



Criminal Injuries
Compensation
Authority

Annual Report & Accounts 2022-23



HC 1586
SG/2023/129



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Criminal Injuries Compensation Authority Annual Report & Accounts 2022-23

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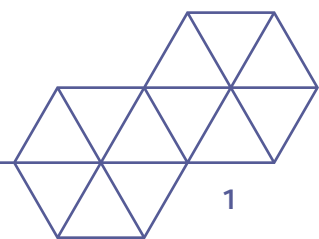
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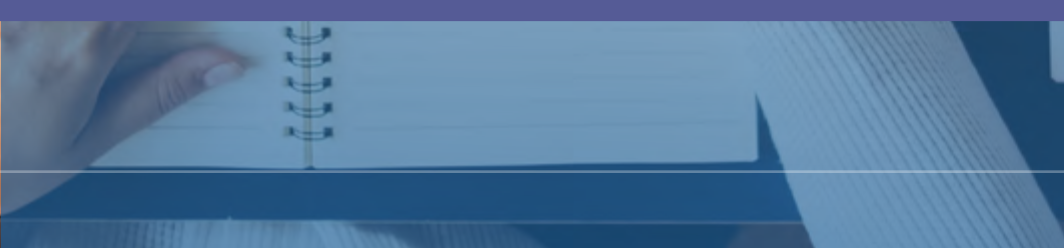
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Performance report



Overview

Chief Executive's Foreword

I am pleased to present the Annual Report and Accounts for the Criminal Injuries Compensation Authority (CICA) for 2022-23.

This year was marked by the full return of CICA to office-based operations following the end of the covid restrictions which had enforced remote working through the previous two years. Our flexible, hybrid working model in operation before the pandemic was extended and is now fully embedded into the way we work. Being back in the office has given us opportunities to restructure our operational teams, begin a systematic review of evidence gathering processes and build more opportunities for bringing people together to work collaboratively. We have re-established in-office training for new recruits and strengthened our participation in cross government and Ministry of Justice (MoJ) sponsored learning and development programmes. We also established new capability to support business change and continuous improvement activities. Through this facilitated work, we have delivered improvements to key processes and strengthened the structures which support the governance of change. These strategies have combined to help equip us to respond strongly to a sustained increase in the flow of applications received.

For the second year in succession, claims activity increased. We received the highest annual volume of new applications made since the introduction of the 2012 Scheme. The proportion of decisions presented for internal review or appeal remained broadly stable, although the overall volume also increased. The gathering pace of intake contributed to an increase in the volume of live caseload which was 7% higher at 31 March 2023, than at the previous year end. We took steps to address increased demand by recruiting additional case officers, who will be fully deployed in the new operating year. By year end, more than 40,000 applications and reviews were assessed, with almost 35,000 claims finalised, 12% more than in 2021-22. In total, applicants benefitted from compensation of £173m, £15m more than in the previous year.

With a higher volume of applications and more claims in process, we have received more customer contacts this year handling 110,000 telephone calls and similarly high volumes of email and post enquiries. We endeavour to manage this contact effectively, although increased volumes can impact our service levels at peak periods. We, therefore, offer live wait time information and a call back service to balance demand and ensure that we assist those who seek support. We gather customer insight from those who contact us by telephone to further improve our services and our end-to-end service customer satisfaction score remains high at 94%, up 1% on last year.

We continued our investment in trauma-informed training and practice, and continued to refine this through consultation with specialist organisations who work closely with victims, sharing learning and best practice with them. My membership of the Scottish Victims Taskforce and the involvement of CICA in key strands of the taskforce's work has been particularly beneficial.

We have expanded our trauma-informed commitment, utilising the NHS Education for Scotland Trauma Informed Justice Knowledge and Skills framework developed under the sponsorship of Scottish Government. I am also grateful to those organisations who attend our Stakeholder Forum and worked with us throughout the course of the year, offering their insight and feedback, so we can give our best service to victims.

With the support of specialists in MoJ's digital function we have made good progress in delivering our digital transformation roadmap. The on-line application system now caters for most applicant groups and is on course to complete this summer, providing enhanced functionality, such that the older application system can be retired by mid-year. Our staged programme to modernise CICA's technology infrastructure has also made considerable progress, improved the resilience of our systems and maintained the highest standards of data security. In tandem, a programme of work has begun to inform the design of our future case management systems and is identifying some early deliverables that may bring operating benefits.

This year, CICA has undertaken a review of its Agency Framework according to the latest guidance from Cabinet Office. Once the new framework has received final clearance, the framework will be published. In accordance with the new framework, we are working with the MoJ to appoint a Non-Executive Chair of the CICA Board through the public appointments process.

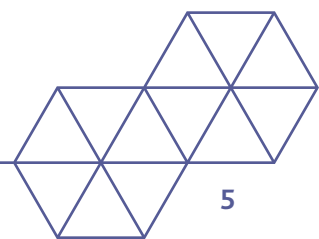
In October 2022, MoJ started a review of CICA, as part of the Cabinet Office Public Bodies Review Programme, concluding the review in February 2023. I am delighted to report that the stage 1 review found that "CICA is in good health, that it operates as an outcome delivery system, delivering efficient and effective public outcomes that Parliament and the public expect". Particular areas of strong compliance and good practice were identified which included financial management and accountability. The review concluded that there was no requirement for a full, independent review of CICA. The outcome of the review can be read at Criminal Injuries Compensation Authority: Review 2022 to 2023 – GOV.UK (www.gov.uk)

Finally, I wish to thank and say how proud I am of the commitment and motivation of my team at CICA, and the specialists from the MoJ functions who support us. Their strength of purpose to the work that we do is evident from the way they worked together to maintain our service with such resilience during the pandemic. They led the way with enthusiasm back to the office and have risen to the challenges presented by an increased flow of claims, whilst remaining firmly dedicated to the victims we serve. This was further evidenced in CICA's Civil Service People Survey of 2022, where the team demonstrated connection to organisational objectives and purpose with a score of 92% and an overall engagement index score of 70%, taking us to the highest position in the MoJ.



Linda Brown CBE

Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority
11 July 2023



Our work

The Criminal Injuries Compensation Authority (CICA) is an Executive Agency, sponsored by the Ministry of Justice (MoJ). We are responsible for the administration of the Criminal Injuries Compensation Schemes and make payments of compensation to people who have been injured because they were the victim of a violent crime in England, Scotland, or Wales. We also administer the Victims of Overseas Terrorism Compensation Scheme (VOTCS). The Schemes are funded by the UK Government in England and Wales, and by the Scottish Government in Scotland.

A state compensation scheme for victims of violent crime has been in place in Great Britain since 1964. Originally a non-statutory scheme made awards based on common law damages; the first statutory scheme came into force in 1996 following the passage of the Criminal Injuries Compensation Act 1995. This created a tariff-based system for determining injury awards. Subsequent schemes were introduced in 2001, 2008 and 2012 under the same legislation – each new Scheme replacing the last, and each approved by Parliament.

The Criminal Injuries Compensation Scheme 2012 was amended in July 2019 to remove the 'same roof rule' which barred applicants from receiving compensation if they had lived in the same household as the perpetrator at the time of incidents that occurred prior to October 1979.

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.

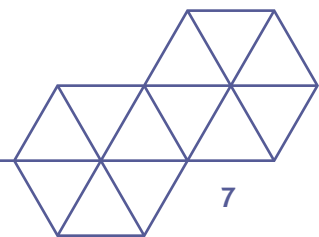
Bereavement awards under the Scheme are intended to acknowledge the loss of a loved one as a result of violent crime, accepting that no amount of compensation can ever reflect the value of a life, or the full impact felt by bereaved families.

Applications can be made for the following payments where a person is bereaved by violent crime:

- 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 to determine the value of any entitlement according to the rules of the relevant Scheme. The Scheme contains safeguards where an applicant is dissatisfied with the outcome of their application. All applicants have the right to request that a decision is reviewed by another CICA claims officer. If the applicant remains dissatisfied following review, they have the right to appeal to the independent First-tier Tribunal. More information about the Scheme is available at www.gov.uk



Key achievements



34,753

claims resolved



94%

customer
satisfaction



£173m

paid to victims



Over

200,000

applicant contacts
handled



300

external participants
reached with
awareness sessions



Strategic outcome 1

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

We recognise the impact of trauma on victims of violent crime and ensure that our people are skilled to deliver our services in an empathetic and compassionate way. We seek to minimise the risks of re-traumatisation.

Our active engagement with the NHS Education Scotland National Trauma Framework has helped to shape enhanced learning and development and provide resources and tools to support our trauma-informed approach.

Throughout 2022-23, we delivered learning on trauma-informed practice to 262 colleagues and advanced trauma-skilled learning to 29 colleagues involved in complex cases involving the most vulnerable victims.

Members of our legal team have completed Trauma informed lawyer certification provided by the Law Society of Scotland ([lawscot.org.uk](https://www.lawscot.org.uk)). In 2023-24, our intention is to ensure that everyone in our legal team has completed this course, and the remaining cohort of colleagues are scheduled to complete this formal training by year-end.

We have continued to expand the reach of our online application process, ensuring that it is available to more applicants. Enhancements in our online application process mean that 95% of all applications can now be completed via the Apply service, with the remaining applicant groups scheduled to be included during 2023-24. This work has involved extensive engagement with key stakeholders to improve the application journey for victims, with the most recent design and development work focusing on those applicants who have suffered a bereavement following a crime of violence.

We refined and simplified our telephone contact route making it easier for applicants to navigate and find the information that they need, supported by improved guidance. The increase in new applications and growth in case load resulted in more contacts to our customer service team. The team responded well to this challenge and handled 109,686 calls, a 14% increase on the previous year, and 98,976 emails, an increase of 17% on the previous year.

Customer satisfaction remains a key enabler of continuous improvement and we established a cross-organisational forum to understand and learn from both satisfaction surveys and customer complaints. This intelligence has allowed us to develop incremental enhancements to our service delivery to improve applicant experience, including for those with accessibility needs.



Strategic outcome 2

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


Our workforce remains our most important asset and we strive to ensure that employee engagement levels remain high. We recognise that by improving staff experience of work, we increase engagement levels which raises performance and enhances wellbeing. This is reflected in the results of the Civil Service People Survey, the annualised Civil Service wide survey, where our people returned a score of 70% for employee engagement, 5 percentage points above the civil service benchmark score.

The skill, experience and dedication of our people underpins the service we provide to victims of violent crime. Recruitment and retention exercises are framed around attracting and retaining people who share our organisational values and this is reflected in the results of the Civil Service People Survey. Our people noted a strong association with our organisational objectives and purpose, returning a score of 92%, an 8 percentage point increase on the previous year.

Our organisational values and strong service offering continue to attract talented individuals and we welcomed 48 new members of staff throughout the year, ensuring a comprehensive induction and training programme was implemented which enabled them to become operationally effective as efficiently as possible.

We further invested in the training and development of our staff, offering the opportunity for more of our people to take part in specific structured learning opportunities throughout the year. We continued to invest in our leadership capability with 'Future, Engage, Deliver (FED)' undertaken by over 25 line-managers. Two leaders also attended the MoJ Leadership School, which is an opportunity to come together to learn from leadership experts and to improve leadership practice.

We took advantage of several cross-MoJ opportunities with six members of staff attending the 'Building Skills Academy', three attending the 'Skills Development Programme', and six staff joining the 'Learn, Engage, Apply, Develop (LEAD)' programme.



In support of the Campaign for Learning, we delivered our annual Learning at Work Week curriculum, running over 21 sessions which delivered over 450 hours of learning on the theme of 'Learning Uncovered'.

To further support the development of our workforce, we launched an internal mentoring scheme specifically designed to support career progression. This scheme matched individuals with career development aspirations to senior leaders able to support and encourage their development. The first cohort launched in August and will run annually.

We recognise that the work we do may involve victims of violent crime revisiting their traumatic experiences and we aim, at all times, to ensure that we act sensitively and compassionately to reduce the risk of re-traumatising victims. We also understand that our people are not inured to the impact of handling these traumatic cases and, in 2022-23 we supported the wellbeing of our people by delivering personal resilience workshops, hosting wellbeing conversations and providing access to a dedicated employee assistance programme.

Our Diversity, Inclusion and Wellbeing network were essential in promoting inclusivity in the organisation. Throughout the year they facilitated events, published blogs, and offered support to colleagues. The focus of the group is to ensure everyone feels that they belong at CICA and that everyone is treated fairly regardless of unique characteristics. Our People Survey Score for the theme of Inclusion & Fair Treatment was 87%, up 5% on the previous year.



Strategic outcome 3

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

Initiatives including our continued investment in out-reach activity and the user-centred design of our new application service have improved the accessibility of our service. We received 36,686 new applications, 5% higher than the previous year and 15% higher than the previous 5-year average. The volume of new applications reached its highest level since 2012-13.

We redesigned our operational structure, establishing blended teams to facilitate better case progression and deliver increased output of decisions. This new structure facilitated growth in output volumes.

In year we resolved 34,753 claims, 12% higher than the previous year and provided £173 million in compensation to victims of violent crime.

Recognising that our customer resolution team are a valuable source of applicant feedback and learning opportunities, we invested in their development throughout 2022-23. We designed and rolled out new complaints handling training and supporting materials which give a clear focus to the quality of investigations, resolution plans and responses. We updated our performance metrics to focus on registering and acknowledging complaints within five working days and resolving them within 20 working days. We achieved the targets set, meeting these standards in 94% and 78% of cases respectively. As a result, we have increased our overall understanding of the drivers for complaints to inform learning and continuous improvement.

We supported HM Courts and Tribunals Service by attending nearly 1,200 appeal hearings heard at the First-tier Tribunal. We continued to support this in a hybrid manner attending approximately 90% via remote-conferencing facilities. This helped us achieve a significant saving in organisational travel expenditure, reducing this by around 86% when compared with pre-pandemic years.

In the first year of a three-year programme to review its public bodies, MoJ conducted a Stage 1 Review of CICA according to HM Treasury and Cabinet Office guidance. This programme requires departments to review their public bodies to assure the public, Ministers and the Principal Accounting Officer of the organisation's performance, consider its effectiveness and efficiency, ensure the functions

remain useful and necessary, and to assess alternatives to deliver the department's objectives. The stage 1 review concluded that CICA is in good health and found no requirement for a full, independent review of CICA at this time. The review outcome is available to view at Criminal Injuries Compensation Authority: Review 2022 to 2023 – GOV.UK (www.gov.uk)



Strategic outcome 4

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

We have built on our work to engage with stakeholder organisations, hosting 22 awareness sessions this year reaching around 300 attendees from across victim support services. These included Independent Sexual Violence Advocate (ISVA) services, child-specific ISVA services, human trafficking support staff, the police and the HM Prison and Probation Service (HMPPS). These awareness sessions enable us to develop valuable relationships and work collaboratively.

