



Criminal Injuries  
Compensation  
Authority

# CICA Annual Report and Accounts 2021-22



HC 527

SG/2022/133



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# Criminal Injuries Compensation Authority Annual Report & Accounts 2021-22

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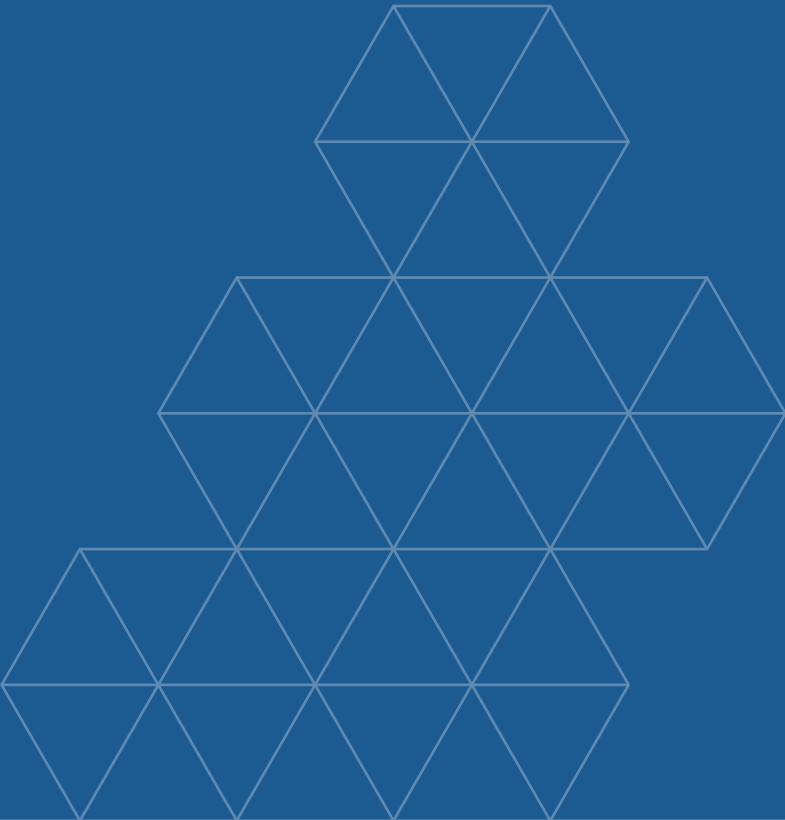
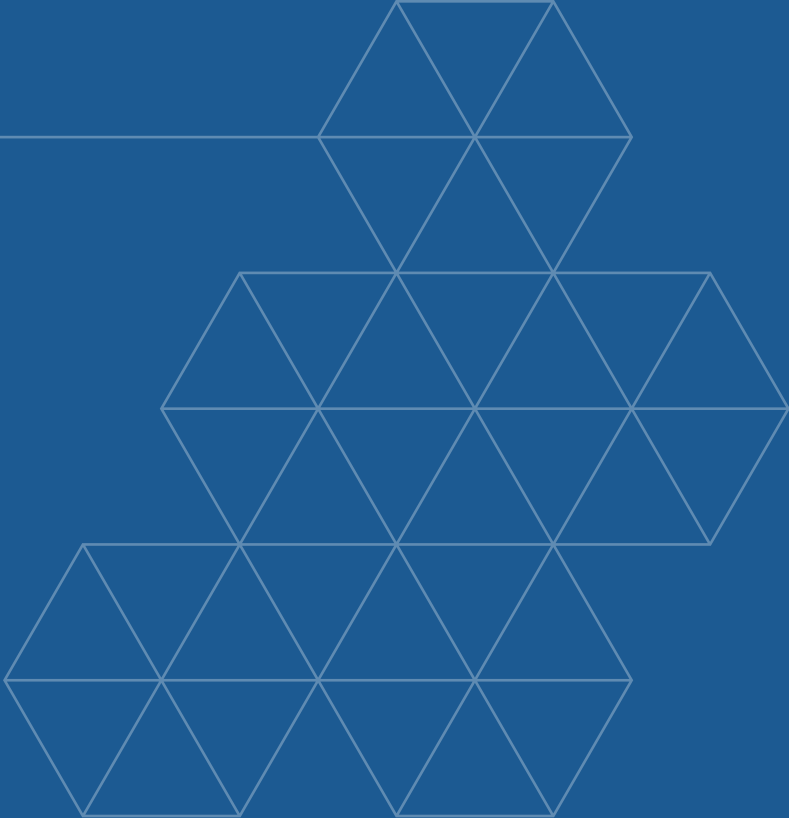
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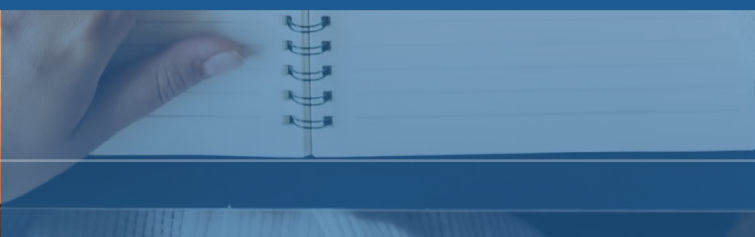
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# Performance report



# Overview

## Chief Executive's Foreword

I am pleased to present the Annual Report and Accounts for the Criminal Injuries Compensation Authority (CICA) for 2021-22. This year, the restrictions and impacts of COVID-19 again provided the backdrop to our operation and I am proud of the commitment and resilience shown by my team in meeting these challenges. Their combined efforts in 2021-22 resulted in the resolution of over 30,000 claims, 12% more than in the previous year, with applicants benefiting from £158m in compensation provided.

As in the previous year, we relied on the ability of our systems and people to work effectively from home, supported by colleagues undertaking office-based activities. We continued to refine our use of technology to keep our people connected and to maintain and improve our services. By mid-year, our telephony service reverted to pre-pandemic hours of service. It handled over 96,000 telephone calls and 14,000 Live Chat enquiries, offering support throughout the claims journey. Although average call wait time rose to just under 6 minutes, the potential impact on customers was mitigated by the provision of live wait time information and a call back offer. More recently a new automated after-call customer survey was introduced, providing valuable feedback with which we aim to further improve our information and contact services. We continued our work with colleagues in MoJ Digital to refine and make our new application service more accessible, extending it to include minor applicants, with other claim types to follow later this year. We also further expanded our capacity to support the virtual appeal hearings process and I am pleased to report that the transformation achieved in handling our appeals work in this way received a gold award from the Civil Service Operational Delivery Profession (ODP) in 2022.

As restrictions were incrementally eased later in the year, we transitioned into a new hybrid way of working. This offers our people the opportunity to combine office and home working, enabled by technology. Our hybrid model puts business delivery and customer service first, whilst facilitating collaboration and flexibility in the way our workforce operates. As our working environment has changed, sustained people-focused programmes of communication, inclusion and development have helped maintain a strong commitment to our organisational purpose and objectives, with an 85% positive indicator on this theme in the Civil Service People Survey 2021, and an overall staff engagement index of 68%, a 1% increase on the previous year.

At CICA, we understand that a timely decision on compensation applications can deliver both practical support and public acknowledgment of the impact of violence on lives. It is, therefore, our aim to deal with new applications as quickly as evidence gathering allows. As in the previous year, a slower flow of medical evidence to support claims, together with a resurgence in the volume of new applications received, generated an increase in the volume of live claims awaiting assessment. The pace of new application decisions remained slower than pre-pandemic performance, with 40% decided within 6 months and 68% in 12 months. However, the centralised management of review applications enabled 72% of them to be decided within

six months, an 8% improvement on the previous year. Learning from this approach is being implemented more widely across our operational teams and is expected to contribute to a recovery in service levels.

Overall, our customer satisfaction measure remained positive at 93%, while we saw the first increase in complaints received following three successive years in which they had reduced by a cumulative 47%. The increase was reflective of increased time to process claims but remained modest, representing 1.8% of all cases held at year end, compared with 1.7% in the previous year.

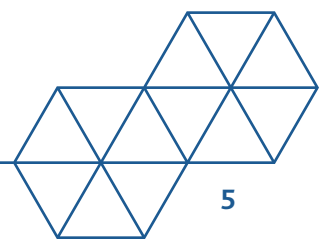
It is important that we respond to staff attrition and the volume of applications held by maintaining a sufficient, skilled and capable workforce, if we are to recover service levels. In year, to maintain our staffing position, we onboarded just over 50 new members into our team, bringing the total to over 100 since the beginning of the pandemic, again providing training in a virtual classroom environment. Whilst this has been a successful strategy, we were pleased to re-introduce on-site induction and training in the final quarter, with the added value that in-person support can bring to the training experience. We also further progressed our commitment to embed trauma-informed practice into all aspects of our service, through training and professional accreditation programmes which saw members of our legal team achieve trauma-informed certification from a programme offered by the Law Society of Scotland. This year too saw us fully implement our re-designed customer communications, supported by training and a style guide, making our letters easier to understand and more empathetic, a project which was short-listed in the Civil Service ODP awards.

I am particularly grateful to the members of our Stakeholder Engagement and Equality Forum who have contributed to the development of products by providing informed insight and feedback, and to Rape Crisis and Barnardo's who have shared specialist victim-experience education with my staff. My team, in turn, have delivered scheme awareness sessions to multiple organisations, designed to help them guide and support victims who may be eligible to claim compensation from us. In the next 12 months, it is our aim to continue our partnership working with agencies across the criminal justice sector, to ensure victims receive the best possible service when seeking compensation. We also look forward to the conclusion of the MoJ's review of the current Criminal Injuries Compensation Scheme. The effective implementation of any resultant changes to the scheme will become a key priority for us. Close partnership working with our MoJ Digital service partners will be required to update our systems and we will engage our stakeholder forum members about any changes that are to be made.



**Linda Brown CBE**

Chief Executive and Accounting Officer  
Criminal Injuries Compensation Authority  
12 July 2022





## Our work

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

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

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

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

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

The compensation components for personal injury awards are:

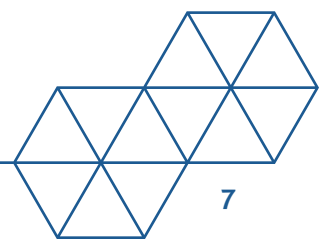
- an award based on the tariff of injuries (with a maximum of £250,000);
- a contribution to loss of earnings or earning capacity, beyond the first 28 weeks of loss as a direct result of the injury; and
- other special expenses which may be payable in certain circumstances.

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

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

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

Once an application is made, CICA will consider eligibility and gather evidence required to determine the value of any entitlement according to the rules of the relevant scheme. Applicants who disagree with a decision made by CICA may request an internal review which will be conducted by a different claims officer. If dissatisfied with CICA's review decision, an applicant may appeal to the independent First-tier Tribunal. More information about the scheme is available at [www.gov.uk](http://www.gov.uk).



# Key achievements



## Strategic Outcome 1

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

Trauma-informed awareness was embedded as a core component of our induction programme and we have enhanced the provision of trauma-informed training across our operational workforce. Over 200 colleagues completed trauma-informed training, with a further 17 completing advanced learning. Three of our in-house solicitors were certified by the Law Society of Scotland as specialists in trauma-informed practice.

We introduced a 'CICA Style Guide' setting out standards for drafting letters. We asked Independent Sexual Violence Advocates to review the guide and example decision letters. This product supports our decision-making teams in the difficult task of explaining the explicit provisions of the Scheme in a way which shows compassion and sensitivity and can be clearly understood. The project was short-listed for an Operational Delivery Profession (ODP) Transformation Award for Innovation.

We extended access to our new online application service to include represented minor applicants, simplifying the process and removing potential triggers for re-traumatisation.

Our Customer Service team returned to pre pandemic hours of service by mid-year, handling over 96,000 telephone calls and over 14,000 live chat customer contacts. Although the average call wait time rose above our expected service level of 4 minutes to just under 6 minutes, we sought to mitigate the potential impact on customers by providing live wait time information and an automated call back offer.

The gathering of intelligence from customer feedback was improved with the introduction of an automated after-call survey. This has allowed us to offer around 40% more surveys per month and generate greater customer insight on the quality of our service.

We developed improved management information in relation to areas of applicant dissatisfaction, refining our understanding of the complaints we receive and how to achieve the most appropriate solutions, whilst investing in the development of our customer resolution team. We have introduced new complaints handling training which is more sensitive to the needs of our applicants, alongside a quality assurance framework which ensures complaints are handled more effectively.

We created a Business Change and Continuous Improvement team to drive forward our programme of continuous improvement and embed a culture which identifies process efficiency, generates service solutions and enhances applicant experience.



## Strategic Outcome 2

**We will invest in an inclusive, diverse and professional workforce which lives our values and delivers public service with pride.**

Despite the challenges of operating in an almost entirely remote environment, we continued to maintain a strongly engaged workforce. The Civil Service People Survey saw CICA increase our staff engagement index by 1% to 68%.

Following a comprehensive review of pay policies and structures across the Ministry of Justice (MoJ), a three-year pay deal was implemented, backdated to August 2020. This was designed to improve pay across the MoJ and make our arrangements simpler, fairer and more consistent for staff.

We continued to attract talented individuals through our recruitment campaigns and onboarded 53 new members of staff. Throughout the year we delivered many inductions in a virtual environment, however as restrictions allowed, we gradually reintroduced physical inductions, recognising the cultural and wellbeing benefits of early engagement in building relationships and networks.

We continued to implement precautions to ensure that our people on site remained safe. We risk assessed our working environments and deployed appropriate safety protocols as we began to reintroduce more of our staff to the office. These measures included a reduced office capacity to maintain distancing, the wearing of face coverings, more frequent cleaning and increased access to hand sanitiser and cleaning products in compliance with government and industry guidelines.

We introduced a new hybrid working offer, designed to put our service delivery and customers first, while seeking to achieve the business and people benefits of routinely combining office and home working for those choosing to participate.

To enable an effective implementation of hybrid working, we introduced a hot desking model, facilitated by an online desk booking system and invested in new IT equipment to support this.

Leadership development is a key component of building an engaged and capable workforce. We invested in the growth of our leaders through externally facilitated training. The programme provided to colleagues SEO and above included “Future, Engage, Deliver” and “Engaging People with Change” training.

Colleagues AO to HEO benefitted from access to courses provided by civil service learning and members of our team participated in structured development programmes including: “Building Skills Academy”, “Learn, Engage, Apply, Develop (LEAD)” and Bridges, designed to support the professional advancement of colleagues from a variety of ethnic backgrounds.



## Strategic Outcome 3

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

While the pandemic continued to disrupt the flow of medical evidence needed to inform the assessment of claims, we made over 37,000 first and review decisions, an increase of 19% on the previous year.

We resolved nearly 31,000 claims, an increase of 12% on the previous year, and provided over £158m in compensation to the victims of violent crime.

We paid over £13m to victims previously affected by the "same roof rule", bringing the total compensation paid since the rule was abolished in 2019 to over £34m.

Our quality assurance framework was revised in year and continued to provide valuable learning which resulted in improvements in decision making delivering 95% first time accuracy in year compared with 92% in the previous year.

We supported the appeals process operated by HM Courts and Tribunals Service (HMCTS) by attending hearings on a virtual basis. We identified during the early stages of the pandemic that, by investing in appropriate equipment, we could deliver a more efficient, cost effective and practical service. We expanded this capability in 2021-22, attending nearly 1,500 virtual hearings, almost double the volume of the previous year.

In March 2022, CICA received recognition for delivering service improvements and transforming the appeal hearing process, winning the Civil Service Operational Delivery Profession Gold Transformation Award.

We embarked upon exploratory work in relation to our organisational design and undertook a pilot exercise centred on our review work, to test the potential performance benefits. This resulted in 72% of review applications being decided within 6 months, an increase of 8% on the previous year. The learning from this pilot is now informing change in other operational teams.



