



Criminal Injuries
Compensation
Authority

Criminal Injuries
Compensation Authority

Annual Report and Accounts

2015-2016

July 2016



Criminal Injuries
Compensation
Authority

Criminal Injuries Compensation Authority

Annual Report and Accounts

2015-2016

Presented to Parliament pursuant to section 6
of the Criminal Injuries Compensation Act 1995.

Ordered by the House of Commons to be printed on 21 July 2016

Laid before the Scottish Parliament by the Scottish Ministers July 2016

HC 470

SG/2016/20



© Crown copyright 2016

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at cal@cica.gsi.gov.uk

Print ISBN 9781474132039

Web ISBN 9781474132046

ID 03051611 07/16

Printed on paper containing 75% recycled fibre content minimum

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

Contents

Performance Report	3
Overview	4
Chief Executive's Foreword	4
Our work	5
Key achievements and events 2015-16	6
Performance analysis	8
Key performance measures	8
Our aim and strategy	11
Our service	12
Our finances	13
Sustainability report	15
Finite resource consumption	18
Accountability Report	21
Corporate Governance Report	22
Statement of Accounting Officer's Responsibilities	22
CICA Governance Statement	22
Remuneration and staff report	31
Remuneration policy	31
Remuneration report	31
Pension liabilities	37
Our staff	37
Parliamentary accountability and audit report	40
Audit	40
Regularity of expenditure	40
Remote contingent liabilities	40
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament	41
Report of the Comptroller and Auditor General on the Criminal Injuries Compensation Authority accounts for the year ended 31 March 2016	43

Financial statements	45
Notes to the Accounts	50
Accounts Direction Statement	70
Appendices	71
Appendix A – Governance	72
Appendix B – Meeting Attendance	73
Annex A – Abbreviations	74

Performance Report

Overview

Chief Executive's Foreword

As Chief Executive Officer I am pleased to introduce the twentieth annual report for the Criminal Injuries Compensation Authority (CICA).

Since 1964, when the first Scheme came into effect, we have dealt with almost 2.2 million applications and paid out over £6 billion in compensation.

This year we have provided over £150 million in compensation, both to victims of violent crime at home and also to those affected by terrorism overseas.

We have continued to embrace digital technologies, allowing us to streamline processes and increase the efficiency of our organisation. Our administration costs are reducing year on year.

We made improvements to our online application process, ensuring the system we use to take telephone applications is the same as that which can be accessed online. This has helped make the process more user-friendly and has increased the level of support we can offer applicants who call us. We continue to see 90 percent of applications being made online.

We have also made changes to our internal case handling systems, allowing us to improve our impact on the environment by further reducing our reliance on paper. Our longer term aim is to use our customer portal to send and receive all communications, helping us keep information more secure as well as increasing our speed and efficiency. However, we will continue to be mindful of the needs of our customers and offer alternatives where appropriate.

We delivered on last year's commitment to improve the quality of corporate literature, and we are now working on improving the style and clarity of the letters that we send to our customers. To inform our programme of continuous improvement, we are encouraging people to give us their views on how we can make our services better. We regularly monitor levels of customer satisfaction to ensure any changes we make do not have a negative impact. Through this process I am pleased to report that our customer satisfaction remains high, at 95 percent.

Looking forward to next year, we want to further reduce our administration budget in order to ensure we can maximise our spending on awards of compensation. We will work to further improve our use of electronic communications and will focus on sharing best practices across the Ministry of Justice. As well as providing a high standard of customer service, we want to offer best value for taxpayers' money.

To ensure that our decision making process is as robust as possible, as part of our move to a new operating model, we will be adopting a new quality and assurance strategy.

Carole Oatway
Chief Executive
Criminal Injuries Compensation Authority

14 July 2016

Our work

The Criminal Injuries Compensation Scheme was set up in 1964 to compensate blameless 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 set 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 revisions having been approved by Parliament in November 2012.

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 dependency;
- in the case of a child under 18, compensation for the loss of parental services; and
- the reasonable cost of a funeral.

In no case may the tariff Scheme award exceed £500,000.

Applicants who disagree with our decision can request a review by a different claims officer and, if still unhappy with CICA's review decision, can appeal to the First-tier Tribunal. More information on the provisions of the Scheme are available at www.gov.uk or by contacting CICA on 0300 003 3601.

Going concern

At 31 March 2016, CICA's Statement of Financial Position records net liabilities of £342 million (31 March 2015, £318 million). Of this total, £291 million (31 March 2015, £264 million) 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 Ministry of Justice 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.

Net cash requirement for 2016-17, taking into account the amounts required to meet CICA's liabilities falling due that year, has already been included in the Ministry of Justice 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 and events 2015-16

- Achieved a customer satisfaction rating of 95 percent.
- Extended our online application system to incorporate telephony applications, providing more support and a better customer experience.
- Extended our case management system to include cases involving a fatal injury, to provide an improved end to end process.
- Worked jointly with HMCTS to manage cases at Tribunal stage more efficiently and shorten the appeal journey time.
- Introduced a number of revised letters to customers and continued to explore opportunities to make correspondence available through digital channels.
- Refreshed our stakeholder engagement group and widened the network to include representatives from vulnerable groups. Used the customer insight obtained to inform and refine improvements to our delivery including our customer portal, use of digital channels and our case management strategy.
- Trialled remote access systems for colleagues attending Tribunals across the country, to work towards a paperless hearing.
- Continued to build capability by encouraging all staff to take up to five days of learning per year.
- Obtained Public Services Network accreditation on our levels of security of information and upgraded some ageing systems to ensure continued security of digital services.
- Carried out a full review and re-draft of the guidance we provide to staff on the 2012 Scheme and our customer guide to the Scheme.
- Reviewed and revised the guide and application forms for victims of overseas terrorism.
- Raised awareness of CICA and provided Scheme eligibility training to external stakeholders.
- Developed new training material and introduced additional courses designed to assist and support the decision making process.

Events

The previous page captures some of the key achievements and events during 2015-16. The commentary below provides more information on some of the most significant events during the operating year.

Improved case handling system

We upgraded our electronic case management systems to enable them to manage cases involving a fatal injury and appeals cases. Previously these cases were managed clerically. We anticipate this will improve efficiency and help reduce the time taken to handle such cases.

Review of operating model

We completed a review of our operating model, to ensure the flexibility of our workforce and help increase efficiency. Our new operating model anticipates the changes we will make to adapt to our environment and meet the demands of our stakeholders. It will allow us to reduce our administration budget and will ensure we are able to utilise as much of our budget as possible on providing compensation payments to blameless victims of violent crime.

Support for victims of overseas terrorism

We refreshed our literature and the online support available to victims of overseas terrorism, to ensure those injured in attacks overseas could benefit from improved services. We created a dedicated team to handle applications from victims of overseas terrorism. Our team worked with the Foreign and Commonwealth Office and Ministry of Justice Joint Officials Unit, to ensure a joined up approach to support services was in place for victims and their families.

Performance analysis

Key performance measures

We have reduced the percentage of our caseload which is made up of pre-2012 Scheme cases. Fewer of our decisions are being overturned on appeal, which shows the improvements we have made to our decision making processes. Although we are taking, on average, slightly longer to reach a first decision on a case, this reflects the changing nature of our caseload. Since the introduction of the 2012 Scheme we no longer have a high volume of simple claims linked to minor injuries which can be resolved quickly. The 2012 Scheme is focussed on those who suffer more serious injuries which can only be assessed when the long term impact can be established.

We monitor our customer satisfaction and are pleased to see that this remained high during 2015-16.

TABLE 1 Transparency measures

Measure	Definition	2015-16	2014-15
1. Size of live tariff caseload	The number of live tariff cases that CICA have registered but are not resolved	40,510	36,648
2. Active case load (tariff) cycle time to first decision	The average time taken to reach first decision	11.41 months	10.9 months
3. Review decision cycle time	The average time taken to complete a review	6.38 months	5.8 months
4. Age of case load	The percentage of cases where the complexity of the injury means they have not been settled within 2 years	18.5%	17.8%
5. Pre-2012 Scheme caseload	The percentage of the total tariff caseload that relates to cases submitted prior to the introduction of the 2012 Scheme	6.7%	13.9%
6. Decisions overturned at appeal	The percentage of appeals which are overturned	27.1%	26.3%
7. Customer satisfaction	The percentage of applicants, as measured by a customer survey, that consider they received good customer service from CICA; and their perceived effort in the process	95.0%	95.5%
		Low-Moderate	Low-Moderate
8. Budgetary control	Accrued expenditure against budget allocated	100%	100%

Measure	Definition	2015-16	2014-15
9. Staff engagement	The Engagement Index, as measured in the annual Civil Service People Survey as an indicator of how CICA staff feel committed to their work and valued in their role	54%	55%
10. Fraud and error	Amount lost to fraud and error, measured by identified fraud and the value of ex-gratia payments made due to error or maladministration	0.03%	0.03%
		£43,642	£45,000
11. Time taken to collect police reports	The percentage of police reports received within Service Level Agreement timescales	82.3%	68.8%

Claim activity

Volume of applications

We received 32,415 new applications in 2015-16. This is a reduction of 0.5 percent on the number of applications received in 2014-15 (32,595). Demand can vary from year to year depending on the level of violent crime which results in a compensatable injury. The estimate for next year is 33,000 applications.

TABLE 2 Resolutions-applications resolved

	2015-16	2014-15
Tariff and pre-tariff schemes	28,512	35,801

TABLE 3 Time taken to reach decisions

We continued to focus on resolving some of our oldest and most complex tariff cases in 2015-16. These cases relate mainly to applicants whose claims could not be finalised until the long-term implications of their injuries were known. Deciding a greater volume of older cases has meant a greater proportion of cases settled are over 12 months old, increasing the average time taken to reach a decision.

With the introduction of the 2012 Scheme, we are no longer dealing with high volumes of cases involving minor injuries which can be settled quickly. The new Scheme focuses on compensating those who suffer more serious injuries, which can take longer to resolve.

Period of Time	Number of decisions	%	Cumulative %	2014-15 Cumulative %
within 2 months	3,558	12.8	12.8	12.3
2-4 months	2,152	7.7	20.5	22.1
4-6 months	3,163	11.4	31.9	32.7
6-8 months	3,278	11.8	43.7	43.0
8-10 months	3,022	10.9	54.6	52.3
10-12 months	2,707	9.7	64.3	60.5
Over 12 months	9,926	35.7	100.0	100.0
	27,806	100.00		

TABLE 4 Rates of review and appeal

The rate of cases being reviewed and appealed has increased slightly, but not significantly. The overall appeal rate, shown in the following table, reflects the number of appeals lodged when compared to the number of first decisions made. The proportion of cases decided without the need for an external appeal remains high at 95.7 percent. Despite 4.3 percent of our cases going to appeal, only 27.1 percent of these cases are overturned. This shows that the majority of our decisions which are examined at appeal are supported by the evidence available.

	2015-16	2014-15
% of claims assessments cases going to internal review	21.9	20.5
% overall appeal rate	4.3	4.0

TABLE 5 Appeals

The number of outstanding appeals reduced further in 2015-16. This resulted from a combination of greater support for claims officers and a reduction in the volume of applications received.

	2015-16	2014-15
Cases awaiting appeal at 31 March 2016	1,345	1,466

TABLE 6 Outstanding applications

As we continue to prioritise legacy scheme cases, the caseload rose during 2015/16. However, it remains at the third lowest point since 1986. The table below shows figures as of 31 March 2016.

	2015-16	2014-15
Awaiting a first decision	34,707	30,795
Awaiting a reviewed decision	4,458	4,112
Awaiting an applicant's response to a first or reviewed decision	N/A	275
Awaiting appeal	1,345	1,466
Total	40,510	36,648

TABLE 7 Disallowed claims

The following table shows the number of applications refused, listed by the reason for refusal. Any reason for which there has been fewer than 1,000 cases refused has been grouped under 'Other'. This includes 678 claims which were refused as they were not submitted within the time limit (754 in 2014-15). For some applications there may have been more than one reason for refusal meaning the total as per the table is higher than the number disallowed. The full statistics are available on GOV.UK.

During 2014-15 we built an automated reminder into our system to contact applicants who had failed to respond to previous communications. It is the responsibility of applicants to give all reasonable assistance to CICA in connection with their claim. Claims may be refused if an applicant repeatedly and without good reason fails to respond to communications. As a result of the new process a higher number of applications were refused for failure to assist CICA in 2014-15. This number reduced significantly in 2015-16, as we continued to improve our processes for issuing reminders.