Our Stakeholder Engagement and Equality Forum (SEEF) met twice this year and members provided valuable feedback, informing improvements to our corporate literature and scheme guidance.

We undertook several research sessions as part of developing our new online application service. Some of those represented at these sessions included:

- Advocacy After Fatal Domestic Abuse
- Victim Support Scotland
- Support After Murder and Manslaughter
- PETAL Support Scotland
- The Lighthouse (London)
- GLP Solicitors
- Criminal Injuries Helpline (Alam Law solicitors).

We've contributed to guides about CICA and the Scheme for Victim Support Scotland and for The Survivors Network, a sexual violence support charity. Regular liaison meetings take place with The Survivors Trust, to discuss feedback and opportunities for collaboration. The Trust hosted a session with CICA staff during our Learning at Work Week and CICA held a Q&A workshop with their teams.

We worked with Northern Ireland Compensation Services to discuss overarching areas of interest including operational approaches, legal points and emerging caselaw. In 2021-22 we entered into an information-sharing agreement with the NI government in relation to its Troubles Scheme and the Scottish Government in relation to their Redress Scheme. These continue to operate well.

We liaise with representatives for the police in England & Wales and Scotland, respectively. We provide them with monthly performance statistics against our agreed service level agreements and have liaison meetings to discuss these and how we can work together to get the information we need in a timely way. We agreed and signed off the renewed police protocol for data sharing across England and Wales in March 2023.

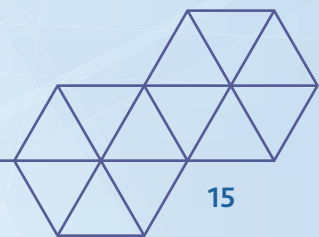
We attended a meeting in January 2023 with the Survivors Against Terror Network and provided information about compensation available under the Schemes and CICA's processes.

Work has begun in dialogue with the Motor Insurers Bureau (MIB) to explore the potential for a protocol between MIB and CICA. The aim of the protocol is to outline the actions to be taken where compensation may be available from MIB, having regard for the status of the Scheme as one of last resort.

CICA's Director of Legal & Policy Services presented to delegates at a Victims Conference at the German Embassy in London. The aims of the conference were to facilitate the exchange of experiences, best practice and opportunities for collaboration between representatives from the justice sector in both Germany and the UK focusing on the experiences of victims of different crimes.

Our Director of Operations and the Head of Customer Support Team took part in a working group convened by the Operational Delivery Profession (ODP) to shape a single set of standards for customer service relating to telephony across MoJ departments.

We continued to work closely with MoJ colleagues concerning the review of the Criminal Injuries Compensation Scheme, the upcoming Victims' Bill, and the Independent Inquiry into Child Sexual Abuse (IICSA) final report.



Performance analysis

Claim activity

We received 36,686 new applications in 2022-23, a 5% increase on the number of applications received in 2021-22 and 27% higher than 2020-21. This was the highest annual volume of new applications received since the first full year of operating the 2012 Scheme and 15% above the prior five-year average of 31,976.

We made a total of 41,230 decisions of which 35,058 were first decisions and 5,397 were review decisions, 11% and 4% higher respectively than the previous year. The growth in productive output helped increase the volume of case resolutions achieved in year by 12%, finishing 2% ahead of the prior five-year average of 34,088.

While case resolutions recovered to higher than the five-year average, the impact of rising intake generated 7% growth in the volume of live cases to 41,946 compared to 39,196 at the end of March 2022.

Table 1 Number of new applications received

	2022-23	2021-22
New applications received	36,686	34,925

Table 2 Number of applications resolved

	2022-23	2021-22
Number of applications resolved	34,753	30,973

Table 3 Size of live tariff caseload

	2022-23	2021-22
First decision stage	38,338	35,138
Review	2,638	3,145
Appeal*	970	913
Total live tariff caseload	41,946	39,196

* 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. While the increase in new applications resulted in a slight reduction in the percentage of applications decided in 12 months, we were able to improve our performance against our 6-month target and maintain performance on processing reviews.

Measure	2022-23	2021-22
Cases with a first decision within 6 months	41%	40%
Cases with a first decision within 12 months	66%	68%
Cases with a review decision within 6 months	72%	72%

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*	2022-23	2021-22
2012	99.85%	99.71%
2008	0.13%	0.23%
2001	0.03%	0.05%
1996	<0.01%	0.01%

* Due to the low number of cases in older Schemes the percentages when rounded may equal more than 100%.

Table 6

Age of caseload: 2012 Scheme*	2022-23	2021-22
Under 12 months	55.5%	58.60%
1-2 years	23.9%	19.92%
2-3 years	9.6%	11.77%
3-4 years	2.4%	4.78%
4-5 years	1.2%	2.34%
Over 5 years	1.6%	2.59%

* Includes decided claims which have progressed to review or appeal stage.

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 for the second year and was equivalent to 14% of first decisions made.

The volume of appeal applications reduced and was equivalent to 3.4% of first decisions made.

Review and appeal intake	2022-23	2021-22
First decisions proceeding to internal review	4,889 14%	5,044 16%
First decisions proceeding to appeal	1,185 3.4%	1,218 4%
Appeal outcomes		
Decisions amended on quantum*	270 22.8%	268 26%
Decisions (eligibility) amended on merit	19 1.6%	19 1.7%
Decisions (eligibility) overturned/remitted for further enquiries	336 28.4%	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 19,668 (57%) resolved claims were refused compensation compared with 18,426 (59%) in the previous year.

The most frequently occurring reasons for refusal of compensation were unchanged from the previous year, with the top 3 reasons broadly aligned. The only reason for refusal which occurred more often was "failure to co-operate with CICA" which increased by 9%. This reason reflects circumstances in which evidence required to support assessment of a claim for compensation cannot be obtained

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

	2022-23	2021-22
Injury does not qualify for compensation	4,369	4,664
Failure to cooperate with CICA	4,355	3,991
Injury did not result from crime of violence	4,173	4,211
Convictions and character	1,626	1,933
Failure to cooperate in bringing assailant to justice	2,395	2,588
Conduct before, during or after the incident	774	940
Failure to report as soon as reasonably practicable	712	835
Claim not submitted within time limit	1,296	1,337
Other (including withdrawn and void claims)	2,385	3,831

Our Service

Table 9 Customer feedback

We measure service satisfaction at three points in the application journey. We have an online survey at the end of our new application service, "Apply"; a survey following telephony contact which completed its first full year since it was automated; and an overall satisfaction survey upon resolution of a claim.

In 2022-23 overall satisfaction remained high with a score of 94%, up slightly on the previous year.

Customer satisfaction	2022-23	2021-22
Overall satisfaction (Captured at claim resolution)	94%	93%
Application satisfaction	91%	93%
Satisfaction with telephony service	75%	–

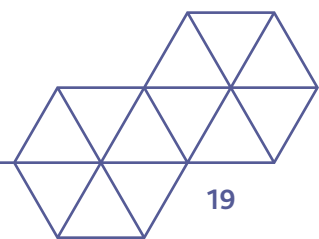


Table 10 Complaints

Complaints are an important source of feedback providing us with an opportunity to remedy any service delivery failures and learn lessons to improve overall experience. This year we established a regular improvement forum to consider trends and patterns and to enhance the feedback being given to frontline colleagues.

Addressing complaints at the earliest possible opportunity remains our priority. We will discuss a complaint with the applicant or their representative with the aim of agreeing how we can reasonably resolve the matter to their satisfaction within an agreed timescale. We aim where possible to provide a resolution or agree a resolution plan within 20 working days.

Where applicants 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).

While the number of complaints received increased for the second year in a row, the volume of complaints as a percentage of our active caseload remained modest. Our approach to resolving complaints at the earliest opportunity has ensured that the proportion of complaints being escalated to stage 2 has reduced to 4%, a 7 percentage point reduction on the previous year.

Of the small number of complaints taken to either ombudsman, none resulted in any adverse findings.

Complaints received	2022-23	2021-22
Stage one	869	700
Escalation to stage two	39	76
Escalation to stage three	16	23

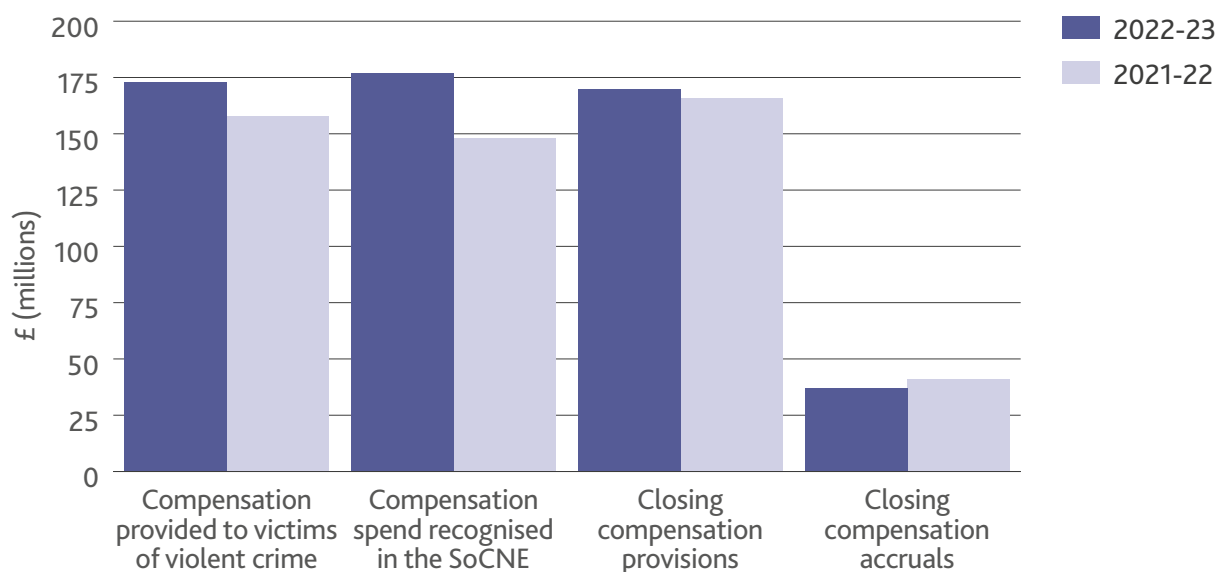
During quarter 2 of 2022-23 we established a new measure which set an expectation that complaints are resolved within 20 working days. From quarter 2, when the metric was established, we achieved this in 92% of cases.

This metric will continue as a key performance indicator and will become an established reporting criteria in future annual report and accounts.

Our complaints process is available on www.gov.uk/government/organisations/criminal-injuries-compensation-authority/about/complaints-procedure

Our Finances

Table 11 Compensation



Compensation 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 decision making 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 that have subsequently 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.

In 2022-23, we provided £173m in compensation to victims of violent crime (2021-22: £158m), of which:

- £147m relates to amounts that were provided for and recognised in the 'Statement of comprehensive net expenditure' in previous financial years. This is disclosed as 'Provision utilised' in Note 4 of the financial statements.
- £26m relates to applications which were received and settled during 2022-23, and recognised in the 'Statement of comprehensive net expenditure' for this financial year. This is disclosed as 'Claims not provided for' in Note 4 of the financial statements.

Compensation liabilities

CICA recognises a provision for:

- pre-tariff cases
- the 1996, 2001, 2008 and 2012 tariff Schemes
- the VOTCS scheme.

The most significant of these is the tariff provision, at a discounted value of £169m at 31 March 2023 (31 March 2022: £165m). CICA recognises a provision for all applications that have been received by CICA but have not yet been processed; these are referred to as 'claims reported but not completed' (CRBNC).

During 2022-23, for all schemes, £147m of the opening provision of £166m has been utilised and £155m recognised for new liabilities. Further reductions in the provision of £4m reflect a change in the discount rate and reversal of provisions unused, leaving a total provision of £170m at 31 March 2023.

CICA also recognises accruals for compensation offered but not yet accepted. At 31 March 2023, these liabilities totalled £37m (31 March 2022: £41m). The recognition of these liabilities is accounted for within provision utilised.

Compensation spend recognised in the Statement of comprehensive net expenditure

Compensation spend recognised in the Statement of comprehensive net expenditure comprises new provision liabilities and adjustments to the provision, and the value of applications which have been received and settled during the financial year. For 2022-23, compensation spend recognised was £177m (2021-22: £148m).

Other income and expenditure

CICA received £19m from the Scottish Government, an increase of £3m as against the prior year. This reflects an increase of £3m in the value of compensation provided to Scottish victims of crime (2022-23: £17m, 2021-22: £14m). The Scottish Government provides a specified level of income according to forecast demand. The forecasts are monitored and regularly re-appraised, such that additional income of £3.5m was requested and provided for 2022-23 to protect against delay in providing compensation (2021-22: £0.1m).

Staff costs have increased by £1m (6%) reflecting the impact of the August 2022 pay award, and a change in the mix of staff across grades.

Other operating expenditure has increased by £1m, largely due to an increase in the notional recharge from the MoJ, which covers corporate services such as digital and human resources.

Depreciation, amortisation and impairment charges have increased by £1m, largely due to an impairment charge for intangible assets. Further detail is provided in the Parliamentary accountability report.

COVID-19 and EU exit expenditure

No spend has been incurred in relation to either COVID-19 or EU exit during 2022-23 (2021-22: £0.009m).

Going concern

At 31 March 2023, CICA's Statement of financial position records net liabilities of £206m (31 March 2022: £202m), including £170m in relation to compensation provisions, and £37m in relation to compensation accruals (31 March 2022: £166m and £41m respectively).

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 2023-24, 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 2023-24

Our business plan for 2023-2024 is based on the delivery of three strategic outcomes, which contribute to the MoJ outcome of delivering swift access to justice.

These three strategic outcomes, focused on our applicants, processes, and people will help us drive forward our commitment to providing a sensitive, fair, and efficient service.