## Strategic Outcome 4

**We will build strong stakeholder relationships in which we listen and collaborate to improve applicant experience.**


Our stakeholder and outreach work continued at pace and we embraced digital platforms and channels to extend our out-reach activity. In addition to holding two Stakeholder Engagement and Equality Forum (SEEF) events, we delivered 17 scheme awareness sessions with a total of 186 attendees from organisations who deliver frontline services supporting victims of violent crime.

We delivered scheme awareness sessions tailored for Independent Sexual Violence Advisors (ISVAs), Sexual Offences Investigative Trained police officers, Victim Support Homicide staff, domestic abuse workers, Independent Gender Violence Advocates and council staff who support victims of domestic violence.

In addition to this, we undertook several research sessions as part of developing our new online application service. Some of those represented at these sessions included:

- Amethyst Sexual Assault Referral Centre
- Criminal Injuries Helpline
- Glasgow East Women's Aid
- The Lighthouse (London)
- Prison Officer's Association
- GLP Solicitors

Working with Victim Support, we provided awareness sessions about the support available to families bereaved by violent crime. We collaborated with Victim Support Homicide and learnt from their feedback and insights to develop our 'CICA Style Guide'. We also improved guidance and training on handling bereavement claims for our specialist bereavement team.



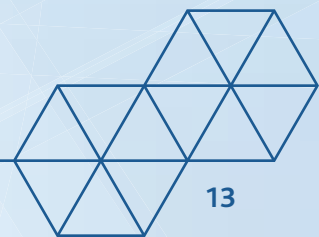
We are committed to working effectively with the police to obtain the information we need in a timely and efficient way. We have improved our arrangements for sharing police performance data with our points of contact in forces across Great Britain, to help support compliance with the agreed standards and resolve emerging issues promptly.

Victims of violent crime often have no previous experience, knowledge or understanding of the Criminal Injuries Compensation Scheme. The police play a vital role in raising awareness of the Scheme and of the services offered by CICA. We worked with Sussex and Metropolitan Police in connection with letters provided to victims, ensuring the information provided aligns with the Scheme.

Our Chief Executive met with Dame Vera Baird, the Victims' Commissioner for England & Wales, who also attended the March 2022 meeting of the CICA SEEF. Our Chief Executive is a member of the Scottish Government's 'Victims Taskforce' and CICA has supported its 'Victim Centred Approach' governance group, while our Deputy Chief Executive attended the taskforce's 'Trauma-informed Workforce' workstream. Our Chief Executive attended regular meetings with cross-MoJ groups to share best practice, such as the MoJ's Vulnerability Policy Team.

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

We liaised with Northern Ireland Compensation Services and the Northern Ireland Office to share our experience of handling compensation claims. We contributed to the Republic of Ireland's Criminal Injuries Compensation Tribunal's questionnaire as part of their Scheme review.





# Performance analysis

## Claim activity

We received 34,925 new applications in 2021-22, a 21% increase on the number of applications received in 2020-21 and 6% higher than 2019-20. This was the highest annual volume of new applications received since the first full year of operating the 2012 Scheme and 9% above the prior 5-year average of 31,303.

We made a total of 37,468 decisions of which 31,472 were first decisions and 5,181 were review decisions, 20% and 16% higher respectively than the previous year. These decisions helped increase the volume of case resolutions achieved in year by 12%, though this remained 10% below the prior 5-year average of 34,298.

While case resolutions made a partial recovery after the 22% reduction experienced in 2020-2021, the impact of rising intake generated growth in the volume of live cases to 39,196 at the end of March, 12% above both the previous year end position of 34,899 and the prior 5-year average of 35,019.

**Table 1 New applications received**

	2021-22	2020-21
New applications received	34,925	28,771

**Table 2 Number of applications resolved**

	2021-22	2020-21
Number of applications resolved	30,973	27,669

**Table 3 Size of live tariff caseload**

	2021-22	2020-21
First decision stage	35,138	30,740
Review	3,145	3,145
Appeal*	913	1,014
<b>Total live tariff caseload</b>	<b>39,196</b>	<b>34,899</b>

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

**Table 4 Pace of decision making**

We aim to progress new applications promptly, depending on the availability of the police and medical evidence necessary to assess entitlement to compensation. However, the pace of deciding new applications has slowed for the second successive year, although by a reduced margin. In contrast, the pace of deciding review applications within 6 months improved by 8%.

Measure	2021-22	2020-21
50% of cases with a first decision within 6 months	40%	43%
80% of cases with a first decision within 12 months	68%	70%
70%* of cases with a review decision within 6 months*	72%	64%

\* Revised down from 75% in 2021-22

**Table 5 Age of caseload**

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

% of live cases by scheme	2021-22	2020-21
2012	99.71%	99.49%
2008	0.23%	0.42%
2001	0.05%	0.08%
1996	0.01%	0.01%

**Table 6**

Age of caseload: 2012 Scheme	2021-22	2020-21
Under 12 months	58.60%	55.00%
1-2 years	19.92%	25.68%
2-3 years	11.77%	9.43%
3-4 years	4.78%	4.44%
4-5 years	2.34%	2.16%
Over 5 years	2.59%	3.29%

**Table 7 Rates of review and appeal**

The proportion of cases resolved at first decision or review stage and not proceeding to external appeal remains high. The volume of review applications received reduced by 20% compared with the previous year and was equivalent to 16% of first decisions made.

The volume of appeal applications also reduced, by 3.9% compared with the previous year and was equivalent to 4% of first decisions made.

<b>Review and Appeal intake</b>	<b>2021-22</b>	<b>2020-21</b>
first decisions proceeding to internal review	5,044 16%	6,316 24%
first decisions proceeding to appeal	1,218 4%	1,267 4.8%
<b>Appeal outcomes</b>		
decisions amended on quantum*	268 26%	280 36.1%
decisions (eligibility) amended on merit	19 1.7%	20 2.6%
decisions (eligibility) overturned/remitted for further enquiries	285 25.4%	– –

\* Includes cases where the CICA decision was upheld but the award was recalculated to reflect new date of determination.

**Table 8 Refused claims**

The following table shows all reasons that applications were refused.

A total of 18,426 (59%) resolved claims were refused compensation compared with 10,478 (38%) in the previous year.

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

	2021-22	2020-21
Injury does not qualify for compensation	4,664	2,871
Failure to cooperate with CICA	3,991	1,074
Injury did not result from crime of violence	4,211	2,012
Convictions & character	1,933	1,062
Failure to cooperate in bringing assailant to justice	2,588	1,444
Conduct before, during or after the incident	940	653
Failure to report as soon as reasonably practicable	835	470
Claim not submitted within time limit	1,337	573
Other (including withdrawn and void claims)	3,831	1,720

## Our Service

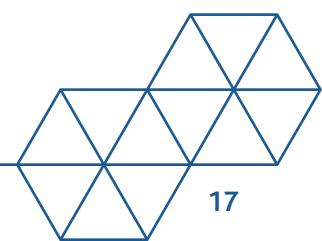
**Table 9 Customer feedback**

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

In 2021-22 customer satisfaction remained high with a score of 93%, down 1% on the previous year. We aim to ensure that a high proportion of customers find our services simple to operate and 89% reported a low level of effort was required on their part, 7% down on the previous year.

Customer satisfaction	2021-22	2020-21
Good customer service	93%	94%
Customer effort Low-Moderate*	89%	96%

\* Customer effort is a measure based on our older application process. As we complete the transition to our new application process, there will be fewer applications on this older system in future years. 2021-22 will be the last year that we report this metric and from 2022-23 we will report performance solely on the new application process. For 2021-22, customer satisfaction for the new application process was high at 94%.



## Table 10 Complaints

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

We act on feedback from customers and victim support organisations to improve our complaint handling process and overall customer experience. We aim to fully address complaints at the earliest opportunity by discussing with the customer how we can resolve the matter to their satisfaction within an agreed timescale.

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

The number of customers who complained increased for the first time, following three successive years in which they had reduced by a cumulative 47%. However, the increase was modest when compared with live caseload, rising by 0.1% from 1.7% at 31 March 2021 to 1.8% at March 2022.

Fewer complaints were escalated, with 11% moving to stage 2 compared with 17% in the previous year and 3% to stage 3, compared with 6% the previous year.

Complaints received	2021-22	2020-21
Stage one	700	585
Escalation to stage two	76	101
Escalation to stage three	23	37

Our complaints process is available on [www.gov.uk/government/organisations/criminal-injuries-compensation-authority/about/complaints-procedure](https://www.gov.uk/government/organisations/criminal-injuries-compensation-authority/about/complaints-procedure)

## Our Finances

### Programme expenditure

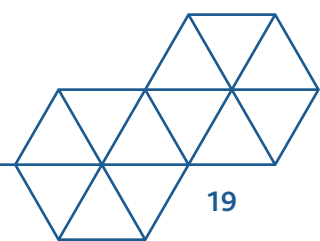
The schemes provide compensation to victims of violent crime. It is our role to assess claims in accordance with the applicable statutory scheme, which is approved by Parliament. To inform our decisions we gather evidence from police authorities and medical experts. This is an ongoing process which means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

We also manage a very small number of cases where the claim was made before the introduction of the tariff-based schemes including those that have been reopened on medical grounds. These complex cases previously fell under the jurisdiction of the Criminal Injuries Compensation Board and have since passed into the jurisdiction of the First-tier Tribunal (FTT).

CICA gathers evidence to support the FTT consideration of these claims and they may only be resolved by a decision of the FTT. The FTT may direct interim or final payments based on reliable prognoses of the applicant's long-term care needs.

We provided £158m in compensation to victims of violent crime during 2021-22 (see Note 12 to the Accounts for additional detail). This was allocated as follows:

- £133m of the total settled relates to amounts that were previously provided for and is recognised in the Statement of Comprehensive Net Expenditure (SoCNE) in previous financial years. Therefore 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 12, these settled awards are shown in the provision statement as utilised during the year and reduce the provision accordingly.
- £25m is recognised in the SoCNE, within tariff scheme compensation, as settlements relating to claims not previously provided for in 2020-21. These claims relate to applications both received and settled during 2021-22. Therefore, these claims were not recognised in the provision from prior years.



## New liabilities

The tariff schemes' provision is reflective of CICA's liabilities under the 1996, 2001, 2008 and 2012 Schemes. CICA recognises liabilities that are based upon an evaluation of total applications that have been received by CICA but have not yet been processed; these are referred to as claims reported but not completed (CRBNC) (discounted value £165m).

New liabilities, for all compensation schemes (tariff, pre tariff and VOCTS), recognised during 2021-22 totalled £129.9m. Based upon tariff claims received during 2021-22 and still outstanding at year-end, £129.4m has been recognised as new tariff scheme provision. £1.7m has been reversed for offers not accepted within time limits<sup>1</sup> and disclosed as a contingent liability in Note 18 to the Accounts.

One pre-tariff case settled at £0.2m higher than previously provided during 2020-21. Upward movements on live cases, due to re-assessment of liability, totalled £0.3m. The highest value pre-tariff case provided for was settled by the FTT at £3.6m lower than 2020-21 provision.

For compensation recognised during 2021-22 the SoCNE can be summarised to its constituent parts, as follows, noting that comparative information is disclosed in Note 12 to the Accounts:

**Table 11 Changes to programme liabilities in year**

<b>Tariff schemes</b>	<b>£m</b>
New tariff liabilities arising	129.4
Liabilities no longer required	(1.7)
Settlements not recognised in provision	24.7
<b>Sub Total Tariff</b>	<b>152.4</b>
<b>Pre-tariff schemes</b>	<b>£m</b>
New pre-tariff liabilities arising	0.5
Settlements lower than previous provision	(3.7)
<b>Sub Total Pre-tariff</b>	<b>(3.2)</b>
<b>Victims of Overseas Terrorism Compensation Scheme (VOTCS)</b>	<b>£m</b>
Net Impact of VOTCS	(0.04)

The remaining pre-tariff cases have an estimated liability of £0.5m.

<sup>1</sup> An award may be withdrawn two years after expiry of the time limit to accept the award or request a review/appeal of the decision.

## SoCNE movements

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

Staff costs have increased in 2021-22 from the previous year by £0.4m. This increase reflects the pay award from August 2020 and an uplift in staffing.

The total value of Scottish claims assessed in 2021-22 was £5.4m below the value in the previous year. In each of these years, Scottish Government provided a specified level of income according to forecast demand. The forecasts were monitored and regularly re-appraised, such that additional income was provided (£6.3m in 2020-21 and £0.1m in 2021-22) to protect against delay.

## Administration expenditure

The costs associated with managing and administering compensation schemes reduced from £8.8m to £6.3m due to a reduction in the estimated proportion of MoJ Digital Technology costs that relate to CICA. Combined amortisation and depreciation increased by £0.2m.

**Table 12 COVID-19 expenditure**

Project/Budget category	Description of what the funds were spent on	Budget 2021-22	Actual expenditure 2021-22	Budget 2020-21	Actual expenditure 2020-21	Budget 2019-20	Actual expenditure 2019-20
		£	£	£	£	£	£
Remote working equipment	GPC-ad-hoc items	0	2,158	0	2,266	0	0
	GPC-capital spend	0	4,682	0	6,088	0	0
	Banner-ad-hoc items	0	1,728	0	2,886	0	25
		0	8,569	0	11,240	0	25

CICA have incurred a small amount of COVID-19 expenditure in 2021-22 (circa £8.6k), primarily relating to the provision of equipment to support remote working.

## EU exit expenditure

CICA has not incurred any expenditure related to EU exit.



## Going concern

At 31 March 2022, CICA's Statement of Financial Position records net liabilities of £202m (£216m at 31 March 2021).

The provision of £166m (note 12) and accruals of £41m (note 9) relate to compensation payable in the future (£176m and £45m respectively at 31 March 2021).

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

The net cash requirements for 2022-23, taking into account the amounts required to meet CICA's liabilities falling due that year, are already included in MoJ and Scottish Government estimates for that year. There is, therefore, no reason to believe that both future sponsorship and parliamentary approval will not be forthcoming. As a result, it is deemed appropriate to adopt the going concern basis for the preparation of these financial statements.

## Our business plan 2022-23

Our business plan for 2022-2023 is focussed on the delivery of four strategic outcomes, which contribute to the MoJ outcome of delivering swift access to justice.

These four strategic outcomes are ambitious, yet consistent with previous years, recognising the core areas where we aim to continuously improve our service.

These strategic outcomes are supported by detailed delivery plans, designed to ensure successful implementation of our goals.

None of these outcomes are without risk, but our risk appetite and mitigation strategies ensure that we can balance these risks whilst actively pursuing opportunities to enhance and improve the work we do for the victims of violent crime.

Our strategic outcomes for 2022-23 are to:

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

## Sustainability report

We are committed to creating a sustainable office environment which positively contributes towards an MOJ wide reduction in environmental impact.

