £100k). This was 4.1 times (2018-19, 4.5 times) the median remuneration of the workforce which was £22,567 (2018-19, £21,581). The range of remuneration in year was £90k - £95k to £15k - £20k. In 2019-20 and 2018-19 no employee received remuneration in excess 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) 2019-20	Fee (£'000) 2018-19
Andrew Flanagan	0-5	0-5
William Matthews	0-5	0-5
Ron Barclay Smith	0-5	0-5
Total	6.4	6

Senior management travel and subsistence (Not subject to audit)

In 2019-20, the Chief Executive claimed £4,010 (2018-19, £7,154). The Interim Deputy Chief Executive claimed £647 (2018-19, £0) in expenses. There were no claims for expenses other than for standard travel.

Compensation for loss of office (Audited)

No senior managers received compensatory payments in 2019-20 (2018-19, 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 2019-20 CETV return reflects the 2 senior civil servants employed at CICA included within the Pension Scheme. There were nil returns for all disclosures relating to benefits in kind. There were nil returns for employer contributions to partnership account for all disclosed.

Table 17 Staff costs (Audited)

Staff costs		2019-20	2018-19
	Note	£'000	£'000
Salaries and emoluments		6,380	6,546
Early departure other adjustment		0	0
Early departure in year costs		0	0
Provision in year costs	10	(0)	(0)
Social security costs		637	676
Pension costs		1,876	1,510
Overtime payments		139	83
Total		9,032	8,815

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

Staff costs relating to individuals of a non-permanent nature (not included in above) have been capitalised as key inputs to delivery against specific IT related projects. The total staff cost subject to capitalisation was £0k (2018-19, £0k).

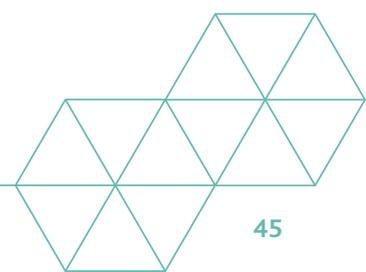
Expenditure of £405k related to meeting the charges incurred by MoJ Digital and Technology's employment of contractors to support the development of CICA's digital services.

Staff numbers (Audited)

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

Table 18

	2019-20	2018-19
Casework	239	232
Administration	26	42
Total	265	274



Staff composition

As at 31 March 2020, CICA employed 293 people which constituted 268.48 full-time equivalent. This included 2 full-time senior civil service (SCS) posts.

Table 19

	Number employed	Full-time equivalent	SCS 1	SCS 2
Male	124	119.73		
Female	169	148.75	1	1
Total	293	268.48	1	1
Full-time	216	215.94		
Part-time	77	52.54		

Civil Service – Exit Packages (Audited)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year 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 2018-19 and 2019-20 there were no exit packages paid.

During the financial year 2019-20, 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.

This year in 2019-20 three of our people graduated from Crossing Thresholds, a Civil Service development programme aimed at supporting women in overcoming barriers to success in the workplace. The 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. This included delivering an awareness session on neurodiversity.

Employment of disabled persons

The 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. In 2019-20 our people completed Equality and Diversity awareness training.

Learning and Development

During 2019-20, we continued to promote learning opportunities and encouraged all our people to undertake, as a minimum, 5 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.

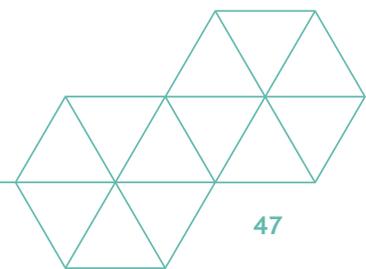
Social and community issues

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 2019-20 our people engaged in a number of volunteering projects, including working in a RSPB nature reserve. We were also involved in a social mobility initiative and the Schools Programme, which engages with young people to show that the Civil Service is a vibrant, diverse and inclusive place to work. In 2019-20 our people continued to support Chris's House 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 2019-20 our people completed resilience and wellbeing awareness training.

During 2019-20, the average working days lost to sickness in CICA was 7 days. Of this 2.31 days (33%) were due to long term sickness and 4.69 days (66%) were due to short term sickness.



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 to the Scottish Parliament.

The notional fee for the statutory audit in 2019-20 is £100,000 (2018-19, £90,000). No additional audit fees or remuneration for non-audit work were recognised in 2019-20, as was also the case in 2018-19.

