

# IMA

For the Citizens'  
Rights Agreements

# Annual Report and Accounts 2022-2023





**Independent Monitoring Authority**

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# **Annual Reports and Accounts 2022/23**

**For the period 1 April 2022 to 31 March 2023**

Presented to Parliament pursuant to the European Union (Withdrawal Agreement)  
Act 2020

Ordered by the House of Commons to be printed on 23 November 2023



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ISBN 978-1-5286-4470-9

E02991167 11/23

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller  
of His Majesty's Stationery Office

HC172

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# 1. Introduction

## Chairman's Introduction

This is the second annual report and accounts for the Independent Monitoring Authority for the Citizens' Rights Agreements (IMA).

It details the actions we have taken to fulfil our two primary duties. These duties are to monitor the application of citizens' rights under the Withdrawal and Separation Agreements and to promote the effective implementation of those rights.

I am pleased to report that during this year we have continued to consolidate the work we undertake to help protect those EU and EEA EFTA citizens and their family members living in the UK and Gibraltar who have rights under the Agreements.

Those rights are that eligible citizens should be able to continue to live, work and raise families as they did before the UK left the EU.

During our second year in operation, we have used our powers to highlight when the rights of citizens are not being upheld.

These include being successful in a judicial review challenge to the Home Office, launching our first inquiry and beginning a series of assurance reviews to understand how local government is complying with the Agreements in terms of looked after children and care leavers.

Full details of this work as well as all the other resolutions, legislation monitoring and programmes to promote citizens' rights can be found in the performance section of this report.

We have been pleased that generally bodies are making sure that eligible citizens can exercise their rights and look forward to continuing to work with them to ensure those rights are upheld.

The IMA sits as an arm's length body of the Ministry of Justice (MoJ), but we are operationally independent and impartial. Our independence is something that we guard keenly so we can properly scrutinise government.

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**We will therefore always challenge government where we feel it is necessary and will continue to do so to ensure the Agreements are upheld.**

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Finally, I would like to end this foreword by thanking the IMA's first Chief Executive Dr Kathryn Chamberlain, who retired from the IMA, for her excellent work in helping to establish the IMA.

**Sir Ashley Fox** Chairman  
(8 December 2020 – 11 September 2023)



## Message from the Chief Executive

This report relates to the work of the IMA for the year ending 31 March 2023 which is the period covered by my predecessor.

I am excited to have joined the IMA at this point in its establishment and am looking forward to working with the Board and colleagues across the IMA as we build on the achievements of the previous years.

I would like to pay tribute to the work which has been done so far to ensure the IMA is an agile organisation which is well placed to address the breadth of issues in its remit.

Throughout the period of this report the IMA has continued to make valuable connections and work with public bodies and advocacy groups to ensure the rights of EU and EEA EFTA citizens and their family members continue to be upheld.

These connections have helped the IMA to adopt new approaches to how it assures itself that citizens' rights are being upheld as we draw on insights and our own reviews to understand the experiences of citizens living in the UK and Gibraltar since the UK left the EU.

In particular, I would like to thank citizens and our stakeholders for their feedback to the IMA, which has been invaluable in helping us to shape our approach and consider our future priorities.

I look forward to continuing to hear from citizens and working with stakeholders to continue to better understand the barriers as we work with statutory agencies to ensure citizens' rights are upheld and protected.

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**Ensuring that the citizens whose rights we protect are aware of who the IMA are and what we do remains a priority for the organisation.**

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We will, therefore, continue with our programme of stakeholder engagement with advocacy bodies, EU and EEA EFTA Embassies as well as citizens themselves through our citizens' panel and communication campaigns, all of which are highlighted in this report.

I have been impressed by what has been achieved by colleagues at the IMA so far and would like to thank everyone for all their hard work. I look forward to continuing to ensure we keep delivering for the citizens of the EU and EEA EFTA countries and their families who call the UK and Gibraltar home.

**Miranda Biddle** Chief Executive





## **2. Performance Report**

**This report covers the period from 1 April 2022 - 31 March 2023.**

**Over the following pages we outline the purpose of our organisation, our main roles and responsibilities, the key risks and issues we face, as well as explaining how we have managed delivery of our objectives this year.**

## 2.1 Who We Are and What We Do

### Our Role

The IMA was established in 2020 and became operational as at 11pm on 31 December 2020. We are an independent body that makes sure the rights of EU and EEA EFTA citizens and their family members living in the UK and Gibraltar as at the 31 December 2020 are upheld following the departure of the UK from the EU.

### **The IMA has two broad duties – to monitor and to promote.**

We monitor UK public bodies<sup>1</sup> to make sure they adequately and effectively implement the rights provided for by the Citizens' Rights Agreements. We promote the adequate and effective implementation and application of the Agreements by holding public bodies to account where there is not full compliance.

As to the scope of the IMA's powers, these are framed by the rights set out in Part 2 of the Withdrawal Agreement and Part 2 of the EEA EFTA Separation Agreement ("the Agreements"). These rights are extensive and were designed to broadly provide EU and EEA EFTA citizens and their family members the same entitlements to work, study and access public services and benefits as they enjoyed before the UK left the EU.

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**The citizens covered by the Agreements are those from the 27 EU Member states as well as Iceland, Liechtenstein and Norway, along with their family members.**

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1. Public bodies include all parts of government and any body which exercises functions of a public nature. It would therefore include UK Government departments, the Northern Ireland Executive, the Scottish Government, the Welsh Government and the Government of Gibraltar. It also includes local government.