Our strategy is focussed in three broad categories to reduce our environmental impact, these are:



**Energy**



**Digitisation**



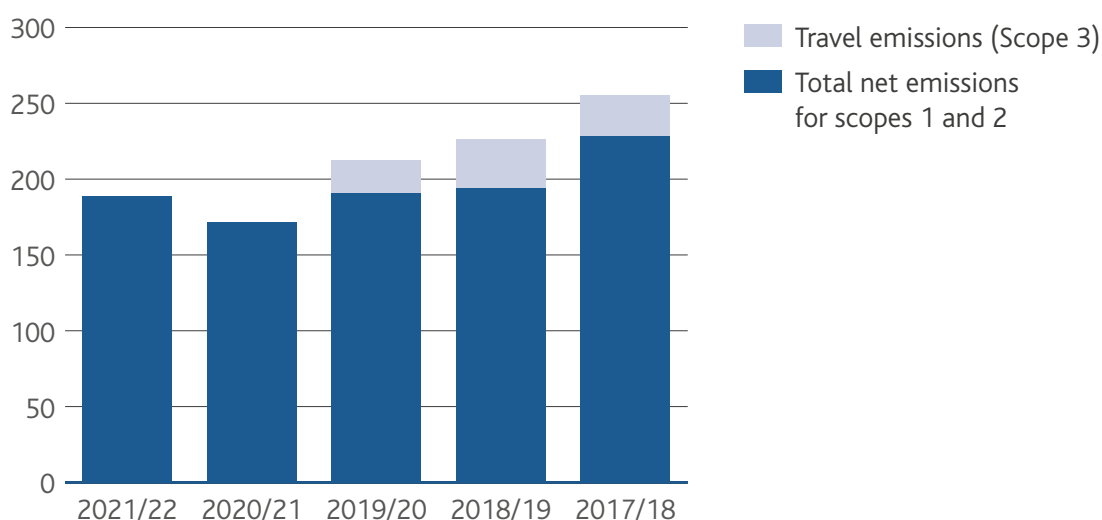
**Travel**

We have embraced the Greening Government Commitments (GGC) and continue to make progress towards the Government commitment of being net zero by 2050. The GGC target baseline was first introduced in 2009-10, however the target baseline year has since been changed to 2017-18 to ensure that government departments continue to build on success. We have significantly reduced our carbon emissions since the introduction of the baseline measures, noting an 81% reduction against the original baseline and a 26% reduction in carbon emissions from the revised 2017-18 baseline.

These continued reductions are evidence of our ongoing commitment to organisational development and digital enablement.

Table 13 Greenhouse gas (GHG) emissions

		2021-22	2020-21	2019-20	2018-19	2017-18
<b>Non-financial indicators (tCO<sub>2</sub>e)</b>	Total gross emissions for scopes 1 and 2	188.48	171.35	190.49	194.15	228.13
	Electricity: green/renewable	0	0	0	0	0
	Total net emissions for scopes 1 and 2	188.48	171.35	190.49	194.15	228.13
	Gross emissions for scope 3 – travel	0.6	0	22.10	31.84	27.49
	Total gross GHG emissions (all scopes)	189.08	171.35	212.60	226.00	255.60
<b>Non-financial indicators (kWh)</b>	Electricity: Grid, CHP and non-renewable	206,995	211,326	263,607	280,896	275,893
	Electricity: renewable	0	0	0	0	0
	Gas	712,766	613,114	638,353	586,221	566,106
	Other energy sources	0	0	0	0	0
	Total energy	919,761	824,440	901,960	867,117	841,999
<b>Financial indicators</b>	Expenditure on energy	£43,328	£29,660	£31,106	£28,676	£28,491
	Expenditure on official business travel	£2,425	£1,739	£66,914	£77,639	£60,632

Tonnes of carbon (tCO<sub>2</sub>e)

## Energy Consumption

The most significant impact on sustainability relates to energy consumption within our office. While gas consumption is not within our control, as it is attributed to CICA on a space-occupied basis, we actively monitor our direct electricity consumption at Alexander Bain House. Despite staff returning to the office as part of their weekly schedule, our electricity usage has continued to reduce, for the third consecutive year.

Electricity consumption is further regulated using energy saving sensors within the Alexander Bain House lighting system, installed and serviced by British Standards approved suppliers.

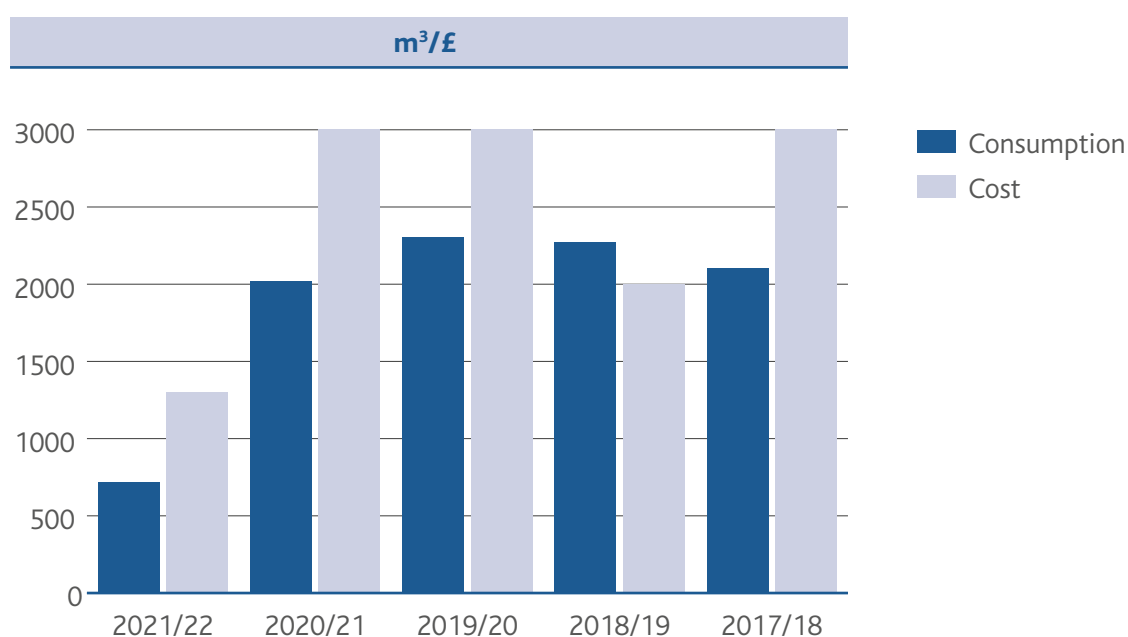
## Waste

Waste recycling facilities are readily accessible within our office environment to reduce the volume of waste being sent to landfill.

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

**Table 14 Finite resource consumption**

Water	2021-22	2020-21	2019-20	2018-19	2017-18
Non financial indicators					
<b>Total water consumption (m3)</b>	<b>669</b>	<b>716</b>	<b>2,020</b>	<b>2,304</b>	<b>2,268</b>
Financial indicators					
<b>Total water supply costs (£)</b>	<b>1,200</b>	<b>1,300</b>	<b>3,000</b>	<b>3,000</b>	<b>2,000</b>



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

Hybrid working will continue to ensure that water consumption is reduced for future years.

## **Digitalisation**

At the outset of the COVID-19 pandemic and for the duration of continuing restrictions, we transitioned seamlessly to remote working combined with a minimised office presence. This was aided by our continued investment in digital tools and technology to enhance virtual collaboration. This way of working significantly reduced our carbon emissions.

Since restrictions have been lifted, we recognised the significant business and environmental benefits of operating in this manner and as such we developed and introduced a new hybrid working offer. This enables our people to combine office-based working with the flexibility to include working from home, subject to business need.

Operating in this way significantly reduces the need for regular travel, in terms of general commuting or as part of a business trip. With over 90% of staff choosing to work in a hybrid way, daily office attendance has reduced by around 60%, significantly reducing waste production and the demand on consumables.

All the above has ensured that emissions from motor vehicle, rail and air travel have reduced significantly in 2021-22.

## **Travel**

Building on the success of last year, we continued to support the appeals process efficiently by attending more hearings on a virtual basis. In 2021-22, we attended nearly 1,500 virtual hearings, increasing our efficiency by removing the geographical restrictions that would normally inhibit attendance at multiple hearings on the same day

This has ensured that emissions from motor vehicle, rail and air travel have remained low. We saw a minimal increase of less than 1% on the previous year, however this is still a reduction of over 97% compared with the 2019-20 position.

## Going Forward

The UK Government's commitment to tackling climate change and achieve net zero carbon by 2050 or earlier is clear and at CICA we are committed to making our contribution.

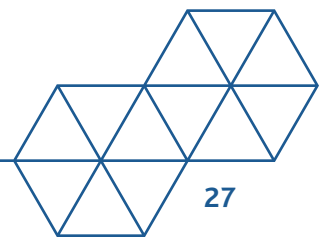
We will continue to seek opportunities to digitalise the services we provide to increase efficiency whilst reducing our impact on the environment.

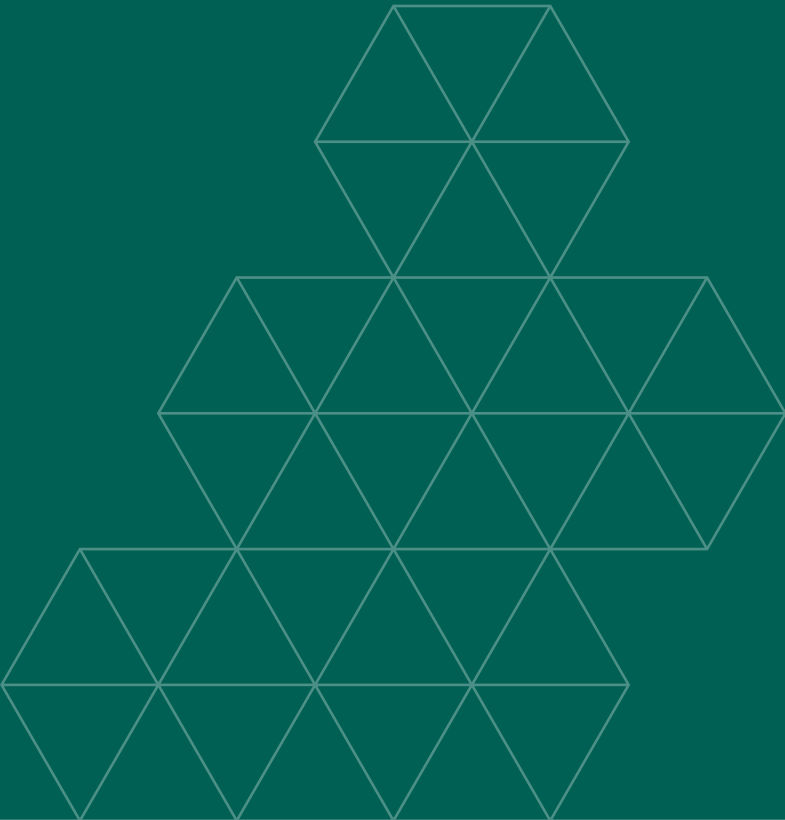
Whilst we have made considerable progress in reducing our environmental impact, as we move through the year, a key component of our sustainability strategy will be to consider our future office accommodation needs, with the potential to down-size our space requirement and increase the energy-saving technologies employed.



**Linda Brown CBE**

Chief Executive and Accounting Officer  
Criminal Injuries Compensation Authority  
12 July 2022







# Accountability report





# Corporate Governance report

## Director's report

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

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

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

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

The Agency Framework Agreement can be viewed on [www.gov.uk/government/publications/criminal-injuries-compensation-authority-agency-framework](http://www.gov.uk/government/publications/criminal-injuries-compensation-authority-agency-framework).

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

## Non-executive Board Members

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

The three Non-executive Board Members provided assurance on this set of Annual Report and Accounts. During 2021-22, the Non-executive Board Members were:

- Russell Frith BA, ACA. Appointment commenced 15 December 2020.
- Martin Spencer BA. Appointment commenced 15 December 2020.
- Professor Derek Bray BA, LLB, MPhil. Appointment commenced 15 December 2020.

The independent review of board effectiveness undertaken by Government Internal Audit Agency (GIAA) in 2020-21 recommended that an annual board effectiveness review was undertaken by the Board. This was implemented in 2021-22, and a Board development action plan was produced. A board effectiveness follow-up audit took place in 2021-22 which confirmed all recommendations were fully implemented.

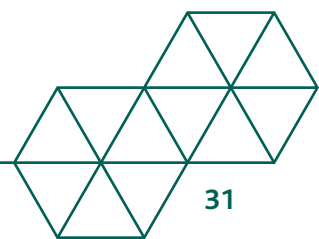
The Non-executive Board Members were invited to participate in an organisation-wide business planning session to inform the 2022-23 Annual Business Plan during April 2022.

## Register of Interests

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

## Personal Data Related Incidents

During 2021-22, no data breaches were reported to the Information Commissioner's Office (ICO). One incident that was reported in 2020-21 (with the investigation concluding in 2021-22), resulted in no action being taken against CICA by the ICO.



## Statement of Accounting Officer's Responsibilities

Under section 6(3) of the Criminal Injuries Compensation Act 1995 and paragraph 136 of the Criminal Injuries Compensation Scheme 2012, the Secretary of State (with the approval of HM Treasury) has directed CICA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must provide a true and fair view of the state of affairs of CICA and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and to:

- observe the Accounts Direction issued by the Secretary of State (with the approval of HM Treasury), including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis
- confirm that the annual report and accounts is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

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

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



**Linda Brown CBE**

Chief Executive and Accounting Officer  
Criminal Injuries Compensation Authority  
12 July 2022

## Governance Statement

CICA is an Executive Agency of the Ministry of Justice (MoJ). For 2021-22 CICA's reporting line transferred to the Second Permanent Secretary of MoJ.

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

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

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

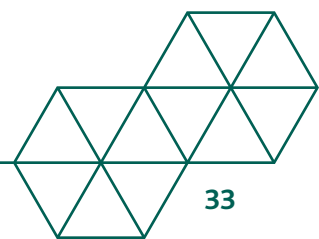
CICA staff are MoJ employees and subject to standard terms and conditions of employment. Accordingly, CICA does not have, nor require, a separate Remuneration Committee or Nominations Committee.

### Executive Management Board

The Executive Management Board (EMB) supports the Accounting Officer in the management and operation of CICA. During 2021-22, the EMB members supporting the Accounting Officer were:

- June Fellowes, Deputy Chief Executive
- Laura Johnston, Director of Legal and Policy Services
- Tracy MacBrayne, Director of Operations
- Martin McGoldrick, Director of Corporate Services
- May Smith, Senior Finance Business Partner (until 30 November 2021)
- Louisa Harrison, Senior Finance Business Partner (from December 2021).

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



## Strategy and Performance Board

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

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

The SPB met quarterly to consider performance, propose changes to operational policy and offer constructive challenge across CICA's operations and activities. Non-executive Board Members provided advice on five key areas in line with HM Treasury Corporate Governance in central government departments (Corporate governance in central government departments: code of good practice ([publishing.service.gov.uk](https://publishing.service.gov.uk))). These were:

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

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

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

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

## Audit and Risk Committee

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

The ARC is chaired by a Non-executive Board Member with the remaining Non-executive Board members completing the membership of the ARC. Meetings were held quarterly.

These ARC meetings were supported by the attendance of the Chief Executive, Deputy Chief Executive, Director of Corporate Services and Senior Governance Manager. Other members of the CICA Executive Management Board attended as required to support the business of the ARC. The Senior Governance Manager attended on each occasion.

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

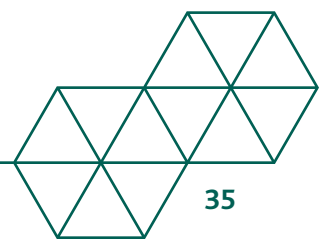
Representatives of the Government Internal Audit Agency (GIAA) and the National Audit Office (NAO) also attended each meeting.

The ARC routinely considered and offered insight and challenge to reports relating to risk management, information management, internal audit and internal assurance. Additional notable reports provided to the ARC were in depth risk reviews of Information Security, Operational Recovery, Counter Fraud and a new Forecasting Model in development.