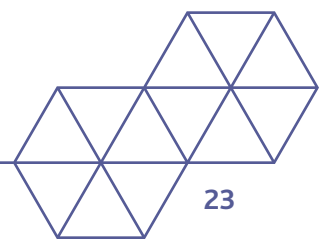
Our strategic outcomes for 2023-24 are to:

- 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.

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

Previously, we set out a standalone objective focused on our stakeholder engagement. The progress and success as set out in the Key Achievements section of this report shows the advancement of these relationships and ways of working. Feedback and input from our stakeholder groups remains essential, however we recognise that this will now be an enabler of our three core objectives and should be incorporated into these rather than standing alone.

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



Sustainability report

We are committed to creating a sustainable, effective, and efficient operation which provides value for money for the taxpayer, reduces our environmental impact and enables transformation of the way civil servants work. We recognise that sustainability is a key enabler for the MoJ to contribute to the Greening Government Commitments (GGC). To reduce our environmental impact, we have worked towards the GGC and the Government's commitments for delivering sustainable operations and procurement.

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



Energy



Digitisation



Travel

We have embraced the 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.

Despite staff returning to the office in a hybrid manner and the increase of face-to-face hearings at the First-tier Tribunal, a 20% reduction in carbon emissions from the revised 2017-18 baseline was achieved.

Sustainable procurement

In July 2019 the MoJ launched its Sustainable Procurement Policy, with the vision to make continuous improvements to the sustainability outcomes of their procurement and other commercial activity for both new and ongoing contracts across the department.

CICA procurement is completed in-line with MoJ policies. MoJ's sustainable procurement policy ensures we incorporate sustainability into all procurement activities to achieve long-term value for money. Associated programmes include embedding specific sustainability clauses into all future estate contracts, a whole-life costs policy and ensuring procurement staff receive appropriate sustainability training.

CICA does not procure any food or catering services in its operation.

Table 12 Greenhouse gas (GHG) emissions

		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Non-financial indicators (tCO₂e)	Total gross emissions for scopes 1 and 2	195.48	188.48	171.35	190.49	194.15	228.13
	Total Gross Scope 1 (Direct) GHG emissions	139.62	–	–	–	–	–
	Total Gross Scope 2 (Energy indirect) emissions	55.86	–	–	–	–	–
	Electricity: green/renewable	0	0	0	0	0	0
	Total net emissions for scopes 1 and 2	195.48	188.48	171.35	190.49	194.15	228.13
	Gross emissions for scope 3 – travel	2.45	0.6	0	22.10	31.84	27.49
	Total gross GHG emissions (all scopes)	202.67	189.08	171.35	212.60	226.00	255.60
Non-financial indicators (kWh)	Electricity: Grid, CHP and non-renewable	218,533	206,995	211,326	263,607	280,896	275,893
	Electricity: renewable	0	0	0	0	0	0
	Gas	759,438	712,766	613,114	638,353	586,221	566,106
	Other energy sources	0	0	0	0	0	0
	Total energy	977,971	919,761	824,440	901,960	867,117	841,999
Financial indicators	Expenditure on energy	£56,157.18	£43,328	£29,660	£31,106	£28,676	£28,491
	Expenditure on official business travel	£9,166.11	£2,425	£1,739	£66,914	£77,639	£60,632

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 a slight increase on last year due to staff returning to the office as part of their weekly schedule, our electricity usage has reduced 20% on the 2017-18 baseline.

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. As a minor tenant in a privately owned office building, we have no insight to our specific waste volumes and the disposal method. Due to this we are unable to report on specific waste volumes or associated energy recovery.

The costs of general waste disposal form part of our contracted rent and rates agreement with the landlord.

Single-use plastics

Along with MoJ, CICA is committed to reducing single-use plastics wherever possible.

The MoJ single-use plastics policy, ensures that facilities management providers only use single-use plastics where no viable alternative is available.

In addition, CICA does not provide catering facilities and as such does not purchase takeaway cups, plates, cutlery, straws or water bottles. Our use of mains drinking water has further embedded this commitment, eliminating the need to provide single-use plastic water coolers throughout our office.

Finite resource consumption

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.

Table 13 Finite resource consumption

Water	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Non financial indicators						
Total water consumption (m³)	1,128	669	716	2,020	2,304	2,268
Financial indicators						
Total water supply costs (£)	1,055	1,200	1,300	3,000	3,000	2,000

Paper usage

We have continued to work on digitisation of our services and processes. All applications are paperless with 95% coming via our online application services and the remainder being supported through our telephone service.

In response to the Covid-19 pandemic we moved to remote hearings with the First tier Tribunal (FTT), work which was recognised by an Operational Delivery Profession (ODP) Gold Transformation Award for original thinking or technology that has improved the service that it delivers. This work also allowed us to use a digital copy and not print the full case file for each hearing thereby reducing paper usage.

Despite these efforts during 2022-23 the volume of paper used increased by 7% compared to 2021-22. This was in part due to the number of decisions made increasing by 10% over the same period. In 2022-23 a total of 3,061 reams of A4 paper were consumed in comparison to 2,850 in 2021-22.

Digitalisation

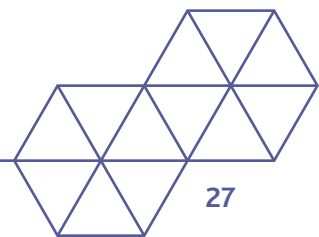
Our journey to digitise and modernise our working practices was accelerated by the COVID-19 pandemic. During this time, we transitioned seamlessly to remote working combined with a minimised office presence.

Following the relaxing of restrictions, we have continued to recognise the significant business and environmental benefits of operating in this manner and we have embedded 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.

With the majority of staff choosing to work in a hybrid way our daily office attendance has reduced by 60%. This has resulted in a reduction in waste production and consumable usage and will allow us to relocate to a reduced office footprint in the coming year.

Travel

We continue to significantly reduce our travel against the 2017-18 baseline. During 2022-2023 the majority of our travel related to supporting the appeals process by attending hearings across Great Britain. The resumption of face-to-face hearings being listed by HMCTS has resulted in growth in emissions compared to last year when a minimal number of hearings took place face-to-face. We minimised this by, where appropriate, attending virtually through the use of HMCTSs Cloud Video Platform.



For greater transparency, and in line with the reporting requirements we have included new data regarding distance travelled. As this is a new requirement for reporting year 2022-23 there is limited historical data.

Table 14 Travel

		2022-23	2021-22
Distance travelled (km)	Rail travel	31,496	6,694
	Air travel	8,542	2,363
	Total	40,038	9,057
Emissions (tCO₂e)	Rail travel	1.3	–
	Air travel	1.15	–
	Total	2.45	0.6
Financial indicators	Rail travel	£1,851.74	£812.13
	Air travel	£7,029.48	£1,573.55
	Total	£9,166.11	£2,385.68

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.

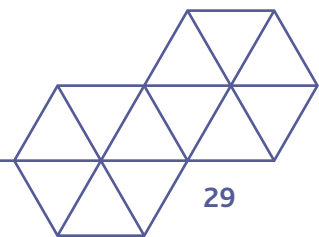
We will continue to seek opportunities to digitalise the services we provide to increase efficiency while reducing our impact on the environment.

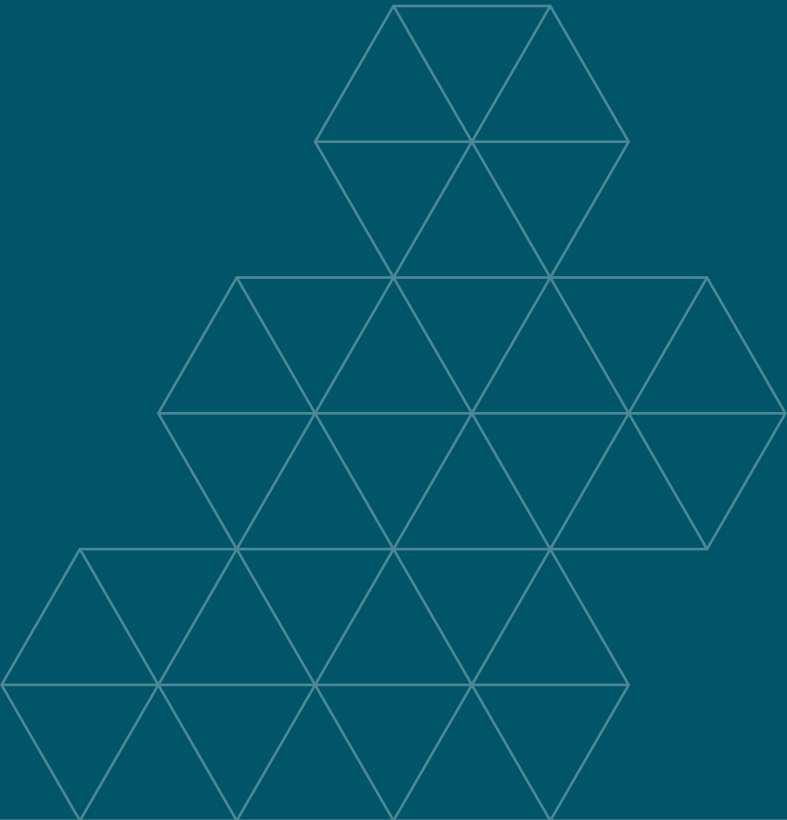
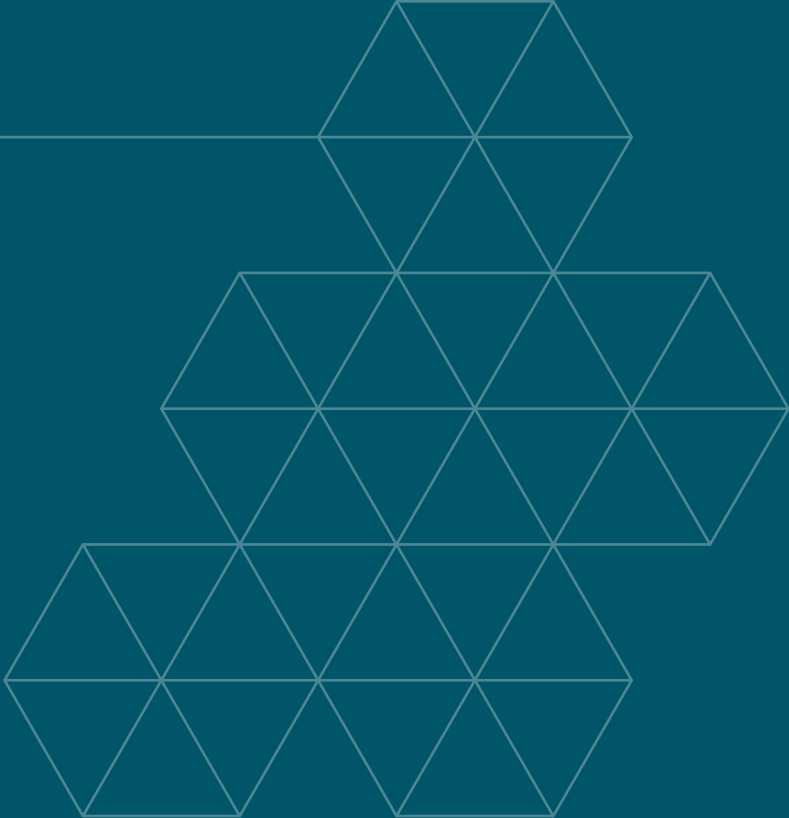
While we have made considerable progress in reducing our environmental impact, as we move through the year, a key component of our sustainability strategy will be to transition to a new office location which will down-size our space requirement and increase the energy-saving technologies employed.



Linda Brown CBE

Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority
11 July 2023







Accountability report



Corporate Governance report

Introduction

The purpose of the Corporate Governance Report is to explain the composition and organisation of the governance structures and how these arrangements have supported the achievement of objectives during 2022-23.

CICA's Framework Document sets out the arrangements for governance, accountability, financing, staffing and operations. The current Agency Framework Agreement can be viewed on www.gov.uk/government/publications/criminal-injuries-compensation-authority-agency-framework.

Working with colleagues within MoJ, we have been implementing revisions to this framework which are aligned to revised Cabinet Office guidance. It is anticipated that this revised framework will take full effect in 2023-24, however we have begun the process of transitioning to this framework within the current reporting year.

As Chief Executive and Accounting Officer for CICA, I am responsible for the resources CICA utilises when carrying out its functions, as set out in the Framework Document. Further responsibilities of an Accounting Officer are set out within the HM Treasury document, 'Managing Public Money'.

As Accounting Officer, I am personally responsible for safeguarding the public funds for which I have charge, for ensuring propriety and regularity in the handling of public funds, and for day-to-day operations and management of CICA. In addition, I must ensure that the CICA as a whole is run in accordance with the appropriate standards in terms of governance, decision making and financial management.

My report outlines the governance arrangements in place to manage risks to the achievement of CICA's agreed objectives and targets, and to provide effective oversight and control over its resources and assets.

This report includes:

- Director's report
- Statement of Accounting Officer's responsibilities
- Governance statement.

Director's report

In this report, I have detailed our governance arrangements. It includes information about our Strategy and Performance Board (SPB), Audit and Risk Committee (ARC) and Executive Management Board (EMB). Together they are responsible for establishing strategic direction, delivering against objectives and managing risk.

The composition of each of these key governance groups are detailed on pages 36- 38.

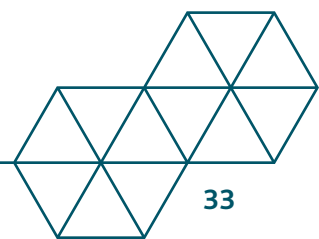
I am satisfied that these forums represent, and deliver, effective corporate governance within CICA.

Managing conflicts of interest

All Executive and Non-executive Board Members participate in quarterly declarations 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

CICA takes the protection of personal data extremely seriously and reports serious breaches to the Information Commissioner's Office (ICO). During 2022-23, no data breaches required to be reported to 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, and the Government Resources and Accounts Act 2000, 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
11 July 2023

Governance statement

This governance statement sets out the main features of the governance, risk management and internal control frameworks operated within CICA during 2022-23.

CICA is an Executive Agency of the Ministry of Justice (MoJ). For 2022-23 CICA's reporting line continued to be 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.

Governance framework

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

The governance framework ensures that CICA can reliably achieve its objectives while addressing uncertainty and acting with integrity. We have structured our governance to ensure appropriate harmony between performance, risk and compliance.