These citizens' rights include:

<ul style="list-style-type: none"><li>• residency: this means the right to live in the UK or Gibraltar. It also includes the right to enter and exit the UK.</li><li>• the right to work: this means the right to work, including self-employed work and also the right to continue to be a frontier worker.</li><li>• mutual recognition of professional qualifications: this means the right for qualifications which have already been recognised before 31 December 2020 (or in the process of being recognised at that time) to continue to be recognised in the UK.</li></ul>	<ul style="list-style-type: none"><li>• co-ordination of social security system: this means that individuals who have lived in both the UK and the EU before the end of the transition period can continue to be able to access pensions, benefits and other forms of social security.</li><li>• equal treatment and non-discrimination: within scope of the rights set out above, EU and EEA EFTA citizens and their family members are entitled to be treated equally with UK citizens and not to be discriminated against on the grounds of their nationality. This includes ensuring access to certain public services such as education, healthcare and certain benefits.</li></ul>
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**Detailed information on the IMA’s powers can be found on our website including our [Annual Plan for 2023/24](#) and [operational guidance](#). In summary, the IMA’s specific powers are as follows:**



## Our power to receive complaints

We can receive complaints from persons who claim to have a right under the Agreements.<sup>2</sup> Complaints may report where the UK or Gibraltar has failed to comply with the Agreements, or a public body has acted or is proposing to act in a way that prevents the person exercising the right in question.

Although we do not resolve individual complaints, we assess every complaint to assess whether they indicate a potential breach of the Agreements, consider whether any potential breach may be a general or systemic failing and decide whether to carry out an inquiry. Individual complaints provide intelligence to help us build a wider picture of possible systemic issues.

While an individual complaint may not indicate a general or systemic failing and therefore would not of itself trigger the threshold for the carrying out of an inquiry, we maintain the information as it may help form part of a wider set of intelligence gathered over time which could indicate a systemic failing.

## Our power to conduct inquiries

Our powers to conduct inquiries are set out in paragraph 25 of Schedule 2 to the Act.<sup>3</sup>

## We may decide to conduct an inquiry in one of three situations:

- (i) Following a request from the Secretary of State, the Northern Ireland Executive, the Scottish Government, the Welsh Government, or the Government of Gibraltar.
- (ii) As a result of a complaint or series of complaints received.
- (iii) Of our own initiative.

## The purpose of an IMA inquiry is to:

- decide whether the United Kingdom has failed to comply with the Citizens' Rights Agreements; or
- decide whether a relevant public body has acted or is proposing to act in a way that prevents a person exercising a relevant right (see definition in paragraph 41 of Schedule 2 to the Act); and
- to identify any recommendations for relevant public bodies appropriate to promote the adequate and effective implementation of the Citizens' Rights Agreements.

2. The IMA may also receive a complaint from a person who claims to have a right provided under UK or Gibraltar law which corresponds to rights provided under the Agreements.

3. The corresponding power in relation to Gibraltar is found in regulation 8 of the Gibraltar Regulations.



## **When considering whether to carry out an inquiry we consider the importance of addressing general or systemic failings.**

We may not carry out an inquiry in the situations in (ii) or (iii) above unless we have reasonable grounds to believe that the inquiry may conclude that a failure to comply with the Citizens' Rights Agreements has occurred or that a public body has acted or is proposing to act in a way that prevents a person from exercising their rights under the Agreements.

To inform this assessment we will carry out pre-inquiry investigations. In carrying out such investigations we may be able to resolve any issues in a more timely way than proceeding to full inquiry. We refer to this action as an Early Case Resolution.

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**In summer 2022 we launched an [inquiry](#) to establish whether the Home Office (HO) has fulfilled its obligation to issue a Certificate of Application immediately to EUSS applicants.**

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EU and EEA EFTA citizens and their family members who apply to the EUSS but are awaiting the outcome of their application should receive a Certificate of Application immediately. This certificate is the only means to evidence their rights, for example the right to work, rent or access benefits, while their application is being considered.

We received a number of complaints and information from citizens experiencing delays in receiving their Certificate of Application. The IMA examined the extent, nature and cause of any delays in issuing the certificates and assessed whether there was any breach of the Agreements. We also looked at the impact any delays were having on citizens who were unable to exercise their rights until the Certificate of Application is issued.

Citizens were encouraged to share details of their experiences via a call for evidence survey. IMA staff also reviewed existing complaints, took accounts from citizens and considered information from stakeholders and other third parties.

As part of the inquiry the IMA also investigated the policies and processes adopted by the HO for issuing Certificates of Application. This included performing on-site visits and interviewing HO staff.

The report detailing the inquiry outcome and any recommendations was published in June 2023.



## Assurance Reviews

We also launched our first assurance review in 2022 to find out what measures local government across the UK is taking to ensure eligible EU and EEA EFTA looked after children, care leavers and children in receipt of local authority care and support (for example, children in need) have their rights protected.

Following the UK's departure from the EU, all eligible citizens – including children – need to apply to the EUSS to secure their rights in the UK.

The IMA is assessing whether local governments are upholding their responsibilities to support applications to the scheme for these children and care leavers.

The review is being undertaken in stages across all local government in England, Northern Ireland, Scotland and Wales. Separate reports will be provided for each part of the UK while England will be separated into nine different regions with reports for each region. The work is currently ongoing.

We are considering how local government identifies all looked after children, care leavers and children in receipt of local authority care and support who need to apply to the EUSS, as well as the procedures they have in place for monitoring applications. The review will indicate whether the IMA is satisfied these children will be able to access their rights. These include the right to work and study as well as access healthcare, housing and social security when needed.

The interim report for Wales has already been completed with 22 local authorities being considered against three areas: identification, record keeping and retrospective checks of eligible children. Each local authority was categorised as either green, amber or red based on the information provided by local authorities.

Further action by the IMA, such as compliance investigations and litigation, may be considered if the IMA believes that rights under the Agreements of looked after children, care leavers and children in receipt of local authority care and support are at risk.

## Themes

During 2022 we began enquiries into 33 issues which we have detailed on our issues log on our [website](#). Five have resulted in early case resolutions and three in no further action being required at this stage. The rest are still subject to ongoing engagement with the public bodies involved. Below is a list of some of the main themes being investigated.

Information about our early case resolutions and issues where we don't think there is any further action to take are available on our [website](#). If we conclude that something requires no further action it does not preclude us from looking at an issue again should new information or intelligence arise.