The most common reason for a claim being rejected is that the injury is not serious enough to qualify for an award. As the 2012 Scheme focuses on compensating those who suffer more serious injuries, it significantly reduced the number of injuries which would be compensated, making it more likely that a claim will be refused on this basis. It can be seen that the number of cases being rejected for this reason is reducing year on year as people become more familiar with the provisions of the new Scheme.

Criterion	2015-16	2014-15
Injury does not qualify for compensation	5,451	7,548
Failure to cooperate with the Authority	1,644	3,328
Injury did not result from crime of violence	2,322	2,246
Applicant's criminal record/character	1,804	2,017
Failure to cooperate with police in bringing assailant to justice	1,534	1,910
Conduct before, during or after the incident	1,135	1,359
Failure to report without delay	1,097	1,119
Other	1,785	2,378

Our aim and strategy

Our business plan update for 2016-20 will be available on GOV.UK and sets out a strategy for the delivery of our services. Our aims and objectives support the wider Ministry of Justice commitment to deliver 'One Nation Justice', supporting increased efficiencies, whilst embracing improved technologies.

In the coming year we will continue our programme of work across the following areas:

Customer — we will continue on our digital journey aiming to deliver as much of our service as possible online and ensuring contingency for those who are unable to access digital services. We will improve our quality of service through a robust assurance framework.

People — we will support and develop our staff to build a broad range of skills and expertise to create a flexible workforce committed to customer service. We will work with other parts of MoJ's Justice Delivery Group to share expertise and resource.

Process — we will lean our processes, replace paper based processes and work towards transforming our IT to deliver 100 percent digitally enabled end to end processes for transactions and interactions.

Partners — as part of our programme of continuous improvement, we will respond to feedback from customers and other stakeholders to enhance our digital processes to ensure quicker and more secure channels of communication.

Finance and efficiency — we will share our expertise with other parts of Justice Delivery Group, develop a more integrated approach to budget management helping us to match resources to business need in the most efficient way.

More detail on this work is contained in our business plan.

Our service

Customer feedback

We measure overall Customer Satisfaction and the Customer Effort Score – a measure of how much time and effort our customers have to expend. We aim to keep the Customer Effort Score as low as possible. The resulting measurement is encouraging with the Customer Effort Score averaging a measurement of 'Low-Moderate'. This shows that the majority of those assessed found the process of applying to be straightforward. 95 percent of customers who were surveyed on their case expressed overall satisfaction with CICA's service, a decrease of 0.5 percent from last year's figure.

Complaints

We believe that complaints are an important source of feedback which provide us with an opportunity to rectify any mistakes we may have made and learn lessons for the future.

We have a three-stage complaints process to deal with dissatisfaction about the service we provide when dealing with applications. Our process is designed to address complaints at the earliest opportunity by discussing with the customer how we can resolve the matter to their satisfaction within an agreed timescale.

In 2015-16, we received 533 complaints. This equates to 1.3 percent of our caseload. Of the cases where a complaint was received, 39 were escalated to stage two and only 6 progressed to stage three.

If a complaint cannot be resolved at the end of stage three, complainants can ask a Member of Parliament to raise the issue with the Parliamentary and Health Service Ombudsman (covering England and Wales). In Scotland, they can complain directly to the Scottish Public Services Ombudsman. The Ombudsman carries out independent investigations into complaints about unfair or improper actions or poor service by UK government departments and their agencies. This year the Parliamentary and Health Service Ombudsman investigated one complaint about CICA and did not uphold the complaint.

We always act on feedback from customers, victims' organisations and the Cross-Government Complaints Forum to improve our complaints process and overall service. This year we met with stakeholders to discuss our case management strategy, revisions to how we handle complaints and how expansion of our online customer portal can improve the service we deliver.

As per our continuous improvement strategy, we will review our complaints handling in 2016-17.

CICA's full complaints process is available on GOV.UK.

Data protection and Freedom of Information

During 2015-16 we received 54 requests for information under the Freedom of Information Act 2000, and dealt with 302 requests for information under the Data Protection Act 1998.

Our finances

Programme expenditure

The Schemes provide compensation to victims of crime. It is our job to assess claims in accordance with the Scheme provisions, as approved by Parliament. To inform our decisions we gather evidence from both police authorities and medical experts. This is an on-going 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 settled total compensation awards of £153.1 million to victims of violent crime during 2015-16 (see note 10 to the accounts for additional detail). This was allocated as follows:

- £152.7 million 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.
- £0.4 million is recognised in the SoCNE, within tariff scheme compensation, as settlements relating to claims not previously provided for. These claims relate to incidents taking place during 2015-16 where applications were received and settled during 2015-16. Therefore these claims were not recognised in the provision.

New liabilities, for all compensation Schemes, recognised during 2015-16 totalled £177.9 million.

Based upon tariff claims received during 2015-16 and still outstanding at year-end, £173.8 million has been recognised as new provision.

Pre-tariff cases settling at a higher value than that previously provided totalled £0.9 million.

Previous liabilities for pre-tariff reversed unutilised totalled £0.2 million. This liability had been recognised, in earlier accounting periods within the SoCNE, and is therefore required to be reversed through the same Statement in 2015-16. This reversal was required for pre-tariff cases that settled below the estimate previously provided. Upward movements on live cases, due to re-assessment of liability, totalled £2.0 million.

An additional new liability of less than £1.2 million has been recognised, based upon claims received, for the Victims of Overseas Terrorism Scheme.

The SoCNE can, for compensation recognised during 2015-16, be summarised to its constituent parts, as below, noting that comparative information is disclosed in Note 10 to the Accounts:

TABLE 8

New liabilities arising	£173.80m
Liabilities no longer required	£0.0
Settlements not recognised in provision	£0.40m
Sub Total Tariff	£174.20m
Settlements higher than previous provision	£0.9m
Settlements lower than previous provision	-£0.2m
Revaluation of aged cases	£2.0m
Sub Total Pre Tariff	£2.7m
Net Impact of VOTS	£1.2m

During 2015-16, four pre-tariff cases were settled from funds set-aside from within our budget. The remaining 6 cases have an estimated liability of £4.5 million. Case-handling costs, classified as programme expenditure, have reduced over the previous year by £239k. These are for medical, legal and other fees related to settling compensation cases. One reason for the downward movement is a reduction in fees (both medical and legal) payable for both tariff and pre-tariff cases. Another reason is that the 2012 Compensation Scheme places an onus on applicants to meet the cost of supplying some initial medical evidence in support of their claim.

Administration expenditure

The cost associated with managing and administering all compensation Schemes has decreased from £15.624 million to £12.433 million, an overall reduction of 20.4 percent. This is predominantly due to a decrease in staff costs of £0.9 million, and the one off costs incurred in 2014-15 associated with the relocation to Alexander Bain House (ABH) of £1.130 million, including a Non-Current Asset write off of £0.244 million.

Net reductions to accommodation/rental costs (£0.749 million) and ICT expenditure (£0.123 million) were achieved, reflecting the lower running costs of ABH.

As a result of change in status, effective 1 April 2014, from Non Departmental Public Body to Executive Agency a notional recharge of £0.234 million has now been recognised. £0.164 million reflects the input-value of services consumed by MoJ on our behalf and £0.070 million relates to the statutory audit fee (previously charged direct).

Overall amortisation and depreciation has reduced by £0.075 million, reflecting the lower asset base relating to the relocation.

Supplier payment policy and performance

CICA follows the Better Payment Practice Code, and undertakes to pay 80 percent of internally authorised invoices within five days of receipt. A sample review of invoices paid during 2015-16 indicated that 79.2 percent of those reviewed were paid within five days. We were not required to pay any interest relating to late payment under the terms of the Late Payment of Commercial Debts (Interest) Act 1998 (as amended by The Late Payment of Commercial Debt Regulations 2002 (SI 1674)).

Sustainability report

Overview

We have implemented a number of measures to reduce greenhouse gas (GHG) emissions, waste and finite resources and their related costs since 2009-10. As a result we have exceeded the Greening Government Commitment target to reduce carbon emissions from energy and waste by 25 percent by 2015.

The full environmental benefit of our relocation in 2014 to smaller premises has been reflected in the continual decline in our GHG emissions for both our estate and water consumption. As shown we relocated to smaller premises which has continued the reduction of GHG emissions, waste and water consumption achieved in previous years. The full environmental benefits of our investment in digital technology is reflected in a reduction in our paper consumption and our recycled waste.

Greenhouse gas emissions

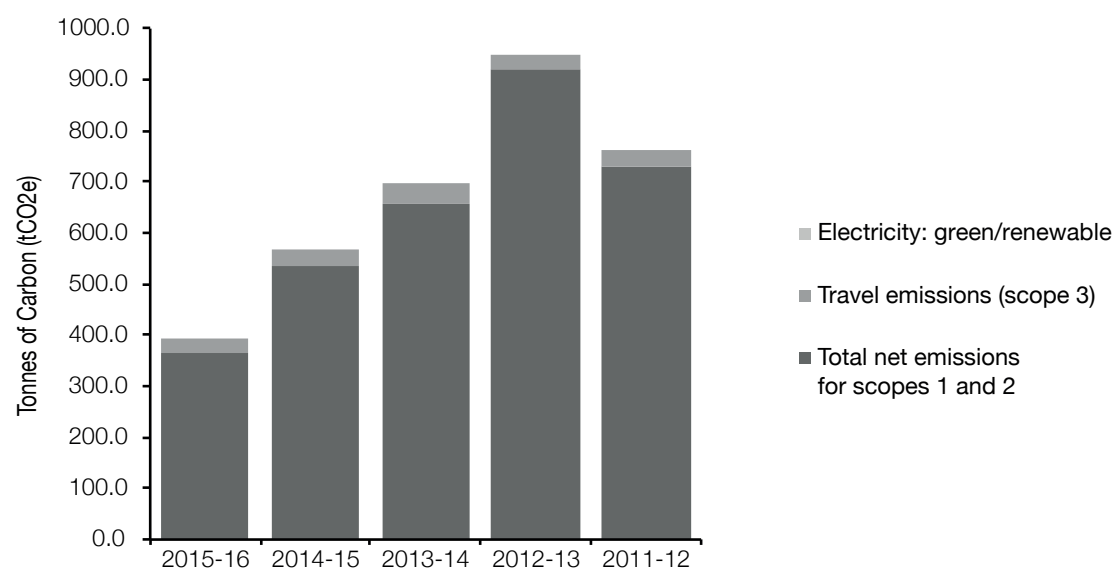
Performance

Table 9 shows CICA's GHG emissions, as defined by the GHG protocol (available at www.ghgprotocol.org including information about the different scopes), over the past five years. Overall the total gross GHG emissions and expenditure on energy and travel reduced significantly in 2015-16. We have reduced our emissions by 60 percent since 2011-12, exceeding the Greening Government Commitment to reduce GHG emissions by 25 percent from the 2009-10 levels.

TABLE 9 Greenhouse gas (GHG) emissions

	2015-16	2014-15	2013-14	2012-13	2011-12	
Non-financial indicators (tCO2e)	Total gross emissions for scopes 1 and 2	364.76	534.5	658.1	921.5	730.5
	Electricity: green/renewable	0.0	0.0	0	0	0
	Total net emissions for scopes 1 and 2	364.8	534.5	658.1	921.5	730.5
	Gross emissions for scope 3 - travel	27.6	32.5	39.5	28.2	30.1
	Total gross GHG emissions (all scopes)	392.4	567.0	697.6	949.7	760.6
Non-financial (kWh)	Electricity: Grid, CHP and non-renewable	249692.0	686149.0	1,052,296	1,443,728	1,118,288
	Electricity: renewable	0.0	0.0	0	0	0
	Gas	526954.0	926773.0	810,895	919,031	802,301
	Other energy sources	0.0	0.0	0	0	0
	Total energy	776646.0	1612992.0	1,863,191	2,362,759	1,920,589
Financial indicators	Expenditure on energy	49675.0	109464.0	£138, 909	£185,190	£202,108
	Expenditure on official business travel	£45,068	£57,584	£45,450	£37,772	£55,397

GHG emissions by scope



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. The full benefit of introducing multifunctional devices to reduce the number of scanners, photocopiers and printers has assisted in reducing our energy consumption and the use of paper.

Influenced impacts

We influence employee commuting by actively encouraging car sharing through automatic parking space allocation for car sharers. In addition, we remind staff to switch off equipment before periods of staff leave. CICA also encourage staff to participate in the annual Earth Hour, a worldwide campaign to combat climate change by turning off all lights for just one hour.