The governance structure is detailed on page 36.

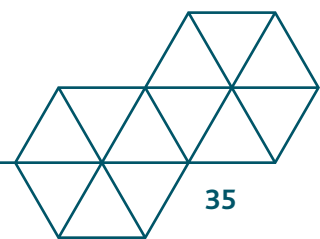
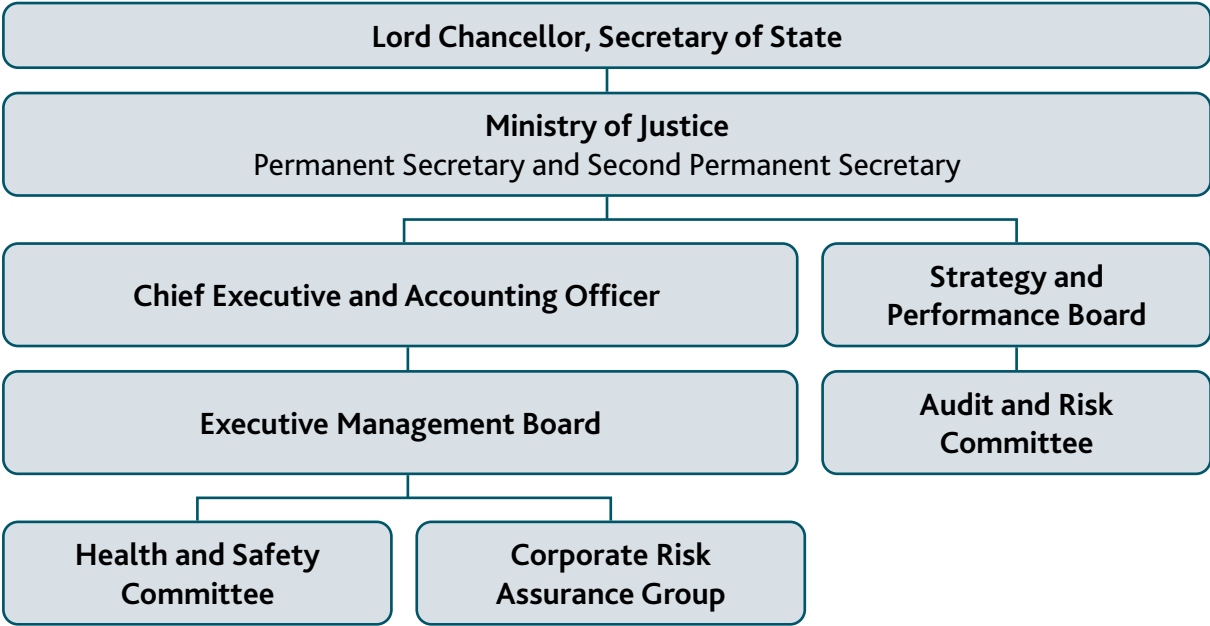


Table 15 Governance Structure



Strategy and Performance Board

The Strategy and Performance Board (SPB) is currently chaired by the Chief Executive and membership is comprised of three Non-executive Board Members, the Deputy Chief Executive and MoJ Deputy Director Finance Business Partner.

The Non-executive Board Members are:

- Russell Frith BA, ACA (Chair of the Audit and Risk Committee).
- Martin Spencer BA.
- Derek Bray BA, LLB, MPhil.

Standing attendees include the Director of Operations, Director of Corporate Services and Director of Legal and Policy Services.

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)). 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 Russell Frith, a Non-executive Board Member, with the remaining Non-executive Board members completing the membership of the ARC. Meetings were held quarterly.

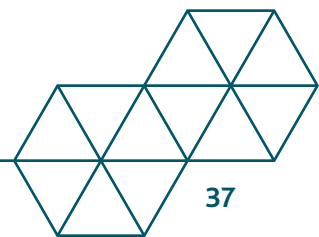
These ARC meetings were supported by the attendance of the Chief Executive, Deputy Chief Executive and Director of Corporate Services. Other members of the CICA Executive Management Board attended as required to support the business of the ARC.

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, reporting on the internal and external audit programme respectively.

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:

- Concurrent claims – a review of the risk of concurrent claims, formally setting out the risks, the actions explored and considering whether the potential impact of concurrent claims can be quantified.
- Counter fraud measures – a review of the risk of fraud to the organisation and the controls and measures to mitigate associated risks.
- Agency framework – a review of the changes, challenges and impact of aligning with the new requirements.
- End of lease – a review of the risk and challenges of the end of lease on our current accommodation and the challenges in securing a suitable new location.



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.

Executive Management Board

The Executive Management Board (EMB) supports the Accounting Officer in the day-to-day management and operation of CICA. During 2022-23, the EMB members supporting the Accounting Officer were:

- June Fellowes, Deputy Chief Executive.
- Laura Johnston, Director of Legal and Policy Services.
- Martin McGoldrick, Director of Corporate Services.
- Tracy MacBrayne, Director of Operations (until January 2023).
- Nina Blakey, Director of Operations (from November 2022).
- Louisa Harrison, Senior Finance Business Partner.

In the discharge of its duties, the EMB was informed by advice and guidance from the Strategy and Performance Board (SPB) and the 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 of this management information provided the 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 our organisational objectives.

Table 16 Board and Committee Information

Number of meetings attended by member of those eligible to attend.

	Strategy and Performance Board	Audit and Risk Committee	Executive Management Board
Linda Brown CBE, Chief Executive	4 of 4	5 of 5	9 of 12
June Fellowes, Deputy Chief Executive	4 of 4	5 of 5	10 of 12
Russell Frith, Non-Executive Board Member and Chair of the Audit and Risk Committee	4 of 4	5 of 5	–
Martin Spencer, Non-Executive Board Member	1 of 4	1 of 5	–
Derek Bray, Non-Executive Board Member	3 of 4	4 of 5	–
Tracy MacBrayne, Director of Operations (until January 2023)	1 of 1	–	6 of 6
Nina Blakey, Director of Operations (from November 2022)	1 of 2	–	2 of 3
Laura Johnston, Director of Legal and Policy Services	4 of 4	–	10 of 12
Martin McGoldrick, Director of Corporate Services	4 of 4	5 of 5	12 of 12

The three key governance groups are supported in delivering organisational objectives by the following additional groups and committees:

Health and Safety Committee

The Health and Safety Committee ensures compliance with relevant legislation 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.

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. In 2022-23, the CRAG met regularly to identify potential areas of emerging risk.

Stakeholder Engagement and Equality Forum

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.

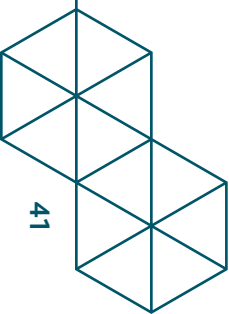
Risk management


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.


Table 17 Strategic risks





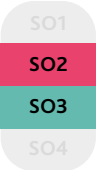

The table below outlines the significant risks and challenges which have been managed at a strategic level throughout the past performance year and notes some of the actions undertaken to mitigate these risks.



Risk	Link to Strategic Outcome	Description	Annual risk trend	Controls and mitigating activity
Operational delivery	 <p>SO1 SO2 SO3 SO4</p>	The volume of new applications to the Scheme continues to exceed historical averages and outpaces decision making causing the caseload to grow.		<p>CICA implemented revisions to our operational model to streamline the decision making process, focusing on case segmentation strategies.</p> <p>Recognising the impact of loss of experienced staff, a programme of recruitment ahead of attrition was implemented to reduce the impact, whilst allowing new colleagues to be suitably trained and afforded the time to become operationally effective.</p> <p>The above mitigations have ensured the productive output was significantly up on previous years, with the volume of decisions exceeding the overall volume in each of the previous 5 years.</p> <p>This has had the effect of slowing the caseload growth.</p>





Risk	Link to Strategic Outcome	Description	Annual risk trend	Controls and mitigating activity
Information Technology, Digital Service and Infrastructure		<p>In partnership with Justice Digital, we are responsible for the availability, maintenance, development and security of our IT and digital systems.</p>		<p>Significant enhancements have been made to the ease of application of our online service and it is anticipated that all applicants will be able to use this service from mid 2023 onwards. We will continue to ensure that alternative options are available for individuals who require additional support in the application journey.</p> <p>Whilst less obvious to our applicants, substantial progress has also been made in relation to our infrastructure to support delivery of our services. This includes a programme of work to transform our system architecture and software which enables our customer facing systems to operate effectively. This will ensure that our systems, processes and infrastructure support a seamless transition to secure cloud services.</p>

Risk	Link to Strategic Outcome	Description	Annual risk trend	Controls and mitigating activity
People	<div data-bbox="427 344 521 517"> <p>SO1</p> <p>SO2</p> <p>SO3</p> <p>SO4</p> </div>	<p>The maintenance of an engaged, skilled and capable workforce is crucial to the effective operation of our business.</p>		<p>Employee engagement remains high in CICA and the Civil Service People Survey 2022 saw an increase of 2% on the previous year, returning an Engagement index of 70%. The development work undertaken in year saw a significant uplift in colleagues who felt a strong association with our organisational objectives and purpose, delivering a score of 92% (8 percentage point increase on the previous year).</p> <p>Hybrid working continues to be an important component of our business model and one which supports our people with flexible working patterns. This remains consistent with MoJ departmental policy. Recognising the benefits of human connection and employee engagement, particularly for new colleagues, we reintroduced classroom learning and development to support their induction, training and consolidation. This was further supported by a broader programme of cross MoJ and civil service learning and development, delivered both virtually and in-person, enabling us to further invest in our people at all levels.</p> <p>CICA continues to attract talented individuals and 2022-23 saw us onboard 48 new colleagues, which offsets the in year attrition of 8.8%. Our talent attraction strategy is focused on advanced recruitment within affordability, ahead of attrition, to ensure new colleagues have sufficient time to become operationally effective. This ensured that our average full-time equivalent (FTE) remained consistent with previous years.</p>

Risk	Link to Strategic Outcome	Description	Annual risk trend	Controls and mitigating activity
Estates		The proximity of the lease expiry of our Alexander Bain office requires consideration of future accommodation needs and raises potential operational and workforce risks.		CICA continues to work with MoJ Estates and the Government Property Agency (GPA) to identify suitable alternative office space which meets the operational requirements of the organisation. This risk was escalated in year due to the proximity to lease expiry and the developing cost envelope.
Information Security Risk		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>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> <p>The CICA Senior Information Risk Owner (SIRO) leads on information management processes and procedures and attends the cross-MoJ Information Security Risk Board.</p> <p>Performance in relation to information management and security is reported to the Audit and Risk Committee on a quarterly basis.</p> <p>Key considerations for 2023-24 relate to the recommendations from the Independent Inquiry into Child Sexual Abuse (IICSA) and the cessation of the moratorium on destruction of related records required by the inquiry.</p>
Operational processes		CICA maintains operational guidance and processes to ensure that they remain appropriate, are applied correctly and are in line with recognised best practice.		<p>Throughout 2022-23 the Business Change and Continuous Improvement team has reviewed and enhanced operational guidance, ensuring that it remains appropriate. This is bolstered by expert case specific advice from the Decision Support Team on the practical application of the Scheme and CICA policy.</p> <p>Developments are embedded within Scheme training to ensure that new and existing colleagues are familiar and comfortable in applying operational guidance when deciding applications for compensation.</p>

Risk	Link to Strategic Outcome	Description	Annual risk trend	Controls and mitigating activity
Concurrent claims	SO1 SO2 SO3 SO4	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>It is acknowledged that this remains a risk due to the constraints that CICA must operate within. However, CICA has taken steps throughout 2022-23 to introduce mitigating activity.</p> <p>Key to this has been the introduction of appropriate data-sharing agreements with appropriate public bodies who also offer compensation schemes.</p> <p>Further work is planned for 2023-24 to explore what additional measures there may be which may incrementally reduce the risk exposure or better understand the risk landscape. Developments will be reported to the Audit and Risk Committee as appropriate.</p>
Fraud	SO1 SO2 SO3 SO4	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>CICA remains committed to preventing and tackling fraud to protect public funds intended for victims of violent crime.</p> <p>All staff must complete mandatory counter-fraud training on an annual basis to ensure continued vigilance and awareness of the potential for fraudulent activity.</p> <p>CICA works closely with the MoJ Counter Fraud Centre of Expertise and is a core member of a cross-MoJ counter-fraud group focussed on communication, awareness and training.</p> <p>CICA has also worked with the newly formed Public Sector Fraud Authority (PSFA) in a pilot study and assessment of the revised Counter Fraud Functional Standard. This work is focussed on applicability to Executive Agencies and will help inform any revisions or amendments.</p>

Risk	Link to Strategic Outcome	Description	Annual risk trend	Controls and mitigating activity
<p>Delegated budget</p>		<p>The delegated budget, within which CICA’s Accounting Officer must operate, is set annually by MoJ and income from Scottish Government is set out in a memorandum of understanding. 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 and Risk Committee.</p> <p>Financial planning and forecasting is undertaken in line with Managing Public Money and financial delegations.</p> <p>The likelihood and impact of this risk fluctuates throughout the year, based on financial forecasting and availability of additional budget to meet the cost demand of established ready to offer entitlements. At year-end this risk was stable based on the provision of additional budget to meet forecast need.</p> <p>However, due to the nature of the annual budget model, this remains a live risk for CICA moving in to the 2023-24 financial year and the level of risk will be reassessed on an ongoing basis.</p>

Financial risks

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.

Through 2022-23, CICA managed this risk by providing forecasts and regular reports to the MoJ Chief Financial Officer, via its Senior Finance Business Partner, on budget utilisation and quarterly updates to the Scottish Government. An additional £26m was authorised by MoJ for England and Wales during 2022-23 for tariff and pre-tariff Schemes cases and the Scottish Government responded positively to requests from CICA for additional income with an additional £3.5m approved in Quarter 4.

Financial liability risks

The key financial liability risks were:

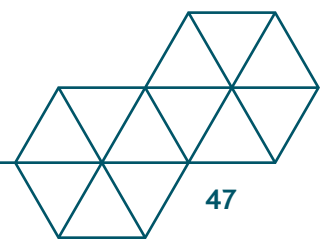
Incidents Incurred But Not Yet Received (IBNYR)

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 2023. 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, 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 £0.4m: any liability would therefore be below that value.