Regularity of expenditure (audited)

	2019-20	2018-19
	£	£
Write-downs	0	855,860
Special Payments	41,215	10,244

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

29 October 2020

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 2020 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:

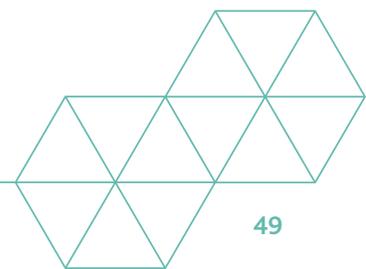
- the financial statements give a true and fair view of the state of Criminal Injury Compensation Authority's affairs as at 31 March 2020 and of the net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Criminal Injuries Compensation 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 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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Criminal Injuries Compensation Authority's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Criminal Injuries Compensation Authority have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Criminal Injuries Compensation Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 and for being satisfied that they give a true and fair view.

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.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Criminal Injuries Compensation Authority's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- conclude on the appropriateness of the Criminal Injuries Compensation Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Criminal Injuries Compensation Authority ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Criminal Injuries Compensation Authority to cease to continue as a going concern.

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.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

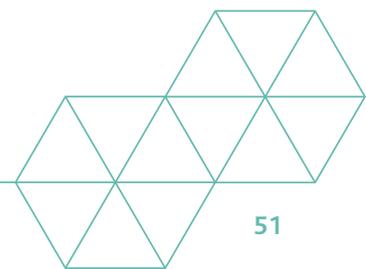
Other Information

The Chief Executive as Accounting Officer is responsible for the 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 report thereon. My opinion on the financial statements does not cover the other information and 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, 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:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Criminal Injuries Compensation Act 1995;
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report and Accountability Report; and
- the information given in the Performance Report and Accountability Report or the financial year for which the financial statements are prepared is consistent with the financial statements and have been prepared in accordance with the applicable legal requirements.



Matters on which I report by exception

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

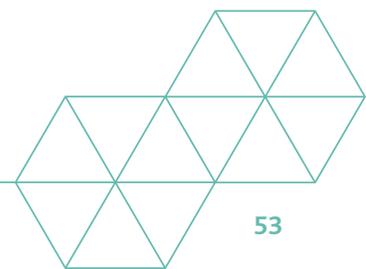
- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have 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.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

30 October 2020





Financial statements



Statement of Comprehensive Net Expenditure for the year ended 31 March 2020

	Note	2019-20		2018-19	
		£'000	£'000	£'000	£'000
Staff costs	3	9,032		8,815	
Other expenditure	4	6,398		5,330	
Depreciation and impairment charges	5	806		770	
Provision expense	10	180,913		163,563	
Total Expenditure		197,149		178,478	
Income	2	(930)		(4,426)	
Income - Scottish Government	2	(15,005)		(16,869)	
Income repaid to Consolidated Fund		0		(21)	
			(15,935)		(21,316)
Net Operating Expenses		181,214		157,162	
Finance expense (Unwinding of discount)	10		1,259		968
Net expenditure for the year		182,473		158,130	

There was no other comprehensive expenditure incurred during the year. The notes on pages 60 to 87 form part of these accounts.

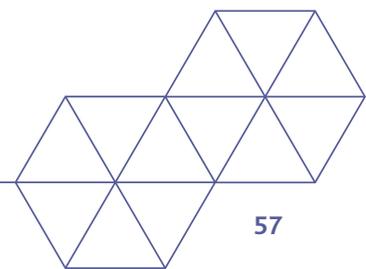
Statement of Financial Position at 31 March 2020

	Note	31 March 2020		31 March 2019	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	5	738		941	
Intangible assets	5	2,539		2,255	
Total non-current assets		3,277		3,196	
Current assets					
Trade and other receivables	6	825		5,551	
Cash and cash equivalents	7	17,038		17,152	
Total current assets		17,863		22,703	
Total assets		21,140		25,899	
Current liabilities					
Provisions (not later than one year)	10		(92,595)		(99,624)
Trade and other payables	8		(50,828)		(32,702)
Total assets less current liabilities			(122,283)		(106,427)
Non-current liabilities					
Provisions (later than one year)	10		(88,833)		(94,492)
Other payables	9		(10,518)		(6,212)
Total non-current liabilities			(99,351)		(100,704)
Total assets less total liabilities			(221,634)		(207,131)
Taxpayers' equity and other reserves					
General reserve			(221,634)		(207,131)
Total equity			(221,634)		(207,131)

The notes on pages 60 to 87 form part of these accounts.