Waste

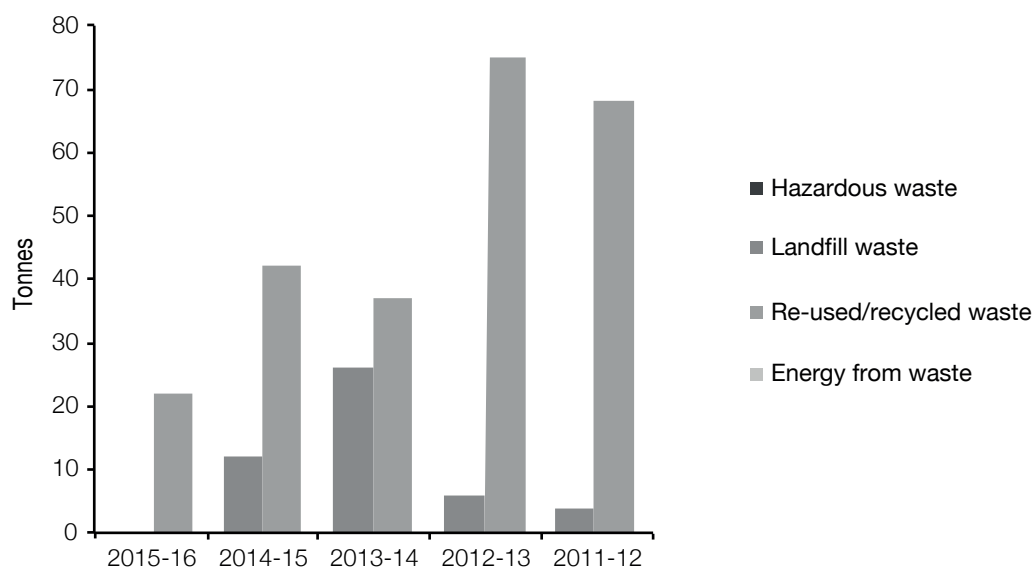
Performance

As tenants of a shared building CICA does not control all of its waste, nor are disposal volume or costs available for the building. The waste reported by CICA therefore reflects the charges directly incurred by CICA only.

TABLE 10 Waste

			2015-16	2014-15	2013-14	2012-13	2011-12
Non-financial indicators (tonnes)	Hazardous waste	Hazardous waste	0	0	0	0	0
	Non-hazardous waste	Landfill waste	0	12	26	6	4
		Re-used/recycled waste	22	42	37	75	68
		Energy from waste	0	0	0	0	0
	Total waste arising		22	54	63	81	72
Financial indicators (£'000)	Hazardous waste	Hazardous waste	0	0	0	0	0
	Non-hazardous waste	Landfill waste	0	3	5	5	3
		Re-used/recycled waste	5	6	12	9	10
		Incinerated waste	0	0	0	0	0
	Total waste costs		5	9	17	14	13

Waste by final disposal



Controllable impacts

The main impacts are paper and related waste from operating activities. CICA operate an electronic case management system that is reducing our need for paper. All the organisation's printers now output double-sided and use minimal toner ink by default. CICA have introduced multifunctional devices to discourage non-essential printing to reduce paper usage and emissions from disposing of waste.

Influenced impacts

CICA encourage customers to apply online where possible, to reduce their paper consumption and waste. CICA have also developed a strategy to make better use of digital technology. In future years this will reduce the need for customers to send and receive information by post.

Finite resource consumption

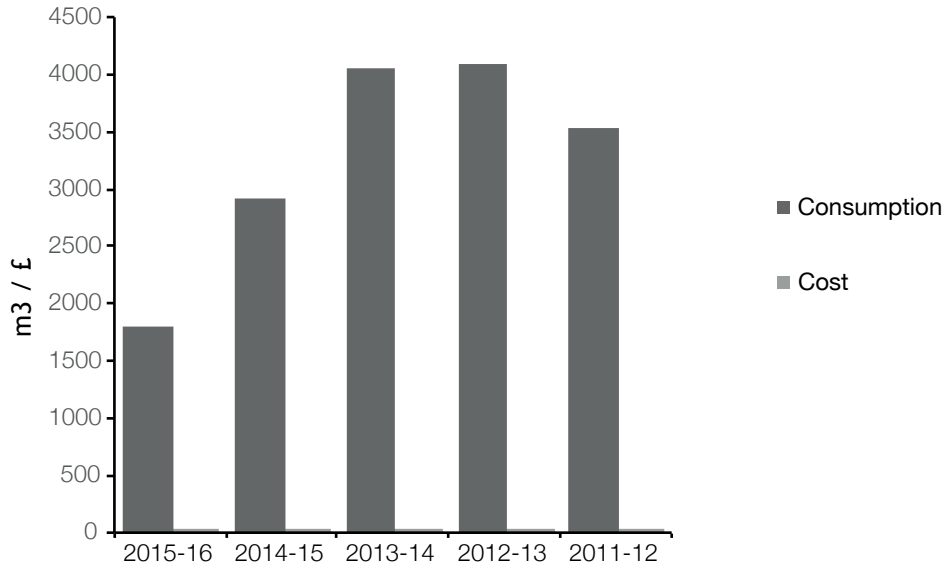
Performance

As tenants of a shared building, we are charged for water consumption based on our proportion (calculated from the floor area occupied) of the whole building's consumption. We are therefore unable to report on our precise consumption but figures showing how much water we were charged for are included for completeness. Water usage decreased in 2014-15 largely due to the move to smaller premises.

TABLE 11 Finite resource consumption

		2015-16	2014-15	2013-14	2012-13	2011-12
Non-financial indicators (m³)	Total water consumption	1,798	2,921	4,051	4,058	3,537
	Financial indicators (£'000)					
	Total water supply costs	2	3	4	4	3

Water total consumption and costs



Controllable impacts

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

Influenced impacts

We will examine ways in which we might influence water consumption in the coming year.

Carole Oatway

Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority

18 July 2016

Accountability Report

Corporate Governance Report

Statement of Accounting Officer's Responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury 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 issued by HM Treasury on 18 December 2015. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CICA and its net resource outturn, application of resources, changes in taxpayers' equity and cash flows of the CICA 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 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 (FRM) have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The sponsor department, the Ministry of Justice, 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 the CICA's assets, are set out in Managing Public Money published by the HM Treasury.

So far as the Accounting Officer is aware, CICA's Auditors are aware of all relevant information. The Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the auditors are aware of that information.

The Accounting Officer takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

CICA Governance Statement

Introduction

Good corporate governance is central to the effective operation of all public bodies. The controls, processes and safeguards in place for the Criminal Injuries Compensation Authority (CICA) reflect best practice as set out in the Treasury's Corporate Governance Code.

Governance Arrangements

The Triennial Review, completed in 2013, recommended that CICA became an Executive Agency. CICA became an Agency of the Ministry of Justice (MoJ) on 1 April 2014. For national accounts purposes the CICA is classified to the central government sector. During 2015-16, CICA was part of the Financial, Assurance and Commercial Group within MoJ with day-to day sponsorship activities undertaken by the Arm's Length Body (ALB) Governance Division. CICA operates in compliance with the Framework Document and Financial Delegations agreed between the CICA and the MoJ.

CICA also provides a service on behalf of the Scottish Government. A Memorandum of Understanding sets out the working arrangements on liaison between the Scottish Government and the Ministry of Justice on matters relating to the Criminal Injuries Compensation Scheme, including arrangements for the Scottish Government to make an appropriate contribution towards the funding of the Scheme.

I am supported in my role as Chief Executive by an Executive Management Board (EMB).

I also have a Strategy and Performance Board (SPB) which includes three non-executive board members who bring an external challenge function to our governance arrangements.

Although I did not meet regularly with the Minister responsible for criminal injuries compensation, I did meet with our sponsor team as well as members of the MoJ policy team who deal with victims services. As a civil servant, I am subject to the usual line management arrangements within the Ministry of Justice.

CICA's business plan is subject to Ministerial approval but 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 from which CICA takes its powers.

CICA does not have, or require, a separate remuneration committee as CICA staff are Ministry of Justice employees employed on standard terms and conditions.

Accounting Officer

I have been appointed Accounting Officer (AO) by the Permanent Secretary of the Ministry of Justice. As AO, I have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives as agreed with Ministry of Justice and Scottish Government. I am personally responsible for safeguarding the public funds managed by CICA; for ensuring propriety and regularity in the handling of those funds and for the day-to-day operations and management of CICA.

The Executive Management Board (EMB)

The EMB, which I chair, includes my Deputy Chief Executive and our Departmental Heads. Collectively the EMB provides a balance of skills and experience, including operational delivery, finance, legal and policy.

The EMB is responsible for CICA's day-to-day management and operation. During the last year, the EMB met formally once each month. In taking decisions the EMB operated both corporately and objectively, acting at all times in the public interest.

The EMB ensured it had the information necessary for the proper discharge of its duties including: monthly management and financial accounting information; information on

progress in relation to outputs and outcomes (business reports); risk management information; health and safety reports and reports on key projects. Although the EMB had controls in place for assurance of the quality and completeness of data which supported decisions these were not as effective as in previous years. Therefore, as part of its new operating model, CICA has introduced a new approach to reviewing the quality of its decisions making and the accuracy of the calculations that inform our offers of compensation. Management information reports and trends were monitored and cross-referenced ensuring consistency; customer surveys and complaints were monitored to identify performance issues; outturn reports confirmed the accuracy of budget management; and risk registers were maintained to assess and control key risks.

Minutes of the EMB's meetings were available electronically within CICA and could be made available to external parties on request. All matters were reported openly. There was nothing that required a confidential addendum to the minute because it was considered commercially or personally sensitive.

The EMB members were: Carole Oatway (Chief Executive), Alistair Finlay (Deputy Chief Executive, left 31 January 2016), June Fellowes (Head of Customer and Corporate Support), Michael Hanlon (Head of Legal and Policy), Ann Russell (Head of Operation Delivery) and James Morrice (Head of Finance).

ALB Governance Division

The ALB Governance Division is the corporate sponsor team which oversees the working relationship between the MoJ and CICA. It received the necessary financial, management and operational information required by the Financial, Assurance and Commercial Group (FAC) to monitor and challenge CICA's performance. Business Assurance meetings took place between the sponsor and CICA to discuss financial and risk management and progress against CICA's performance measures as well as the strategic aims and objectives. From 1 April 2016, CICA now forms part of the new Operations Group. This group is working on a Justice Delivery Programme which involves the CICA, Legal Aid Agency (LAA) and the Office of the Public Guardian (OPG). This programme is exploring the potential for synergies and efficiencies but each organisation will remain separate and autonomous.

Non-executive board members (NEBMs)

As part of our transition arrangements to an Executive Agency, and after consultation with the Department's Permanent Secretary, I appointed three Non-executive Board Members (NEBMs) in 2014. The appointments followed an open and transparent process run in accordance with the principles of the Code of Practice of the Commissioner for Public Appointments. The NEBMs are now established within CICA and continue to build their knowledge of CICA by attending corporate planning days and taking part in training. They also have the opportunity to spend time with the finance and operational teams.

As members of our Strategy and Performance Board, our NEBMs provided input to policy considerations and reviewed the organisation's performance against key indicators. As members of our Audit and Risk Committee (ARC, see below) they assist the Chief Executive/Accounting Officer by advising on the good and efficient management of the Authority's assets and operations. Each NEBM had a broad range of relevant skills including board level and audit committee experience. Two NEBMs had recent and relevant financial experience and one had the required accountancy qualifications to act as chair of the ARC.

Our NEBMs are Andrew Flanagan, David Page and William Matthews.

Register of interests

No EMB members or NEBM members held any significant interests that conflicted with their responsibilities.

Strategy and Performance Board (SPB)

Along with the Deputy Chief Executive, Heads of Customer and Corporate Support, Legal and Policy, Operational Delivery and NEBMs I attended regular meetings of the SPB. The SPB also included representatives from the ALB Governance Division and the Scottish Government. The SPB met to consider proposed operational policy changes and to receive reports on CICA's performance. Additionally, the SPB provided constructive challenge across CICA's operations to ensure all aspects of strategy and policy delivery were scrutinised for effectiveness and efficiency.

The NEBMs advised on five main areas during the year:

Strategic Clarity – assisted in ensuring all planned activities contributed towards the CICA Vision, and ensured that strategic decisions were based on a collective understanding of policy issues, using their outside perspective to ensure that the CICA was challenged on outcomes.

Commercial Sense – provided advice on large operational projects, ensuring sound financial management and setting our risk appetite to ensure we had controls in place to manage risk.