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:

- Risk Management: A substantial assurance rating was offered.
- Workforce Planning: A substantial assurance rating was offered.
- Change Management: A limited assurance rating was offered.
- Compliance with Serious Harm test: A substantial assurance rating was offered.
- Loss of earnings calculators: A substantial rating was offered.

CICA invited GIAA to review and make recommendations on 'Change Management' following reduced focus on this area of activity during the pandemic and the formation of a new team. The audit was undertaken at an early stage of maturity of the new team with the firm objective of providing recommendations from the expert team of auditors to inform and build robust capability in this function. Ten recommendations were made and have been implemented.

A follow-up audit of Change Management has been built into the audit plan for 2023-24 and significant improvements are expected to have been embedded in advance of further testing.

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. In total 12 recommendations were made by GIAA, 10 relating to Management of Change as discussed in the previous section. Only one recommendation remains to be completed.

Information assurance

In order to complete our work, we process significant personal and sensitive information. We are committed to ensuring actions taken 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 2022-23 we achieved 100% compliance.

This helps us embed an effective information assurance culture across the organisation.

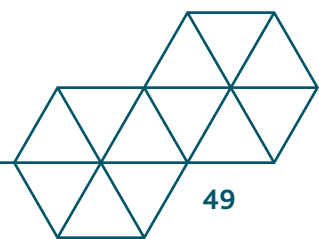
Assuring information and managing risks related to the use, processing, storage and transmission of the information we hold is a high priority. The technical controls we have in place reflect those recommended by the National Cyber Security Centre to address external cyber security threats, and we have further strengthened our approach within the last year through a number of key measures.

We have participated in piloting for the new GovAssure cyber security framework, which presented a useful opportunity to review our current arrangements and be at the forefront of the new approach being rolled out across government.

We have undertaken further testing of our ability to restore access to data in the event of any incidents using backup processes and planned our next recovery testing activities. Additionally, we have completed a number of successful migrations to the cloud for key CICA systems, increasing resilience across our technology estate and enhancing the scalability and security of our services.

During 2022-23, we received and actioned 53 requests for information under the Freedom of Information Act 2000. In addition, we processed 2,235 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 2022-23, our Senior Information Risk Owner attended the bi-monthly MoJ Information and Security Risk Board and the monthly Data Protection Sub Committee, the Director of Corporate Services deputised in her absence.



Public Bodies Review Programme

HM Treasury and Cabinet Office's Public Bodies Review Programme requires departments to review their public bodies to assure the public, Ministers and the Principal Accounting Officer of the organisation's performance, consider its effectiveness and efficiency, ensure the functions remain useful and necessary, and to assess alternatives to deliver the department's objectives.

Cabinet Office has published a set of requirements for use in reviews which outlines the minimum expectations for departments and public bodies and indicators of good practice. These are:

- **Efficacy** – to ensure the organisation meets the conditions of a public body with a clear purpose, an appropriate delivery model and the expectations that it performs effectively and delivers services that meet the needs of citizens.
- **Efficiency** – to assess financial management processes, and the identification of potential cashable efficiency gains made through change in practices, for example, digitisation.
- **Governance** – to assess the expectations of governance for a public body's board, Chair and non-executive members.
- **Accountability** – to evaluate the role, responsibilities and authorities between the department and the public body, and the support and challenge offered via the 'sponsoring' relationship.

CICA was the first MoJ public body to be reviewed under the new Cabinet Office Review Programme.

The stage 1 review concluded that CICA is in good health. The final report stated CICA operated as an outcome delivery system, delivering efficient and effective public outcomes that Parliament and the public expect. Particular areas of strong compliance with good practice indicators include financial management and accountability to Parliament. No major areas of non-compliance were identified. The very few areas of minor non-compliance are already being addressed with MoJ. No formal recommendations were made for CICA to implement.

This review did not indicate the need for a full, independent review of CICA at this stage. A number of proportionate recommendations for MoJ were made and are available on www.gov.uk.

Functional reform

Corporate and professional functions play a vital role in the MoJ and include: analytical services, commercial, communications, counter fraud, debt, digital, finance, grants, people, project delivery, property, and security.

The Functional Reform Directorate supports MoJ functions to succeed in delivering the department's priorities, while helping deliver on its ambition to become a recognised functional centre of excellence across government.

The maturity of functions is assessed through a quarterly 'health check', supported by annual or bi-annual self-assessments using Cabinet Office continuous improvement assessment frameworks, many of which were published for the first time this year. The maturity scale ranges from 'good', indicating compliance with the mandatory elements of the functional standard, to 'better', and 'best'.

Throughout 2022-23, the functions' understanding of the requirements of their functional standards has matured and their understanding of the operation of control frameworks to achieve increased compliance is improving.

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

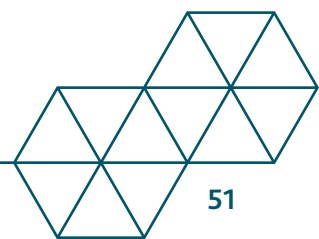
I am confident that this statement provides a comprehensive account of the corporate governance, risk management and control arrangements operating across CICA.

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
11 July 2023



Remuneration and staff report

Remuneration policy

All permanent members of staff, including any on secondment and fixed term appointments are employees of MoJ. Accordingly, CICA does not have, nor require, a separate Remuneration Committee or Nominations Committee.

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 2022-23, 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.

Service contracts

Unless otherwise stated below, staff appointments are made on merit on the basis of fair and open competition and are open-ended until the individual wishes to retire, 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.

Remuneration report senior staff disclosures (subject to audit)

The following sections provide details of the remuneration and pension interests of the senior management and non-executive board members of CICA.

The Chief Executive fulfils the role of Accounting Officer of CICA. The Chief Executive and the Deputy Chief Executive, for the purposes of disclosure, are classified as the senior management of 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 18 Remuneration and pensions of senior management

Name	Salary	Bonuses	Pension benefits	Total	Accrued pension and related lump sum at pension age 31/03/23	Real increase in pension and related lump sum at pension age 2022-23	CETV at 31/03/23	CETV at 31/03/22	Real increase in CETV 2022-23 ¹
	2022-23	2022-23	2022-23	2022-23	31/03/23	2022-23	31/03/23	31/03/22	2022-23 ¹
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Linda Brown – Chief Executive	100-105	–	(25)	75-80	Pension 45-50 Lump sum 120-125	Pension nil Lump sum nil	1,102	1,013	(40)
June Fellowes – Deputy Chief Executive	75-80	–	(22)	55-60	Pension 40-45 Lump sum 95-100	Pension nil Lump sum nil	908	837	(34)
	2021-22	2021-22	2021-22	2021-22	31 March 2022	2021-22	31 March 2022	31 March 2021	2021-22
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Linda Brown – Chief Executive	95-100	–	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	–	51	125-130	Pension 35-40 Lump sum 95-100	Pension 2.5-5 Lump sum 2.5-5	838	750	41

¹ Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Table 19 Remuneration of non-executive board members

	2022-23	2021-22
	£000	£000
Derek Bray	0.5	0.5
Martin Spencer	0.5	0.5
Russell Frith	0.5	0.5
Ron Barclay-Smith*	–	0.5
Total	7.2	8.4

* Ron Barclay-Smith left CICA on 31 March 2021: payments in 2021-22 reflect monies outstanding for 2020-21.

CICA non-executive board members receive fees based on the number of board meetings they have attended. Their fees are non-pensionable but are subject to tax and national insurance.

All current non-executive board members started with CICA on 15 December 2020 for a period of three years.

Salary

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

Bonuses

Staff bonuses are based on performance levels attained and are awarded as part of the appraisal process. Unless otherwise stated, bonuses reported each year relate to performance in the preceding year.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue and Customs as a taxable emolument. Neither Linda Brown nor June Fellowes, nor any of the non-executive board members, received any taxable benefits in 2022-23 or 2021-22.

Pension benefits

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights. Where the pension benefits for 2022-23 are negative we have disclosed this figure in table 18. This has had an impact on the remuneration figure by reducing the overall total remuneration banding.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switched into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme 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 member 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 worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of the 2023-24 CETV figures.

Real increase in CETV

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

Fair pay disclosures (subject to audit)

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. For CICA, the calculations for pay quartiles result in the same values for total pay and benefits and for the salary component.

Table 20 Fair pay bandings and ratios

	2022-23	2021-22
Highest paid executive salary	£100-£105k	£95k-£100k
Lowest paid staff member salary	£15k-£20k	£15k-£20k
Lower quartile CICA salary	£21,775	£21,413
Lower quartile pay ratio	4.6:1	4.6:1
Median CICA salary	£25,827	£25,118
Median pay ratio	3.9:1	3.9:1
Upper quartile CICA salary	£31,265	£30,451
Upper quartile pay ratio	3.2:1	3.2:1

In 2022-23 and 2021-22 no employee received remuneration exceeding that of the highest paid executive.

Table 21 Annual percentage change in total salary and bonuses

	Salary %	Bonus %
Staff average	0.8	(59.8)
Highest paid director	3.0	–

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. The implementation of the pay award increased average staff remuneration. Bonus spending was managed in year to ensure alignment with August to July pay award cycle and there was a shift to higher volumes of lower value voucher payments.

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.

Staff costs and numbers (subject to audit)

Table 22 Staff costs

Staff costs	2022-23	2021-22
	£000	£000
Salaries and wages	8,233	7,745
Overtime	81	(18)
Social security costs	788	755
Pension costs	2,240	2,189
Total	11,342	10,671

The table above include the costs of senior management remuneration and on-cost.

CICA employed no agency or temporary staff in 2022-23 or 2021-22.

CICA staff, unless opted out, are members of the PCSPS. The PCSPS is an unfunded multi-employer defined benefit scheme in which CICA is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2016. Further details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk).

For 2022-23, employers' contributions of £2.240m were payable to the PCSPS (2021-22: £2.189m) at one of four rates in the range 26.6% to 30.3% (2021-22: 26.6% to 30.3%) of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following the full scheme valuation. The contribution rates reflect benefits as they are accrued, not when costs are actually incurred, and reflect past experience of the scheme.

Employees joining the Civil Service after 1 October 2002 can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. No staff members working for CICA have taken this option during 2022-23 and this was also the case in 2021-22.

Civil Service exit packages

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 2022-23 and 2021-22 there were no exit packages paid.

Off-payroll engagements and consultancy costs

During 2022-23, 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 any 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.

During 2022-23 and 2021-22, no consultancy costs were incurred.

Table 23 Staff numbers

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

	2022-23	2021-22
Full time equivalent	296	295

Table 24 Staff composition (not subject to audit)

	31 March 2023 Headcount	31 March 2022 Headcount
SCS1		
Female	1	1
SCS2		
Female	1	1
Non-SCS		
Male	147	143
Female	189	179
Total	338	324

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.

Staff engagement

We are committed to making CICA a great place to work and involving our people in decisions which affect them. In 2022 we continued to embed our new hybrid way of working which gives our people the opportunity to combine office and home working. Our successful approach was recognised in the cross-Government assessment of Smarter Working where we were assessed as an 'established' smarter working organisation.

In 2022 our Civil Service People Survey engagement index score increased by 2% to 70%. This was 10% above the overall MoJ score and 5% higher than the overall Civil Service score.

Equality and diversity

The CICA has duties under the Equality Act 2010 to eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations. We comply with our Public Sector Equality Duty by undertaking Equality Impact Assessments to understand the impact of change affecting our people and through the implementation of the MoJ conduct policy and the Civil Service Code.

We continue our efforts to build an inclusive culture with the support of our established Diversity, Inclusion and Wellbeing Network which is proactive in celebrating diversity. This ensures CICA continues to be an inclusive working environment which promotes access to opportunities for all. In 2022-23, our people completed Inclusion in the Civil Service e-learning and we raised awareness of the Civil Service Menopause and the Workplace policy.

We aim to attract and retain a diverse workforce at all grades, that is reflective of the society we serve and the community where we are based.

Diversity data is held and collated by MoJ, and we continue to promote and encourage our people to record their personal diversity information. This helps us be confident 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 believe in equity of opportunity and actively encourage and support our people to participate in a range of development programmes tailored to staff from under-represented groups. Programmes such as the MoJ Bridges and Rising Together are designed to support colleagues from ethnic minority backgrounds to develop their personal and professional skills within a community of supportive peers and mentors. Opportunities such as these helped us grow our sense of inclusion and fair treatment as reflected in the People Survey score for this area.

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 have access to MoJ's Workplace adjustment service which offers advice and guidance to both managers and staff regarding reasonable adjustments and other available support.

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. We have representatives on the MoJ's ABLE network which aims to create a department which supports, values, develops and empowers all disabled staff.

This year, one of our people graduated from the MoJ Reach development programme. This programme aims to support staff, who have a long-term condition or identify themselves as having a disability, to develop their skills and confidence to progress in their career.

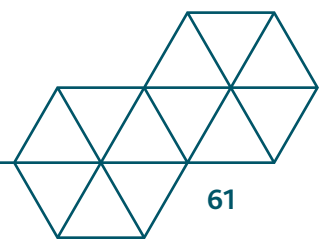
Learning and development

We remain committed to being a compassionate organisation, providing services which are sensitive to the experience of our applicants. During 2022-23, we continued to deliver trauma-informed awareness and training to our people.

We support the ongoing development of our people and this year our people have been involved in a range of personal development activities and programmes. Learning at Work Week continued to be well supported and 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 2022-23 our people continued to support our nominated charity, Tiny Changes, and raised funds throughout the year.



Sickness absence

We continued to proactively manage sickness absence and promote health and wellbeing at work.

We supported new and existing line managers to increase knowledge and skills on attendance management, mental health, and disability awareness. We ran a Winter Wellness campaign promoting our employee assistance programme and other available support.

During 2022-23, the average working days lost to sickness in CICA was 6.7 days (2021-22: 7.3 days). Of these, 945 days (47%) were due to long-term sickness and 1,049 days (53%) were due to short-term sickness.

Staff turnover

In 2022-23, staff turnover was 3.3% (2021-22: 2.9%, 2020-21: 3.9%) and department turnover was 8.8% (2021-22: 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.

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 2022-23 is £115,000 (2021-22, £109,000).

No additional audit fees or remuneration for non-audit work were recognised in 2022-23, as was also the case in 2021-22.