Signed (Chief Executive and Accounting Officer)

29 October 2020



Statement of Cashflow for the year ended 31 March 2020

	Note	2019-20		2018-19	
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net operating cost	12	(182,473)		(158,130)	
Adjustments for non-cash transactions	12	7,788		7,169	
(Increase)/decrease in trade and other receivables	12	4,726		(34)	
Increase/(decrease) in trade and other payables	12	22,432		(20,864)	
Net movement of provisions	10	(12,688)		34,088	
Net cash outflow from operating activities		(160,215)		(137,771)	
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(115)		(39)	
Purchase of intangible assets	5	(784)		(533)	
			(899)		(572)
Net cash outflow		(161,114)		(138,343)	
Cash flows from financing activities					
Funding from MoJ	11		161,000		114,000
Net increase/(decrease) in cash and cash equivalents in the period	7		(114)		(24,343)
Cash and cash equivalents at the beginning of the period			17,152		41,495
Cash and cash equivalents at the end of the period	7		17,038		17,152

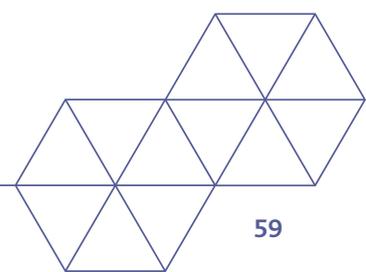
The notes on pages 60 to 87 form part of these accounts.

Statement of Change in Taxpayer's Equity for the year ended 31 March 2020

		General Reserve	Total Reserves
	Note	£'000	£'000
Balance at 1 April 2018		(169,385)	(169,385)
Net Parliamentary funding received from MoJ	11	114,000	114,000
Intra-departmental balances settled with MoJ		3,610	3,610
Notional recharge from MoJ	4	2,684	2,684
Auditors remuneration	4	90	90
Net expenditure		(158,130)	(158,130)
Balance at 31 March 2019		(207,131)	(207,131)

		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)

The notes on pages 60 to 87 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 2019-20 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 60 to 87, 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 2020, CICA's Statement of Financial Position records net liabilities of £222 million (31st March 2019, £207 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 2020-21, 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 2020.

In 2019-20 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.

% 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 Pre2012 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 historic quality assured decided cases to estimate the percentage of current decided value that will get offered.

% Nil Assessed: 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 2020.

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 licenses 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.

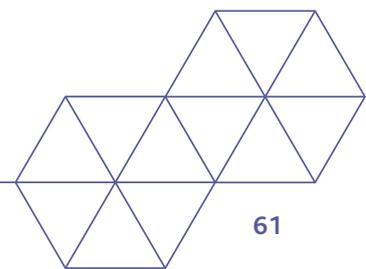
Software and systems development expenditure on IT systems are capitalised as intangibles where specific criteria are met in accordance with IAS 38. Expenditure on IT systems which maintains expected output requirements, without evidence of enhancement, is written off in the period in which it is incurred.

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 2019-20, 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

The depreciation rate for Fixtures, Fittings and Office Equipment was changed in 2015-16 from the previous write off period of 10 years to 5 years. This change now reflects the natural working life of these assets, following our move to a reduced floor space at Alexander Bain House in September 2014.

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. 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 in accordance with the HM Treasury Financial Reporting Manual and recycled into compensation spending. In accordance with IFRS 9, 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 2019-20, 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, 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). While the provision reflects the higher end of the valuation assessment, at the lower end of the valuation the estimate is that the cases may settle for £6m less than in the provision.

Tariff Schemes

CICA recognises a liability in respect of total applications which have been made to CICA but have not yet been paid to claimants. 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 scheme is 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 2019-20, a review of the provision estimate methodology was conducted, resulting in the following refinements to the estimate:

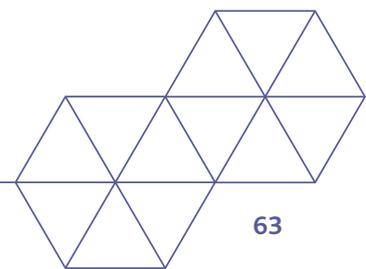
Award Value Profiling: The profiling of award values now aggregates at the level of both tariff band and case age, rather than tariff band only, as case age was determined to be a driver in the value of awards.

% Nil Assessed: The refined methodology considers the likelihood of cases being nil assessed independently within each tariff band, rather than globally, as there was found to be substantial variation at this level.