Talent Management – assisted in ensuring CICA had the capability to plan and deliver to meet current and future needs.

Results Focus – agreed the operational business plan, including strategic aims and objectives and challenged performance against the plan.

Management Information – ensured that clear, consistent, comparable performance information was being used to drive improvements.

As well as commenting on overall performance, the NEBMs participated in detailed discussions on the impact of MoJ strategic review and attended a mock Tribunal based on a case scenario. The use of case studies allowed them to assess, and provide feedback on, the quality and fairness of operational Scheme guidance.

Minutes of the SPB meetings were available electronically within CICA and could be made available to external parties on request. All matters were reported openly. There was nothing that required a confidential addendum to the minute because it was considered commercially or personally sensitive.

A record of attendance is attached as Appendix B.

Executive Management Board Effectiveness

The departure of three EMB members created an opportunity for EMB to review its effectiveness and consider where efficiencies could be achieved without overstressing the capacity of the executive team. Operational Excellence and IT teams were merged to create the Business Transformation team enabling greater collaboration between our change programme, our digital strategy and the impact on infrastructure capability. To support the development of this new team I secured the release of Legal Aid Agency's Head of Digital to undertake the role of Head of Business Transformation on loan for six months.

Strategy and Performance Board Effectiveness

Members of the SPB also reviewed their own effectiveness as part of the annual planning process. To ensure that the views of NEBMs were given appropriate consideration, I held one to one meetings with each NEBM to discuss their contribution and their support needs for the coming year, as well as their overall view on the effectiveness of the Board.

Audit and Risk Committee

The Audit and Risk Committee (ARC) was comprised of CICA's three NEBMs, one of whom acted as chair. Representatives of MoJ Internal Audit and Assurance (IAA), the ALB sponsor team and the National Audit Office are invited to attend each meeting.

The ARC functioned in accordance with the principles set out in the Audit Committee Handbook and the CICA Terms of Reference. The ARC's role is to support the EMB and SPB, and in particular me as the AO, in our responsibilities for issues of risk management, control and governance as well as the integrity of financial statements and annual reports.

The ARC conducted in-depth reviews of four key risks; Delivery of the Change Programme, Business Continuity, Cyber Security and Fraud.

The Audit and Risk Committee provided a report in writing to the EMB and AO after each meeting by means of an approved set of minutes.

Review of effectiveness of the Audit and Risk Committee

No concerns were raised with me and no issues were escalated. Minutes of committee meetings reflected the effectiveness of working arrangements and that the requirements of the chair were met.

Whistleblowing

Our whistleblowing policy is published on our intranet and staff have received communications to raise awareness of the process. We follow the MoJ Whistleblowing processes. We believe these arrangements to be effective and believe they meet the requirements outlined in HM Treasury's Audit and Risk Assurance Committee Handbook under Effective Whistleblowing Practices.

Executive Risk Committee

A revised protocol on risk management was implemented along with a revised risk committee structure of key members of the CICA senior management covering Finance, Operations, Legal, Policy and Corporate Services. There was a bi-monthly meeting of the risk committee. Risk co-ordinators were appointed and a programme of training and coaching delivered.

The risk committee reviewed and maintained the CICA corporate risk register. Each updated risk plan was submitted to the EMB for ratification and confirmation that all key risks had been identified and were being monitored and managed appropriately. In-depth reviews of each corporate risk were carried out with risk owners. The plans were also submitted to the ARC which allowed them to take an overview on how risk was being managed and to offer any advice or challenge to CICA.

Audit programme

The internal audit programme for the year included reviews of:

- Fraud (substantial rating) – no recommendations made. This provided CICA with a level of confidence in the robustness of our procedures to prevent and detect fraudulent activity.
- Management of Staff Equalities (limited rating). This highlighted the need to fully document and communicate our approach to ensuring staff equality in all that we do in CICA. Five recommendations were made and accepted.
- Management of the Change Programme (substantial rating). One minor recommendation was made to reflect good practice in maintenance of records of equality impact assessments.
- Retained Awards (substantial rating). No recommendations were made from this audit.
- Attendance Management (moderate rating). Three recommendations were made focusing on additional information gathering to support trend analysis. These recommendations were accepted.
- ICT Asset Management (moderate rating). Five recommendations were made and accepted and will be taken forward through creation of an ICT asset management policy.
- Following a limited rating on contract management in 2014, a follow up audit was conducted. The report from this follow up concluded that CICA had delivered all recommendations and that Internal Audit were satisfied with the outcomes.

As reported in our Governance Statement for financial year 2014-15, an audit was conducted on Leadership Development and Capability Planning. At the time of submission of the Governance Statement the findings from this audit were not available. The report confirmed a substantial rating for this audit with one minor recommendation made for CICA to carry out a formal evaluation of its senior leadership programme. This has since been completed. A good working relationship has been established with MoJ Internal Audit and Assurance (IAA) and the National Audit Office (NAO). IAA has given an assurance rating of moderate on the adequacy and effectiveness of the system of governance, risk management and internal control.

The Head of Operational Excellence was responsible for co-ordinating the work of CICA's internal audit and quality assurance. These responsibilities were absorbed by the Head of Operational Delivery in January 2016, when the roles were merged.

The overall objectives of CICA's internal audit and assurance plan were to:

- Deliver a programme of annual compliance reviews which align to and support the achievement of CICA's corporate business plan.
- Ensure that quarterly risk assessments are conducted against the MoJ Information Assurance maturity framework with results reported to the MoJ and the EMB.
- Ensure all audit and assurance actions are monitored with the aim of providing accurate progress on outstanding recommendations to the EMB and Audit and Risk Committee.
- Provide other reports including the Security Performance Framework compliance return, Security Risk Management Overview and Occupational Health and Safety/Fire Safety Overview, all of which were submitted to MoJ within the required timescales.

Audit and risk key considerations in 2015-16

The EMB, the SPB and the supporting committees' key areas for attention during the year are summarised below.

During the course of the year, we took steps to ensure the highest level of system availability and reliability, including the need to be protected from cyber-attack. We conducted a further self-assessment against the Government's 10 steps to cyber security to identify any additional measures required. CICA were able to provide a positive response on our resilience due to the additional protection installed on the servers. We were not affected by any cyber-attacks.

In order to connect to the Public Services Network (PSN), CICA must annually prove that their ICT estate is sufficiently secure to ensure the security of the network is not compromised.

CICA submitted their annual application for this accreditation in December 2015 and this was approved in January 2016.

Given the volume of sensitive information we handle, over the course of the year, we have continued to place particular focus on embedding good practice in relation to Information Assurance. We tested compliance with our protocols on Information Security, clear desk, clear screen procedures and handling of passwords. We ensured our Information Asset Owners had access to training. We delivered awareness sessions to all staff on information handling, cyber security, and the eight principles of data protection. We also engaged with the Information Commissioner's Office (ICO) to conduct a consensual audit on our information handling, focusing on information security, subject access requests and freedom of information requests. This audit received a "reasonable assurance" and the executive summary has been published on the ICO website.

Our commitment to settle pre-tariff cases and prioritise the settlement of our oldest cases needed to be balanced with a wider case handling strategy. Therefore, we developed a risk based financial strategy to provide us with a consistent context for our decision making. We provided our staff with written guidance to help them explain to applicants our process for prioritising the settlement of cases. Our success in securing additional funds, combined with effective budget and case management, allowed us to meet most of our operational targets. There was insufficient time to put in place the required trust arrangements for our more aged and complex cases and this resulted in failure to meet our target for cases over two years old.

To support the protection of public funds, we reviewed fraud policies and revised these to align with MoJ, and other good practice, requirements. We held awareness sessions to ensure the effective delivery of our approach to fraud prevention and detection. We engaged with Action Fraud and individual police forces where required to pursue action against those applicants who we believed to have made fraudulent applications for compensation, resulting in seven convictions.

We recognised that the behaviour and conduct of our staff are fundamental to our success. We introduced a new People Engagement Group involving staff from across the organisation, to analyse our staff survey results and develop an engagement strategy for the organisation. On the recommendations of this group we set up a forum for our senior managers to support the consistent delivery of key messages to staff.

The Civil Service Reform Plan includes the Government Digital Strategy to improve the way

the Government makes policy and communicates with people. We have also developed a digital strategy and a road map which includes key milestones against which we can measure progress with our digital transformation programme. We have agreed key principles which underpin our vision, including the need to design process change for digital self-service, which is focused on the user's needs. We continue to explore further options to expand our customer portal, working collaboratively with Legal Aid Agency as part of the Justice Delivery Programme.

Last year CICA issued over 34,000 decisions, of which around 28,500 were settled in year. Of the cases which were finalised, 13,266 claimants received a financial award, with over 90% of these being tariff only. 795 of the cases settled involved complex calculations.

The National Audit Office (NAO) performed sample testing of 37 cases from this small population of complex cases that are vulnerable to mistakes by caseworkers, and identified five settlements that contained an error. This issue has not arisen in past audits, and despite being a proportionately small component of CICA's casework, we take any error in a settlement very seriously. This finding has led to a focused response by management to rectify the issue and implement a mitigating control framework to prevent future occurrences.

The errors were identified in the calculation of financial loss awards. These calculations are inherently complicated due to the rules prescribed in the Schemes. The level of complexity was recognised by Parliament, and in making the 2012 Scheme many of these complexities were removed, so that part of our workload which contains the most complex calculations is diminishing.

Despite the complexity, this issue has only arisen this year which we believe is the consequence of an exceptional level of staff turnover seen in 2015-16, that has resulted in a reduced level of resources stretched across increasing workloads. This situation is now being rectified with a major recruitment exercise underway.

The nature of the 5 errors include:

- A significant overpayment of £69,023 on an award of £356,964 due to an arithmetical error.
- A potential underpayment of £15,118 on an award of £69,976 on a highly unusual case involving two linked claims for dependency, with one application being received before the introduction of the 2012 Scheme and one after.
- Underpayments of £80 on a £395,727 award, £1,463 on a £113,071 award, and an overpayment of £42 on a £445,355 award were also found.

The NAO did not identify any errors in tariff-only injury awards.

Based upon the sample of awards tested by the NAO, CICA undertook further testing of a more extensive sample of cases involving financial loss awards. CICA tested a further 98 complex cases, based on a random sample selected by the NAO, and found 17 errors; 8 overpayments and 9 underpayments. These included three errors over £10,000 and four errors of under £80 on sample of cases with a combined value of over £5 million.

The work to decide awards and calculate the precise amounts payable is undertaken by case worker teams within the CICA. There were quality reviewing arrangements in place in the year under report, including requirements for decisions to be reviewed by a more senior member of staff prior to payment. However, these arrangements were not effective in

identifying the errors found in testing before payments were made. CICA already had plans to improve quality and assurance checks as part of its new operating model.

In light of the audit findings and our own investigations CICA accelerated the implementation of its new case processing and quality control frameworks, including:

- a. A new team with responsibility for quality assurance, continuous improvement and internal assurance. This team is carrying out and supporting regular quality and accuracy checks on applicant eligibility and award decisions. These checks include re-performance of a proportion of decisions with a calculated component, with the proportion checked to be informed by the nature of the payment type and the associated risk, informed by trend analysis reports;
- b. Monthly reports to the Executive Management Board on the findings of the quality and assurance team;
- c. A refocus of our internal audit plan to test the effectiveness of our decision making controls.

The work stream under the quality assurance framework, which is linked to testing the robustness of our decision making, is now fully operational.

The findings of CICA's internal assurance team and the MoJ's internal audit team will be used to inform CICA's training and performance management strategy.

CICA will make good any errors which resulted in an applicant being disadvantaged, and has already begun this process.

As part of our digital transformation we have now expanded online processing to include casework on fatal injury claims and also provide end to end processing on appeal cases. In line with all other government departments, we aim to ensure we operate efficiently. Work has already been completed on reviewing our processes, structure and working practices. Based on the findings, we hope to introduce a new operating model and be in a position to achieve additional efficiencies from 2016-17 onwards.

Remuneration and staff report

Remuneration policy

All permanent members of staff, including those on secondment and fixed term appointments, are currently on assignment to CICA and remain employees of MoJ.

Remuneration policy – senior civil servants (audited)

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. For 2015-16 there were two individuals classified as senior civil servants, Chief Executive and 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 have an effect on any bonus element awarded.

Our Deputy Chief Executive left in January 2016. A successor, Linda Brown, was appointed and joined the organisation in April 2016.

Remuneration policy – non-senior civil servants (audited)

Remuneration packages fall under the schemes operated by the Ministry of Justice 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 also have an effect on any bonus element awarded.