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

## Financial Risk

CICA receives a delegated budget from MoJ each financial year to operate the Scheme in England and Wales, and income from the Scottish Government to fund the Scheme in Scotland. CICA is required to manage controls to ensure the delegated budget is not exceeded. Compensation entitlements are never reduced or refused due to budget pressures, although there is an inherent risk that if compensation demand out-paces the available budget, either the organisation's delegated budget may be breached or the timing of payments may be affected. In practice, CICA relies on forecasting and ongoing dialogue with those who fund the schemes to manage this risk effectively. In circumstances where the delegated budget forecast identifies it may be insufficient to meet the value of claims which will reach ready to offer status, CICA will request the authorisation of additional budget cover from MoJ and/or income from the Scottish Government. In 2021-22, CICA managed this risk by providing forecasts and regular reports to the Chief Financial Officer, via its Senior Finance Business Partner, on budget utilisation and quarterly updates to the Scottish Government. An additional £16.7m was authorised by MoJ for England and Wales during 2021-22 for tariff and pre tariff schemes cases and the Scottish Government responded positively to requests from CICA for additional income with an additional £0.1m approved in Quarter 4.



## Financial Liability Risk

The key financial liability risks were:

### **Incidents Incurred But Not Yet Received (IBNYR)**

Incidents Incurred But Not Yet Received (IBNYR) is an unquantifiable contingent liability in respect of a possible future obligation to individuals who have been victims of violent crime as of 31 March 2022. This liability depends upon uncertain future events occurring and an application being submitted which meets the criteria set out in the relevant scheme. Although CICA recognises that this contingent liability exists in respect of IBNYR, the amount of the obligation cannot be measured with sufficient reliability. This is because it is not possible to establish with any reliable certainty the total number of eligible victims who sustained eligible criminal injuries, the likelihood of an application being made and then qualifying for compensation, according to the multiple criteria contained in the Scheme, and thereafter predicting with any reasonable certainty the potential value of any award which may be made, and the timescale in which this may occur.

### **Offers not accepted within time limits**

Under the Criminal Injuries Compensation Scheme 2012, a claimant's legal entitlement to an award crystallises on the date on which CICA receives written notice from the claimant or representatives of acceptance of a determination made by a claims officer. The Scheme provides that the acceptance of the award must (normally) be sent within 56 days, but other provisions of the Scheme mean that CICA is not legally empowered to withdraw a First Decision or Appeal offer until 2 years and 56 days have passed or to withdraw a Review Decision offer until 2 years and 90 days have passed. Once this deadline has passed CICA is able to send out withdrawal letters.

There are cases where the deadline for acceptance has passed but CICA has not yet withdrawn the offer. Such offers require a formal decision to be made withdrawing the offer and for the applicant to be given the opportunity to exercise rights of review and appeal against that decision. In some of those cases, information may be received which may lead CICA to exercise its discretion under the Scheme in favour of the claimant, and not withdraw the offer even though the deadline has passed. It is not possible to quantify the value of cases where CICA would so exercise discretion. However, the total value of cases 'on-offer' and passed the deadline is £1.8m: any liability would therefore be below that value.




### **Legal challenge to unspent convictions rule**

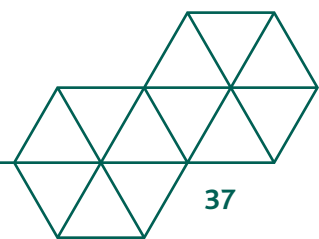
On 10 November 2020, the Supreme Court heard an appeal by two applicants against the decision of the Court of Appeal dated 3 July 2018 that the provisions of the Criminal Injuries Compensation Scheme 2012 were not unlawful in so far as they prohibit an award of compensation to applicants who are victims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

## Strategic Risks



CICA considers risk management to be a critical component of effective business management and utilises established risk management approaches to identify new and emerging risks, inform decision making and to strengthen internal controls.






The table below outlines the significant risks and challenges which have been managed at a strategic level throughout the past performance year and notes some of the actions undertaken to mitigate these risks.



Risk	Link to Strategic Outcome (SO)	Description	Controls and Mitigation Actions
<p><b>Operational delivery</b></p>	<p>  SO1   SO3                 </p>	<p>The impact of the pandemic combined with an increased influx of new applications has slowed the pace of deciding new applications and caused the caseload to grow.</p>	<p>A programme of recruitment and training to maintain workforce levels and skills is ongoing.</p> <p>Measures to streamline and improve the efficacy of our evidence gathering are being deployed incrementally through our business improvement and continuous improvement programme.</p> <p>New case segmentation strategies have been deployed to achieve the best match of expertise and skills to application types.</p>
<p><b>Information Technology, Digital Service and Infrastructure</b></p>	<p>  SO1                 </p>	<p>In partnership with Justice Digital, we are responsible for the availability, maintenance and security of our IT and digital systems.</p>	<p>We have worked closely with the Justice Digital security team, responding at pace to implement new guidance and ensure our system protections remain robust and effective in response to new and emergent risks.</p> <p>We have undertaken work over and above regular security requirements, including participating in pilot activities for new tools and approaches being tested and rolled out across the department.</p> <p>We have been proactive in identifying opportunities to further enhance our security approach, with additional specialist training and exercises planned over the coming months.</p>





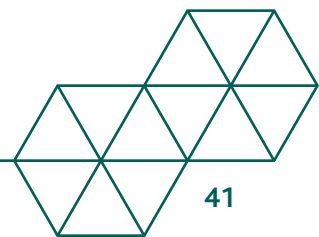


Risk	Link to Strategic Outcome (SO)	Description	Controls and Mitigation Actions
<p><b>People</b></p>	 <p>SO2</p>	<p>The maintenance of an engaged, skilled and capable workforce is crucial to the effective operation of our business.</p>	<p>Departmental (staff) turnover of 9.6% in year, was addressed through recruitment and training during the year, with an overall uplift in our yearly average to 295 FTE, from 277 FTE in the previous year.</p> <p>Investment in leadership development and strategies to engage our people delivered an Engagement Index of 68% in the civil service-wide People Survey 2021, a 1% increase on the previous year (based on a completion rate of 65%). Our people noted a strong connection to our purpose and organisational objectives, returning a positive score of 85% for this element of the survey.</p> <p>Training and consolidation programmes were operated throughout the year, largely using virtual platforms for delivery given continuing covid restrictions. As restrictions were eased, we re-introduced our in-office induction and training environments to consolidate learning and support consolidation of skills.</p> <p>A hybrid working offer, aligned with MoJ's departmental policy, was implemented to ensure a smooth and confident return to in-office working was achieved.</p>
<p><b>Estates</b></p>	 <p>SO3</p>	<p>The proximity of the lease expiry of our current office premises requires consideration of future accommodation needs and raises potential financial, operational and workforce risks.</p>	<p>A joint project was established with MoJ Estates function to confirm future requirements and conduct a survey of suitable, available office accommodation.</p> <p>MoJ Estates and Finance will support the completion of a business case and navigation of the approvals process and support the site transfer.</p> <p>Justice Digital are engaged to ensure timely plans are made for the IT infrastructure transfers required.</p>

Risk	Link to Strategic Outcome (SO)	Description	Controls and Mitigation Actions
<b>Information Security Risk</b>	 SO1  SO3	<p>In order to assess entitlement to compensation according to the schemes operated, CICA gathers, processes and stores personal and sensitive data in the course of assessing compensation claims.</p>	<p>A cross-CICA Information Management Group, chaired by the Senior Information Risk Owner (SIRO), has oversight of our information management procedures. The CICA SIRO attends the MoJ Information Security Risk Board and maintains strong links with the MoJ Data Privacy team.</p> <p>All staff must complete mandatory civil service training to ensure they are competent in handling and protecting information and this is enhanced by specific products designed and delivered by MoJ.</p>
<b>Operational Processes</b>	 SO2  SO3	<p>CICA maintains operational guidance and processes to ensure that they remain appropriate, are applied correctly and are in line with recognised best practice.</p>	<p>Staff development builds on scheme training ensuring familiarisation with operational guidance and practice.</p> <p>A Decision Support Team provides expert case specific advice related to the practical application of the scheme and CICA policy.</p> <p>The Business Change and Continuous Improvement team is charged with reviewing operational guidance.</p>
<b>Concurrent claims</b>	 SO3	<p>The scheme expects that applicants seek compensation from other sources, where there is opportunity to do so, and that any award under the scheme be reduced or withheld if an applicant is awarded compensation from other sources for the same injuries.</p>	<p>An analysis of scheme requirements, current policy and operational practices was undertaken with the Strategy and Performance Board and the risk was introduced to the corporate risk register. Following on from this, the ARC undertook a deep dive of the current risk and controls alongside an assessment of the associated level of financial risk during 2021-22.</p> <p>Opportunities to expand legitimate and practicable data-sharing opportunities with other bodies who may award compensation are the focus of ongoing development.</p>

Risk	Link to Strategic Outcome (SO)	Description	Controls and Mitigation Actions
<p><b>Fraud</b></p>	 <p>SO3</p>	<p>CICA are alert to the risk that undetected fraudulent activity may lead to financial loss and the erosion of funds available to pay compensation to victims of violent crime.</p>	<p>CICA is committed to preventing and tackling fraud to protect public funds intended for victims of violent crime.</p> <p>Staff awareness training ensures staff remain alert to the potential for fraudulent activity.</p> <p>Our counter fraud strategy was reviewed, as part of an annual review process, in-line with Cabinet Office standards to ensure current best practice guidelines are adhered to.</p> <p>In 2022/23 we intend to undertake discovery work on the potential to utilise data mining to further enhance our ability to provide assurance on the efficacy of our counter-fraud controls.</p>
<p><b>Delegated budget</b></p>	 <p>SO3</p>	<p>The delegated budget, within which CICA's Accounting Officer must operate, is set annually by MoJ as is income from Scottish Government. This budget is based on forecast compensation demand. There is an inherent risk that the delegated budget may not align with the value of compensation entitlements established in year.</p>	<p>This risk is closely monitored by CICA and reported regularly to MoJ and Scottish Government, providing a framework in which variances against forecast can be highlighted and additional budget sought by CICA in a timely way, to avoid either a breach of the delegated budget or delay for applicants.</p> <p>Statements are provided monthly to the Executive Management Board and quarterly to the Audit &amp; Risk Committee.</p> <p>Financial planning and forecasting is undertaken in line with Managing Public Money and financial delegations.</p> <p>A new forecasting model is being developed in partnership with MoJ to refine and test current assumptions and quantify forecast compensation demand, including any pressure, more reliably in future years.</p>

Risk	Link to Strategic Outcome (SO)	Description	Controls and Mitigation Actions
<p><b>Disclosures under GDPR</b></p>	<p>  SO1   SO3                 </p>	<p>In the course of administering the Scheme and deciding applications for compensation, CICA processes a significant amount of personal and sensitive data. CICA takes the storage, protection and appropriate disclosure of this information extremely seriously along with its other obligations under relevant data/information related legislation.</p>	<p>CICA has strengthened its processes and controls around the disclosure of personal data in liaison with MoJ Data Privacy, team, assuring that these are fully compliant with the regulations and best practice guidance provided by the Information Commissioner's Office.</p> <p>Training for staff has been enhanced and in 2022-23 a programme of activities will be rolled out to further embed this learning.</p>



## Corporate Risk and Assurance Group

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

In 2021-22, the CRAG used the insight provided by risk-leads in individual areas of the business to identify potential areas of emerging risk. This regular input was used to iterate and strengthen our Corporate Risk Register. Notable additional items discussed included counter fraud controls and information management.

## Health and Safety Committee

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

Meetings of the Health and Safety Committee were chaired by the CICA Health and Safety Manager. Membership included the Director of Corporate Services, Senior Governance Manager, Trade Union representatives and Health and Safety representatives from all directorates.

Meetings are typically held on a quarterly basis. However, additional meetings were held due to the COVID-19 pandemic. Meetings were held by agreement on 22 April, 27 May, 24 June, 10 August, 2 September, 23 September, 11 November and 23 December 2021.

## Other Committees and Forums

### Information Management Group

The Information Management Group (IMG) oversees information management and regulatory compliance. The IMG met on three occasions in 2021-22. It is chaired by the Senior Governance Manager and comprised the Senior Information Risk Owner and all Information Asset Owners.

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

### Stakeholder Engagement

The Stakeholder Engagement and Equality Forum (SEEF) is chaired by the Head of Policy and is a meeting with representatives of CICA's key stakeholder groups. The role of the SEEF is to facilitate and provide insight into customers' needs and experiences to inform service improvements. This includes offering insights on equality in the way that CICA operates the compensation scheme(s).

The SEEF provides an important opportunity for us to involve and listen to our stakeholders to improve our understanding of victims' experiences and needs, ensuring these are recognised in our operational practices, products and the design of new services.

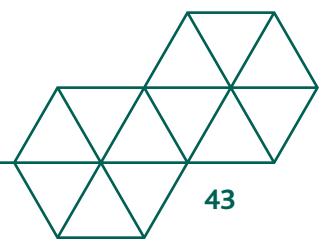
The SEEF met twice in 2021-22.

## Audit, Assurance and Operational Delivery

### Audit Objectives

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

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



## Internal Audit Activity

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

- Health and Wellbeing: A substantial assurance rating was offered.
- Assurance in a Remote Environment: A substantial assurance rating was offered.
- Effectiveness of Digital Enhancements to Service: A moderate assurance rating was offered.
- Retained Awards: A moderate assurance rating was offered.
- Board Effectiveness (Follow Up): GIAA noted full implementation of all recommendations.

## Internal Audit Opinion

GIAA provided an overall internal audit opinion of moderate assurance for the effectiveness of the systems of governance, risk management and internal control operating across CICA. Of the 14 recommendations made by GIAA, 12 have already been implemented, with the remainder on track to be implemented within agreed timeframes.

## Information Assurance

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

We continue to employ a mandatory requirement for all staff and new recruits to undertake annual information assurance training, and in 2021-22 we achieved 100% compliance. This ensures that we maintain an effective information assurance culture. We supported this with staff awareness activities and specific training for our Governance team on data protection and Subject Access Requests. In 2022-23, we are rolling out enhanced biennial training for all staff, alongside the revised and updated annual Civil Service training.

We have technical controls in place which reflect those recommended by the National Cyber Security Centre to address external cyber security threats. We have successfully tested our ability to restore access to data in the event of any incidents using backup processes.

During 2021-22, we received and actioned 53 requests for information under the Freedom of Information Act 2000. In addition, we processed 753 Subject Access Requests under the Data Protection Act 2018 and UK General Data Protection Regulation.

We continue to ensure integration with wider government developments by actively participating in MoJ wide forums and Boards. In 2021-22, our Senior Information Risk Owner attended the MoJ Information and Security Risk Board (held every two months) and the monthly Data Protection Sub Committee.

## Whistleblowing

CICA adopts the MoJ Whistleblowing policy and links are published on the CICA intranet.

Our Anti-Fraud Protocol and Whistleblowing Policy further support vigilance around potential for bribery and corrupt practice.

## Conclusion

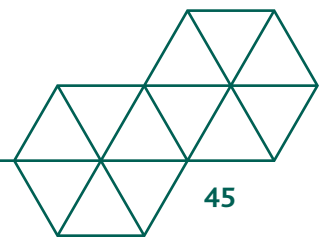
I am confident that this statement provides a comprehensive account of the corporate governance, risk management and control arrangements operating across CICA.

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



**Linda Brown CBE**

Chief Executive and Accounting Officer  
Criminal Injuries Compensation Authority  
12 July 2022





# Remuneration and staff report

## Remuneration policy

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

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

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In 2021-22, there were two posts classified as senior civil servants, the Chief Executive and the Deputy Chief Executive. Performance based pay awards for senior civil servants are determined by an assessment of performance against objectives agreed between the individual and their line manager at the start of the reporting year.

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

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

## Remuneration report

### Service contracts (Not subject to audit)

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

### Civil Service Pensions (Audited)

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

The PCSPS is an unfunded multi-employer defined benefit scheme. MoJ is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the Scheme as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office Civil Superannuation ([www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)).