Un-banded Cases: Provision is now made for cases that resolve with no tariff band assigned. Such cases normally relate solely to awards for funeral costs and have no injury component.

Quality Assurance Adjustment: The refined methodology now accounts for the fact that the value of decided cases will be subject to minor revisions due to the quality assurance process.

Following the review, we have assessed the impact on the tariff provision disclosed in the 2018-19 Annual Report and Accounts. The impact of the refinements have 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.

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 £2.8 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 2019-20. IFRS 16 (Leases) was due to become effective in 2019-20 but has subsequently been postponed by HM Treasury to 2020-21.

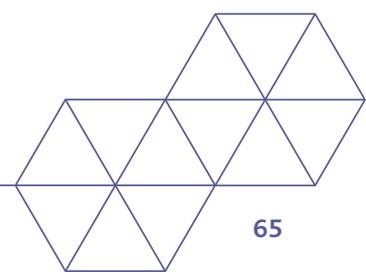
1.16 Impending Application of Newly Issued Financial Reporting Standards Not Yet Effective

IFRS 16 will change the way CICA recognises, measures, presents and discloses leases that it holds. The standard 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 has a low value. The full impact of IFRS 16 (Leases) on CICA will not be determined until it has been adopted for use in the public sector by the FReM and uncertainties surrounding the valuation methodology, and the full scope of the standard have been resolved. IFRS 16 is expected to be effective from 2020-21.

Note 2 Operating Income

	2019-20	2018-19
	£'000	£'000
Compensation repaid (previously civil actions)	930	132
Court compensation orders	0	3
Compensation recoverable	0	289
Income from the Scottish Government	15,005	16,869
Income from MoJ including the Victim Surcharge	0	4,000
Other administrative income	0	2
	15,935	21,295

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 is used to fund services for victims of violent crime through other channels.

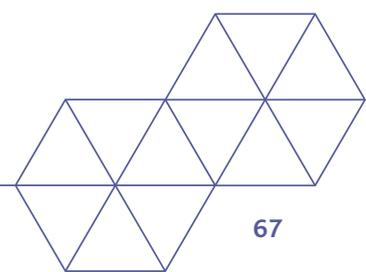


Note 3 Staff Costs

	2019-20	2018-19
	£'000	£'000
Salaries and emoluments	6,380	6,546
Early departure other adjustment	0	0
Early departure in year costs	0	0
Provision in year utilisation	0	0
Social security costs	637	676
Pension costs	1,876	1,510
Agency staff	0	0
Overtime payments	139	83
	9,032	8,815

Note 4 Other Expenditure

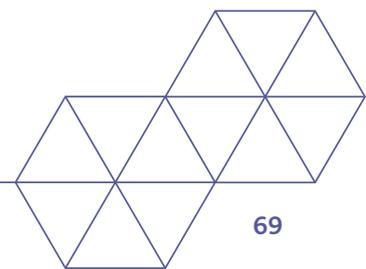
	2019-20	2018-19
Note	£'000	£'000
Programme expenditure - case-handling costs	1,128	1,124
Other accommodation costs	489	463
Rentals under operating leases	491	489
Miscellaneous fees	45	28
Postage	117	112
Travel and subsistence	143	156
Storage and handling	40	47
Stationery	42	25
Training, recruitment and staff welfare	39	37
Internal audit fees	36	26
Losses and special payments paid	41	10
Information and publications	3	3
Non Cash Items		
Loss on disposal of Non-Current Assets - PPE	2	15
Dilapidations on lease arising	21	21
Corporate recharge	793	154
Corporate recharge - functional leadership	2,858	2,530
Increase/(decrease) to bad debt provision	0	(855)
Notional external audit fees	100	90
Loss on disposal of Non-Current Assets - IA	10	0
Bad debts written-off	0	855
	6,398	5,330



Note 5 Non-Current Assets

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		78	37	0	115
Disposals	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		89	29	0	118
Transfers	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