Remuneration report

Service contracts

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

Civil Service Pensions

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

The PCSPS is an unfunded multi-employer defined benefit scheme, but the Ministry of Justice 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).

For 2015-16, employer's contributions of £1.282 million (2015-14, £1.226 million) were payable to the PCSPS at one of four rates in the range 20.0 percent to 24.5 percent (2014-15, 16.7 percent to 24.3 percent) 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 2015-16 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

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 2015-16 and this was also the case for 2014-15

Senior staff disclosures

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, £5,600.00 in fees and claimed £388.97 in expenses during 2015-16. (2014-15 £7,200.00 + £134.20).

Remuneration comparison (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.

The banded remuneration of the highest paid executive in CICA during 2015-16 was £90k - £95k (2014-15, £90k - £95k). This was 4.75 times (2014-15, 4.42 times) the median remuneration of the workforce which was £19,550 (2014-15, £20,905). In 2015-16 and 2014-15 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

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

Benefits in kind

No senior staff received any benefits in kind.

HM Revenue & Customs (HMRC) have confirmed that payments made to our Non-Executive Board Members for travel and subsistence are taxable as employment income and should be regarded as benefit in kind.

The table below shows the expenses paid to Non-Executive Board Members.

Name	Fee (£) 2015-16	Fee (£) 2014-15
David Page	2,000	2,000
Andrew Flanagan	2,000	2,800
William Matthews	1,600	2,400
Total	5,600	7,200

An agreement has been made between The Commissioners of HM Revenue & Customs and Criminal Injuries Compensation Authority in respect of the tax year 2015 to 2016.

The scope of the agreement is that the employer (CICA) shall be accountable to HM Revenue & Customs (HMRC) in respect of Income Tax and Class 1B National Insurance contributions (NICs) on such earnings of employees as are specified below in terms of this agreement.

The earnings specified in this agreement are:

One Home to Office travel & subsistence for part time Office holders.

Senior management travel and subsistence

In 2015-16, the Chief Executive claimed £6,998.64 (2014-15 £6,220) and the Deputy Chief Executive claimed £2,245.58 (2014-15 £2,334.87) 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 2015-16 (2014-15, nil).

Cash Equivalent Transfer Values (CETV)

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) (Amendment) Regulations 2008 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.

The information in the following table is audited.

Table 12: Remunerations and pensions for senior management for 2015-16

Name	Salary £'000	Bonus £'000	Value of pension benefits for single total figure of £'000	Total £'000	Accrued pension at pension age as at 31/03/16 and lump sum related at pension age 31/03/16	Real increase in pension and related lump sum CETV at 31/03/16	CETV at 31/03/15 £'000	CETV at 31/03/15 £'000	Real increase in CETV £'000
					£'000	£'000			
					Pension 50-55 Lump sum	Pension 0-2.5 Lump sum			
C Oatway - Chief Executive	90-95	0	37	125-130	0	0	1,035	927	36
A Finlay - Deputy Chief Executive (Annualised Salary 60-65)	50-55	0	0	50-55	0	0	0	0	0

General notes:

The 2015-16 CETV return reflects the only Senior Civil Servant employed at CICA included within the Pension Scheme. The Deputy Chief Executive A Finlay who took up post on the 23rd March 2015 left CICA in January 2016. A Finlay was not a member of the Civil Service scheme during his employment with CICA.

No Bonus Payments were paid in 2015-16.

Nil return, for all disclosures, in respect of benefits in kind.

Employer contribution to partnership account is nil for all disclosed.

The information in the following table is audited.

Table 13: Remunerations and pensions for senior management for 2014-15.

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 31/03/15 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/15 £'000	CETV at 31/03/14 £'000	Real increase in CETV £'000
C Oatway - Chief Executive	90-95	0	37	125-130	Pension 50-55 Lump sum 0	Pension 0-2.5 Lump sum 0	927	850	33
R Kinloch - Deputy Chief Executive ¹	65-70	0	6	70-75	Pension 30-35 Lump sum 95-100	Pension 0-2.5 Lump sum 0-2.5	741	700	6

¹ R Kinloch retired on the 27th March 2015

General notes:

The 2014-15 CETV return only reflects the Senior Civil Servants employed at CICA.

2013-14 return included the members of the CICA Strategic Board. Senior executives who are not Senior Civil Servants have been excluded from the 2014-15 year table.

No Bonus Payments were paid in 2014-15.

Nil return, for all disclosures, in respect of benefits in kind.

Employer contribution to partnership account is nil for all disclosed.

Staff numbers and related costs (audited)

Staff costs		2015-16	2014-15
	Note	£'000	£'000
Salaries and emoluments		6,413	7,095
Early departure other adjustment		0	-59
Early departure in year costs			21
Provision in year costs	10	0	234
Social security costs		415	475
Pension costs		1,282	1,226
Agency staff		0	18
Overtime payments		18	52
		8,128	9,062

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 £9k (2014-15, £41k) and is included in assets under construction.

There was no expenditure on consultancy in 2015-16.

Staff numbers

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

	2015-16	2014-15
Casework	205	233
Administration	68	67
Agency staff	0	1
	273	301
Scottish Government	0	1
Ministry of Justice	273	299
Agency	0	1
	273	301

The number of full time equivalent persons employed in CICA as at 31 March 2016 was 255 (297 as at 31 March 2015)

Staff composition

As of 31 March 2016 CICA employed 128 male and 143 female staff members. In addition, one female SCS member was employed.

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, as amended by the Superannuation Act 2010 effective 16 December 2010. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages	
<£10,000	0	0	0	0	0	0
£10,000 - £25,000	0	0	0	2	0	2
£25,000 - £50,000	0	0	0	0	0	0
£50,000 - £100,000	0	0	0	0	0	0
£100,000 - £150,000	0	0	0	0	0	0
£150,000 - £200,000	0	0	0	0	0	0
£200,000 - £250,000	0	0	0	0	0	0
Total number of exit packages by type	0	0	0	2	0	2
Total resource cost (£)	0	0	0	20,828	0	20,828

Pension liabilities

CICA have 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 but where individual employers are unable to identify their share of the underlying assets and liabilities of the scheme.

Our staff

Employment policies

CICA is staffed by Ministry of Justice employees and follows all Ministry of Justice HR practices. Staff 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 in improving industrial relations.

Equality and diversity

We value the diversity of our workforce and promote a culture where all staff are treated with fairness and respect. Diversity data is held and collated by the Ministry of Justice and we are taking action to improve the quality of declared workforce diversity data. This will help us ensure we have the best information possible on the diversity profile of our staff and can be confident that this is strong and robust data for ensuring that our policies and processes are applied fairly. We actively encourage and support staff to participate in the Ministry of Justice Coaching Squared and the Civil Service wide Positive Action Pathway programmes.

The Ministry of Justice publish diversity information annually in their MoJ Diversity Data Report.

Employment of disabled persons

The Ministry of Justice 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. This year all staff completed Equality and Diversity awareness training.

Learning and development

During the 2015-16 financial year, we continued to promote learning opportunities and encouraged all staff to undertake, as a minimum, 5 days learning. The 2015 Civil Service People Survey showed a positive result in terms of our staff getting access to the right learning and development opportunities. We continue to develop our staff by delivering training on our compensation scheme, providing opportunities for job shadowing, delivering a programme of “back to the floor” for senior managers and supporting activities during Learning at Work Week.

Health and safety

We have a local policy on health and safety and work in partnership with staff and union representatives. To ensure that our staff are able to work in a safe environment, we have an internal Health and Safety Committee, and a qualified Health and Safety Manager and Deputy, who keep staff informed of developments, carry out regular risk assessments and implement improvements.

Social and community issues

We remain committed to supporting our local community and wider society. Staff are encouraged to volunteer for community projects and to help raise funds for local and nationwide charitable organisations. This year our staff have engaged in a number of volunteering projects, including working with a local community group to build a communal garden, working to support local homeless and disadvantaged groups and helping to produce aid parcels for delivery to disadvantaged children overseas. Our staff have also raised funds for a nationwide children’s charity.

Sickness absence

During 2015-16, the average number of working days lost to sickness for staff in CICA was 8.3 days. Of this, 5.2 days (63 percent) were due to long term sickness and 3.1 days (37 percent) were due to short-term sickness. Like all departments, we benchmark against the civil service average figure, which at 31 March 2016 was 7.4 days. We aim to reduce our average working days lost, to bring this in line with the civil service average.

This year we implemented a new Attendance Management Policy and we delivered awareness sessions to all staff which has assisted in embedding a culture of good attendance and ensuring compliance with new processes.

Personal data related incidents

There were no reportable data security incidents this year.

Parliamentary accountability and audit report

Fees

The Comptroller and Auditor General is the external auditor of CICA, and is appointed under statute, reporting to Parliament and to the Scottish Parliament. The notional fee for the statutory audit in 2015-16 is £70,000 (2014-15, £70,000). No additional audit fees or remuneration for non-audit work were recognised in 2015-16, as was also the case in 2014-15.

Regularity of expenditure

Write-offs and bad debts up to £20,000, abandoned claims up to £10,000 and ex-gratia payments up to £500 are authorised by the Accounting Officer. Amounts greater than these specified thresholds are referred to and authorised by CICA's sponsor, the Ministry of Justice. Cases are related to compensation paid, to applicants, for lost documents, payments made to applicants as a direct result of third-party interception/fraud and for bad debts written-off. Bad debts written-off totalled £11,000 (2014-15 £10,900) and losses and special payments totalled £10,582 (2014-15 £7,536). No individual or cumulative events breached the disclosure level of £300,000.

Remote contingent liabilities

On occasion compensation cases at appeal stage, under the jurisdiction of the First Tier Tribunal – Criminal Injuries Compensation, may go to judicial review. These could have an impact on the 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.

Carole Oatway

Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority

18 July 2016

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

I certify that I have audited the financial statements of the Criminal Injuries Compensation Authority for the year ended 31 March 2016 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. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in those reports and disclosures as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Criminal Injuries Compensation Act 1995. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Criminal Injuries Compensation Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Criminal Injuries Compensation Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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.

Opinion on regularity

In my opinion, in all material respects 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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Criminal Injuries Compensation Authority's affairs as at 31 March 2016 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Criminal Injuries Compensation Act 1995 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or 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 Remuneration and Staff Report and the Parliamentary Accountability disclosures 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.

Observations on matters arising from my audit of the accounts of the Criminal Injuries Compensation Authority are set out in my report on pages 43 to 44.

Sir Amyas C E Morse

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

18 July 2016

Report of the Comptroller and Auditor General on the Criminal Injuries Compensation Authority accounts for the year ended 31 March 2016

Introduction

1. The Criminal Injuries Compensation Authority (CICA) is an Executive Agency of the Ministry of Justice (the Ministry).
2. The CICA's role is to make payments to victims of violent crime in accordance with the statutory Criminal Injuries Compensation Scheme (the Scheme), issued under section 11(1) of the Criminal Injuries Compensation Act 1995 (the Act).
3. The Scheme sets out the basis on which payments are determined, dependent upon the nature of the injury and the victim's circumstances. Paragraph 1 of the Scheme, as last updated in 2012, states that the Scheme "is made by the Secretary of State under the Criminal Injuries Compensation Act 1995 having been approved by each House of Parliament."
4. This report draws to the attention of Parliament concerns arising from my audit of the CICA's financial statements for the year ended 31 March 2016.

The framework of authorities over compensation payments

5. The Act requires that the amount of compensation payable under an award by the CICA shall be determined in accordance with the provisions of the relevant Scheme. It allows for four categories of compensation:
 - a. a standard amount of compensation, determined by reference to the nature of the injury;
 - b. additional amounts for loss of earnings;
 - c. additional amounts for special expenses;
 - d. additional amounts for fatal injuries.
6. For the purpose of this report, I use the collective term "financial loss awards" to cover payments for loss of earnings, special expenses and fatal injuries.
7. I have had regard to the fact that the Scheme is expressly approved by Parliament and I consider that its detailed provisions represent Parliament's intentions as to how compensation awards should be made. Therefore, if the amounts awarded do not conform to this authority, they are irregular.