In 2021-22, employer's contributions of £2.189m (2020-21, £2.034m) were payable to the PCSPS at one of four rates in the range 26.6% to 30.3% of pensionable earnings based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2021-22 to be paid when the member retires and not the benefits paid during this period to existing pensioners

Table 15 Remuneration and pensions for senior management for 2021-22 (Audited)

Name	Salary £'000	Bonus £'000	Value of pension benefits for single total figure of remuneration £'000	Total £'000	Accrued pension at pension age as at 31/03/22 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/22 £'000	CETV at 31/03/21 £'000	Real increase in CETV £'000
Linda Brown – Chief Executive	95-100	0	41	135-140	Pension 45-50  Lump sum 115-120	Pension 0-2.5  Lump sum 0-2.5	1,013	926	29
June Fellowes – Deputy Chief Executive	75-80	0-5	51	125-130	Pension 35-40  Lump sum 95-100	Pension 2.5-5  Lump sum 2.5-5	838	750	41

Disclosures above relate to the Chief Executive, as Accounting Officer, and Deputy Chief Executive as the only Senior Civil Servants within CICA. All other Members of the Executive Management Board have responsibility for delivery within their individual directorates and not for directing or controlling the major activities of the entity during the year.

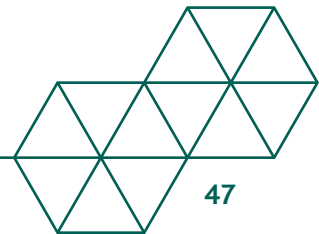


Table 16 Remuneration and pensions for senior management for 2020-21 (Audited)

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

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 2021-22 and this was also the case in 2020-21.

## Senior staff disclosures (Audited)

The Chief Executive fulfils the role of Accounting Officer of CICA. The Chief and the Deputy Chief Executive, for the purposes of disclosure, are classified as the senior management of CICA. Their emoluments disclosed represent the total amount paid. The three Non-executive Board Members earned, in total, £8,400 in fees and claimed £0 in expenses during 2021-22 (2020-21, £7,200.00 + £0).

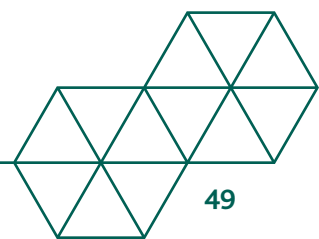
## Fair Pay Disclosure (Audited)

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

**Table 17 Ratio between the highest paid directors' total remuneration and the pay and benefits of employees in the lower quartile, median and upper quartile.**

	2021-22	2020-21
Highest paid executive in CICA salary	£95 – £100k	£95 – £100k
Lower quartile CICA salary	£21,413	£20,649
Lower quartile pay ratio	4.6	4.7
Median CICA Salary	£25,118	£22,567
Multiplier of Median Remuneration	3.9	4.3
Upper quartile CICA salary	£30,451	£26,554
Upper quartile pay ratio	3.2	3.7

The banded remuneration of the highest paid executive in CICA during 2021-22 was £95k – £100k (2020-21, £95k – £100k). This was 3.9 times (2020-21, 4.3 times) the median remuneration of the workforce which was £25,118 (2020-21, £22,567). The range of remuneration in year was £95k – £100k to £15k – £20k. In 2021-22 and 2020-21 no employee received remuneration exceeding that of the highest paid executive.



**Table 18 Percentage change from previous year in total salary and bonuses for the highest paid director and the staff average.**

	2021-22	
	Salary & allowances	Bonus
Staff average	7%	-26%
Highest paid director	0%	0%

In 2020-21, following approval from Cabinet Office and HM Treasury, a three year pay deal was implemented for MoJ including CICA employees. The three-year pay deal runs from 1 August 2020 until 31 July 2023. Years one and two were implemented in September and October 2021 respectively (and backdated); year three is due to be implemented in August 2022. The implementation of the pay award in 2021-22 increased average staff remuneration and reduced the ratio between the highest paid director's remuneration and the staff lower quartile, median and upper quartile.

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

### Salary (Audited)

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

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

**Table 19**

	Fee (£'000) 2021-22	Fee (£'000) 2020-21
Andrew Flanagan (Left 31 July 2020)	0	0-5
William Matthews (Left 31 July 2020)	0	0-5
Ron Barclay-Smith (Left 31 March 2021)	0-5	0-5
Derek Bray (Started 15 December 2020)	0-5	0-5
Martin Spencer (Started 15 December 2020)	0-5	0-5
Russell Frith (Started 15 December 2020)	0-5	0-5
<b>Total</b>	<b>8.4</b>	<b>7.2</b>

### Benefits in kind (Audited)

No senior staff received any benefits in kind.

## Senior management travel and subsistence (Not subject to audit)

In 2021-22, the Chief Executive claimed £0 (2020-21, £0). The Deputy Chief Executive claimed £0 (2020-21, £0) in expenses. There were no claims for expenses not related to travel and subsistence.

## Compensation for loss of office (Audited)

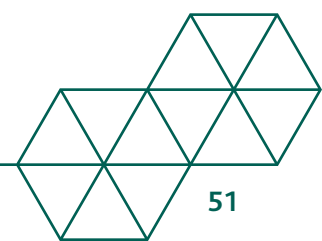
No senior managers received compensatory payments in 2021-22 (2020-21, nil).

## Cash Equivalent Transfer Values (CETV) (Audited)

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

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

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



## General notes

The 2021-22 CETV return reflects the two senior civil servants employed at CICA included within the Pension Scheme. There were nil returns for all disclosures relating to benefits in kind and employer contributions to partnership pension accounts.

**Table 20 Staff costs (Audited)**

Staff costs		2021-22	2020-21
	Note	£'000	£'000
Salaries and emoluments		7,745	7,267
Social security costs		755	694
Pension costs		2,189	2,034
Overtime payments		(18)	229
<b>Total</b>		<b>10,671</b>	<b>10,224</b>

The disclosures above include the costs within the body of the remuneration report. Consultancy costs for 2021-22 were nil (2020-21 nil).

**Table 21 Staff numbers (Audited)**

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

	2021-22	2020-21
Casework	269	251
Administration	26	26
<b>Total</b>	<b>295</b>	<b>277</b>

## Staff composition

At 31 March 2022, CICA employed 324 people which constituted 300.75 full-time equivalent (FTE). This included two full-time senior civil service (SCS) posts.

**Table 22**

	<b>Number employed</b>	<b>Full-time equivalent</b>	<b>SCS 1</b>	<b>SCS 2</b>
Male	143	139.50		
Female	181	161.25	1	1
<b>Total</b>	<b>324</b>	<b>300.75</b>	<b>1</b>	<b>1</b>
<b>Full-time</b>	<b>253</b>	<b>253.00</b>		
<b>Part-time</b>	<b>71</b>	<b>47.75</b>		

## Civil Service – Exit packages (Audited)

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

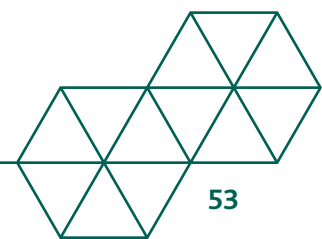
During 2020-21 and 2021-22 there were no exit packages paid.

During the financial year 2021-22, CICA reviewed off-payroll engagements where we are required to consider intermediaries, legislation (IR35) using HMRC's guidance and on-line status indicator. We have advised our contracting body of the outcome of the status determinations so that, where appropriate, tax deductions are made at source from payments made in respect of the engagement with CICA. Further details of off-payroll engagements in CICA can be found in MoJ departmental resource accounts.

## Pension liabilities

CICA has no pension liabilities. As detailed in the Remuneration report permanent members of staff are eligible for membership of the Principal Civil Service Pension Scheme (PCSPS).

The PCSPS is an unfunded multi-employer Defined Benefit Scheme which prepares its own accounts where individual employers are unable to identify their share of the underlying assets and liabilities of the scheme.





## Our staff (not subject to audit)

### Employment policies

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

### Equality and diversity

We value the diversity of our workforce and promote a culture where all are treated with fairness and respect. Diversity data is held and collated by MoJ and we continue to promote and encourage our people to record their personal diversity information. This will help us ensure we have the best information possible on the diversity profile of our people and can be confident that there is strong and robust data for ensuring that our policies and processes are applied fairly. We actively encourage and support our people to participate in a range of development programmes tailored to staff from under-represented groups.

This year, two of our people graduated from the MoJ Bridges leadership development programme. This programme aims to support staff from ethnic minority backgrounds to develop their skills and confidence to progress into leadership roles.

MoJ publishes diversity information annually in its Workforce Monitoring report. We have an established Diversity, Inclusion and Wellbeing Network which is proactive in celebrating diversity and ensures CICA continues to be an inclusive working environment which promotes access to opportunities for all. In 2021-22 we completed delivery of our Inclusive Teams awareness programme which explored how we can create and maintain inclusive teams.

### Employment of disabled persons

MoJ has clear rules on employing disabled staff and we apply these rules. We encourage a culture in which we remove barriers for disabled people and promote a better understanding of disability issues. We are accredited as a Disability Confident Leader which recognises our approach to challenging attitudes towards disability, increasing the understanding within the organisation of disability and ensuring that disabled people have opportunities to fulfil their potential. In 2021-22, over 90% of our people completed Becoming Disability Confident e-learning.

### Learning and development

During 2021-22, we continued to build a trauma-informed workforce by ensuring that more of our colleagues completed trauma-informed training and awareness. This has enhanced our ability to be a compassionate organisation, providing services which are sensitive to the experience of our applicants. Recognising the benefits of in person learning, we reintroduced some classroom-based learning, as government guidelines allowed, for cohorts of new staff developing their knowledge of our compensation schemes. Learning at Work Week continued to be well supported and we offered a number of varied opportunities for our people to develop and grow in both their personal and professional lives.

## Social and community issues

We remain committed to supporting our local community and wider society. Our people are encouraged to volunteer for community projects and to help raise funds for local and nationwide charitable organisations. In 2021-22 volunteering projects and social mobility initiatives could not take place. However, our people continued to support the charities Social Bite and Tiny Changes and raised funds throughout the year.

## Sickness absence

We continued to proactively manage sickness absence and improve health and wellbeing at work. We supported new line managers to increase knowledge and skills on attendance management, mental health and disability awareness. In 2021-22 our people completed resilience and wellbeing awareness training.

During 2021-22, the average working days lost to sickness in CICA was 7.3 days. Of these, 4.2 days (58%) were due to long-term sickness and 3.1 days (42%) were due to short-term sickness.

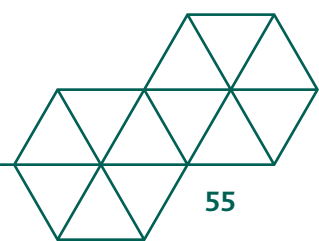
## Staff turnover

In 2021-22, staff turnover was 2.9% (2020-21: 3.9%) and department turnover was 9.6% (2020-21: 10.9%). Transfers within the Civil Service are not included in staff turnover but are included within department turnover figures.

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

## Staff Engagement

We are committed to making CICA a great place to work and involving our people in decisions which affect them. In 2021 our Civil Service People Survey engagement index score increased by 1% to 68%. This was 8% higher than the MoJ overall score and 2% higher than the overall Civil Service score.



# Parliamentary accountability and audit report

## Audit

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

The notional fee for the statutory audit in 2021-22 is £109,000 (2020-21, £100,000). No additional audit fees or remuneration for non-audit work were recognised in 2021-22, as was also the case in 2020-21.


**Table 23 Regularity of expenditure (audited)**

	2021-22	2020-21
	£	£
Write-downs	0	0
Special Payments	25,000	30,447

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

## Remote contingent liabilities (audited)

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



**Linda Brown CBE**

Chief Executive and Accounting Officer  
Criminal Injuries and Compensation Authority  
12 July 2022

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

## Opinion on financial statements

I certify that I have audited the financial statements of the Criminal Injuries Compensation Authority for the year ended 31 March 2022 under the Criminal Injuries Compensation Act 1995 and the Government Resources and Accounts Act 2000.

The financial statements comprise: the Criminal Injuries Compensation Authority's

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

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 2022 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Criminal Injuries Compensation Act 1995 and the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## Opinion on regularity

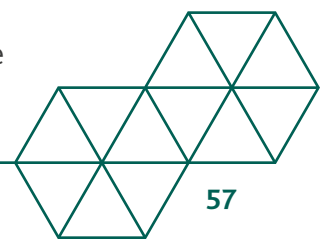
In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

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

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Criminal Injuries Compensation Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



## Conclusions relating to going concern

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

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

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

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

## Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Criminal Injuries Compensation Act 1995 and the Government Resources and Accounts Act 2000.

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

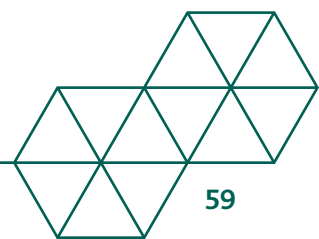
- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Criminal Injuries Compensation Act 1995 and the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Criminal Injuries Compensation Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

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



## **Responsibilities of the Accounting Officer for the financial statements**

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

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

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with Criminal Injuries Compensation Act 1995 and the Government Resources and Accounts Act 2000.

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

### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

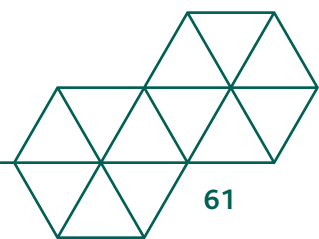
## Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Criminal Injuries Compensation Authority's accounting policies.
- Inquiring of management, the Criminal Injuries Compensation Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Criminal Injuries Compensation Authority's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Criminal Injuries Compensation Authority's controls relating to the Criminal Injuries Compensation Authority's compliance with the Criminal Injuries Compensation Act 1995, the Government Resources and Accounts Act 2000 and Managing Public Money;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Criminal Injuries Compensation Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Criminal Injuries Compensation Authority's framework of authority as well as other legal and regulatory frameworks in which the Criminal Injuries Compensation Authority operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Criminal Injuries Compensation Authority. The key laws and regulations I considered in this context included the Criminal Injuries Compensation Act 1995, the Government Resources and Accounts Act 2000, Managing Public Money, employment law and tax Legislation.





### Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

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

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

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

### Other auditor's responsibilities

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

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

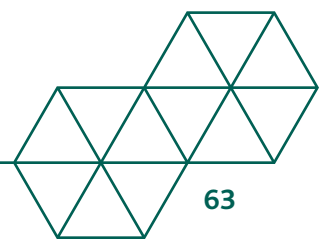
### Report

I have no observations to make on these financial statements.

### Gareth Davies

Comptroller and Auditor General  
13 July 2022

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP







# Financial statements

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

		2021-22		2020-21	
	Note	£'000	£'000	£'000	£'000
Staff costs	3	10,671		10,224	
Other expenditure	4	6,261		8,752	
Depreciation and impairment charges	5&6	867		673	
Provision expense	12	147,632		148,067	
<b>Total Expenditure</b>			<b>165,431</b>		<b>167,716</b>
Income	2	(1,300)		(998)	
Income – Scottish Government	2	(15,706)		(21,141)	
			(17,006)		(22,139)
<b>Net Operating Expenses</b>			<b>148,425</b>		<b>145,577</b>
Finance expense (Unwinding of discount)	12		(33)		821
<b>Net expenditure for the year</b>			<b>148,392</b>		<b>146,398</b>

There was no other comprehensive expenditure incurred during the year. The notes on pages 70 to 102 form part of these accounts.