## Theme: Access to Healthcare

Action		Outcomes
1.	Guidance on implementing the overseas visitor charging regulations	Ongoing
2.	NHS (Charges to Overseas Visitors) Regulations 2015/ Guidance on implementing the overseas visitor charging regulations	

## Theme: Equal Treatment and Non-Discrimination

Action		Outcomes
1.	The Education Fees Scotland Regulations 2022	Early Case Resolution
2.	The St Mary's Music School – Aided Places	
3.	DVLA – issue relating to share codes	No Further Action
4.	The Agriculture (Student Fees) Regulation (Northern Ireland) 2022	Early Case Resolution

## Theme: Entry into the UK

Action		Outcomes
1.	EUSS – UK Border Force	Ongoing
2.	EUSS – Awareness of digital status and valid ID documents to travel	
3.	Access to UKVI accounts	



## Theme: Residence

Action	Outcomes
1. EEA Family Permits	Early Case Resolution
2. Civil Status and Registration Office	No Further Action
3. Appendix FM	No Further Action

## Theme: Housing

Action	Outcomes
1. Access to housing in Gibraltar	Ongoing

## Theme: Social Security

Action	Outcomes
1. Disability Living Allowance	Early Case Resolution

## Theme: Living in the UK

Action	Outcomes
1. EUSS – Application Delays	Ongoing
2. EUSS – View and Prove	
3. EUSS – Family applications	
4. EUSS – Maiden Name Application Issue	
5. Extra cohort	
6. Civil Service Jobs website	
7. EUSS – Issues with the Settlement Resolution Centre	
8. EUSS – Rights of Late Applicants	
9. EUSS – Enforcement	
10. EUSS – Applications for Prisoners and Immigration Removal Centre detainees	
11. EUSS – Administrative Reviews and Appeals	

## Our power to take legal action

**Our powers to take legal action are contained in paragraph 30 of Schedule 2 to the Act<sup>4</sup>. It provides that the IMA may:**

- take legal action, or
- intervene in any legal proceedings.

In both cases, the IMA must be satisfied that it is appropriate to do so in order to promote the adequate and effective implementation or application of the Agreements.

While we are only able to take legal action by way of judicial review proceedings, we are able to intervene in “any” legal proceedings. This includes not only public law actions brought against public bodies, but sometimes we may also feel it is appropriate to join private causes of action in order to ensure that we are effectively performing our duties.

Our approach on the exercise of our litigation powers is also detailed in our [operational guidance](#).

The IMA exercised its litigation powers on three occasions during this period. The judgment in our judicial review proceedings against the Secretary of State for the Home Department (“SSHD”) was also handed down during this period. Further details about this are outlined in the performance review section.

## Interventions

**The IMA intervened in three cases during 2022.**

In August 2022, we intervened within two sets of Court of Appeal proceedings, both against different Local Authorities (CA-2022-000752 and CA-2022-001016). These cases concerned the interpretation of the Withdrawal Agreement, specifically in relation to issues including derivative rights, non-discrimination rights, and the application of the [Charter of Fundamental Rights of the European Union \(“the Charter”\)](#) following the end of the transition period.

The case under reference CA-2022-1016 settled by way of consent order ahead of the appeal being heard. The case under reference CA-2022-000752 was due to be heard by the Court of Appeal in March 2023 but was settled in advance of that.

In October 2022, the IMA intervened within the Upper Tribunal case of *Secretary of State for Work & Pensions v AT*. In general terms, this case concerned the applicability of the Charter as under the framework of the Withdrawal Agreement. Judgment was handed down in December 2022, with the Upper Tribunal holding that the Charter does have a role following the end of the transition period under the Withdrawal Agreement. Permission to appeal the Upper Tribunal’s judgment was granted to the Secretary of State for Work & Pensions, and this appeal was heard by the Court of Appeal in March 2023.

4. The corresponding power in relation to Gibraltar is found in regulation 13 of the Gibraltar Regulations.

Key risks and issues summary

We established a risk management framework to ensure we identify, manage and appropriately review the risks to achieving our objectives.

As outlined later in our Governance Statement, risks to delivering our objectives are identified, assessed, managed, reviewed and recorded through risk registers at various levels of the business.

Quarterly, strategic risks are reviewed by the Board and our Audit and Risk Committee, holding our Executive to account regarding their management and progress to mitigate identified risks. Monthly, operational risks are reviewed by the Executive Team and directorate team managers. We consider the impact to our strategic objectives, core functions, organisational independence, reputation and finances.



Strategic Risks	IMA Board
	Audit and Risk Committee
Review	Accounting Officer
Operational Risks	Executive Team
	Directorates
	Teams



**The following key risks have been managed and regularly discussed when reviewing our corporate risk register during the year:**

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• <b>Inability to attract suitable candidates and single points of failure.</b> We have scored this risk as high given our high vacancy rate and staff turnover. This has been mitigated this year with active communications channels to publicise our work being used, job adverts published on different platforms and implementing a legal trainee scheme to attract legal professionals. We have also encouraged secondment opportunities from the Ministry of Justice to fill in key roles. This has led to a residual medium score and a downward risk trend in year.</li> <li>• <b>Government spend controls preventing the IMA operating in an independent manner.</b> This risk remains a high risk for the IMA which has been mitigated through ensuring that IMA has strong governance structures where its operational independence from our sponsor department the Ministry of Justice is maintained. Remaining compliant with relevant government spending controls has delayed some IMA work so this residual score remains high. There is no significant trend change as conversations with the Ministry of Justice and Cabinet Office on how spending controls are applied to IMA continue.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Financial risks associated with reduced budget allocations from the MoJ for future financial years which could affect IMA's delivery of its statutory duties and compliance with MoJ/ Cabinet Office requirements.</b> Robust controls and mitigations have been put in place, including improved forecasting and regular reviews of IMA's budget requirements for future years. This risk however has remained high throughout the year given the uncertainties around future budget.</li> </ul> |
|---|---|

## 2.2 IMA in Numbers



**60+**

members of our  
Citizens Panel



**59**

pieces of legislation  
monitored



**1,100**

respondents to  
our survey

**33**

lines of enquiry across seven key themes

- Access to Healthcare
- Equal Treatment and Non-Discrimination
- Residence

- Entry into the UK
- Social Security
- Housing
- Living in the UK



**2**

All staff  
events held



**1000+**

articles written  
about the IMA

**73%**

Staff Engagement Score  
(Civil Service People Survey)