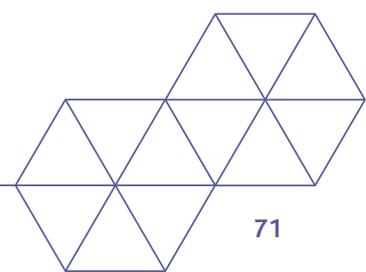


Property, plant and equipment 2018-19	Fixtures and fittings	Leasehold improvements – Alexander Bain House	Computer equipment	Office equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2018	291	973	1,535	96	72	2,967
Additions	6		30	3	0	39
Disposals	0		(215)	(5)	0	(220)
Transfers	0	0	0	0	0	0
At 31 March 2019	297	973	1,350	94	72	2,786
Depreciation						
At 1 April 2018	(285)	(373)	(943)	(49)	0	(1,650)
Charged in year	(4)	(97)	(287)	(12)	0	(400)
Disposals	0		203	2	0	205
Transfers	0			0	0	0
At 31 March 2019	(289)	(470)	(1,027)	(59)	0	(1,845)
Net book value at 31 March 2019	8	503	323	35	72	941
Net book value at 31 March 2018	6	600	592	47	72	1,317

Intangible assets	Information technology	Software licences	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2018	4,024	342	1,552	5,918
Additions	126	116	291	533
Disposals	(8)	0	0	(8)
Transfers	95	0	(95)	0
At 31 March 2019	4,237	458	1,748	6,443
Amortisation				
At 1 April 2018	(3,524)	(302)	0	(3,826)
Charged in year	(332)	(38)	0	(370)
Disposals	8	0	0	8
At 31 March 2019	(3,848)	(340)	0	(4,188)
Net book value at 31 March 2019	389	118	1,748	2,255
Net book value at 31 March 2018	500	40	1,552	2,092

Note 6 Trade and other Receivables

	2019-20	2018-19
	£'000	£'000
Trade receivables	87	41
Court compensation	(5)	22
Civil claims	1	2
Other receivables	186	4,635
VAT receivable	433	441
Prepayments	152	439
Sub-total	854	5,580
Provision for bad debts	(29)	(29)
Total	825	5,551



Note 7 Cash and Cash Equivalents

		2019-20	2018-19
	Note	£'000	£'000
Opening balance at Government Banking Service Accounts		6,069	16,843
Increase/(decrease) in cash		(935)	(10,774)
Closing balance at Government Banking Service Accounts		5,134	6,069
Opening balance all other bank accounts and cash		0	2
Increase/(decrease) in cash		55	(2)
Closing balance at all other bank accounts and cash		55	0
Opening balance of awards held on deposit in holding accounts	9	11,083	24,650
Increase/(decrease) in cash	9	766	(13,567)
Closing balance of awards held on deposit in holding accounts	9	11,849	11,083
Total balance of cash and cash equivalents		17,038	17,152
Total increase/(decrease) in cash and cash equivalents		(114)	(24,343)

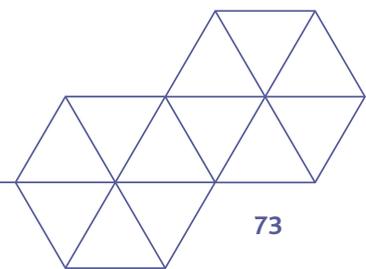
Note 8 Trade and other Payables

	2019-20	2018-19
	£'000	£'000
Trade payables	127	16
Consolidated Fund payables	0	0
Other payables	2,177	2,599
Accruals - pre-tariff scheme	0	0
Accruals - tariff scheme	45,777	27,485
Other accruals	2,747	2,602
	50,828	32,702

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	2019-2020		Number of accounts	2019-2018	
		£'000	£'000		£'000	£'000
Opening balance	15		6,212	46		19,379
Restatement						
In-year deposits	14	7,858		0	326	
Interest received in-year		53			39	
			7,911			365
Closures	(4)	3,513		(31)	10,819	
Withdrawal prior to closure		92			2,713	
			(3,605)			(13,532)
Closing balance	25		10,518	15		6,212

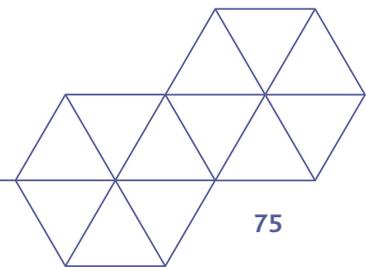


Note 10 Provisions

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

Provision – Programme 2018-19	Pre-tariff Scheme	Tariff Schemes	VOTCS	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2018	12,771	146,169	473	159,413
Arising during the year	907	134,387	182	135,476
Charge for the year (change in discount rate)	0	(722)	0	(722)
Reversed unutilised during the year	0	0	(49)	(49)
Utilised during the year	0	(101,501)	(66)	(101,567)
Charge for year (unwinding)	0	968	0	968
Balance at 31 March 2019	13,678	179,301	540	193,519