The findings of my audit

8. I tested a sample of compensation payments in the year under report to evaluate whether the amount awarded had been determined correctly in accordance with the relevant Scheme rules.
9. My testing of 37 cases identified 2 overpayments and 3 underpayments in financial loss awards. I did not identify any errors in the standard amounts awarded for the type of injury. Further details of this can be seen on page 29 of the Governance Statement.
10. Based upon the sample of awards that I tested and the overpayments and underpayments identified, I was concerned about the possible level of irregular payments across the broader population of compensation payments.
11. Following the completion of my sample testing, the CICA undertook its own testing of a more extensive sample of 98 cases involving financial loss awards. This testing identified 17 errors. Whilst a similar rate of errors were identified, many of them were small in value. I have reviewed the

work carried out by CICA and re-performed an element of their work. I am satisfied that CICA's work can be relied upon. When taken together with my own work, I am satisfied that the level of irregular payments across the broader population was not material. I have therefore not qualified my audit opinion on the regularity of payments made under the Scheme. I am concerned, however, at the nature of the errors identified both by my testing and by CICA's additional work. The remainder of this report explains the nature of the errors found, the impact upon victims of crime, and the steps that CICA intend to take in response to these findings.

Analysis of errors found

12. The principal contributing factor to the risk of error, in my view, is the complexity of the calculations involved in financial loss awards. This complexity is inherent in applying the rules prescribed in the Scheme. I found examples of arithmetic miscalculation as well as use of incorrect input data.
13. The quality reviewing arrangements in place in the year under report were not effective in identifying the errors found in testing before payments were made.
14. A number of the errors in the cases sample tested had significant impacts on the amount of individual awards. The Governance Statement sets out the number and range of these over and under payments on page 30. In particular, there were 5 cases where individuals who suffered as a result of a violent crime have been over or underpaid by more than £10,000. There were a further 10 cases where individuals have been over or underpaid by more than £1,000.
15. The CICA has set out in the Governance Statement on pages 28 to 30 its own assessment of the causes of error, their impact and its planned responses.

Actions taken by the CICA

Changes to internal processes

16. The CICA had already reviewed its case processing and quality control frameworks, and accelerated their implementation informed by the findings of my audit and its own investigations.
17. It has established a new central team with responsibility for quality assurance, continuous improvement and internal assurance. This team will carry out and support regular quality and accuracy checks on applicant eligibility and award decisions. These checks will include re-performance of a proportion of decisions with a calculated component, with the proportion checked to be informed by the nature of the payment type and the associated risk, informed by trend analysis reports.
18. CICA has confirmed that the work stream, under the quality assurance framework, which is linked to testing the robustness of its decision making is now fully operational, and that all other workstreams will be fully implemented by December 2016.

Retrospective consideration of past awards

19. As at the date of my Report, the CICA are intending to correct decisions where individual awards have been found to be underpaid.

Sir Amyas C E Morse

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
18 July 2016

Financial statements

Statement of Financial Position as at 31 March 2016

		31 March 2016		31 March 2015	
	Note	£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	5	1,322		1,621	
Intangible assets	5	1,751		1,928	
Assets under construction	5	99		300	
Total non-current assets			3,172	3,849	
Current assets					
Trade and other receivables	6	10,491		712	
Cash and cash equivalents	7	41,287		45,149	
Total current assets			51,778	45,861	
Total assets			54,950	49,710	
Current liabilities					
Trade and other payables	8		(55,177)	(52,560)	
Total Assets less current liabilities			(227)	(2,850)	
Non-current liabilities					
Provisions	10	(291,129)		(264,247)	
Other payables	9	(40,087)		(51,211)	
Total non-current liabilities			(331,216)	(315,458)	
Total assets less total liabilities			(331,443)	(318,308)	
Taxpayers' Equity and other reserves					
General reserve			(331,443)	(318,308)	
Total Equity			(331,443)	(318,308)	

The notes on pages 50 to 69 form part of these accounts.

The Accounting Officer authorised these financial statements for issue on 14 July 2016.

Carole Oatway

Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority

18 July 2016

Statement of Comprehensive Net Expenditure for the year ended 31 March 2016

	Note	2015-16		2014-15	
		£'000	£'000	£'000	£'000
Staff costs	3	8,128		9,062	
Purchase of goods and services	4	4,848		7,269	
Depreciation and impairment charges	5	1,163		1,238	
Provision expense	10	178,116		164,909	
Total Expenditure			192,255		182,478
Income	2	(10,772)		(4,042)	
Income repaid to Consolidated Fund		836		4,042	
			(9,936)		0
Net Operating Expenditure			182,319		182,478
Finance Expense (Unwinding of discount) Programme	10		1,806		1,827
Finance Expense (Unwinding of discount) Administration	10		0		1
Net Expenditure for the year			184,125		184,306

There was no other comprehensive expenditure incurred during the year.

The notes on pages 50 to 69 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2016

		2015-16		2014-15	
	Note	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net Operating cost	11	(184,125)		(184,306)	
Adjustments for non-cash transactions	11	354		12671	
(Increase)/Decrease in trade and other receivables	11	(9,806)		375	
(Increase)/Decrease in trade and other payables	11	(8,507)		(7,936)	
Use of Provisions	11	26,882		(10,541)	
Net cash outflow from operating activities			(175,202)	(189,737)	
Other non-operating income					
Income	3	10,772		4,042	
Income repaid to Consolidated Fund		(836)		(4,042)	
			9,936		0
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(70)		(179)	
Purchase of intangible assets	5	(157)		(47)	
Purchase of Assets under construction	5	(259)		(1,493)	
Net cash outflow from investing activities			(486)		(1,719)
Net cash outflow			(165,752)	(191,456)	
Cash flows from financing activities					
Grant from sponsor department	10		161,890		174,258
Net (decrease) in cash and cash equivalents in the period	6		(3,862)		(17,198)
Cash and cash equivalents at the beginning of the period			45,149		62,347
Cash and cash equivalents at the end of the period	6		41,287		45,149

The notes on pages 50 to 69 form part of these accounts.

Statement of Changes in Taxpayers Equity for the year ended 31 March 2016

		General Reserve	Total Reserves
	Note	£'000	£'000
Balance at 1 April 2014		(319,307)	(319,307)
Net Parliamentary funding		174,258	174,258
Intra-departmental balances settled with MoJ		10,805	10,805
Auditors Remuneration		70	70
Notional recharge from the MoJ		172	172
Net expenditure		(184,306)	(184,306)
Balance at 31 March 2015		(318,308)	(318,378)
Balance at 1 April 2015		(318,308)	(318,308)
Net Parliamentary funding		161,890	161,890
Intra-departmental balances settled with MoJ		8,866	8,866
Notional recharge from the MoJ	4	164	164
Auditors Remuneration	4	70	70
Net expenditure		(184,125)	(184,125)
Balance at 31 March 2016		(331,443)	(331,443)

The notes on pages 50 to 69 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 2015-16 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 FReM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of CICA for the purpose of giving a true and fair view has been selected. CICA's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention as modified to account for, where applicable, the revaluation of non-current assets.

The Financial Statements, together with the Notes on pages 50 to 69, 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 2016, CICA's Statement of Financial Position records net liabilities of £331 million (31st March 2015, £318 million). This reflects the inclusion of liabilities falling due in future years which may only be met by future funding from both the Ministry of Justice 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 2016-2017, 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.

1.2 Funding

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

1.3 Non-Current Assets

Intangibles

Purchased Intangibles are split between information technology and software licences and are capitalised where expenditure of £500 or more is incurred. Both set 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 International Accounting Standard (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. 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 2015-16, 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 five years. This change now reflects the natural working life of these assets, following our move to a reduced floor space at ABH in September 2014.

1.5 Income

All recoveries from assailants through civil actions and the criminal courts are non-retainable. They are paid into the consolidated fund, on receipt, via the Ministry of Justice and the Scottish Government. However, income is recognised, when the debt is created. This can give rise to short-term timing differences being recognised in the Statement of Comprehensive Net Expenditure. The majority of the CICA's income is received via the courts and therefore the collection-rate is predominantly outwith the control of CICA. The collection rate is currently 17 percent of all monies due. Therefore CICA creates bad debt provisions to reflect the uncertainty of future collection.

Other income is composed of compensation repaid by applicants, subject access requests fees and bank interest. Compensation repayments and bank interest are paid to consolidated fund, on receipt, and other miscellaneous income is retained by CICA.

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 PCSPS arrangements. All staff working for CICA were covered under the arrangements and therefore no disclosure for long-term pension liabilities is charged to these accounts.

The same standard additionally 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 Alexander Bain House has been determined as operating in nature and therefore charged to Statement of Comprehensive Net Expenditure as incurred.

1.8 Provisions

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 Scheme

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

Tariff Scheme

The tariff scheme provision is made up of two components. Primarily, CICA recognises liabilities that are based upon an evaluation of total applications that are currently known to CICA. The additional element relates to those events, occurring on or before reporting period end, that CICA deems probable and, based upon historical evidence, provides for an estimation of the future liability. This provision has been discounted by using the prevailing nominal Treasury Discount Rates, highlighted at note 10. 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.

Victims of Overseas Terrorism Scheme (VOTS)

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 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 discounted at the Treasury rate of 1.30 percent in real terms. 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.

1.9 Recognition of Compensation Accrual

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

1.10 Value Added Tax

With effect from 01 April 2014 CICA was reclassified as an Agency of the 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. On confirmation of the legal position of each case, final payment, including accrued interest, is made as directed.

1.12 Third Party Assets

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

The retention of compensation awards to minors is provided for under Scheme arrangements. The purpose of this action is 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 are made on an 'as needs' basis against an agreed framework.

CICA acts as agent on behalf of the MoJ to undertake special payment Schemes and therefore holds, but does not own, the funding to meet obligations. CICA is reimbursed for the costs associated with set-up and administration (see note 6) of any Scheme undertaken.

The balances held on behalf of both of the above parties are disclosed in note 13.

1.13 Segmental Reporting

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

The split in programme expenditure, between Tariff and Pre-Tariff is disclosed on the face of the Statement of Comprehensive Net Expenditure. The relevant geographical analysis for both schemes is disclosed in note 10.

1.14 Impending application of newly issued Accounting Standards not yet effective

There is no anticipated material impact to CICA in respect of International Financial Reporting Standards (IFRSs) that have been issued by the International Accounting Standards Board but are not yet effective at the end of the reporting period.

NOTE 2 OPERATING INCOME

	2015-16	2014-15
	£'000	£'000
Civil actions - non-retainable	641	746
Court compensation orders - non-retainable	93	160
Compensation re-paid - non-retainable	0	3,121
Income from MOJ including Victim Surcharge	10,000	0
Other administrative income	38	15
	10,772	4,042

Compensation repaid mainly relates to reversionary trusts that have crystallised in-year. In 2015-16 a single one off receipt of £10m was received from MOJ.

NOTE 3 STAFF COSTS

Staff costs		2015-16	2014-15
	Note	£'000	£'000
Salaries and emoluments		6,413	7,095
Other		0	0
Early departure other adjustment		0	-59
Early departure in year costs			21
Provision in year costs	10	0	234
Social security costs		415	475
Pension costs		1,282	1,226
Agency staff		0	18
Overtime payments		18	52
		8,128	9,062

Full staff details are included within the accountability report.

NOTE 4 OTHER EXPENDITURE

		2015-16	2014-15
	Note	£'000	£'000
Programme expenditure - casehandling costs		1,706	1,945
Information technology and telecommunications		1,288	1,411
Other accommodation costs		471	922
Rentals under operating leases		505	803
Dilapidations		0	711
Miscellaneous fees		55	441
Postage		127	130
Travel and subsistence		100	125
Storage and handling		65	66
Stationery		32	40
Training, recruitment and staff welfare		46	29
Internal audit fees		25	19
Losses and special payments paid		11	7
Asset disposal costs		4	5
Furniture and fittings		55	3
Information and publications		1	1
Losses and special payments written-back		0	(14)
Non Cash Items:			
Loss on disposal of Non-Current Assets - PPE	5	0	244
Dilapidations on Lease arising		115	0
Corporate recharge		164	172
Notional External Audit Fees		70	70
Loss on disposal of Non-Current Assets - IA	5	0	18
Bad debts revenue adjustment	6	8	121
		4,848	7,269

See Financial Overview for additional details.