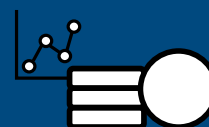
**186**

in-scope  
complaints received



**2million**

social media  
posts reach



**£5.4m**

annual expenditure  
for 22/23



## 2.3 Delivering Against Our Annual Plan

### 2.3.1 Performance Overview

**The IMA outlined four key priorities in our Annual Plan for 2022/23. These were to:**

- |  |  |
|--|--|
| <p><b>A:</b> Monitor the implementation and application of citizens' rights;</p> <p><b>B:</b> Promote the adequate and effective implementation and application of citizens' rights;</p> | <p><b>C:</b> Communicate openly and transparently to continue to raise awareness of the IMA;</p> <p><b>D:</b> Work in partnership internally establishing a strong, transparent and open culture that is customer focussed</p> |
|--|--|

**To meet these key priorities; 21 measures were set across a range of activities including:**

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• publishing our annual reports and plans</li> <li>• undertaking an annual survey to test confidence of citizens living in the UK after we left the EU;</li> <li>• responding to all complaints received through our website;</li> </ul> | <ul style="list-style-type: none"> <li>• reviewing all key legislation in relation to Part 2 of the Withdrawal Agreement and Part 2 of the EEA EFTA Separation Agreement;</li> <li>• delivering to our budget and</li> <li>• ensuring our IT is accessible 95% of the time.</li> </ul> |
|---|--|

**A summary of the final position of the 21 measures is illustrated below with almost all achieved (20) and with one not applicable as this related to the IMA responding in time to Subject Access Requests but none were received.**

	Not applicable	Not achieved	Partially achieved (>50% of target)	Mostly Achieved (>95% of target)	Achieved but later than planned	Achieved
No of measures	1	0	0	0	0	20

**Full details of how we performed against our key priorities are outlined over the next few pages.**

## 2.3.2 Performance Analysis

### A. Monitor the implementation and application of citizens' rights

During this period, we dealt with 186 complaints from citizens of 80% of EU and EEA EFTA countries. We are yet to receive any complaints from citizens who are from Estonia, Iceland, or Liechtenstein.

Citizens whose nationality was recorded as 'other' registered the most complaints with 40 complaints from people who classified themselves in this category. These citizens are non-EU and EEA EFTA nationals or dual nationals.

Most of the complaints related to the Home Office, followed by a smaller group of complaints related to a collective of public bodies, including Local Authorities, Student Finance England, Driver and Vehicle Licensing Agency (DVLA), Department for Environment Food and Rural Affairs (DEFRA), and Department for Trade (DfT). The third largest group of complaints related to the Department for Work & Pensions (DWP).

The right to reside and issues connected in some way to the EUSS, run by the Home Office (HO), were the subject of most of the complaints.

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**We continued to speak to networks, groups and stakeholders to ensure we understand how the rights of citizens and their family members are being upheld.**

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This proactive intelligence gathering involved developing relationships and meeting regularly with stakeholders including those from representative stakeholder networks such as the EU Delegation to the UK's Citizens' Rights Monitoring Network and organisations that provide employment and immigration advice to citizens, including EUSS advisers.

We engaged with government departments and the devolved governments and set up a number of groups consisting of representatives from these departments to discuss issues and raise questions.

We undertook a survey to try to better understand the experience of EU and EEA EFTA citizens living in the UK and Gibraltar since the UK left the EU. This has provided valuable insight and helped to shape our work.

The survey also enabled us to develop our understanding of the impact or potential impact on citizens of reported issues, as well as to identify emerging issues.

The IMA must also keep under review the adequacy and effectiveness of the legislative framework which implements or otherwise deals with matters arising out of or related to the Agreements.<sup>5</sup>

**During this period, we identified 59 pieces of legislation for review of which 25 were key.**

Reports in respect of that legislation can be found on our website [here](#). The legislation reviewed covered the areas of education, benefits, employment, renting, mutual recognition of professional qualifications and EUSS.

The IMA submitted evidence to Parliament on the Retained EU Law (Revocation and Reform) Bill and is involved in ongoing discussions with UK Government officials on the Professional Qualifications Act 2022.



5. See paragraph 22(2)(a) of Schedule 2 to the Act and regulation 5(2) of the Gibraltar Regulations.

## Targets

Target	Measure	Result
<b>Consider and respond to all complaints received through our website</b>	100% of complaints (186 in total) were scoped	<b>Met</b> – All complaints received have been considered and responded to accordingly
<b>Proactively monitor public domain information including publications of key organisations and media and social media</b>	A Weekly Monitoring Overview (WMO) has been published every week to date and circulated across the IMA. Monitoring is ongoing	<b>Met</b> – We regularly monitor public domain information and meet with stakeholders including those from representative stakeholder networks such as the EU Delegation to the UK's Citizens' Rights Monitoring Network and organisations that provide employment and immigration advice to citizens
<b>Undertake a survey of citizens to better understand their experience of living in the UK and Gibraltar</b>	Our annual survey was carried out in April 2022 and final report was published in July 2022. Planning for 2023 Survey has been finalised in December 2022	<b>Met</b> – We undertook a survey of citizens in 2022/23, with a report published in July 2022
<b>Identify and analyse key legislation which affects the exercise of the rights of EU and EEA EFTA citizens and their family members</b>	Since 1 January 2022, the legal team have identified 59 pieces of legislation which are potentially relevant to the IMA. 25 have been categorised as "key" legislation. In addition to use of regular updates from online subscriptions, the legal team undertake a weekly search of legislation.gov.uk to provide reassurance that all key legislation has been identified	<b>Met</b> – The IMA has identified and analysed 25 key pieces of legislation which affect the exercise of the rights of EU and EEA EFTA citizens and their family members during 2022/23





### Case Study – Legislation Monitoring

As a result of the IMA's legislation monitoring work, two pieces of legislation have been amended, with a further piece of amended legislation awaited, incorrect information has been corrected on websites and five pieces of guidance have been, or are, in the process of being amended.

Two main themes emerged in 2022. One was about a lack of clarity as to eligibility for some benefits and services for those citizens who make a late application to the EUSS and for joining family members. The other was that legislation does not accurately reflect the policy position of government departments.