Regularity of expenditure (subject to audit)

Table 25 Losses and special payments

	2022-23		2021-22	
	Number	£000	Number	£000
Constructive loss	2	1,014	–	–
Special payments	–	–	1	25
Total	2	1,014	1	25

During 2022-23 there were two losses over £300,000 (2021-22: none). Both relate to the write-down of intangible assets under construction to nil, following a change of approach on the projects involved.

The first, with a constructive loss of £640,000, related to a project intended to enable applicants for compensation to securely submit evidence and documents to CICA. The project was closed once a strategic decision was taken to give priority to the GOV.UK Apply service.

The second, with a constructive loss of £374,000, related to a project to enable improvements to customer and stakeholder experience in the application process. Again, the project was closed in favour of focusing on development of the GOV.UK Apply service.

Remote contingent liabilities (subject to audit)

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.

A handwritten signature in black ink, appearing to read 'Linda Brown', with a period at the end.

Linda Brown CBE

Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority
11 July 2023

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 (CICA) for the year ended 31 March 2023 under the Criminal Injuries Compensation Act 1995 and the Government Resources and Accounts Act 2000.

The financial statements comprise the CICA's:

- Statement of Financial Position as at 31 March 2023;
- 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 CICA's affairs as at 31 March 2023 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

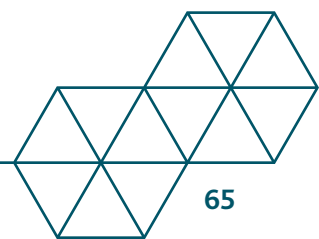
In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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 and Regularity of Public Sector Bodies in the United Kingdom (2022). 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 am independent of the CICA 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 CICA'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 CICA'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 CICA is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is 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 and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

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

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 Government Resources and Accounts Act 2000.

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

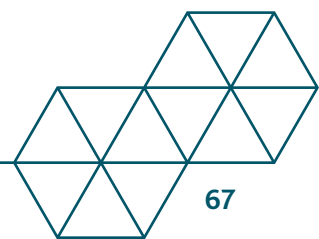
- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial 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 CICA and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- Adequate accounting records have not been kept by the CICA or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; 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;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the CICA from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- assessing the CICA'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 CICA will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

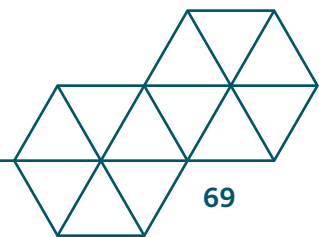
Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

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

- considered the nature of the sector, control environment and operational performance including the design of the CICA's accounting policies.
- inquired of management, the CICA's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the CICA's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the CICA's controls relating to the CICA's compliance with the Government Resources and Accounts Act 2000, Managing Public Money, and the Criminal Injuries Compensation Act 1995;
- inquired of management, the CICA's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with 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 CICA 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 required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the CICA's framework of authority and other legal and regulatory frameworks in which the CICA operates. I focused 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 CICA. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, employment law, tax legislation and the Criminal Injuries Compensation Act 1995.



Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed 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, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I also communicated relevant identified laws and regulations and potential risks of fraud 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. This description forms part of my certificate.

Other auditor's responsibilities

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

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 I identify during my audit.

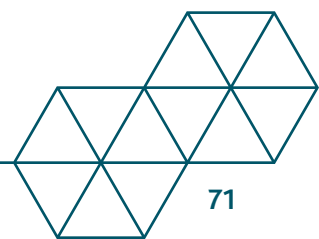
Report

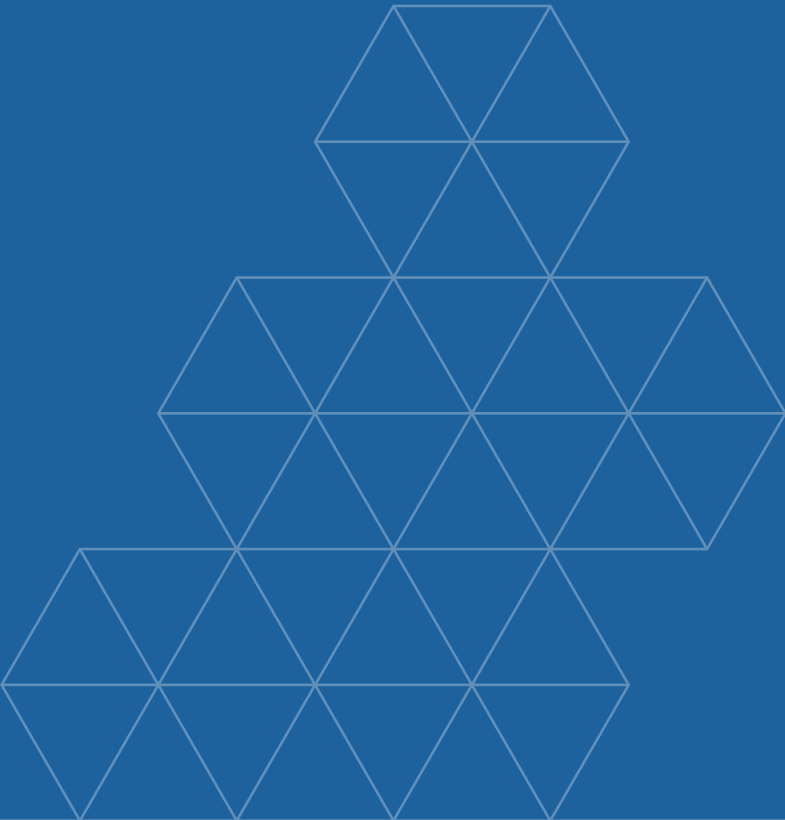
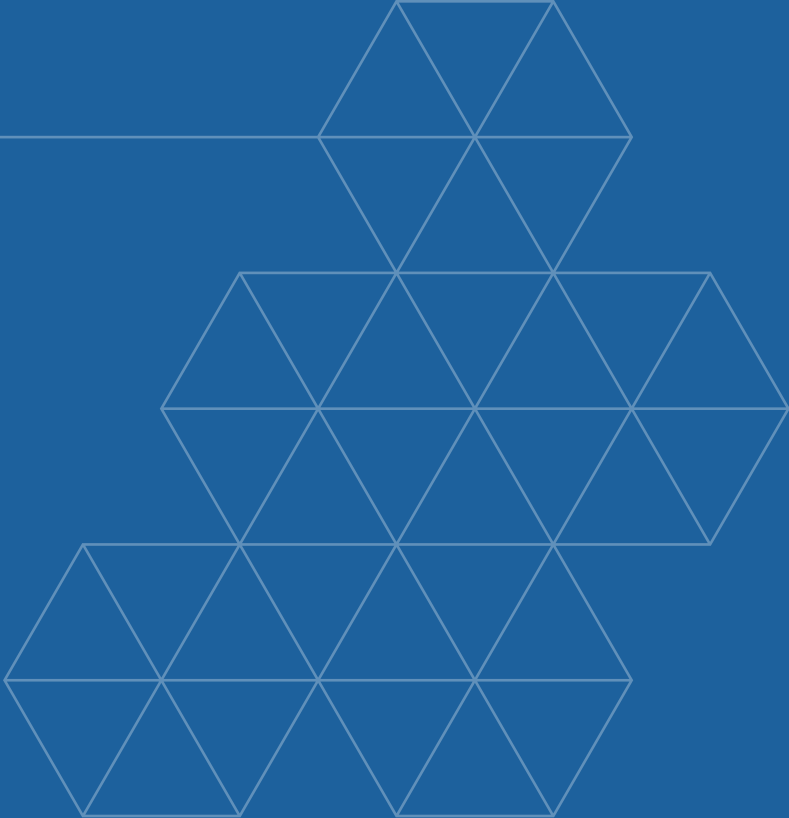
I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General
12 July 2023

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 2023

		31 March 2023	31 March 2022
	Note	£000	£000
Income from the Scottish Government	2	(19,061)	(15,706)
Other income	2	(2,244)	(1,300)
Total operating income		(21,305)	(17,006)
Staff costs	3	11,342	10,671
Other expenditure	3	7,541	6,261
Depreciation and impairment charges	3	1,840	867
Compensation spend	4	177,275	147,632
Total operating expenditure		197,998	165,431
Net operating expenditure		176,693	148,425
Finance expense (unwinding of discount)	14	371	(33)
Net expenditure		177,064	148,392

There was no other comprehensive expenditure incurred during the year. All income and expenditure are derived from continuing operations.

The notes on pages 78 to 104 form part of these financial statements.

Statement of financial position at 31 March 2023

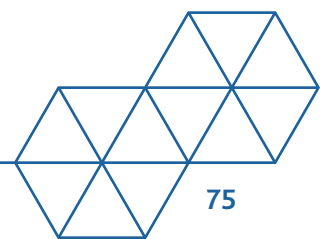
		31 March 2023	31 March 2022
	Note	£000	£000
Non-current assets			
Intangible assets	5	676	1,985
Property, plant and equipment	6	377	438
Right-of-use assets	7	884	848
Total non-current assets		1,937	3,271
Current assets			
Trade and other receivables	9	475	388
Cash and cash equivalents	10	29,578	22,007
Total current assets		30,053	22,395
Total assets		31,990	25,666
Current liabilities			
Trade and other payables	11	(48,875)	(44,465)
Other financial liabilities	12	(493)	(535)
Provisions	14	(134,014)	(79,992)
Total current liabilities		(183,382)	(124,992)
Total assets less current liabilities		(151,392)	(99,326)
Non-current liabilities			
Holding accounts payables	13	(17,560)	(15,709)
Other financial liabilities	12	(98)	(630)
Provisions	14	(37,204)	(86,319)
Total non-current liabilities		(54,862)	(102,658)
Total assets less liabilities		(206,254)	(201,984)
Taxpayers' equity			
General fund		(206,254)	(201,984)
Total taxpayers' equity		(206,254)	(201,984)

The notes on pages 78 to 104 form part of these financial statements.



Linda Brown CBE

Chief Executive and Accounting Officer
Criminal Injuries Compensation Authority
11 July 2023



Statement of cash flows for the year ended 31 March 2023

		2022-23	2021-22
	Note	£000	£000
Cash flows from operating activities			
Net operating cost		(177,064)	(148,392)
Adjustments for notional and non-cash transactions	3	7,116	5,350
Intra-departmental balances settled via reserves		3,012	9,967
(Increase)/decrease in trade and other receivables	9	(87)	6,622
Less receivables not passing through the operating cost statement		6	(16)
Increase/(decrease) in trade and other payables	11	4,410	(6,404)
Less movement in payables relating to items not passing through the operating cost statement		–	643
Increase/(decrease) in other financial liabilities	12	(574)	1,165
Less repayments of principal on leases	7	708	530
Less IFRS 16 recognition of lease creditor and remeasurement	7	(56)	(1,694)
Increase in holding account payables	13	1,851	1,428
Utilisation of non-compensation provisions	14	(19)	(41)
Movement in compensation provisions	14	4,531	(10,572)
Net cash outflow from operating activities		(156,166)	(141,414)
Cash flows from investing activities			
Purchase of intangible assets	5	–	(192)
Purchase of property, plant and equipment	6	(55)	(123)
Net cash outflow from investing activities		(55)	(315)
Cash flows from financing activities			
Supply funding from the Ministry of Justice: revenue	18	163,993	147,853
Supply funding from the Ministry of Justice: capital	18	507	147
Repayments of principal on leases	7	(708)	(530)
Net cash inflow from financing activities		163,792	147,470
Net increase in cash and cash equivalents in year	10	7,571	5,741
Cash and cash equivalents at the beginning of the year	10	22,007	16,266
Cash and cash equivalents at the end of the year	10	29,578	22,007

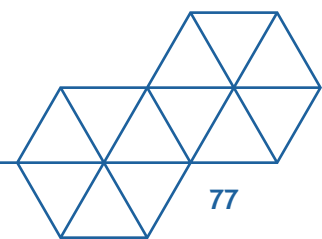
The notes on pages 78 to 104 form part of these financial statements.

Statement of changes in taxpayers' equity for the year ended 31 March 2023

		General fund	Total
	Note	£000	£000
Balance at 1 April 2022		(201,984)	(201,984)
Net expenditure for the year		(177,064)	(177,064)
Supply funding from the Ministry of Justice: revenue	18	163,993	163,993
Supply funding from the Ministry of Justice: capital	18	507	507
Non-cash adjustments			
Intra-departmental adjustment	9,11	3,012	3,012
Notional recharge from the Ministry of Justice	3	5,167	5,167
Notional external audit fee	3	115	115
Balance at 31 March 2023		(206,254)	(206,254)

		General Reserve	Total Reserves
	Note	£000	£000
Balance at 1 April 2021		(216,193)	(216,193)
Net expenditure for the year		(148,392)	(148,392)
Supply funding from the Ministry of Justice: revenue	18	147,853	147,853
Supply funding from the Ministry of Justice: capital	18	147	147
Non-cash adjustments			
Intra-departmental adjustment	9,11	9,967	9,967
Notional recharge from the Ministry of Justice	3	4,525	4,525
Notional external audit fee	3	109	109
Balance at 31 March 2022		(201,984)	(201,984)

The notes on pages 78 to 104 form part of these financial statements.



Notes to the financial statements for the year ended 31 March 2023

Note 1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2022-23 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 Pounds 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 78 to 104, 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 2023, CICA's Statement of financial position records net liabilities of £206 million (31 March 2022, £202 million). This reflects the inclusion of liabilities falling due in future years which may only be met by future funding from both Ministry of Justice and the Scottish Government. This follows the normal conventions applying to parliamentary control over income and expenditure in that funding is not provided in advance of need.

Funding for 2023-24, allowing for the amounts required to meet CICA's liabilities, has already been included in estimates for this period, which have 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 financial statements

As at 31 March 2023 CICA has used historical information in the calculation 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, as the scheme does not provide for inflationary or other cost adjustments. Claim values are calculated and applied separately for cases aged under 12 months and those that are already aged 12 months or more.

1.1c Changes in accounting policies and disclosures

New and amended standards adopted

There have been no new or amended standards adopted in the financial year beginning 1 April 2022.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2022 and not early adopted

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 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.