## Statement of Financial Position at 31 March 2022

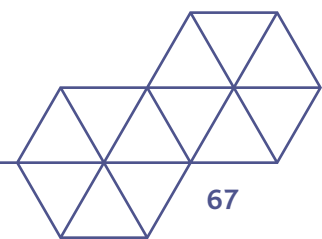
		2021-22		2020-21	
	Note	£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Property, plant and equipment	5	438		476	
Intangible assets	5	1,985		2,129	
Right-of-use asset	6	848		0	
<b>Total non-current assets</b>			<b>3,271</b>	<b>2,605</b>	
<b>Current assets</b>					
Trade and other receivables	7	388		7,010	
Cash and cash equivalents	8	22,007		16,266	
<b>Total current assets</b>			<b>22,395</b>	<b>23,276</b>	
<b>Total assets</b>			<b>25,666</b>	<b>25,881</b>	
<b>Current liabilities</b>					
Trade and other payables	9	(44,465)		(50,869)	
Lease liabilities	10	(535)		0	
Provisions (not later than one year)	12	(79,992)		(104,173)	
<b>Total current liabilities</b>			<b>(124,992)</b>	<b>(155,042)</b>	
<b>Total assets less current liabilities</b>			<b>(99,326)</b>	<b>(129,161)</b>	
<b>Non-current liabilities</b>					
Other payables	11	(15,709)		(14,281)	
Lease liabilities	10	(630)		0	
Provisions (later than one year)	12	(86,319)		(72,751)	
<b>Total non-current liabilities</b>			<b>(102,658)</b>	<b>(87,032)</b>	
<b>Total assets less total liabilities</b>			<b>(201,984)</b>	<b>(216,193)</b>	
<b>Taxpayers' equity and other reserves</b>					
General reserve			(201,984)	(216,193)	
<b>Total equity</b>			<b>(201,984)</b>	<b>(216,193)</b>	

The notes on pages 70 to 102 form part of these accounts.



**Linda Brown CBE**

Chief Executive and Accounting Officer  
Criminal Injuries Compensation Authority  
12 July 2022



## Statement of Cashflow for the year ended 31 March 2022

		2021-22		2020-21	
	Note	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net operating cost	14	(148,392)		(146,398)	
Adjustments for non-cash transactions	14	15,317		15,017	
(Increase)/decrease in trade and other receivables	14	6,622		(6,185)	
Less receivables not passing through the operating cost statement	14	(16)		0	
Increase/(decrease) in trade and other payables	14	(4,976)		3,804	
Less payables not passing through the operating cost statement	6	643		0	
Increase/(decrease) in financial liabilities	10	1,165		0	
Less repayments of principal on leases	6	530		0	
Less balances recognised on implementation of IFRS16	6	(1,694)		0	
Net movement of provisions	12	(10,613)		(4,504)	
<b>Net cash outflow from operating activities</b>			<b>(141,414)</b>		<b>(138,266)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	5	(123)		(6)	
Purchase of intangible assets	5	(192)		0	
<b>Net cash outflow from investing activities</b>			<b>(315)</b>		<b>(6)</b>
<b>Cash flows from financing activities</b>					
Funding from MoJ	13	148,000		137,500	
Repayments of principal on leases		(530)		0	
<b>Net cash inflow from financing activities</b>			<b>147,470</b>		<b>137,500</b>
<b>Net increase (decrease) in cash and cash equivalents in the period</b>	<b>8</b>		<b>5,741</b>		<b>(772)</b>
<b>Cash and cash equivalents at the beginning of the period</b>			<b>16,266</b>		<b>17,038</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>8</b>		<b>22,007</b>		<b>16,266</b>

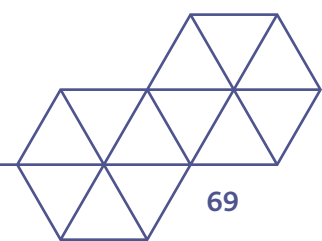
The notes on pages 70 to 102 form part of these accounts.

## Statement of Change in Taxpayer's Equity for the year ended 31 March 2022

		General Reserve	Total Reserves
	Note	£'000	£'000
<b>Balance at 1 April 2020</b>		<b>(221,634)</b>	<b>(221,634)</b>
Net Parliamentary funding received from MoJ	13	137,500	137,500
Intra-departmental balances settled with MoJ		7,993	7,993
Notional recharge from MoJ	4	6,246	6,246
Auditors remuneration	4	100	100
Net expenditure		(146,398)	(146,398)
<b>Balance at 31 March 2021</b>		<b>(216,193)</b>	<b>(216,193)</b>

		General Reserve	Total Reserves
	Note	£'000	£'000
<b>Balance at 1 April 2021</b>		<b>(216,193)</b>	<b>(216,193)</b>
Net Parliamentary funding received from MoJ	13	148,000	148,000
Intra-departmental balances settled with MoJ		9,967	9,967
Notional recharge from MoJ	4	4,525	4,525
Auditors remuneration	4	109	109
Net expenditure		(148,392)	(148,392)
<b>Balance at 31 March 2022</b>		<b>(201,984)</b>	<b>(201,984)</b>

The notes on pages 70 to 102 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 2021-22 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

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

### 1.1a Basis of Preparation

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

The Financial Statements, together with the Notes on pages 70 to 102, 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 2022, CICA's Statement of Financial Position records net liabilities of £202 million (31 March 2021, £216 million). This reflects the inclusion of liabilities falling due in future years which may only be met by future funding from both MoJ and the Scottish Government. This follows the normal conventions applying to parliamentary control over income and expenditure in that funding is not provided in advance of need.

Funding for 2022-23, allowing for the amounts required to meet CICA's liabilities, had already been included in estimates for this period, which had been approved by Parliament, and there is no reason to believe that future sponsorship and future parliamentary approval will not be forthcoming. It has therefore been considered appropriate to adopt the going concern basis for the preparation of these financial statements.

### 1.1b Significant Judgements Used in the Production of the Accounts

In 2021-22 CICA has used historical information in the production of the provision for live cases. This means that there is an implicit assumption that past patterns of activity are a reasonable indicator of future patterns of activity.

**Tariff Distribution Profiles, Including Nil-Assessed Cases:** For undecided cases, that is cases that have not had a monetary award decision assigned to them, an estimate is required of what decisions will be taken against them. A distribution profile of decisions is created based upon past patterns of activity, determining the proportion of undecided cases that will be made an offer under each tariff band, and those that will be nil-assessed. The profile is determined based upon historical periods within which 95% of cases have had a decision taken against them. Since there is an increased likelihood of a case decided within 12 months being nil-assessed, separate profiles are created for application to cases aged 0-12 months and those aged 12 months or more.

**Average Claim Award Value:** It is assumed that the average claim value awarded within each tariff band will be consistent with the historical average within that tariff band across the life of the scheme. Claim values are calculated and applied separately for cases resolved within 12 months and those resolved in 12 months or more.

### 1.1c Changes in Accounting Policies and New and Amended Standards Adopted

IFRS 16 Leases is due for adoption across government bodies reporting under the FReM from 1 April 2022, however HMT has permitted CICA to early adopt the standard from 1 April 2021, in these accounts.

## 1.2 Funding

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

## 1.3 Non-Current Assets

### Intangibles

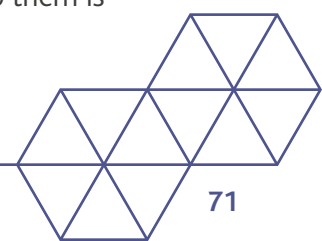
Purchased intangibles are split between information technology and software licences and are capitalised where expenditure of £500 or more is incurred. Both sets of assets are disclosed at depreciated historical cost which approximates to fair value.

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

### Property, Plant and Equipment

Items are capitalised if they are intended to be used on a continuous basis for greater than one year. Items costing more than £500, inclusive of delivery and installation, are treated as Non-Current Assets. Where an item costs less than the capitalisation level but forms part of an asset or grouped asset, whose total value is greater than the capitalisation level, the item is treated as a Non-Current Asset.

Tangible Non-Current Assets are disclosed at depreciated historical cost which approximates to fair value rather than fair value revaluation as the impact of this policy would not be material to CICA's accounts. The residual value of all assets and the depreciation method applied to them is reviewed at the end of each financial year.



## Donated Assets

CICA holds no assets classified as donated.

## Assets Under Construction

Costs, inclusive of irrecoverable VAT, associated with discrete projects are pooled until CICA takes the relevant asset on charge (first brings the asset into use). Such items are not depreciated until they are brought into use. The relevant in-year transfers to asset categories, relating to assets which were taken on charge during 2021-22, 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 evaluation evenly over the asset's useful economic life as follows.

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

## 1.5 Income

The Scottish Government's contribution towards compensation expenditure is based on the actual amount (including an adjustment for year-end accruals) required to settle tariff-based Scheme claims where the injury was sustained in Scotland. This is classified as income and is accounted for in accordance with the 5-step model set out in IFRS 15 Revenue from Contracts with Customers, and HM Treasury's Financial Reporting Manual. The Memorandum of Understanding between CICA and the Scottish Government sets out the arrangements for paying the Scottish contribution towards the cost of the Criminal Injuries Compensation Schemes. Other sources of income include compensation which is repaid by applicants in circumstances provided for in the Scheme(s). These repayments are treated as income and recycled into compensation spending. In accordance with IFRS 9 Financial Instruments, CICA writes-down any future income by the rate of collection to reflect future uncertainty in this income being received.

## 1.6 Accounting for Employee Benefits

Under IAS 19 CICA is required to provide for the full long-term pension liabilities of any qualifying staff not covered under the Principal Civil Service Pension Scheme (PCSPS) arrangements. In 2021-22, all staff working for CICA were covered under the arrangements, therefore contributions to PCSPS were treated as contributions to a defined scheme. CICA is unable to identify its share of liabilities in the PCSPS defined benefit scheme therefore no disclosure for long-term pension liabilities is charged to these accounts.

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

## 1.7 Leases

Government bodies typically lease properties used for administrative purposes for reasons of efficiency and flexibility

IFRS 16 Leases is due for adoption across government bodies reporting under the FReM from 1 April 2022, however HMT have permitted CICA to early adopt the standard from 1 April 2021, in these accounts. IFRS 16 introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases (apart from the exemptions listed below).

### Scope and exclusions – CICA as lessee

In accordance with IFRS 16 Leases, contracts, or parts of contracts, that convey the right to control the use of an asset for a period of time are accounted for as leases.

Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, incorporating both the right to obtain substantially all the economic benefits from the asset and to direct its use. If so, the relevant part of the contract is treated as a lease.

When making the above assessments, CICA excludes two types of leases. Firstly, those relating to low value items, which it considers as those where the underlying asset would have a cost of less than £10,000 when new, provided those items are not highly dependent on or integrated with other items. Secondly, contracts whose term (comprising the non-cancellable period together with any extension options CICA is reasonably certain to exercise and any termination options CICA is reasonably certain not to exercise) is less than twelve months.

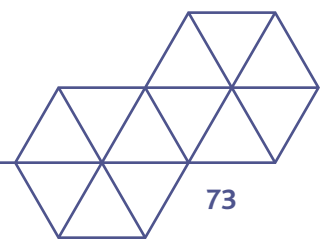
### Initial recognition – CICA as lessee

At the commencement of a lease (or on the date of transition to IFRS 16, if later), CICA recognises a right-of-use asset and a lease liability.

The lease liability is measured at the value of the remaining lease payments discounted either by the interest rate implicit in the lease, or where this is not readily determinable, CICA's incremental rate of borrowing. This rate is advised annually by HMT (0.91% for leases recognised in 2021, 0.95% for those in 2022). Where the lease includes extension or termination options, the lease payments will be for the non-cancellable period together with any extension options CICA is reasonably certain to exercise and any termination options CICA is reasonably certain not to exercise.

The measurement of lease payments excludes any VAT payable, and irrecoverable VAT is expensed at the point it falls due in line with IFRIC 21 Levies.

The right-of-use asset is measured at the value of the lease liability, adjusted for: any lease payments made before the commencement date; any lease incentives received; any incremental costs of obtaining the lease; and any costs of removing the asset and restoring the site at the end of the lease.



### **Subsequent measurement – CICA as lessee**

After initial recognition, the right-of-use asset will be measured using the fair value model. CICA considers that the cost model (measurement by reference to the lease liability) is a reasonable proxy for fair value for property leases of less than five years.

The value of the asset will be adjusted for subsequent depreciation and impairment, and for reassessments and modifications of the lease liability as described below. Where the amount of a reduction to the asset exceeds the carrying value of the asset, the excess amount is recognised in expenditure.

The lease liability will be adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments are reappraisals of the probability of the options given by the existing lease contract, for example where we no longer expect to exercise an option; modifications are changes to the lease contract. Reassessments and modifications are accounted for by discounting the revised cash flows: using a revised discount rate where CICA becomes or ceases to be reasonably certain to exercise or not exercise an extension or termination option, or the lease is modified to amend the non-cancellable period, change the term of the lease, change the consideration or the scope; or at the existing discount rate where there is a movement in an index or rate that will alter the cash flows, or the amount payable under a residual value guarantee changes.

Expenditure for each financial year includes interest on the lease liability and a straight-line depreciation charge on the right-of-use asset over the life of the lease, together with any impairment of the right-of-use asset and any change in variable lease payments, that was not included in the measurement of the lease payments during the period in which the triggering event occurred. Rental payments in respect of leases of low value items, or with a term under twelve months, are also expensed.

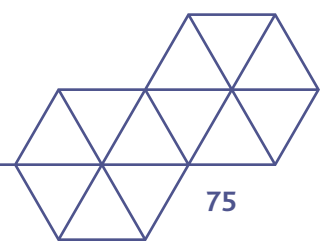
### Transitional arrangements

We have applied a number of options and practical expedients on initial adoption of IFRS 16, these principally being mandated by the FReM.

- IFRS 16 has been adopted retrospectively using the 'cumulative catch-up' approach, without restatement of comparative balances. Consequently, the financial statements for 2020-21 have been prepared in accordance with the previous standard, IAS 17 Leases.
- There has been no reassessment of existing contracts that CICA had previously assessed as containing or not containing a lease. However, new contracts will be classified according to the criteria given in IFRS 16.
- For leases previously treated as operating leases, the right-of-use assets have been measured at the present value of the remaining lease payments, adjusted for any prepayment or accrual balances in respect of the lease payments. CICA has used hindsight in determining the remaining term of leases and no adjustment has been made for leases whose term ends within twelve months of the date of first adoption..

### Estimates and judgements

CICA has determined that the cost model is a reasonable proxy for fair value for its one lease, because the rents payable is aligned to open market rates.



## 1.8 Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. CICA provides for legal or constructive obligations which are of uncertain timing or amount at the reporting period end. The provision is established on the basis of the best estimate of the expenditure required to settle the obligation. The provisions (particularly tariff) involve significant estimations and uncertainties (see Note 12 for detail). These obligations are set out below.

### Pre-tariff Schemes

The provision for pre-tariff schemes reflects the expected settlement value of all outstanding pre-tariff cases at the reporting period end. The total liability has been derived by an in-depth valuation assessment by the judiciary (wholly independent from CICA). This provision has not been discounted (see Note 12).

### Tariff Schemes

CICA recognises a liability in respect of total applications which have been made to CICA but have not yet been paid to applicants. The provision is calculated in accordance with IAS 37. This provision has been discounted by using the prevailing nominal Treasury Discount Rates, highlighted at Note 12. The nominal rate is used because the tariff schemes are not subject to inflation so using the real rate would be inappropriate. The discount is unwound over the remaining life of the provision and is shown as a finance charge in the Statement of Comprehensive Net Expenditure.

In 2021-22, a review of the provision estimate methodology was conducted, resulting in the following refinements to the estimate:

#### Tariff Schemes

Due to the introduction of a new public application service and the requirement to have the provision model expanded to also include a forecast a few changes have been made.

#### The Percentage (%) Nil Assessed 2012 Scheme

The new public application service does not operate in a way allowing the model to split % nil by tariff so this part of the process has been re-worked.

The methodology continues to consider the likelihood of cases being nil but this is now included in the tariff profiles, as a tariff which gains a nil award.