**Below is an example of work undertaken which in this case also resulted in an Early Case Resolution.**

### **Adult Disability Payment and Child Disability Payment (Scotland)**

During 2022 the IMA considered a number of Scottish statutory instruments which were concerned with Child Disability Payment and Adult Disability Payment. These are new benefits administered by Social Security Scotland which replace Disability Living Allowance in Scotland.

In order to be eligible for the benefits, a person must not be subject to “immigration control” under section 115(9) of the Immigration and Asylum Act 1999. Citizens who have either pre-settled or settled status are not subject to immigration control.

Whilst the Citizens’ Rights (Application Deadline and Temporary Protection) (EU Exit) Regulations 2020 make it clear that some EU and EEA EFTA citizens and their family members who have a pending application for status made under the UK Government’s EU Settlement Scheme before 30 June 2021 are not subject to “immigration control”, there is no equivalent domestic legislation in respect of late applicants or joining family members who arrive after 30 June 2021.

The Home Office however recognised in an announcement on 6 August 2021 that applicants to the EUSS after 30 June 2021, including joining family members are entitled to rights whilst their application is being processed.

This an issue that is being considered separately by the IMA, however in the meantime the IMA was keen to better understand how caseworkers were treating applications from late applications and joining family members.

Consideration of the case-worker guidance revealed that it did not adequately provide for late applicants or joining family members.

Following discussion between the IMA and Scottish Government officials, changes have now been made to relevant guidance, so this has been treated as an early case resolution.



## **B. Promote the adequate and effective implementation and application of citizens' rights**

We used our litigation powers on three occasions in 2022/23. Judicial review proceedings against the Secretary of State for the Home Department concluded in February 2023 with the Home Office withdrawing its appeal. More details are included in the case study below.

An appeal before the Court of Appeal in the case of AT was heard in March 2023 and judgment was awaited by the end of the period to which this report relates.

The IMA also proactively identified a further case litigated by third parties as to delays in EUSS applications linked to pending prosecutions and was continuing to assess at the end of the reporting period.

Within all the above an assessment has been made as to the impact of the litigation on citizens' rights at various stages of the litigation review including at panel decision stage.

Target	Measure	Result
Act on complaints or intelligence and investigate potential issues concerning the upholding of citizens' rights to identify opportunities for intervention and resolution at the earliest opportunity to address systemic failings by public bodies	<p>19 Compliance Cases concluded ahead of milestones (+2)</p> <p>4 Compliance Cases missed milestone (-)</p> <p>YTD = 83% (+2) / target of 80%</p>	<b>Met</b> – The IMA has exceeded its target (of 80% compliance) with 83% of cases completed ahead of this milestone. These cases arose from complaints, intelligence, or IMA Legislation Monitoring and Assurance Reviews. Cases led to engagement with public bodies, and where appropriate resulted in IMA statements regarding No Further Action, Early Case Resolutions and Monitoring Periods
Conduct high quality, independent and timely inquiries where appropriate	Undertake inquiries and complete them to agreed timescales	<b>Met</b> – One inquiry was started in 2022/23 and was concluded in late spring 2023
Take legal action where we consider it is appropriate to promote the adequate and effective implementation of citizen's rights	Ensure that litigation is used to help defend citizens' rights	<b>Met</b> – The IMA has exercised its litigation powers on several occasions where it has considered it appropriate to do so to promote the adequate and effective implementation of citizens' rights. During this period, the IMA successfully concluded its judicial review against the Home Office and intervened in several sets of proceedings regarding the interpretation and application of the Withdrawal Agreement and EEA EFTA Separation Agreement



## Case Study – Judicial Review

The IMA issued judicial review proceedings in December 2021 against the Secretary of State for the Home Department (“SSHd”).

We brought this case because we considered that the EUSS was unlawful in that it provided for a loss of residence rights in circumstances which were not permitted by the Agreements. Specifically, a requirement to make an application for settled status (or in certain limited circumstances for a further period of pre-settled status) and the automatic loss of rights which resulted from a failure to make this second application was considered unlawful.

We also considered that permanent residence arose automatically by operation of law once the citizen in question had reached five years of continuous residence.

The High Court granted the IMA permission to proceed with its judicial review claim in June 2022, and Mr Justice Lane heard this case in November 2022. The European Commission and the 3million intervened within the IMA’s claim, in support of the IMA’s position.

Judgment was handed down in December 2022. Mr Justice Lane agreed with the IMA and the two interveners that the EUSS, operating in the way as set out above, was unlawful. The IMA therefore received a judicial declaration to that effect.

The Home Office announced their intention to appeal the decision but later withdrew this position in February 2023.

The IMA has since been seeking to engage the Home Office to understand how they are going to enact the Judgement.

## **C. Communicate openly and transparently to continue to raise awareness of the IMA**

We continue to use all communication channels and every opportunity to raise awareness of our existence and role among stakeholders as well as explain what we do and how we do it.

A comprehensive engagement programme continues to be implemented. Meetings took place with organisations supporting and representing EU citizens such as Settled, the3Million, and Citizens Advice Services.

We met with representatives of the Northern Ireland Executive, Scottish Government, UK Government, Welsh Government and the Government of Gibraltar.

We wrote to every elected member of the legislatures of the UK, Gibraltar, Northern Ireland, Scotland and Wales. We met and continue to meet with EU Embassies as well as organisations that work with EU citizens.

**We launched our second communications campaign using social media and radio to raise awareness of the IMA.**

We also undertook a number of press interviews and held briefings for the Foreign Press Association.

We also continue to attend many networks and organise events including sessions at each of the governments in the UK to speak to elected members about our role and work.

Target	Measure	Result
<b>Publish our annual reports and plans</b>	<p>Annual Report to Joint Committee and Specialised Committee laid and published</p> <p>Annual Report and Accounts laid before Parliament on 15 November 2022, published on website, and linked to on social media</p> <p>Annual Plan published in April 2023</p>	<b>Met</b> – All annual reports and plans have been published in line with statutory deadlines on our website and publicised on our social media channels
<b>Make our issues log and legislation reports public</b>	<p>Legislation Monitoring (LM) reports are regularly sent over and uploaded to the website. A report summarising the LM information has been produced.</p> <p>Issues log page and related outcomes continue to be published on social media channels</p>	<b>Met</b> – The issues log and legislation monitoring are updated on our website when there is new information to share. Both the issues log and legislation monitoring are referenced regularly on our social media channels linked to in our statutory reports
<b>Launch a new website</b>	<p>User consultation including with citizens' panel to shape new website.</p> <p>New website is more closely aligned with our branding and does not look like a gov.uk site thereby underlining our independence.</p> <p>Website meets accessibility standards to allow publication</p>	<b>Met</b> – The IMA's new website was launched in June 2022 following a period of engagement about content and design with internal and external stakeholders including citizens.