Breakdown of Total Compensation provided	Pre-tariff	Tariff	VOTCS	Totals	Pre-tariff	Tariff	VOTCS	Totals
	2019-20 £'000	2019-20 £'000	2019-20 £'000	2019-20 £'000	2018-19 £'000	2018-19 £'000	2018-19 £'000	2018-19 £'000
Utilising provisions recognised	1,327	160,522	2	161,851	0	101,501	66	101,567
Claims settled in the Financial Year	0	32,990	0	32,990	0	28,858	0	28,858
	1,327	193,512	2	194,841	-	130,359	66	130,425
Compensation provided by region				Totals				Totals
				2019-20				2018-19
				£'000				£'000
Awards relating to victims of crimes of violence occurring in:								
England and Wales				181,065				114,859
Scotland				13,774				15,500
Awards relating to victims of overseas terrorism				2				66
				194,841				130,425



Breakdown of Total Compensation provided	Pre-tariff		Tariff		VOTCS		Totals		Pre-tariff		Tariff		VOTCS		Totals	
	2019-20	£'000	2019-20	£'000	2019-20	£'000	2019-20	£'000	2018-19	£'000	2018-19	£'000	2018-19	£'000	2018-19	£'000
New liabilities recognised in period and provided for	2,339		144,825		0		147,164		907		134,387		182		135,476	
Charge for year (Change in Discount Rate)	0		761		0		761		0		(722)		0		(722)	
Claims relating to and settled in the Financial Year, not provided for	0		32,990		0		32,990		0		28,858		0		28,858	
Provision no longer required	0		0		0		(2)		0		0		(49)		(49)	
Provisions reversed unutilised as a result of case settlements being lower than provision	0		0		0		0		0		0		0		0	
	2,339		178,576		(2)		180,913		907		162,523		133		163,563	

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

The provision for pre-tariff schemes has not been discounted. The total provision is composed of a small number of cases which reflect the best estimate, at reporting period end, required to settle these cases (see Note 1.8). Due to uncertainties surrounding both the final liability and settlement date it was not deemed appropriate to discount the provision or provide an analysis with regard to timing of cash flows.

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 £165.624m). Where an event has occurred on or before the reporting date, but an application has not yet been made, CICA recognise this as a contingent liability.

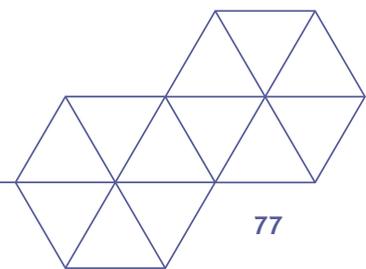
Due to the fixed nature of the tariff schemes the liability has been discounted at the prevailing Treasury Discount Rates (see below table) in order to recognise the time value of money. The rates used are nominal to reflect that the tariffs are not influenced by inflationary pressures, therefore a real 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 monetary value however an offer has not yet been made to the claimant. Subject to any adjustment arising from the quality assurance process, these cases are provided for at their assessed value. 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 at the point an acceptance letter is not received from a claimant (see on offer not accrued section below).

Not Decided: These are cases which are still under assessment by CICA and therefore a monetary value has not yet been determined. 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. These cases are removed from the accrual and their value is provided for. The proportion of such cases is determined based upon an assessment of the historical level of occurrence.



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.

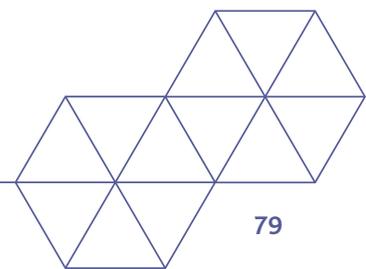
In order to determine the sensitivity of the provision estimate to some of the core features of the methodology, sensitivity analysis was conducted, through which various aspects of the methodology were flexed to determine how sensitive the estimate was to variations in them.

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 historic 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 £11.8m or decrease by £19.2m.

% 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 5% 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 £15.1m or decrease by £15.1m.

Cases that are decided: These are live cases that have been sufficiently assessed and a monetary award value has been calculated but the case has not yet been paid. These cases are provided for at their assessed value. However these cases are subject to quality control review which may result in an adjustment to the award value. The model is therefore sensitive to changes in award values. The sensitivity looks at the 5% and 95% percentiles of a sample of cases to determine the impact of higher or lower values. The sensitivity analysis suggests that the estimate could increase by £2.0k or decrease by £2.4k.