NOTE 5 NON-CURRENT ASSETS

Property, Plant and Equipment	Fixtures & Fittings	Leasehold Improvements - Alexander Bain House	Computer Equipment	Office Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2015	293	973	1,045	68	2,379
Additions	2	0	54	14	70
Disposals	(3)	0	0	0	(3)
Transfers	0	0	0	0	0
At 31 March 2016	292	973	1,099	82	2,446
Depreciation					
At 1 April 2015	(197)	(58)	(453)	(50)	(758)
Charged in year	(90)	(99)	(168)	(12)	(369)
Disposals	3	0	0	0	3
Transfers	0	0	0	0	0
At 31 March 2016	(284)	(157)	(621)	(62)	(1,124)
Net book value at 31 March 2016	8	816	478	20	1,322
Net book value at 31 March 2015	96	915	592	18	1,621

Intangible Assets	Information Technology	Software Licences	Total
	£'000	£'000	£'000
Cost			
At 1 April 2015	3,097	206	3,303
Additions	66	91	157
Disposals	0	0	0
Transfers	459	1	460
At 31 March 2016	3,622	298	3,920
Amortisation			
At 1 April 2015	(1,289)	(86)	(1,375)
Charged in year	(733)	(61)	(794)
Disposals	0	0	0
At 31 March 2016	(2,022)	(147)	(2,169)
Net book value at 31 March 2016	1,600	151	1,751
Net book value at 31 March 2015	1,808	120	1,928

Assets under Construction	Intangibles	Tangibles	Other	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2015	228	72	0	300
Additions	259	0	0	259
Transfers	(460)	0	0	(460)
At 31 March 2016	27	72	0	99

All non-current assets are owned by the CICA.

No non-current assets have been subject to revaluation in current period.

Property, Plant and Equipment	Fixtures & Fittings	Leasehold Improvements - Tay House	Leasehold Improvements - Alexander Bain House	Computer Equipment	Office Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2014	678	3,612	0	1,876	644	6,810
Additions	0	5	0	170	4	179
Disposals	(413)	(3,612)	0	(1,434)	(557)	(6,016)
Transfers	23	0	973	433	(23)	1,406
At 31 March 2015	288	5	973	1,045	68	2,379
Depreciation						
At 1 April 2014	(411)	(3,298)	0	(1,733)	(481)	(5,923)
Charged in year	(54)	(314)	(58)	(154)	(27)	(607)
Disposals	281	3,612	0	1,434	445	5,772
Transfers	(13)	0	0	0	13	0
At 31 March 2015	(197)	0	(58)	(453)	(50)	(758)
Net book value at 31 March 2015						
	91	5 915	592	18	1,621	
Net book value at 31 March 2014						
	267	314	0	143	163	887

Intangible Assets	Information Technology	Software Licences	Total
	£'000	£'000	£'000
Cost			
At 1 April 2014	3,153	465	3,618
Additions	18	29	47
Disposals	(566)	(302)	(868)
Transfers	492	14	506
At 31 March 2015	3,097	206	3,303
Amortisation			
At 1 April 2014	(1,256)	(338)	(1,594)
Charged in year	(583)	(48)	(631)
Disposals	550	300	850
At 31 March 2015	(1,289)	(86)	(1,375)
Net book value at 31 March 2015	1,808	120	1,928
Net book value at 31 March 2014	1,897	127	2,024

Assets under Construction	Intangibles	Tangibles	Other	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2014	303	347	69	719
Additions	433	157	903	1,493
Transfers	(508)	(432)	(972)	(1,912)
Re classification	0	0	0	0
At 31 March 2015	228	72	0	300

All non-current assets are owned by CICA.

No non-current assets have been subject to revaluation in current period.

NOTE 6 TRADE AND OTHER RECEIVABLES

	31 March 2016	31 March 2015
	£'000	£'000
Trade receivables	0	95
Court compensation	787	826
Civil claims	110	117
Other receivables (includes £10m from MoJ)	10,076	33
VAT Receivable	28	77
Prepayments	282	329
	11,283	1,477
Provision for bad debts	(792)	(765)
	10,491	712

Movement of £27k in Bad Debt includes £35k provision no longer required offset by £8k debt revenue adjustment as stated in note 4.

NOTE 7 CASH AND CASH EQUIVALENTS

		2015-16	2014-15
	Note	£'000	£'000
Opening balance at Government Banking Service Accounts		(6,067)	12,854
(Decrease)/increase in cash		7,250	(18,921)
Closing balance at Government Banking Service Accounts		1,183	(6,067)
Opening balance all other bank accounts and cash		5	11
(Decrease) in cash		12	(6)
Closing balance at all other bank accounts and cash		17	5
Opening balance of awards held on deposit in holding accounts	9	51,211	49,482
Increase/(decrease) in cash	9	(11,124)	1,729
Closing balance of awards held on deposit in holding accounts	9	40,087	51,211
Total balance of cash and cash equivalents		41,287	45,149
Total (decrease) in cash and cash equivalents		(3,862)	(17,198)

NOTE 8 TRADE AND OTHER PAYABLES

	31 March 2016	31 March 2015
	£'000	£'000
Trade payables	165	197
Consolidated Fund payables	456	0
Other payables	2,017	2,243
Accruals - pre-tariff scheme	1	1
Accruals - tariff scheme	49,656	46,466
Other accruals	2,882	3,653
	55,177	52,560

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	2015-16		2014-15	
		£'000	£'000	£'000	£'000
Opening balance	57	51,211	54	49,482	
In-year deposits	13	7,953	51	32,548	
Interest received in-year		136		227	
		8,089		32,775	
Closures	(23)	17,438	(48)	29,102	
Withdrawal prior to closure		1,775		1,944	
		(19,213)		(31,046)	
Closing balance	47	40,087	57	51,211	

NOTE 10 PROVISIONS

Provision - Programme 2015-16	Pre-tariff Scheme	Tariff Scheme	VOTS	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2015	5,588	257,936	75	263,599
Arising during the year	2,938	173,766	1,229	177,933
Reversed unutilised during the year	(174)	0	(28)	(202)
Utilised during the year	(3,807)	(148,379)	(549)	(152,735)
Charge for year (unwinding)	0	1,806	0	1,806
Balance at 31 March 2016	4,545	285,129	727	290,401

Provision - Programme 2014-15	Pre-tariff Scheme	Tariff Scheme	VOTS	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2014	12,356	261,111	11	273,478
Arising during the year	6,031	169,874	75	175,980
Reversed unutilised during the year	(1,132)	(10,713)	0	(11,845)
Utilised during the year	(11,667)	(164,163)	(11)	(175,841)
Charge for year (unwinding)	0	1,827	0	1,827
Balance at 31 March 2015	5,588	257,936	75	263,599

Breakdown of total Compensation settled	2015-16				2014-15			
	Pre-tariff	Tariff	VOTS	Totals	Pre-tariff	Tariff	VOTS	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Utilising provisions recognised	3,807	148,379	549	152,735	11,667	164,163	11	175,841
Claims settled in the Financial Year, not provided for	0	385	0	385	0	774	0	774
	3,807	148,764	549	153,120	11,667	164,937	11	176,615

Geographical split for total compensation settled

	Pre-tariff	Tariff	VOTS	Totals	Pre-tariff	Tariff	VOTS	Totals
	2015-16				2014-15			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Awards relating to victims of crimes of violence occurring in:								
England and Wales				134,083				161,239
Scotland				18,488				15,365
Awards relating to victims of overseas terrorism				549				11
				153,120				176,615

Statement Of Comprehensive Net Expenditure (SOCNE) balances

	Pre-tariff	Tariff	VOTS	Totals	Pre-tariff	Tariff	VOTS	Totals
	2015-16				2014-15			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
New liabilities recognised in period and provided for	2,938	173,766	1,229	177,933	6,031	169,874	75	175,980
Claims relating to and settled in the Financial Year, not provided for	0	385	0	385	0	774	0	774
Provision no longer required	0	0	(28)	(28)	0	(10,713)	0	(10,713)
Provisions reversed unutilised as a result of case settlements being lower than provision	(174)	0	0	(174)	(1,132)	0	0	(1,132)
	2,764	174,151	1,201	178,116	4,899	159,935	75	164,909

Pre-tariff Scheme

The pre-tariff scheme provision 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 the 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 grant-in-aid in year of settlement.

The pre-tariff scheme provision 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 1.9). 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 Scheme

The tariff scheme provision, reflecting CICA's liabilities under the 1996, 2001, 2008 and 2012 Schemes, is made up of two components. Primarily, CICA recognises liabilities that are based upon an evaluation of total applications that are currently known (discounted value £245.023m). The additional element relates to those events, occurring on or before reporting period end, that CICA deems probable and, based upon historical evidence, provides for an estimation of the future liability (discounted value £40.106m).

Due to the fixed nature of the tariff scheme the liability has been discounted at the prevailing Treasury Discount Rates (see below table) in order to recognise the time value of money. This discount will be unwound over the remaining life of the provision and be shown as a finance charge on the face of the Statement of Comprehensive Net Expenditure.

CICA does not hold any assets in respect of these liabilities; compensation will be paid from grant-in-aid in year of settlement.

Treasury Discount Rates utilised:

Years 1-5	0.70%
Years 6-10	1.60%
Years 11+	2.70%

Analysis of expected timing of discounted cash flows:

	£'000
Not later than one year	113,984
Later than one year and not later than five years	164,659
Later than five years	6,486
	285,129

Sensitivity for Tariff Scheme

In accordance with IAS 37 the following areas of uncertainty are noted in relation to the Tariff provision. The valuation is based upon a financial analysis of the historical settlement averages and the assessed tariff banding attributed to cases in-progress.

The following are key assumptions that affect valuation and are variables that reflect CICA's recent operational experience in processing Tariff applications:-

- a. The apportionment of cases received, but as yet unallocated to Tariff bands, 78.9 percent of all such cases relate to 15-16 and will be assessed in due course.
- b. The likelihood of known cases, received in current year, that will resolve at nil value based on historical averages. This estimation is only carried out for the lower tariff bands, as this is where nil value cases are likely to be expected.
- c. For those cases that are not yet reported the value and timing of applications likely to be received is based on prevailing demand and historical trends. This has been reduced from prior year estimates as the impact of lower demand following the introduction of the 2012 Tariff Scheme filters through to late reported cases.

Victims of Overseas Terrorism Scheme (VOTS)

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. This provision has not been discounted as it is not material.

Provision - Administration 2015-16	Lease Dilapidation	Staff Departures	Total
	£'000	£'000	£'000
Balance at 1 April 2015	0	648	648
Arising during the year	115	0	115
Reversed unutilised during the year	0	0	0
Utilised during the year	0	(35)	(35)
Charge for year (unwinding)	0	0	0
Balance at 31 March 2016	115	613	728

Provision - Administration 2014-15	Lease Dilapidation	Staff Departures	Total
	£'000	£'000	£'000
Balance at 1 April 2014	689	621	1,310
Arising during the year	0	237	237
Reversed unutilised during the year	0	(3)	(3)
Utilised during the year	(689)	(208)	(897)
Charge for year (unwinding)	0	1	1
Balance at 31 March 2015	0	648	648

Lease dilapidations

The balance as at 31 March 2014 reflected the likely liability of CICA payable on exit of Tay House, Glasgow. The assessment was based upon advice provided by both Home Office Estates Department and Landlord. This was utilised in full at March 15 via transfer to current liabilities: settlement is still outstanding. The 2015-16 provision is for Alexander Bain House, Glasgow. This was based on a professional estimate on the possible cost to CICA if departure from Alexander Bain House occurred at the end of our lease in July 2024.

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.

NOTE 11 FUNDING

HMG Funding received:	2015-16	2014-15
	£'000	£'000
Compensation payments	149,815	163,843
Operating costs and casehandling costs	11,588	8,822
	161,403	172,665
Capital expenditure	487	1,593
	161,890	174,258

The above includes a contribution from the Scottish Government, utilised as follows:

	2015-16	2014-15
	£'000	£'000
Programme - Tariff Compensation	15,830	15,365
Programme - Casehandling	215	262
Operating costs and capital expenditure	1,245	1,631
	17,290	17,258

NOTE 12 RECONCILIATION OF NET EXPENDITURE TO THE NET CASH OUTFLOW FROM OPERATING ACTIVITIES

		2015-16	2014-15
	Note	£'000	£'000
Net Expenditure after finance charge		(184,125)	(184,306)
Depreciation	5	369	607
Amortisation	5	794	631
Notional recharge from the MoJ	4	234	242
Intra-departmental balances settled with MoJ		8,866	10,805
Loss on Disposal of Non-Current Assets	5	0	262
Increase in provision for doubtful debts	6	27	124
Decrease/(increase) in receivables	6	(9,806)	375
(Decrease)/increase in payables	8	2,617	(9,665)
Increase/(decrease) in awards held on deposit holding accounts	9	(11,124)	1,729
Net movement in pre-tariff scheme provision	10	(1,043)	(6,768)
Net movement in tariff scheme provision	10	27,193	(3,175)
Net movement in VOTS provision	10	652	64
Net movement in dilapidations	10	115	(689)
Net movement in early release provision	10	(35)	27
Net movement in income	2	(9,936)	0
Rounding adjustment		0	0
Net cash outflow from operating activities		(175,202)	(189,737)

NOTE 13 COMMITMENTS UNDER LEASES

Operating Leases - buildings

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

	2015-16	2014-15
	£'000	£'000
Obligations under operating leases comprise:		
Not later than one year	271	0
Later than one year and not later than five years	2,170	1,899
Later than five years	1,764	2,306
	4,205	4,205

In September 2014 CICA relocated from Tay House to Alexander Bain House (ABH). Both properties are in Glasgow city centre. The lease agreement at ABH is for 10 years, including a 2.25 year rent-free period which is reflected in the above profile.