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

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

- Due to the low volumes any movement in the data has more of an impact so to reduce this the live case extracts now include cases that have been re-opened.

## Age Profiles

To avoid volatility due to low volume in the older brackets, rather than creating five separate age brackets we now aggregate the data into two, current age 0 to 12 months and current age 12 months plus. By grouping to 12 months plus, we are allowing for the complexity to be recognised while also not limiting ourselves to tight one-year brackets where movement between them can be due to other limitations rather than just complexity.

## Decided Cases

The model now reverts to the original treatment by CICA of assuming these cases will be paid 100% of their decided value. Our analysis still stands that it is in fact not 100% but due to the minimal impact this has on the model's outputs it is instead considered and monitored by sensitivity testing.

Following the review, we have assessed the impact on the tariff provision disclosed in the 2020-21 Annual Report and Accounts. The impact of the refinements has not led to a material difference in the disclosed value.

## Victims of Overseas Terrorism Compensation Scheme (VOTCS)

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

## Dilapidations

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

## Early Departure

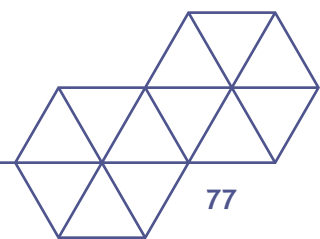
CICA meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) for employees who retire early. These costs are provided for in full when the relevant early retirement programme becomes binding by establishing a provision for the estimated payments.

## 1.9 Recognition of Compensation Accrual

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

## 1.10 Value Added Tax

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





## 1.11 Holding Accounts

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

## 1.12 Third Party Assets

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

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

The balances held on behalf of the above parties are disclosed in Note 17.

## 1.13 Third Party Recharges

During a prior period, MoJ reorganised the structure of IT and finance support services into a functional leadership model providing services across the department and its agencies. This resulted in the staff costs of the finance and IT teams being met by MoJ core teams, as well as the administration costs of IT. These costs, totalling £1.4m have been recharged through corporate recharges in the Statement of Comprehensive Net Expenditure.

## 1.14 Segmental Reporting

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

## 1.15 Impending Application of Newly Issued Financial Reporting Standards Not Yet Effective

### IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. The EU adopted the standard in November 2021, but the Financial Reporting Advisory Board has agreed to delay the mandatory adoption of the standard until 2025-26 and it should be included in the 2025-26 FReM at the earliest. Early adoption of IFRS 17 may be permitted on a case-by-case basis as agreed with HM Treasury. To assess the impact of the standard, CICA will review contracts which meet the definition of insurance contracts.

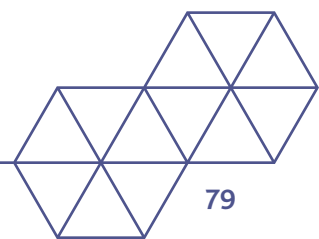
CICA does not consider that any other new, or revised standard, or interpretation will have a material impact.

## Note 2 Operating Income

	2021-22	2020-21
	£'000	£'000
Compensation repaid (previously civil actions)	1,249	950
Compensation recoverable	0	48
Income from the Scottish Government	15,706	21,141
Other administrative income	51	0
	<b>17,006</b>	<b>22,139</b>

## Note 3 Staff Costs

	2021-22	2020-21
	£'000	£'000
Salaries and emoluments	7,745	7,267
Social security costs	755	694
Pension costs	2,189	2,034
Overtime payments	(18)	229
	<b>10,671</b>	<b>10,224</b>



## Note 4 Other Expenditure

	2021-22	2020-21
	£'000	£'000
Programme expenditure – case-handling costs	986	1,176
Other accommodation costs	393	480
Rentals under operating leases	0	457
Other rental costs	109	0
Miscellaneous fees	32	21
Lease interest	13	0
Postage	122	104
Travel and subsistence	5	3
Storage and handling	(10)	16
Stationery	12	34
Furniture and fittings	2	2
Training, recruitment and staff welfare	43	17
Internal audit fees	37	37
Losses and special payments paid	25	30
Information and publications	4	3
Bad debts written back	(16)	0
<b>Non Cash Items</b>		
Loss on disposal of Non-Current Assets – PPE	(167)	0
Dilapidations on lease arising	21	21
Corporate recharge	3,155	3,992
Corporate recharge – functional leadership	1,370	2,254
Increase/(decrease) to bad debt provision	16	0
Notional external audit fees	109	100
Loss on disposal of Non-Current Assets – IA	0	5
	<b>6,261</b>	<b>8,752</b>

## Note 5 Non-Current Assets: PPE and Intangible Assets

Property, plant and equipment 2021-22	Fixtures and fittings	Leasehold improvements – Alexander Bain House	Computer equipment	Office equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 April 2021	297	973	1,343	107	72	2,792
Additions	0	0	(147)	103	0	(44)
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
At 31 March 2022	297	973	1,196	210	72	2,748
<b>Depreciation</b>						
At 1 April 2021	(294)	(664)	(1,288)	(70)	0	(2,316)
Charged in year	(2)	(97)	(41)	(21)	0	(161)
Disposals	0	0	167	0	0	167
Transfers	0	0	0	0	0	0
At 31 March 2021	(296)	(761)	(1,162)	(91)	0	(2,310)
<b>Net book value at 31 March 2022</b>	<b>1</b>	<b>212</b>	<b>34</b>	<b>119</b>	<b>72</b>	<b>438</b>
<b>Net book value at 31 March 2021</b>	<b>3</b>	<b>309</b>	<b>55</b>	<b>37</b>	<b>72</b>	<b>476</b>

The negative additions under Computer Equipment reflect the reversal of an accrual where MoJ met the full cost. The reversed depreciation is reflected in Note 4 'Other Expenditure'.

<b>Intangible assets</b>	<b>Information technology</b>	<b>Software licences</b>	<b>Assets under construction</b>	<b>Total</b>
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 April 2021	2,181	200	1,697	4,078
Additions	192	0	0	192
Disposals	0	0	0	0
Transfers	0	0	0	0
At 31 March 2022	2,373	200	1,697	4,270
<b>Amortisation</b>				
At 1 April 2021	(1,812)	(137)	0	(1,949)
Charged in year	(286)	(50)	0	(336)
Disposals	0	0	0	0
At 31 March 2022	(2,098)	(187)	0	(2,285)
<b>Net book value at 31 March 2022</b>	<b>275</b>	<b>13</b>	<b>1,697</b>	<b>1,985</b>
<b>Net book value at 31 March 2021</b>	<b>369</b>	<b>63</b>	<b>1,697</b>	<b>2,129</b>

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

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

## Note 6 Leases

Right-of-use leased assets	Buildings	Total
	£'000	£'000
<b>Cost</b>		
At 1 April 2021	1,218	1,218
Additions	0	0
Disposals	0	0
Transfers	0	0
At 31 March 2022	1,218	1,218
<b>Amortisation</b>		
At 1 April 2021	0	0
Charged in year	(370)	(370)
Disposals	0	0
At 31 March 2022	0	0
<b>Net book value at 31 March 2022</b>	<b>848</b>	<b>848</b>
<b>Net book value at 31 March 2021</b>	<b>0</b>	<b>0</b>

### Lease liabilities

A maturity analysis of contractual discounted cash flows relating to lease liabilities is presented below. The cash flows and balances are presented net of irrecoverable VAT.

	2021-22
	£'000
Not later than one year	543
Later than one year and not later than five years	633
Later than five years	0
	<b>1,176</b>
Less interest element	(11)
<b>Present value of obligations</b>	<b>1,165</b>

	2021-22
	£'000
Current portion	535
Non-current portion	630
<b>Total present value of obligations</b>	<b>1,165</b>



**Amounts recognised in the Statement of comprehensive net expenditure**

	<b>2021-22</b>
	£'000
Depreciation	370
Interest	13
<b>Total of entries in SoCNE</b>	<b>383</b>

**Amounts recognised in the Statement of cash flows**

	<b>2021-22</b>
	£'000
Repayment of principal on leases	(530)
Interest expense	(13)
<b>Total cash outflow for leases</b>	<b>(543)</b>

**Reconciliation from IAS 17 to IFRS 16**

This table reconciles CICA's operating lease commitments as at 31 March 2021 to the lease liabilities as at 1 April 2021, immediately following adoption of IFRS 16.

Reconciling items are an adjustment for the impact of discounting, VAT and for timing differences.

Opening lease liabilities are greater than opening right-of-use assets because operating lease accruals recognised under IAS 17 are de-recognised and deducted from the right-of-use asset upon implementation of IFRS 16.

	<b>2021-22</b>
	£'000
<b>Operating lease commitments disclosed at 31 March 2021</b>	<b>1,639</b>
<b>Adjustments from IAS 17 to IFRS 16</b>	
Lease accrual	476
VAT adjustment	(352)
Timing differences	22
Discounting	(91)
<b>IFRS 16 opening balance lease liabilities</b>	<b>1,694</b>

## Note 7 Trade and other Receivables

	2021-22	2020-21
	£'000	£'000
Trade receivables	7	5,778
Court compensation	(4)	(23)
Civil claims	1	36
Other receivables	85	654
VAT receivable	236	418
Prepayments	108	176
<b>Sub-total</b>	<b>433</b>	<b>7,039</b>
Provision for bad debts	(45)	(29)
<b>Total</b>	<b>388</b>	<b>7,010</b>

## Note 8 Cash and Cash Equivalents

		2021-22	2020-21
	Note	£'000	£'000
Opening balance at Government Banking Service Accounts		1,985	5,134
Increase/(decrease) in cash		4,313	(3,149)
Closing balance at Government Banking Service Accounts		6,298	1,985
Opening balance all other bank accounts and cash		0	55
Increase/(decrease) in cash		0	(55)
Closing balance at all other bank accounts and cash		0	0
Opening balance of awards held on deposit in holding accounts	11	14,281	11,849
Increase/(decrease) in cash	11	1,428	2,432
Closing balance of awards held on deposit in holding accounts	11	15,709	14,281
<b>Total balance of cash and cash equivalents</b>		<b>22,007</b>	<b>16,266</b>
<b>Total increase/(decrease) in cash and cash equivalents</b>		<b>5,741</b>	<b>(772)</b>

## Note 9 Trade and other Payables

	2021-22	2020-21
	£'000	£'000
Trade payables	16	45
Consolidated Fund payables	0	0
Other payables	3,096	2,879
Accruals – pre-tariff scheme	10,539	0
Accruals – tariff scheme	30,052	45,004
Other accruals	762	2,941
	<b>44,465</b>	<b>50,869</b>

## Note 10 Lease Liabilities

	2021-22	2020-21
	£'000	£'000
Lease liabilities falling due within one year	535	–
Lease liabilities falling due after one year	630	–
	<b>1,165</b>	<b>–</b>

## Note 11 Non-current Liabilities: other Payables

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

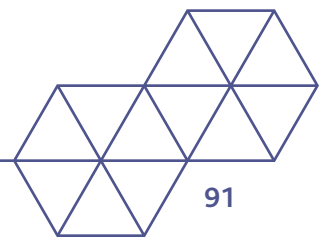
Holding accounts	Number of accounts	2021-22		Number of accounts	2020-21	
		£'000	£'000		£'000	£'000
Opening balance	27		14,281	25		10,518
In-year deposits	39	8,259		15	8,187	
Interest received in-year		5			1	
Closures	(18)	(6,836)		(13)	(4,425)	
<b>Closing balance</b>	<b>48</b>		<b>15,709</b>		<b>27</b>	<b>14,281</b>

## Note 12 Provisions

Provision – Programme 2021-22	Pre-tariff Scheme	Tariff Schemes	VOTCS	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2021</b>	<b>14,828</b>	<b>161,015</b>	<b>523</b>	<b>176,366</b>
Arising during the year	529	129,364	0	129,893
Charge for the year (change in discount rate)	0	(1,589)	0	(1,589)
Reversed unutilised during the year	(3,660)	(1,666)	(39)	(5,365)
Utilised during the year	(11,173)	(122,326)	0	(133,499)
Charge for year (unwinding)	0	(33)	0	(33)
<b>Balance at 31 March 2022</b>	<b>524</b>	<b>164,765</b>	<b>484</b>	<b>165,773</b>

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

Breakdown of Total Compensation provided	Pre-tariff	Tariff	VOTCS	Totals	Pre-tariff	Tariff	VOTCS	Totals
	2021-22 £'000	2021-22 £'000	2021-22 £'000	2021-22 £'000	2020-21 £'000	2020-21 £'000	2020-21 £'000	2020-21 £'000
Utilising provisions recognised	11,173	122,326	0	133,499	185	128,848	5	129,038
Claims settled in the Financial Year	0	24,693	0	24,693	0	24,334	0	24,334
	<b>11,173</b>	<b>147,019</b>	<b>0</b>	<b>158,192</b>	<b>185</b>	<b>153,182</b>	<b>5</b>	<b>153,372</b>
<b>Compensation provided by region</b>								
				<b>Totals</b>				<b>Totals</b>
				2021-22				2020-21
				£'000				£'000
Awards relating to victims of crimes of violence occurring in:								
England and Wales				144,153				133,536
Scotland				14,039				19,831
Awards relating to victims of overseas terrorism				0				5
				<b>158,192</b>				<b>153,372</b>



Breakdown of Total Compensation provided	Pre-tariff	Tariff	VOTCS	Totals	Pre-tariff	Tariff	VOTCS	Totals
	2021-22 £'000	2021-22 £'000	2021-22 £'000	2021-22 £'000	2020-21 £'000	2020-21 £'000	2020-21 £'000	2020-21 £'000
New liabilities recognised in period and provided for	529	129,364	0	129,893	323	122,023	45	122,391
Charge for year (Change in Discount Rate)	0	(1,589)	0	(1,589)	0	1,395	0	1,395
Claims relating to and settled in the Financial Year, not provided for	0	24,693	0	24,693	0	24,334	0	24,334
Provision no longer required	0	(1,666)	(39)	(1,705)	0	0	(53)	(53)
Provisions reversed unutilised as a result of case settlements being lower than provision	(3,660)	0	0	(3,660)	0	0	0	0
	<b>(3,131)</b>	<b>150,802</b>	<b>(39)</b>	<b>147,632</b>	<b>323</b>	<b>147,752</b>	<b>(8)</b>	<b>148,067</b>

## Pre-tariff Schemes

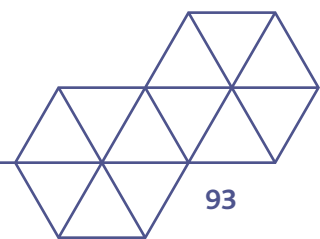
The provision for pre-tariff schemes reflects CICA's liabilities in respect of all outstanding cases incurred prior to 1996 which remain to be settled in future years. In accordance with CICA's accounting policies, the provision is reviewed annually and reflects the likely settlement values at the year-end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

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

## Tariff Schemes

The provision for tariff schemes is reflective of CICA's liabilities under the 1996, 2001, 2008 and 2012 Schemes. CICA recognises liabilities that are based upon an evaluation of total applications that are currently known and received which are held within CICA and have not yet been processed; these are referred to as claims reported but not completed (CRBNC) (discounted value £164.765m). The overall liability for the tariff scheme is £194.817m with £164.765m disclosed in this provisions note and £30.052m as disclosed as a tariff scheme accrual in Note 9. Where an event has occurred on or before the reporting date, but an application has not yet been made, CICA recognises this as an unquantifiable contingent liability. This is because no legal obligation as a result of a past event exists. It is only where an application for compensation has been received that an obligation is recognised in relation to the Scheme.

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





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

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

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

**On Offer Not Accrued:** Once an offer is made in respect of a case, the award value is accrued and therefore no provision is required for this case. A small proportion of such cases do not have their offer accepted and therefore an adjustment is made to account for this.