	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	£157,951,940	£7,672,502	£165,624,442						
Average Value									
Low	£138,753,044	£7,672,502	£146,425,546	(£19,198,896)	£0	(£19,198,896)	(12.15%)	0.00%	(11.59%)
High	£169,759,689	£7,672,502	£177,432,191	£11,807,749	£0	£11,807,749	7.48%	0.00%	7.13%
% Nil Profile									
Low (-5%)	£142,811,538	£7,672,502	£150,484,040	(£15,140,401)	£0	(£15,140,401)	(9.59%)	0.00%	(9.14%)
High (+5%)	£173,092,341	£7,672,502	£180,764,843	£15,140,401	£0	£15,140,401	9.59%	0.00%	9.14%
% Decided to Offer									
Low Sample Value	£157,953,973	£7,672,502	£165,626,475	£2,033	£0	£2,033	0.00%	0.00%	0.00%
High Sample Value	£157,949,571	£7,672,502	£165,622,073	(£2,369)	£0	(£2,369)	0.00%	0.00%	0.00%

Treasury Discount Rates utilised		
	Years 1-5	0.51%
	Years 6-10	0.55%
	Years 11+	1.99%

Victims of Overseas Terrorism Compensation Scheme (VOTCS)

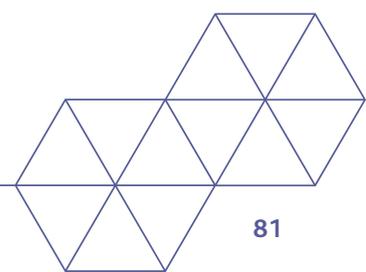
Events designated as Acts of Terrorism by the Foreign Secretary are provided for on the basis of applications that are currently known to CICA. The compensation liabilities are determined by the same principles that underpin the 2012 Scheme. This provision has not been discounted as it is not material.

Lease Dilapidations

The 2019-20 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 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

Provision – Administration 2018-19	Lease	Staff	Total
	Dilapidation	Departures	
	£'000	£'000	£'000
Balance at 1 April 2018	78	537	615
Arising during the year	21	0	21
Reversed unutilised during the year	0	0	0
Utilised during the year	0	(39)	(39)
Charge for year (unwinding)	0	0	0
Balance at 31 March 2019	99	498	597



Staff Departures

The total provision represents a future liability to pay an annual allowance under the Civil Service Injury Benefit Scheme for 1 individual who left CICA during 2010.

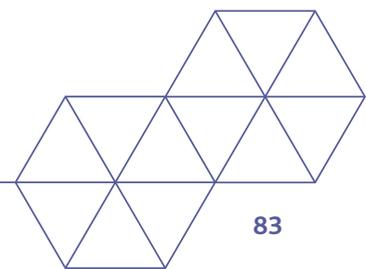
Analysis of expected timing of provisions	2019-20
Cashflow Timing of All Provisions	£'000
Not later than one year	92,595
Later than one year and not later than five years	88,575
Later than five years	258
	181,428

Note 11 Funding

HM Government Funding received	2019-20	2018-19
	£'000	£'000
Compensation payments	145,596	99,909
Operating costs and case handling costs	14,506	13,519
	160,102	113,428
Capital expenditure	898	572
	161,000	114,000

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

		2019-20	2018-19
	Note	£'000	£'000
Net Expenditure after finance charge		(182,473)	(158,130)
Depreciation	5	321	400
Amortisation	5	485	370
Notional recharge from the MoJ	4	3,751	2,774
Intra-departmental balances settled with MoJ		3,219	3,610
Loss on disposal of Non-Current Assets		12	15
Increase/(decrease) in provision for doubtful debts	6	0	(855)
Bad debts written off		0	0
Decrease/(increase) in receivables	6	4,726	821
(Decrease)/increase in payables	8	18,126	(7,697)
Increase/(decrease) in awards held on deposit holding accounts	9	4,306	(13,167)
Net movement in pre-tariff scheme provision	10	1,012	907
Net movement in tariff scheme provision	10	(13,677)	33,132
Net movement in VOTCS provision	10	(4)	67
Net movement in dilapidations	10	21	21
Net movement in early release provision	10	(40)	(39)
Net Cash Outflow from Operating Activities		(160,215)	(137,771)



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.