Amendments to disclosures

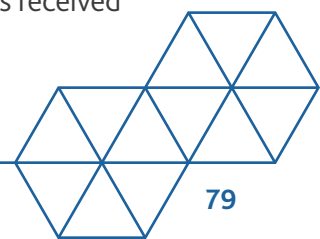
The format of the notes has been reviewed, and the following have been amended to improve disclosure:

- Note 3, Staff and other costs
- Note 9, Trade and other receivables
- Note 11, Trade and other payables

Prior year comparatives have been reclassified to match the new groupings: the change is presentational only, and total values have not been restated.

1.2 Funding

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



1.3 Segmental reporting

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

1.4 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.

1.5 Compensation spend

CICA recognises compensation spend at the point an application for compensation is received, through the calculation of a provision: the increase in the provision in year reflects the estimated value of new cases received and not yet processed through to award.

Where an application is received and paid within the same financial year, or received and a formal offer of compensation is made, CICA recognises the spend as 'claims not provided for'.

Where a claim was received in a prior financial year, and a formal offer has been made but not yet accepted, the related liability moves from provision to accrual, through utilisation of the provision. An adjustment to reflect remaining uncertainty on these cases, where an applicant may request review of or appeal the decision, reverts a percentage of the offer value to the provision. Neither the transfer to accrual nor the adjustment back to the provision impacts on compensation spend as recorded in the Statement of comprehensive net expenditure.

Note 4 to these financial statements sets out the compensation spend that is recognised in the Statement of comprehensive income each year: the increase in provision, plus the claims not provided for at the end of the previous financial year.

Compensation spend recognised in the Statement of comprehensive income does not reflect the value of compensation actually delivered or formally offered to applicants each year, as the spend is driven by the existence of a liability, rather than the discharge of the obligation. Note 4 also therefore sets out the compensation that has been received by or offered to claimants in year: the utilisation of the opening provision, plus the claims not previously provided for but paid out or offered during the course of the year.

1.6 Employee benefits

CICA accrues for the expected cost of the annual leave entitlement of its employees in accordance with IAS 19 Employee Benefits.

1.7 Pensions

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded defined benefit scheme of which CICA is unable to recognise its share of underlying assets and liabilities. In accordance with the FReM, CICA accounts for this as a defined contribution scheme. CICA recognises contributions payable to defined contribution schemes as an expense in the year in which it is incurred, and the legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

1.8 Notional recharges

The notional recharge from the MoJ represents CICA's usage of centralised corporate services.

The notional audit fee represents the cost of the annual external audit performed by the National Audit Office on behalf of the Comptroller and Auditor General.

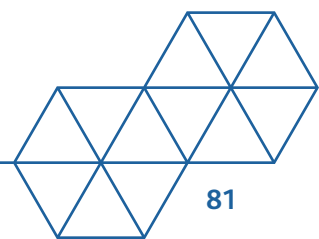
1.9 Accounting for Value Added Tax

Irrecoverable Value Added Tax (VAT) is charged to the relevant expenditure category or, if appropriate, capitalised with additions to non-current assets. Income and expenditure are otherwise shown net of VAT.

1.10 Assets under construction

Assets under construction are valued at historical cost within property, plant and equipment and intangible assets as appropriate, and are not depreciated or amortised. An asset ceases to be classified as an asset under construction when it is ready for use. Its carrying value is then removed from assets under construction and transferred to the respective asset category. Depreciation or amortisation is then charged on the asset in accordance with the stated accounting policy.

Expenditure is capitalised where it is directly attributable to bringing an asset into working condition, such as external contractor costs and relevant employee costs.



1.11 Intangible assets

Intangible assets comprise internally developed computer software (including assets under construction) and purchased software licences.

Development costs that are directly attributable to the design and testing of identifiable and unique software products, such as external contractor costs and relevant employee costs, are recognised as intangible assets when they meet the criteria of the FReM, which has been adapted from IAS 38 Intangible Assets. Other expenditure that does not meet this criteria is recognised as an expense as incurred.

The useful lives of internally developed software range from 1 to 5 years. In accordance with IAS 38 Intangible Assets, CICA reviews the economic useful lives of its intangible assets each financial year.

CICA applies a capitalisation threshold for intangible assets of £500. Intangible assets are disclosed at depreciated historic cost, which approximates to fair value.

1.12 Property, plant and equipment

Property, plant and equipment assets costing more than the capitalisation threshold of £500 are treated as capital assets. Where an item costs less than the capitalisation threshold but forms part of an asset or grouped asset, whose total value is greater than the capitalisation level, the item is treated as a capital asset.

Assets are disclosed at depreciated historic cost, which approximates to fair value, rather than being revalued annually, as revaluation 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.

1.13 Leases

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.

As adapted by the FReM, IFRS 16 has been applied to leases with nil or nominal (that is, significantly below market value) consideration and arrangements for accommodation between government departments.

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 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 HM Treasury, and is applied to leases that commence or are remeasured in that year. CICA transitioned to IFRS16 at 1 April 2021, and the single lease capitalised was discounted at the HM Treasury rate of 0.91%. CICA's lease was remeasured in 2022-23, as a revised rent was agreed. However, as the discount rate impact is immaterial for CICA, the revised lease liability has not been discounted at the HM Treasury revised rate for 2022 (0.95%).

Where the lease includes extension or termination options, the lease payments will be for the non-cancellable period together with any extension or termination options CICA is reasonably certain to exercise/not exercise.

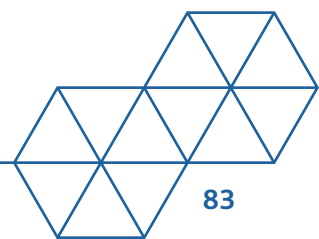
In the event that a lease contract has expired but CICA remains in occupation pending negotiations for a renewed term, the lease term has been measured as the estimated time until the new contract will be agreed.

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. Where the Government Property Agency passes on the cost of VAT payable to a head landlord, but has not opted to tax the property, the VAT cost passed on is not expensed: it is included in the lease liability and right-of-use asset value.

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

Subsequent measurement – CICA as lessee

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 extension 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.



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, in the case of non-property leases, and for property leases of less than five years or with regular rent reviews. For other leases, the asset will be carried at a revalued amount.

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

Expenditure for each financial year includes interest on the lease liability and a straight-line amortisation 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.

Finance and other leases – CICA as lessor

Where CICA acts as a lessor, the arrangement will be assessed to determine whether it constitutes a finance lease, being where the risks and rewards incidental to ownership of an underlying asset are substantially transferred to the lessee. For these leases, the asset is derecognised and a receivable is recognised, with accrued interest being treated as income over its life. For all other leases rental income is recognised on a straight-line basis.

Estimates and judgements

Where a lease is embedded in a contract for services, the amount to be recognised as the right-of-use asset and lease liability should be the stand-alone price of the lease component only. Where this is not readily observable, a determination will be made by reference for other observable data, such as the fair value of similar assets or price of contracts for similar non-lease components.

CICA has determined the lease term by assessing the level of certainty as to whether termination or extension options will be exercised.

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

1.14 Depreciation and amortisation

Except for assets under construction, depreciation or amortisation is provided on all non-current assets on a straight-line basis to write off the cost of assets over their estimated useful lives as follows:

- Fixtures and fittings and office equipment – 5 years
- Leasehold improvements – the life of the lease
- Computer equipment – 3 to 5 years
- Software – 3 to 5 years
- Software licences – the life of the licence
- Right-of-use assets – the life of the lease

1.15 Impairment of non-current assets

At each reporting date, CICA reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

Impairments that reflect a permanent diminution in the value of an asset, as a result of a clear consumption or diminution of economic benefit or service potential, are charged directly to the Statement of Comprehensive Net Expenditure.

1.16 Financial instruments

IFRS 7 'Financial Instruments: Disclosures', requires disclosure of the role that financial instruments have had during the year in creating or changing risk an entity faces in carrying out its business. This is set out in Note 8 of these financial statements.

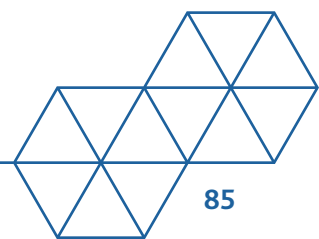
1.17 Cash and cash equivalents

Cash and cash equivalents comprise bank balances held with commercial banks including those administered through the Government Banking Service.

1.18 Compensation accruals

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.

Non-accrued compensation spend is recognised as set out in Note 14, Provisions.



1.19 Holding account payables

In certain circumstances CICA may set up a 'holding account' for an applicant's compensation award. This generally occurs where a trust is being set up for the applicant and it is likely to take some time before the award can be paid into the trust. The purpose of the holding account is to ensure the applicant benefits from interest in the period between the award being offered and accepted into the trust. CICA recognises the compensation spend when the offer is made and transfers the cash to a separate interest-bearing account. The related liability is disclosed within holding account payables, rather than within the general compensation accrual (see Note 13).

1.20 Provisions

Provisions represent liabilities of uncertain timing or amount. Provisions are recognised when CICA has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and for which a reliable estimate can be made for the amount of the obligation. Provisions reflect the best estimate of the expenditure required to settle the obligation. Where the effect is material, the estimated cashflows are discounted. The effect of discounting is charged directly to the Statement of comprehensive net expenditure.

The provisions involve significant estimations and uncertainties (see Note 14).

1.21 Third-party assets

The Scheme provides for compensation awards made to minors to be retained by CICA, in order to ensure 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: requests for these are assessed on a case by case basis.

Awards retained by CICA are not CICA's assets, and are therefore excluded from the Statement of financial position and disclosed as third-party assets (see Note 19).

Note 2 Income

	2022-23	2021-22
	£000	£000
Income from the Scottish Government	19,061	15,706
Compensation repaid	2,176	1,249
Other administrative income	68	51
Total	21,305	17,006

Note 3 Staff and other costs

	2022-23	2021-22
	£000	£000
Staff costs		
Wages and salaries	8,314	7,727
Social security costs	788	755
Other pension costs	2,240	2,189
	11,342	10,671
Other operating expenditure		
Case handling costs	1,233	986
Postage	142	122
Accommodation costs	755	502
Office, IT and service running costs	52	22
Staff-related costs	57	52
Lease interest	8	13
Other administration costs	18	61
Non-cash costs		
Notional recharge from the Ministry of Justice	5,167	4,525
Notional external audit fee	115	109
Increase in bad debt provision	(6)	15
Movement in provision for legal costs and dilapidations	–	21
Profit on disposal of assets	–	(167)
	7,541	6,261
Depreciation, amortisation and impairment charges		
Amortisation of intangibles	245	336
Depreciation of property, plant and equipment	166	161
Amortisation of right-of-use assets	415	370
Impairment of intangible assets	1,014	370
	1,840	867
Total	20,723	17,799

Note 4 Compensation

Compensation spend, as recognised in the Statement of comprehensive net expenditure, was as follows:

	Pre-tariff	Tariff	VOTCS	Total
	£000	£000	£000	£000
Provided in year	864	154,361	1	155,226
Change in discount rate and reversal unused	–	(3,986)	(53)	(4,039)
Claims not provided for	–	26,088	–	26,088
2022-23	864	176,463	(52)	177,275
Provided in year	529	129,364	–	129,893
Change in discount rate and reversal unused	(3,660)	(3,255)	(39)	(6,954)
Claims not provided for	–	24,693	–	24,693
2021-22	(3,131)	150,802	(39)	147,632

Compensation paid or committed through formal offer during the period was as follows:

	Pre-tariff	Tariff	VOTCS	Total
	£000	£000	£000	£000
Provision utilised	700	146,301	26	147,027
Claims not provided for	–	26,088	–	26,088
2022-23	700	172,389	26	173,115
Provision utilised	11,173	122,326	–	133,499
Claims not provided for	–	24,693	–	24,693
2021-22	11,173	147,019	–	158,192

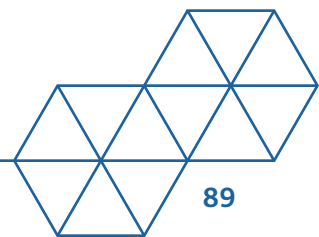
Compensation paid or committed by region was as follows:

	2022-23	2021-22
	£000	£000
England and Wales	155,886	144,153
Scotland	17,203	14,039
Victims of overseas terrorism	26	–
Total	173,115	158,192

Note 5 Intangible assets

	Software	Software licences	Assets under construction	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2022	2,373	200	1,697	4,270
Reclassifications	(69)	–	(316)	(385)
Impairments	–	–	(1,014)	(1,014)
Disposals	(19)	(72)	–	(91)
At 31 March 2023	2,285	128	367	2,780
Amortisation				
At 1 April 2022	2,098	187	–	2,285
Charged in year	232	13	–	245
Reclassifications	(335)	–	–	(335)
Disposals	(19)	(72)	–	(91)
At 31 March 2023	1,976	128	–	2,104
Net book value at 31 March 2023	309	–	367	676

All intangible assets are owned by CICA.



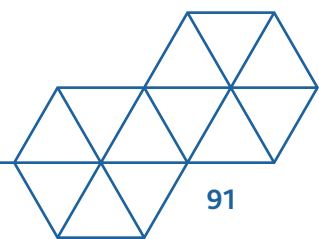
Note 5 Intangible assets (continued)

	Software	Software licences	Assets under construction	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2021	2,181	200	1,697	4,078
Additions	192	–	–	192
At 31 March 2022	2,373	200	1,697	4,270
Amortisation				
At 1 April 2021	1,812	137	–	1,949
Charged in year	286	50	–	336
At 31 March 2022	2,098	187	–	2,285
Net book value at 31 March 2022	275	13	1,697	1,985

Note 6 Property, plant and equipment

	Leasehold improvements	IT equipment	Furniture, fittings and equipment	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2022	973	1,196	507	72	2,748
Additions	–	54	1	–	55
Reclassifications	–	457	–	(72)	385
Disposals	–	(92)	(25)	–	(117)
At 31 March 2023	973	1,615	483	–	3,071
Depreciation					
At 1 April 2022	761	1,162	387	–	2,310
Charged in year	97	38	31	–	166
Reclassifications	–	335	–	–	335
Disposals	–	(92)	(25)	–	(117)
At 31 March 2023	858	1,443	393	–	2,694
Net book value at 31 March 2023	115	172	90	–	377

All property, plant and equipment are owned by CICA, rather than being leased.