Target	Measure	Result
<b>Amplify the understanding of key issues so citizens and stakeholders have better knowledge of their rights</b>	Using all available communication channels to raise awareness of citizens' rights	<b>Met</b> – We continue to use all available channels to highlight and amplify the work of the IMA. We have held two briefings with the Foreign Press Association (FPA) and secured more than 150 new pieces of coverage of the work of the IMA in the media. We have grown all our social media channels and diversified our content to include videos and produced new downloadable materials to raise awareness of citizens' rights
<b>Engage with a wide range of citizens, stakeholders, and public bodies to understand their views and continue to raise awareness of the IMA</b>	Organise and undertake a comprehensive stakeholder engagement programme including the IMA's citizens' panel	<b>Met</b> – We regularly hold meetings with organisations supporting and representing EU citizens such as Settled, the3Million, and Citizens Advice Services. We also continue to meet with representatives of all governments of the UK and Gibraltar as well as the EU Commission, EFTA Surveillance Authority and EU Embassies. Our work with our Citizens' Panel also continues and we welcomed a new cohort of members in 2022 as others left the panel. The panel continues to be invaluable at providing feedback and a citizens' perspective.

Target	Measure	Result
<b>Publish reports on key legislation which affects the rights of EU and EEA EFTA citizens and their family members to highlight where things may have gone wrong to assist public authorities to avoid similar issues and citizens to better understand their rights</b>	<p>Reports are all published on the IMA's website and public bodies made aware before publication if it involves them.</p> <p>To date all legislation monitoring reports have been published within 4 weeks of conclusion of engagement with the public authority. 23 reports have been published during 2022/23</p>	<b>Met</b> – We have published reports on key legislation which affects the rights of citizens and their family members. Our reports explain whether any legal changes are compatible with the Citizens' Rights Agreements. They help citizens to better understand their rights and can highlight where things may have gone wrong to assist public authorities to avoid similar issues

### Case Study – Communications Campaign

We launched the second phase of our #YourRights campaign at the end of the 2022/23 financial year as we believe it is important that we try to utilise as many channels as possible to reach citizens.

We had planned to launch this activity, which aims to raise greater awareness of the rights to which EU and EEA EFTA citizens are entitled, via targeted activity on social media channels and native language radio stations in the UK earlier in the year.

However, an initial refusal of approval of the spend meant that we ran the campaign to a slightly later timeframe.

The campaign was well received, performing better than expected across the digital and radio platforms that we used, reaching almost 2 million people via our social media channels.

We also had very good feedback from the radio stations live reads with one radio station which caters for Greek and Cypriot citizens saying they had good engagement and that the script dealt with a complex subject well and was also useful to Bulgarian citizens who listen to their radio station.

Traffic to the IMA's website during the period of the campaign also saw a large increase with 3,500 visits to our website as opposed to the usual 500 each week.

# D. Work in partnership internally establishing a strong, transparent, and open culture that is customer focussed

We continue to refine and develop our internal processes and ways of working to ensure we can deliver what is needed for the business and the citizens we represent.

This has meant continuing to embed our ways of working, culture and developing systems to create a modern, inclusive, and responsive workplace which has enabled us to meet our priorities as an organisation.

We were pleased to score highly in terms of our People Survey with a satisfaction rating of 73% against a target of 70% and we were also below our target for staff sickness with an average of one full time day lost per staff member per annum against a target of five.

Learning and development is a key focus with an emphasis on mandatory training to equip colleagues to undertake their roles. All staff are encouraged to take up to 10 training days a year.

Target	Measure	Result
Manage our resources efficiently to make sure we deliver for our customers by operating within budget and ensuring our website is accessible to the public at least 97% of the time	<p>Robust budget and efficiencies controls have been put in place to manage financial risks</p> <p>There were no direct complaints from website users or any instances of activity to raise concern. Accessibility Statement has been updated and accessibility records above target</p>	<b>Met</b> – We have delivered on our objectives ensuring IMA remains within budget and is delivering value for money while complying with spend controls. Our IT systems were online and accessible to our customers 99.9% of the time.

Target	Measure	Result
<b>We will measure staff satisfaction by aiming for a result of at least 70% in our people survey</b>	Engagement index score in 2022 was 73% (4% less than in 2021)	<b>Met</b> – The December 2022 People Survey results, shows an engagement index rating of over 73% compared to the target of 70%
<b>We will set staff targets for a minimum of 90% of key training to be completed</b>	100% of staff completed mandatory e-learning by 31 March 2023	<b>Met</b>
<b>Conduct a board effectiveness review and deliver against the actions arising</b>	We facilitated an online board effectiveness survey. Conclusions and proposed actions were presented to the Board	<b>Met</b> – During the financial year 2022/23 the board has undertaken a full self-assessment of its own effectiveness. Resulting actions to improve succession planning, training, relationship with stakeholders and risk management have been implemented
<b>We will aim to have an average short-term annual sickness absence target of no more than 5 days lost per full time employee in 2022/23</b>	The average number of working days lost by our staff due to sickness was below the target of five days at one day per staff member during 2022/23	<b>Met</b> – An average of one working day lost per staff member during 2022/23 against a target of five days
<b>We aim to respond to 95% of general correspondence within ten working days</b>	No complaints received to date and all general correspondence responded to within 10 days.	<b>Met</b>
<b>We aim to respond to 95% of Freedom of Information requests within 20 days</b>	All FOI requests responded to within 20 days	<b>Met</b>
<b>We aim to respond to 95% of Subject Access Requests (SAR) within one month</b>	No SAR requests received	<b>N/A</b> – none received

### Case Study – People Forum

**To ensure that staff across the IMA are able to voice their views and concerns, the IMA has a People Forum.**

Comprised of representatives from each IMA department, the Forum meets monthly where questions on matters such as working conditions to pay are discussed and answered transparently.