	2019-20	2018-19
	£'000	£'000
Obligations under operating leases comprise:		
Not later than one year	505	505
Later than one year and not later than five years	1,639	2,018
Later than five years	0	126
Total	2,144	2,649

In September 2014 CICA relocated to Alexander Bain House (ABH). The lease agreement at ABH is in place until 2 March 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 2020 CICA had acquired new tangible capital assets with a value of £115k, relating to Information Technology associated with the business transformation programme.

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

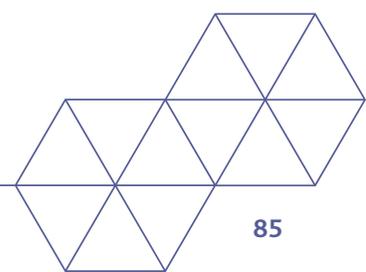
Amounts held as Retained Awards	Number of accounts	2019-2020		Number of accounts	2019-2018	
		£'000	£'000		£'000	£'000
Opening balance	7,172		78,881	6,900		73,423
Open Accounts						
Deposits	1,639	17,027		1,661	20,714	
Additional deposits to existing accounts		29			6	
Interest received		1,027			356	
Withdrawals		(2,078)			(2,093)	
			16,005			18,983
Closures	(1,324)		(11,845)	(1,389)		(13,525)
Closing balance	7,487		83,041	7,172		78,881
Total third-party assets			83,041			78,881

Note 17 Contingent Liabilities

There have been several financial and legal challenges to the Criminal Injuries Compensation Scheme 2012. If successful these would 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" (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 those who had not previously applied. This increased the compensation payable under the Criminal Injuries Compensation Scheme 2012 and a total of £10,590,982 was paid in 2019-20 in respect of applications which were made eligible by the amendment.



The Lord Chancellor's Discount Rate

Prior to the introduction of the Criminal Injuries Compensation Scheme 1996, cases derived an award 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 -0.25% being the Lord Chancellor's discount rate. The discount rate applies to the provision for the remaining pre-tariff cases. There is a risk that future changes to the Lord Chancellor's discount rate will have a material financial impact on the value of CICA's pre-tariff caseload. This risk will remain until all cases to be decided under pre-tariff schemes are resolved.

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 2020. 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 IBNYR because it is not possible to establish the total number of eligible criminal injuries or other relevant factors, such as the likelihood of an application being made and the potential value of any award made.

Legal challenge to unspent convictions rule

The Supreme Court granted permission to the applicants to appeal against the decision of the Court of Appeal dated 3 July 2018 that the provisions of the Criminal Injuries Compensation Scheme 2012 are 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 will hear the appeal on 10 November 2020.

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. The investment policy applied to these investments is to deposit the awards in a low-risk commercial bank account. No administration fee is charged to the applicant. The average rate of interest applied to the investments during 2019-20 was 0.99 per cent (2018-19, 0.78 per cent).

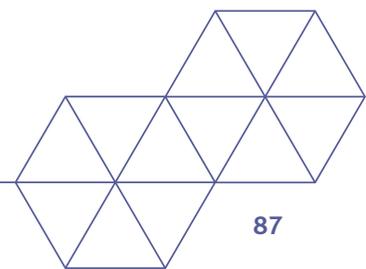
Changes to financial instruments were made taking effect from 1 April 2019 in accordance with IFRS 9 implementation. This standard changed the recognition of financial instruments from an actual credit loss model under IAS 39 to an expected credit loss model under IFRS 9. MoJ policy dictates that financial 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 SOFP 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 2019-20. 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. There are no post balance sheet events to report. The coronavirus global 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.





Appendices



Appendix A – Governance



Appendix B – Meeting attendance (members)

Key: P = Present A = Absent

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	A	P	P	P	P	P	P	P	P	P
Director of Operations	P	A	P	P	P	P	P	P	P	P	P	P
Director of Legal and Policy Services	P	P	P	A	P	P	P	P	P	P	P	P
Director of Finance	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

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	P
Andrew Flanagan	P	P	P	P	P
William Matthews	P	A	P	A	P

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	P
Deputy Chief Executive Officer	P	P	P	P	A
Director of Operations	P	P	P	P	P
Director of Legal and Policy Services	P	P	P	P	P
Director of Corporate Services	P	A	P	P	P
Ron Barclay Smith	P	P	P	P	P
Andrew Flanagan	P	P	P	P	P
William Matthews	P	A	P	P	P