NOTE 14 CAPITAL COMMITMENTS

At 31 March 2016 CICA had contracted capital commitments of £191k relating to Information Technology associated with on-going Change Programme, and £19k relating to Office and Computer Equipment.

NOTE 15 RELATED PARTY TRANSACTIONS

The Ministry of Justice and the Scottish Government are related parties in respect of providing resources and staff on assignment to the CICA. In the current financial year, the CICA had various dealings with other government departments and entities.

NOTE 16 THIRD PARTY ASSETS

Amounts held as Retained Awards	2015-16			2014-15		
	Number of accounts	£'000	£'000	Number of accounts	£'000	£'000
Balance at 1 April	7,046		69,549	7,566		64,571
Open Accounts						
Deposits	1,243	13,825		1,302	17,601	
Additional deposits to existing accounts		610			1,454	
Interest received		610			846	
Withdrawals		(1,735)			(1,545)	
			13,310			18,356
Closures	(1,625)		(15,958)	(1,822)		(13,378)
Balance at 31 March 2016	6,664		66,901	7,046		69,549
Amounts held on behalf of the MoJ						
			2015-16			2014-15
Net balance at 31 March			0			0
Total third-party assets			66,901			69,549

NOTE 17 CONTINGENT LIABILITIES

CICA Pre-tariff: MoJ is currently defending a claim for the use of the discount rate set by the Lord Chancellor in the future loss calculations for the CICA pre tariff scheme. The case was judicially reviewed at the Administrative Court and the claim was rejected, with a subsequent application for permission to appeal with the Court of Appeal also refused. The applicant lodged another appeal for a permission hearing which was considered on the 10th of May 2016 and this was successful. The case will now go forward for a further hearing at a date yet to be agreed. The estimated exposure upon any change to the discount rate against the current percentage is dependent on the outcome of a number of cases but has been estimated to be between £51m and £91m.

CICA Tariff: The Court of Appeal rejected an appeal by an applicant against the decision of the Upper Tribunal in a Tariff case concerning Foetal Alcohol Spectrum Disorder. The applicant's representatives requested permission to appeal from the Supreme Court which was refused. The representatives have selected another test-case to be put before the First-tier Tribunal and this was won by the CICA. The case is now pending the next stage of the legal process. There are 87 known cases. Any liability is uncertain but has been estimated between £26m and £43.5m.

NOTE 18 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

Under international reporting there are various standards that encompass Financial Instruments (IFRS 7, IAS 32 and IAS 39). The standards cover disclosure, presentation and recognition/measurement. As a collective these standards enable an assessment to be made of the way in which all financial instruments have, during the period, created or changed the risks an entity faces in undertaking its business activities/achieving its outputs. Because of the non-trading nature of its activities and the way in which Government bodies and 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 8) 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 and are disclosed by note. The movement in retained funds is detailed in note 15. 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 2015-16 was .87 percent (2014-15, 1.19 percent).

NOTE 19 EVENTS AFTER THE REPORTING PERIOD

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

The result of the referendum held on 23 June was in favour of the UK leaving the European Union. This is a non-adjusting event. A reasonable estimate of the financial effect of this event cannot be made.

Accounts Direction Statement

Accounts direction given by the Secretary of State for Justice, with the approval of HM Treasury, in accordance with the Criminal Injuries Compensation Schemes 1990, 1996, 2001, 2008 and 2012.

The annual accounts shall give a true and fair view of the income and the expenditure and cash flows for the financial year, and the state of affairs as at the year end. Subject to this requirement the Criminal Injuries Compensation Authority shall prepare accounts for the year ended 31 March 2016 and subsequent years in accordance with:

- HM Treasury's Agency Annual Reports and Accounts Guidance ('Agency pink: illustrative accounts');
- other guidance which HM Treasury may issue from time to time in respect of accounts which are required to give a fair and true view; and
- any other specific disclosures required by the Secretary of State;

except where agreed otherwise with HM Treasury, in which case the exception shall be described in the notes to the accounts.

CICA shall provide the ALB Governance Division and MoJ Corporate Finance with its finalised (audited) accounts in line with the timetable set out in MoJ Finance and Commercial Instructions (FCI) on the production of Consolidated Departmental Accounts and submit a draft report to the ALB Governance Division at least two weeks before the proposed publication date.

Signed by the authority of the Secretary of State for Justice.

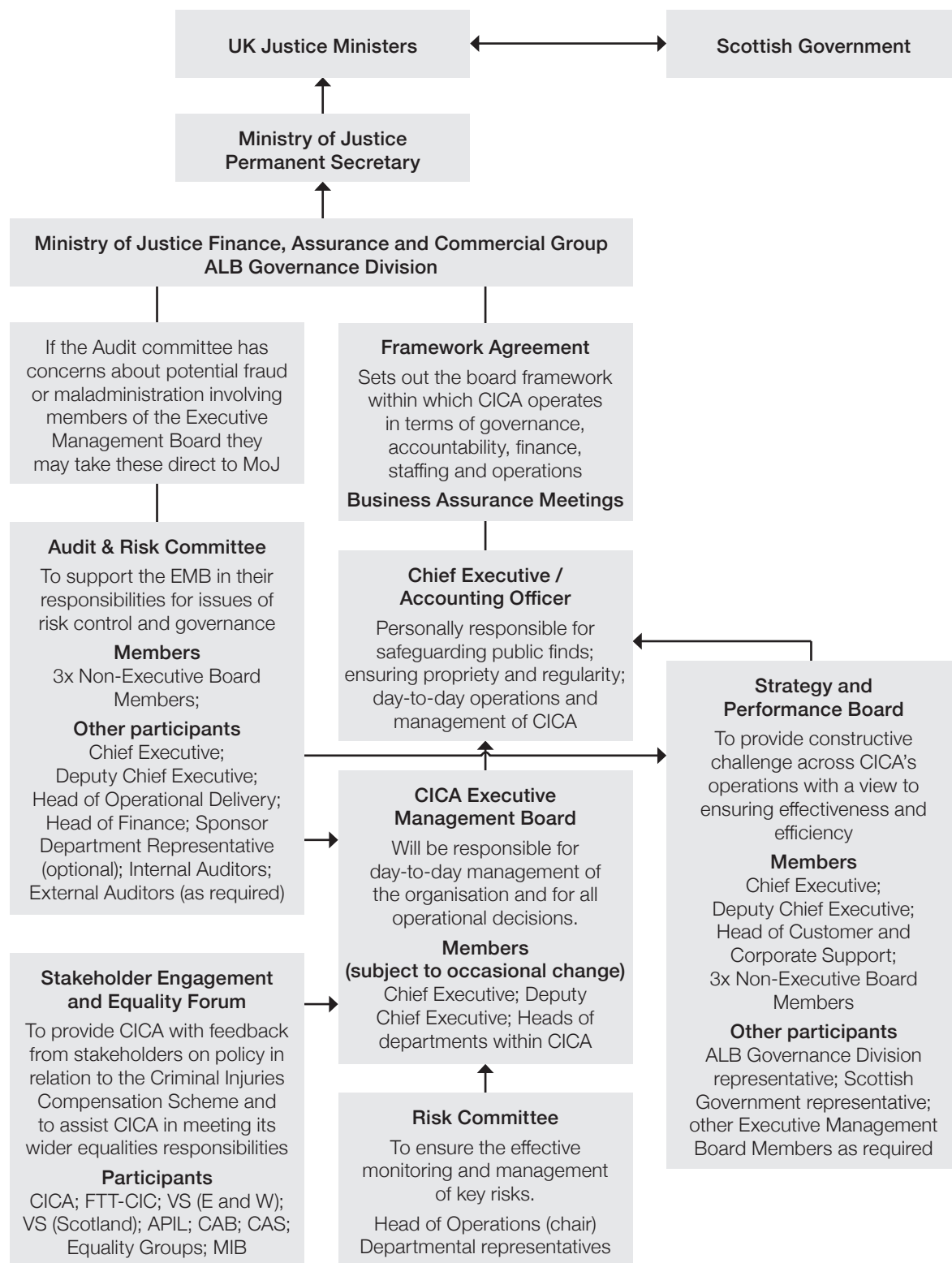
Alison Wedge

Head of ALB Governance Division
Justice and Courts Policy Group

5 April 2016

Appendices

Appendix A – Governance



Appendix B – Meeting Attendance

	Executive Management Board (EMB)				Audit & Risk Committee (ARC)			Strategy & Performance Board (SPB)		
	Q1	Q2	Q3	Q4	1	2	3	1	2	3
Executive Management Board Members										
Carole Oatway	2/3	3/3	3/3	3/3	1/1	1/1	1/1	1/1	1/1	1/1
Alistair Finlay	3/3	3/3	3/3	1/3	1/1	1/1	N/A	1/1	1/1	N/A
Jackie Lockhart	3/3	3/3	2/3	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alan Eastwood	3/3	0/3	N/A	N/A	1/1	N/A	N/A	N/A	N/A	N/A
June Fellowes	3/3	3/3	3/3	3/3	N/A	N/A	N/A	1/1	1/1	0/1
Michael Harlon	3/3	3/3	3/3	3/3	N/A	N/A	N/A	1/1	1/1	1/1
Ann Russell	3/3	3/3	2/3	3/3	1/1	1/1	1/1	1/1	1/1	1/1
Louise Day	2/3	1/3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Morrice (TRA)	N/A	2/3	3/3	2/3	N/A	1/1	1/1	N/A	N/A	N/A
Andy Philpotts (Loan)	N/A	N/A	N/A	3/3	N/A	N/A	N/A	N/A	N/A	N/A
Non-executive Board Members										
David Page	N/A	N/A	N/A	N/A	1/1	1/1	1/1	1/1	1/1	1/1
Andrew Flanagan	N/A	N/A	N/A	N/A	1/1	1/1	1/1	1/1	1/1	1/1
William Matthews	N/A	N/A	N/A	N/A	1/1	1/1	1/1	1/1	1/1	0/1

** Alan Eastwood Left CICA 09/08/2015 - James Morrice on TRA to cover this post with effect from 10/08/2015

** Louise Day left CICA 09/08/2015

** Jackie Lockhart left CICA 31/12/2015

** Alistair Finlay left CICA 31/01/2016

** Andy Philpotts joined CICA on loan from LAA for 6 months from 18 January 2016

Annex A – Abbreviations

Accounting Officer (AO)
Alexander Bain House (ABH)
Arm's Length Bodies (ALB)
Association of Personal Injury Lawyers (APIL)
Audit and Risk Committee (ARC)
Cash Equivalent Transfer Values (CETV)
CESG Listed Advisors Scheme (CLAS)
Citizens Advice Bureau (CAB)
Criminal Injuries Compensation Scheme (CICS)
Criminal Injuries Compensation Authority (CICA)
Executive Management Team (EMT)
Executive Management Board (EMB)
Finance and Commercial Instructions (FCI)
First Tier Tribunal - Criminal Injuries Compensation (FTT-CIC)
Government Financial Reporting Manual (FReM)
Greenhouse gas (GHG)
Her Majesty's Courts and Tribunals Service (HMCTS)
Information Assurance Maturity Model (IAMM)
Internal Audit and Assurance (IAA)
International Accounting Standard (IAS)
International Financial Reporting Standards (IFRS)
Memorandum of Understanding (MoU)
Ministry of Justice (MoJ)
Motor Insurers Bureau (MIB)
Non-Executive Board Member (NEBM)
Online Application System (OAS)
Policy and Performance Board (PPB)
Principal Civil Service Pension Scheme (PCSPS)
Public Services Network (PSN)
Senior Reporting Officer (SRO)
Statement of Comprehensive Net Expenditure (SoCNE)
Strategy and Performance Board (SPB)
Victim Support (VS)
Victims of Overseas Terrorism Scheme (VOTS)



Criminal Injuries
Compensation
Authority

Criminal Injuries Compensation Authority
Alexander Bain House
Atlantic Quay
15 York Street
Glasgow
G2 8JQ
tel: 0300 003 3601
www.gov.uk

ISBN 978-1-4741-3203-9