Alongside this, the People Forum plays a core role in developing an inclusive IMA where staff can come together to make a positive impact beyond their day jobs.

Each People Forum representative holds a lead responsibility - charity, volunteering, sustainability, wellbeing - and organises regular events around this.

From quizzes to raising money for Children in Need to group volunteering days and wellbeing walks, there are many opportunities to strengthen working relationships and establish a great work culture.

### 2.3.3 Sustainability Statement

The IMA has been given an exemption from providing a sustainability statement for the period covered by this report by the Department for Environment, Food and Rural Affairs.

The exemption has been granted as the IMA is a tenant of Swansea City Council so there are challenges in acquiring accurate sustainability data.

The IMA also does not meet the requirement in terms of staffing number or size of office premises in order to produce a report.

However, in line with its landlord the IMA does encourage its staff to operate sustainably where we can.

This means we ensure there are recycling initiatives in place including the placement of bins to allow staff to sort any waste items into separate areas so they can be easily collected and processed for recycling by Swansea City Council.

All paper used in the office is 100% recycled as are toners and we also recycle IT equipment where appropriate.

We regularly promote sustainable topics on our intranet, including encouraging staff to share blogs about topics of interest. Recent posts have included benefits of using electric cars and hiring electric bicycles.



There is information in our offices about the energy efficient use of heating and lighting with staff encouraged to only switch on lights when needed.

We also promote sustainable transport with staff able to benefit from a cycle to work scheme with showers and facilities to store bikes all present at our office buildings. Any necessary business trips should always be undertaken on public transport where possible.

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**The IMA has also recently attended a volunteering day whereby several IMA staff supported improving green spaces in the local community.**

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Hybrid working has also been adopted by the IMA which enables people to work from home some days of the week thereby cutting down on unnecessary car journeys.

With all our sustainability initiatives, we consider how they help support the [Greening Government Commitments 2021 to 2025.](#)

Finally, sustainability is a regular topic at our People Forum. Activities to promote and protect our natural environment are regularly promoted with beach cleans and volunteering activity in local parks and beauty spots.

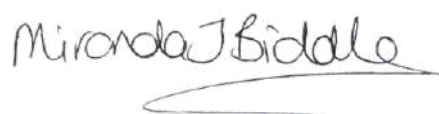
## Financial Review

The IMA's net expenditure for the period ending 31 March 23 was £5,434k. This is the second period of operation with the IMA continuing to face a number of different challenges including responding to actual demand which differed from the assumptions made during the 'setup' phase. There have also been a number of recruitment challenges in the year which was resulted in a number of posts not being fully occupied leading to reduced expenditure and increased pressures on staff.

The IMA has managed expenditure and activities within the budget and controls set by the Ministry of Justice.

## Going Concern

The IMA's future costs are expected to be met by grant-in-aid from our sponsoring department, the MoJ. The IMA has been included in the MoJ's main estimate for 2023/24. The IMA's accounts are therefore prepared in a going concern basis.



**Miranda Biddle**  
Chief Executive and  
Accounting Officer

17 November 2023



## **3. Accountability Report**

**Our Accountability Report outlines key features of how we manage our organisation. It has three sections.**

**Over the following pages our Corporate Governance report explains who our Board and senior management team are, how they work and the governance arrangements in place to ensure effective management and oversight of our resources to achieve our objectives.**

**Our Remuneration and Staff Report describes how we address Board and senior management pay as well as providing an overview of the make-up of our staff numbers.**

**Our Parliamentary Accountability and Audit Report brings together additional requirements requested to demonstrate our accountability to the UK and devolved Governments, regularity of expenditure and the opinion from our Auditor.**



## 3.1. Corporate Governance Report

### 3.1.1. Directors' Report

**The Chief Executive is supported by a team of two Directors and a General Counsel who together form our Executive Team (ET).**

Post	Post Holder	Effective date
Chief Executive	Miranda Biddle	5 August 2023 – present
Chief Executive	Dr Kathryn Chamberlain	3 March 2020 – 4 August 2023
Director of Governance and Corporate Services	Andrew Bagley	21 September 2020 – present
Director of Operational Delivery	Pam Everett	1 October 2020 – present
General Counsel	Rhys Davies	19 October 2020 – present



**Our Executive Team Register of Interests as at March 2023 is included here:**

Name	Position	Interest	Individual	Role
<b>Dr Kathryn Chamberlain</b>	Chief Executive	Executive or Non-Executive Board, Committee or Trust Membership	Personal	Joint Audit Committee for South Wales Police and the South Wales Police and Crime Commissioner
<b>Dr Kathryn Chamberlain</b>	Chief Executive	Any other interest	Personal	Glas Cymru Holdings Ltd, Member
<b>Dr Kathryn Chamberlain</b>	Chief Executive	Any other interest	Personal	Chair – Audit Wales
<b>Andrew Bagley</b>	Director of Governance and Corporate Services	Any other interest	Personal	Lay Member – Governance & Audit Committee Neath & Port Talbot Council  Lay Member – Governance & Audit Committee Bridgend Council
<b>Pam Everett</b>	Director of Operational Delivery	No interest to declare	No interest to declare	No interest to declare
<b>Rhys Davies</b>	General Counsel	No interest to declare	No interest to declare	No interest to declare

**An up-to-date register of interest is available on our website:**  
[\*\*Publications - Independent Monitoring Authority\*\*](#)



### 3.1.2. Statement of Accounting Officer's responsibilities

Under the European Union (Withdrawal Agreement) Act 2020, Schedule 2, Part 1, paragraph 14, the Secretary of State has directed the Independent Monitoring Authority for the Citizens' Rights Agreements 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 give a true and fair view of the situation of Independent Monitoring Authority for the Citizens' Rights Agreements and of its income and expenditure, Statement of Financial Position, and cash flows for the financial year.