The proportion (%) is removed from the total "on-offer" value accrual and added back into the value of the provision. The percentage is determined based upon an assessment of the historical level of the proportion of cases where this occurs.

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

In 2021-22 the provision calculation was amended to use operational capacity to determine the spread of the provision liability into future periods. This is done for discounting purposes to calculate the Net Present Value (NPV).

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

## Sensitivity Analysis

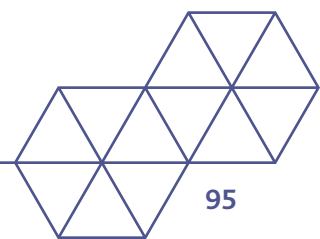
A sensitivity analysis for the tariff provision has been undertaken to identify the impact of any changes to assumptions. Each assumption within the provision model has been identified, a reasonable change identified and the impact on the overall financial liability calculated. These changes include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

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

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

**Average Value Profiles:** The provision uses average value profiles for both tariff bands and case age. This is based on historical case data. The analysis flexes the modelled profiles by five percentage points in either direction. This is sufficient to cover the range of variation observed across the periods of assessment. This will be kept under review each year. The sensitivity analysis suggests that the estimate could increase by £9.4m or decrease by £9.3m

**The percentage (%) Cases decided at nil value:** The provision includes an adjustment to recognise that not all applications result in a monetary award. Some cases are valued at nil or are determined to be ineligible due to exclusions within the scheme. The sensitivity looks at the likelihood of cases being assessed at nil value within each tariff band. The analysis flexes the modelled profiles by five percentage points in either direction. This is sufficient to cover the range of variation observed across the periods of assessment. This will be kept under review each year. The sensitivity analysis suggests that the estimate could increase by £15.4m or decrease by £15.4m.



**The change in value between decided and offered:** As the model now reverts to the original treatment of assuming decided cases will be paid 100% of their decided value, analysis flexes the decided value by five percentage points in either direction. This is sufficient to cover the range of variation observed across the periods of assessment. The sensitivity analysis suggests that the estimate could increase by £0.1m or decrease by £0.1m.

**Spread of Liability:** The period in which cases are expected to be decided gives the spread of liability. This is applied to the gross provision to give future payments to which the net present value factor is applied. Any variation in this is captured by assuming two extreme cases, all cases decided in the first year and all cases decided over 2 years. The sensitivity analysis suggests that the estimate could increase by £0.7m or decrease by £0.8m.

**Tariff Profiles:** Profiles are created by taking received data for years in which at least 95% of cases have been decided. The sensitivity adjusts this parameter to 80% and 50% to assess the impact of taking into consideration newer but incomplete data and also the maximum variation between tariff profiles to date. The sensitivity analysis suggests that the estimate could increase between £0.9m and £1.6m.

	Net Present Value Difference from Base Scenario				% Difference from Base Scenario				
	2012	Pre-2012	Total	2012	Pre-2012	Total	2012	Pre-2012	Total
<b>Scheme Base Scenario</b>	<b>£162,814,061</b>	<b>£1,952,259</b>	<b>£164,766,320</b>						
<b>Average Value</b>									
Low (-5%)	£153,557,553	£1,952,244	£155,509,797	(£9,256,508)	(£15)	(£9,256,523)	(5.69%)	0.00%	(5.62%)
High (+5%)	£172,202,934	£1,952,275	£174,155,209	£9,388,874	£16	£9,388,890	5.77%	0.00%	5.70%
<b>% Nil Profile 2012 Scheme</b>									
Low (+5%)	£147,420,848	£1,952,290	£149,373,138	(£15,393,213)	£31	(£15,393,182)	(9.45%)	0.00%	(9.34%)
High (-5%)	£178,207,266	£1,952,234	£180,159,500	£15,393,205	(£26)	£15,393,179	9.45%	0.00%	9.34%
<b>% Nil Profile Pre-2012 Scheme</b>									
Low (Min)	£162,814,158	£1,373,635	£164,187,793	£98	(£578,624)	(£578,526)	0.00%	-29.64%	-0.35%
High (Max)	£162,813,932	£2,720,581	£165,534,513	(£128)	£768,321	£768,193	0.00%	39.36%	0.47%
<b>% Decided to Offer</b>									
Low (-5%)	£162,674,090	£1,943,160	£164,617,250	(£139,971)	(£9,099)	(£149,070)	(0.09%)	(0.47%)	(0.09%)
High (+5%)	£162,954,032	£1,961,359	£164,915,391	£139,971	£9,099	£149,070	0.09%	0.47%	0.09%
<b>Spread of Liability</b>									
100% Spread Yr1	£163,551,270	£1,961,099	£165,512,369	£737,209	£8,840	£746,049	0.45%	0.45%	0.45%
100% Spread Yr3	£162,024,659	£1,942,794	£163,967,453	(£789,402)	(£9,466)	(£798,868)	(0.48%)	(0.48%)	(0.48%)
<b>Profiles</b>									
Max Variance	£163,696,062	£1,952,249	£165,648,311	£882,002	(£11)	£881,991	0.54%	0.00%	0.54%
80% Decided	£164,422,959	£1,952,239	£166,375,198	£1,608,898	(£20)	£1,608,878	0.99%	0.00%	0.98%
50% Decided	£164,052,495	£1,952,244	£166,004,739	£1,238,434	(£15)	£1,238,419	0.76%	0.00%	0.75%

Treasury Discount Rates utilised		2021-22	2020-21
	Years 1–5	0.47%	(0.02)%
	Years 6–10	0.70%	0.18%
	Years 11+	0.95%	1.99%

### Victims of Overseas Terrorism Compensation Scheme (VOTCS)

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

### Lease Dilapidations

The 2021-22 provision is for CICA's occupancy within Alexander Bain House, Glasgow. This is based on an estimate of the possible cost to CICA of departing from Alexander Bain House at the end of our lease in July 2024.

Provision – Administration 2021-2022	Lease	Staff	Total
	Dilapidation	Departures	
	£'000	£'000	£'000
<b>Balance at 1 April 2021</b>	<b>141</b>	<b>417</b>	<b>558</b>
Arising during the year	21	0	21
Reversed unutilised during the year	0	0	0
Utilised during the year	0	(41)	(41)
Charge for year (unwinding)	0	0	0
<b>Balance at 31 March 2022</b>	<b>162</b>	<b>376</b>	<b>538</b>

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

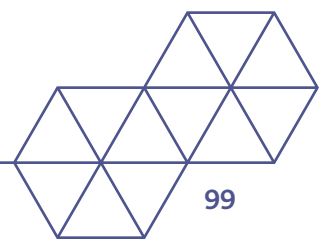
## Staff Departures

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

All Provisions – analysis of expected timing	2021-22
Cashflow Timing of All Provisions	£'000
Not later than one year	79,992
Later than one year and not later than five years	86,148
Later than five years	171
	<b>166,311</b>

## Note 13 Funding

HM Government Funding received	2021-22	2020-21
	£'000	£'000
Compensation payments	134,057	122,037
Operating costs and case handling costs	13,796	15,462
Capital expenditure	147	1
	<b>148,000</b>	<b>137,500</b>



## Note 14 Capital Commitments

At 31 March 2022 CICA had no capital commitments.

## Note 15 Related Party Transactions

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

## Note 16 Third Party Assets

Amounts held as Retained Awards	Number of accounts	2021-22		Number of accounts	2020-21	
		£'000	£'000		£'000	£'000
Opening balance	7,380		83,876	7,487		83,041
Open Accounts						
Deposits	1,201	17,187		1,180	14,475	
Additional deposits to existing accounts		0			42	
Interest received		8			44	
Withdrawals		(2,718)			(1,865)	
			14,477			12,696
Closures	(1,291)		(14,003)	(1,287)		(11,861)
Closing balance	7,290		84,350	7,380		83,876
<b>Total third-party assets</b>			<b>84,350</b>			<b>83,876</b>

## Note 17 Contingent Liabilities

The issues for which financial risks and possible increased liabilities were:

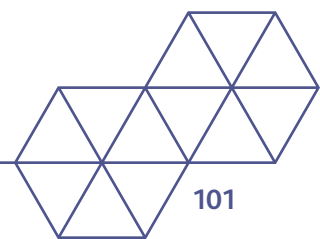
### Incidents Incurred But Not Yet Received (IBNYR)

Incidents Incurred But Not Yet Received (IBNYR) is an unquantifiable contingent liability in respect of a possible future obligation to individuals who have been victims of violent crime as of 31 March 2022. This liability depends upon uncertain future events occurring and an application being submitted which meets the criteria set out in the relevant scheme. Although CICA recognises that this contingent liability exists in respect of IBNYR, the amount of the obligation cannot be measured with sufficient reliability. This is because it is not possible to establish with any reliable certainty the total number of eligible victims who sustained eligible criminal injuries, the likelihood of an application being made and then qualifying for compensation, according to the multiple criteria contained in the Scheme, and thereafter predicting with any reasonable certainty the potential value of any award which may be made, and the timescale in which this may occur.

### Offers not accepted within time limits

Under the Criminal Injuries Compensation Scheme 2012, a claimant's legal entitlement to an award crystallises on the date on which CICA receives written notice from the claimant or representatives of acceptance of a determination made by a claims officer. The Scheme provides that the acceptance of the award must (normally) be sent within 56 days, but other provisions of the Scheme mean that CICA is not legally empowered to withdraw a First Decision or Appeal offer until 2 years and 56 days have passed or to withdraw a Review Decision offer until 2 years and 90 days have passed. Once this deadline has passed CICA is able to send out withdrawal letters.

There are cases where the deadline for acceptance has passed but CICA has not yet withdrawn the offer. Such offers require a formal decision to be made withdrawing the offer and for the applicant to be given the opportunity to exercise rights of review and appeal against that decision. In some of those cases, information may be received which may lead CICA to exercise its discretion under the Scheme in favour of the claimant, and not withdraw the offer even though the deadline has passed. It is not possible to quantify the value of cases where CICA would so exercise discretion. However, the total value of cases 'on-offer' and passed the deadline is £1.8m: any liability would therefore be below that value.





## Note 18 Derivatives and Other Financial Instruments

Under International Financial Reporting Standards (IFRS) there are various standards that encompass Financial Instruments (IFRS 7, IAS 32 and IAS 39). The standards cover disclosure, presentation, recognition and measurement. As a collective these standards enable an assessment to be made of the way in which all financial instruments have created or changed the risks an entity faces in undertaking its business activities and achieving its outputs.

Because of the non-trading nature of its activities and the way in which Executive Agencies are financed, CICA is not exposed to the degree of financial risk faced by some business entities.

Moreover, financial instruments play a more limited role in creating risk than would be the case with a typical listed company to which these standards mainly apply.

CICA does hold material cash balances on deposit. Allocated holding accounts (Note 11) are included in the cash balance on the Statement of Financial Position, while funds retained in the applicant's name are excluded from CICA's cash balance. The movement in retained funds is detailed in Note 17. The objective of opening these individual deposit accounts is to accrue cumulative interest in line with agreed interest rates each year over the period in which the funds are retained. These awards were held in a low-risk commercial bank account up to October 2020 and were then transferred into the Government Banking Service. No administration fee is charged to the applicant. The average rate of interest applied to the investments during 2021-22 was 0.01 per cent (2020-21, 0.01 per cent).

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

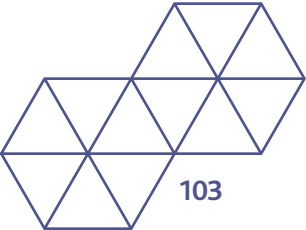
Going forward, new financial assets will be valued with lifetime impairment upon initial recognition. The net effect on the Statement of Financial Position and SoCNE is zero as the accountancy treatment involves the debit of the bad debt provision with an opposite and equal write-down of the receivable.

The financial impact will be nil on the period 2021-22. Receivables have been adjusted to reflect IFRS requirements. Any future receivables will be recognised, net of the lifetime loss.

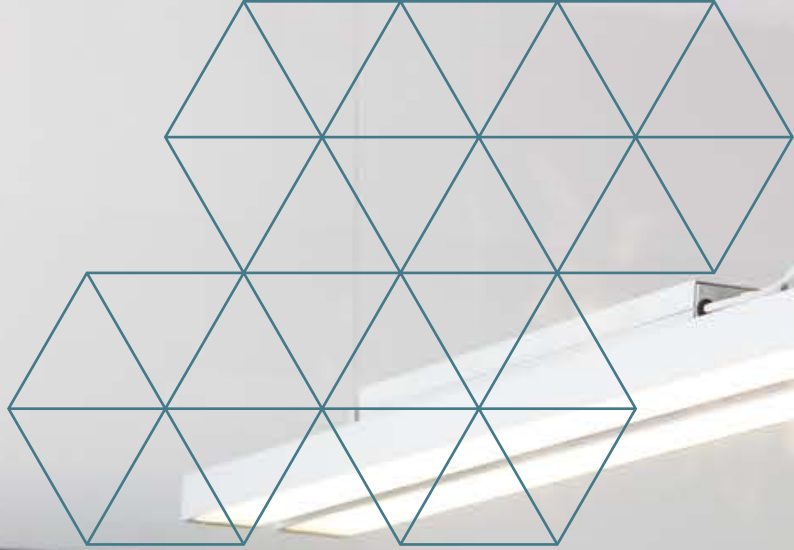
## Note 19 Events After the Reporting Period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue by the Accounting Officer.

This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. There have been no adjustments made to the accounts as a result of events after the reporting date.







# Appendices



# Appendix A – Governance

## UK Justice Ministers

**Ministry of Justice**  
Permanent Secretary  
Second Permanent Secretary

Chief Financial Officer Group

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

**Chief Executive and Accounting Officer**  
Personally responsible for safeguarding public funds; ensuring propriety and regularity; operations and management of CICA

### Strategy and Performance Board (SPB)

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

**Members:**

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

**Other attendees:**

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

### Executive Management Board (EMB)

Responsible for day-to-day management of the organisation  
Current membership:  
Chief Executive  
Deputy Chief Executive  
Director of Corporate Services  
Director of Operations  
Director of Legal and Policy Services  
Senior Finance Business Partner

### Audit and Risk Committee (ARC)

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

**Members:**

One Non-executive Chair  
Two Non-executive Board Members

**Attendees:**

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

**Other attendees:**

Executive and/or senior management will attend as required

### Health and Safety Committee

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

**Members:**

Office Services Manager (Chair)  
Trade Union Side Representative  
Business Area Representatives

### Corporate Risk and Assurance Group

To ensure the effective monitoring and management of key risks

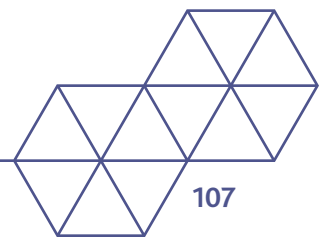
**Members:**

Senior Governance Manager (Chair)  
Business Area Representatives

## Appendix B – Meeting attendance (members)

Key: P = Present A = Absent D = Deputy

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



**Key:** P = Present A = Absent D = Deputy

<b>Audit and Risk Committee</b>	<b>Q1</b>	<b>Special Meeting</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
To support the EMB in their responsibilities for issues of risk control and governance					
Russell Frith	P	P	P	P	P
Martin Spencer	P	A	P	P	P
Derek Bray	P	P	P	P	P

<b>Strategy and Performance Board</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
To provide constructive challenge across CICA's operations with a view to ensuring effectiveness				
Chief Executive Officer	P	P	P	P
Deputy Chief Executive Officer	P	P	P	P
Director of Operations	P	P	P	P
Director of Legal and Policy Services	D	P	P	D
Director of Corporate Services	P	P	P	P
Russell Frith	P	P	P	P
Martin Spencer	P	P	P	P
Derek Bray	P	P	P	P