Note 6 Property, plant and equipment (continued)

	Leasehold improvements	IT equipment	Furniture, fittings and equipment	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2021	973	1,343	404	72	2,792
Additions	–	(147)	103	–	(44)
At 31 March 2022	973	1,196	507	72	2,748
Depreciation					
At 1 April 2021	664	1,288	364	–	2,316
Charged in year	97	41	23	–	161
Disposals	–	(167)	–	–	(167)
At 31 March 2022	761	1,162	387	–	2,310
Net book value at 31 March 2022	212	34	120	72	438

All property, plant and equipment are owned by CICA, rather than being leased.

Note 7 Leases

Right-of-use assets

	2022-23	2021-22
	£000	£000
Cost or valuation		
At 1 April	1,218	1,218
Additions	451	–
At 31 March	1,669	1,218
Amortisation		
At 1 April	370	–
Charged in year	415	370
At 31 March	785	370
Net book value at 31 March	884	848

CICA's sole right-of-use asset is a lease on the Glasgow office, which ends in July 2024.

Lease liabilities

	31 March 2023	31 March 2022
	£000	£000
Not later than one year	497	543
Later than one year and not later than five years	98	633
Gross cash flows	595	1,176
Less interest element	(4)	(11)
Present value of obligations	591	1,165

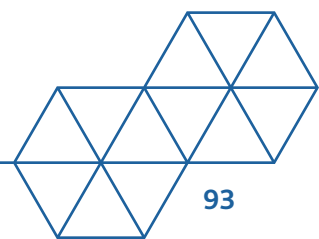
An analysis of discounted cashflows relating to lease liabilities, between current and non-current, is presented in Note 12.

Amounts recognised in the Statement of comprehensive net expenditure

	2022-23	2021-22
	£000	£000
Amortisation	415	370
Interest expense	8	13
Total	423	383

Amounts recognised in the Statement of cash flows

	2022-23	2021-22
	£000	£000
Repayment of principal on leases	708	530
Interest expense (included in net operating cost)	8	13
Total	716	543



Note 8 Financial instruments

IFRS 7 'Financial Instruments: Disclosures', requires disclosure of the role that financial instruments have had during the year in creating or changing risk an entity faces in carrying out its business.

As the cash requirements of CICA are met through the Estimate process, financial instruments play a more limited role in creating and managing risk that would apply to a non-public sector body.

CICA holds material cash balances on deposit. Allocated holding accounts (Notes 10 and 13) are included in CICA's cash balance, while funds retained in the applicant's name are excluded (Note 19). The objective of opening individual deposit accounts for held awards and retained awards is to accrue cumulative interest on these awards, which is disbursed to applicants when the award is paid out. The average rate of interest applied to the investments during 2022-23 was 0.08% (2021-22: 0.01%). No administration fee is charged to the applicant.

Receivables are valued under the expected credit loss model set out in IFRS 9. Receivables are recognised at lifetime loss and impairment (stage three under IFRS 9).

Included within trade and other payables are £36,529k (31 March 2022: £40,591k) of accruals in relation to compensation where a formal offer letter has been issued to the applicant, but where final settlement has not yet taken place. These are initially measured at fair value, which is their transaction price. They are subsequently valued at amortised cost, but this has nil impact due to their short maturities.

CICA is not empowered to borrow money.

The carrying value of financial assets and liabilities, excluding receivables and payables with the Ministry of Justice, is as follows:

	31 March 2023	31 March 2022
	£000	£000
Cash and cash equivalents – Government Banking Service	12,018	6,298
Cash and cash equivalents – holding accounts	17,560	15,709
Trade and other receivables	186	306
Trade and other payables	(37,377)	(41,371)
Other financial liabilities	(591)	(1,165)
Holding account payables	(17,560)	(15,709)
Total	(25,764)	(35,932)

Note 9 Trade and other receivables

	31 March 2023	31 March 2022
	£000	£000
Civil claims compensation recovery	18	1
Court compensation	(4)	(4)
VAT receivable	140	236
Receivable from the Ministry of Justice	289	82
Other receivables	2	3
Accrued income	21	7
Prepayments	48	108
Sub-total	514	433
Provision for bad and doubtful debts	(39)	(45)
Total	475	388

All CICA's receivables are collectable within one year.

Note 10 Cash and cash equivalents

	2022-23	2021-22
	£000	£000
Balance at 1 April	22,007	16,266
Net change in balances	7,571	5,741
At 31 March	29,578	22,007

The balances were held at:

	31 March 2023	31 March 2022
	£000	£000
Government Banking Service	12,018	6,298
Awards held on deposit in holding accounts	17,560	15,709
Total	29,578	22,007

Note 11 Trade and other payables

	31 March 2023	31 March 2022
	£000	£000
Trade payables	12	16
Payable to the Ministry of Justice	11,498	3,094
Other payables	2	2
Accruals – pre-tariff scheme	–	10,539
Accruals – tariff scheme	36,529	30,052
Other accruals	554	762
Deferred income	280	–
Total	48,875	44,465

All CICA's payables fall due within one year.

Note 12 Other financial liabilities

	31 March 2023	31 March 2022
	£000	£000
Lease liabilities – current	493	535
Lease liabilities – non-current	98	630
Total	591	1,165

Further information on lease liabilities and right-of-use assets is provided in Note 7.

Note 13 Holding account payables

	2022-23		2021-22	
	Number	£000	Number	£000
At 1 April	48	15,709	27	14,281
Deposits	40	12,841	39	8,259
Interest received		299		5
Closures	(36)	(11,289)	(18)	(6,836)
At 31 March	52	17,560	48	15,709

Awards are held in holding accounts in the name of the applicant prior to appropriate guardianship being determined, and are classified as non-current.

Note 14 Provisions

	Compensation	Dilapidations	Staff departures	Total
	£000	£000	£000	£000
At 1 April 2022	165,773	162	376	166,311
Provided in year	155,226	395	–	155,621
Change in discount rate	(3,707)	–	–	(3,707)
Unwinding	371	–	–	371
Reversed unused	(332)	–	–	(332)
Utilised in year	(147,027)	–	(19)	(147,046)
At 31 March 2023	170,304	557	357	171,218
At 1 April 2021	176,366	141	417	176,924
Provided in year	129,893	21	–	129,914
Change in discount rate	(1,589)	–	–	(1,589)
Unwinding	(33)	–	–	(33)
Reversed unused	(5,365)	–	–	(5,365)
Utilised in year	(133,499)	–	(41)	(133,540)
At 31 March 2022	165,773	162	376	166,311

The expected timings of discounted cash flows are as follows:

	Compensation	Dilapidations	Staff departures	Total
	£000	£000	£000	£000
Not later than one year	133,972	–	42	134,014
Between one and five years	36,332	557	164	37,053
Later than five years	–	–	151	151
At 31 March 2023	170,304	557	357	171,218
Not later than one year	79,951	–	41	79,992
Between one and five years	85,822	162	164	86,148
Later than five years	–	–	171	171
At 31 March 2022	165,773	162	376	166,311

Provisions for compensation, by scheme category, are as follows:

	Pre-tariff	Tariff	VOTCS	Total
	£000	£000	£000	£000
At 1 April 2022	524	164,765	484	165,773
Provided in year	864	154,361	1	155,226
Change in discount rate	–	(3,707)	–	(3,707)
Unwinding	–	371	–	371
Reversed unused	–	(279)	(53)	(332)
Utilised in year	(700)	(146,301)	(26)	(147,027)
At 31 March 2023	688	169,210	406	170,304
At 1 April 2021	14,828	161,015	523	176,366
Provided in year	529	129,364	–	129,893
Change in discount rate	–	(1,589)	–	(1,589)
Unwinding	–	(33)	–	(33)
Reversed unused	(3,660)	(1,666)	(39)	(5,365)
Utilised in year	(11,173)	(122,326)	–	(133,499)
At 31 March 2022	524	164,765	484	165,773

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. 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.

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, all pre-tariff liabilities are classed as falling due within one year, and have not been discounted by HM Treasury's discount rate.

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

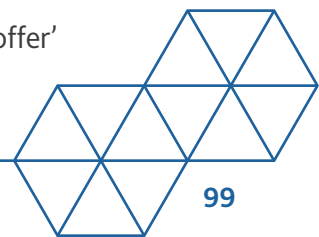
Tariff schemes

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 by CICA but have not yet been processed through to award; these are referred to as claims reported but not completed (CRBNC). The overall liability for the tariff scheme is £205.7m with £169.2m disclosed in this provisions note and £36.5m disclosed as a tariff scheme accrual in Note 11 (31 March 2022: £164.8m and £30.1m). 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.

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

1. **Not Decided:** These are cases which are still under assessment by CICA and therefore a potential monetary value has not yet been determined. In order to estimate a provision for these cases, the model builds historical profiles of average award values, aggregated by tariff band and case age, which are then applied to the population of outstanding cases. A further adjustment is made to account for the fact that a subset of the live case population will be 'nil-assessed' i.e. will not attract a monetary award. The proportion of such cases is determined based upon an assessment of the historical proportion of nil-assessed cases within each tariff band.
2. **Decided:** These are live cases that have been sufficiently assessed to determine their potential monetary value, but where a decision letter has not been issued to the applicant. Until a decision letter is issued, the monetary value 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. Additionally, until the decision letter is issued there is uncertainty over the timing of discharge of the liability.

Where a decision letter has been sent to the applicant, the award is classified as 'on offer' and accrued for, rather than included in the tariff provision.



3. **On Offer Not Accrued:** As outlined above, once an offer is made, the award value is accrued and therefore no provision is required. However, in a small proportion of such cases the applicant does not accept the compensation offered and an adjustment is made to account for this. The proportion (%) is removed from the total 'on offer' 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.

The number of remaining live cases for the pre-2012 schemes is low and decreasing. As at 31 March 2023, the provision model has therefore been adjusted to estimate value based on operational judgments around the likely compensation for each individual case, with an adjustment for likely changes to currently assessed values on appeal, which is calculated based on appeal rates for cases resolved in the past three years.

The following key assumptions underpin the provision for post-2012 tariff schemes:

1. **Average value:** average value profiles for both tariff bands and case age are derived from historical case data
2. **% nil value:** the proportion of cases which will be assessed at nil value is derived from historical case data
3. **Decided to offer:** the calculation assumes that decided cases will be paid out at 100% of their decided value
4. **Tariff profiles:** profiles are created by using data for years in which at least 95% of cases have been decided
5. **Timing:** the expected timing in which the liability is discharged is calculated on the basis of operational capacity
6. **Discounting:** the liabilities are discounted, based on the expected timing of discharge, at HM Treasury's nominal discount rate. The real rate is not used, as tariff schemes compensation payments are not subject to inflationary pressures. The discount is unwound over the life of the provision, with the unwinding disclosed as a finance charge in the Statement of comprehensive net expenditure.

HM Treasury discount rates used are as follows:

	31 March 2023	31 March 2022
Years	%	%
1 to 5	3.27	0.47
6 to 10	3.20	0.70
11+	3.51	0.95

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

Tariff schemes sensitivity analysis

A sensitivity analysis for the tariff provision has been undertaken to identify the impact of any changes to key 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.

The following tables show the impact of adjusting the key assumptions. 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.

		Pre-2012 Change	2012 Change	Total Change
	Assumption	£000	£000	£000
Average value	Low profile	(1)	(10,416)	(10,417)
Average value	High profile	1	10,416	10,417
% nil value	+5%	–	(15,375)	(15,375)
% nil value	-5%	–	15,375	15,375
Decided to offer	-5%	–	(189)	(189)
Decided to offer	+5%	–	189	189
Tariff profiles	Max	–	2,114	2,114
Tariff profiles	75% decided	–	725	725
Tariff profiles	50% decided	–	(232)	(232)
Timing	All year one	43	1,311	1,354
Timing	All year three	(293)	(8,987)	(9,280)
Timing	Even over three years	(126)	(3,865)	(3,991)

Victims of Overseas Terrorism Compensation Scheme (VOTCS)

Events designated as Acts of Terrorism by the Foreign Secretary are provided for, using the same principles that underpin the 2012 scheme, on the basis of applications that are currently known to CICA.

Dilapidations

This liability represents an estimate of the cost to CICA on termination of our office lease.

Staff Departures

This liability represents a requirement to pay an annual allowance under the Civil Service Injury Benefit Scheme, for an individual who left CICA in 2010.

Note 15 Commitments

At 31 March 2023, CICA had no material capital commitments, nor material commitments under other non-cancellable contracts (31 March 2022: nil).

Note 16 Contingent assets and liabilities

At 31 March 2023, CICA had no contingent assets (31 March 2022: nil).

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 at the end of the reporting period. 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 past the deadline is £0.4m: any liability would therefore be below that value.

Note 17 Related party transactions

CICA is an executive agency of the MoJ, which is regarded as a related party. During the year CICA had various material transactions with the MoJ.

CICA receives income from the Scottish Government in respect of Scottish compensation cases: other than this income received, no material transactions took place between CICA and the Scottish Government.

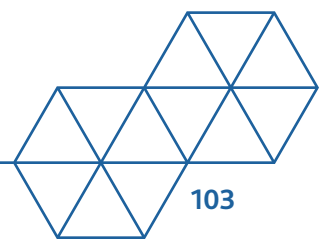
In addition, CICA has had a number of transactions with other government departments and central government bodies. The most significant of these transactions have been with HM Revenue and Customs and PCSPS.

During 2022-23 no Board Members or other related parties have undertaken any transactions with CICA (2021-22 no transactions). Compensation paid to management, including taxable benefits, is disclosed in the Remuneration and staff report.

Note 18 Funding

Funding from the Ministry of Justice was applied as follows:

	2022-23	2021-22
	£000	£000
Compensation payments	152,177	134,057
Operating costs and case handling costs	11,816	13,796
Capital expenditure	507	147
Total	164,500	148,000



Note 19 Third-party assets

Third-party assets are compensation awarded to minors but retained by CICA until the minors attain their majority. Further information is provided at Note 1.17.

	2022-23		2021-22	
	Number	£000	Number	£000
At 1 April	7,290	84,350	7,380	83,876
Open accounts	1,226		1,201	
Deposits		13,333		17,187
Interest received		260		8
Withdrawals		(2,420)		(2,718)
Closures	(1,478)	(13,850)	(1,291)	(14,003)
At 31 March	7,038	81,673	7,290	84,350

Note 20 Events after the reporting period

In accordance with the requirements of IAS 10 'Events after the Reporting Period', events are considered up to the date on which the financial statements are authorised for issue, which is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

There are no subsequent events to report.