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

- observe the Accounts Direction issued by 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; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Ministry of Justice has designated the Chief Executive as Accounting Officer of the Independent Monitoring Authority for the Citizens' Rights Agreements. 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 Independent Monitoring Authority for the Citizens' Rights Agreements' 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 the National Audit Office auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

### **3.1.3. Governance Statement**

This Statement sets out the governance structures, internal control and assurance frameworks that have operated within the IMA during the financial year 2022/23 and accords with HM Treasury and Annex 3.1. of Managing Public Money guidance.

As the designated Accounting Officer for the Independent Monitoring Authority for the Citizens' Rights Agreements, my role is also to safeguard public funds and organisational assets by putting in place arrangements for the governance of our affairs and effective exercise of our functions. I can confirm that the information in our Annual Report and Accounts is a true and fair account of how the organisation has delivered its functions this year. I also confirm that there is no outstanding information that has been brought to my attention or that I am aware of that has not been brought to the attention of National Audit Office.

#### **Our governance structure**

Our organisational structure shows how we are set up to work and deliver our objectives.

Our Board members are appointed by the Secretary of State for Justice in accordance with the Code of Practice for Ministerial Appointments in Public Bodies, and as such our Chair is accountable to our sponsor minister at the Ministry of Justice.

In an update since the end of this financial year, our Chair, Sir Ashley Fox stepped down in September 2023 having been in post since the end of 2020. Alongside our Chair position, our Board consists of five non-executive members, the Chief Executive and two IMA Executive Directors. We currently have a total of six remunerated non-executive Board members.

Leo O'Reilly is the appointed Vice Chair of the IMA and holds the role of Senior Independent Director (SID). The role of SID was introduced to support the Chair in his role; to act as an intermediary for other non-executive directors when necessary; to lead the non-executive directors in the oversight of the Chair and to ensure there is a clear division of responsibility between the Chair and Chief Executive.

We are now driving forward the recruitment for a new Chairman, with the Vice Chair undertaking key additional responsibilities in the interim.

Non-Executive Member	Term	Start Date	Current Term End Date
<b>Sir Ashley Fox</b> (Chair)	1	8 December 2020	11 September 2023
<b>Leo O'Reilly</b> (Vice Chair)	2	8 December 2020	7 December 2026
<b>Punam Birly</b>	2	8 December 2020	7 December 2025
<b>Marcus Killick</b>	2	8 December 2020	7 December 2026
<b>Joyce Cullen</b>	2	10 February 2021	9 December 2027
<b>Ronnie Alexander</b>	2	17 March 2021	16 December 2027

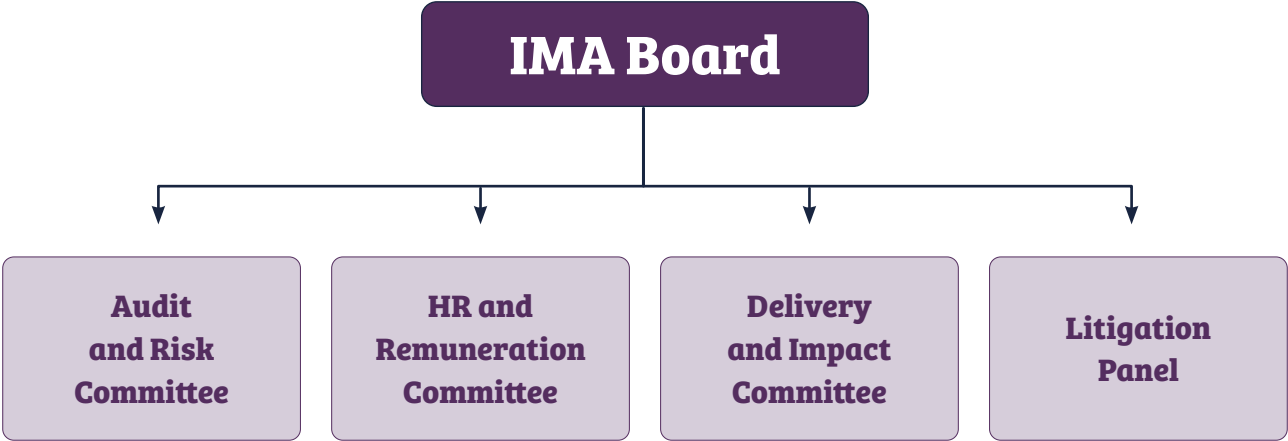
To carry out our duties, we meet as a full Board quarterly with additional scrutiny being undertaken by three committees. Our Executive Team (ET) provides operational updates to our Board and committees for scrutiny and decision as required.

Agenda, minutes and the terms of reference for the Board meetings and terms of reference for our Committees can be found here on our [website](#).

We do not have a Nominations Committee, as our non-executive members are appointed by the Secretary of State.

**The following sections outline the work focus areas and attendance of our Board and committees.**

Board Committee Structure



## **Committee Profiles**

Each committee is chaired by a non-executive member and includes two other non-executive members. Their terms of reference have been reviewed in September 2022 as part of an annual review by the Board. Our Chair has a standing invitation to attend committee meetings in a non-voting capacity.

### **Audit and Risk Committee**

The Audit and Risk Committee reviews the comprehensiveness and reliability of assurances on governance, risk management, the control environment, and the integrity of financial statements within the IMA. This year the Committee has reviewed plans and progress of internal audit, key policies including cyber security, counter-fraud, declaration of interests and risk management. It has also reviewed work by the National Audit Office as part of the final external audit in preparation for this annual report and accounts 2022/23. This Committee is chaired by Leo O'Reilly.

### **Delivery and Impact Committee**

This Committee provides advice, oversight and scrutiny on IMA strategic direction and development; business planning and performance against plans to ensure the IMA is achieving the desired outcomes. This year the Committee has continued to scrutinise the IMA's performance and risks to operational delivery. This Committee is chaired by Marcus Killick.

### **HR and Remuneration Committee**

This Committee provides strategic advice, support and challenge to officers and assurance to the Board on people matters. This year the Committee has reviewed HR policies within the IMA including wellbeing, health and safety, equality, diversity, and inclusion, pay and employment engagement. This Committee is chaired by Punam Birly.

### **Litigation Panel**

In addition to the three committees mentioned above, the IMA also has a litigation panel. The role of the Litigation Panel is to make decisions on the IMA's exercise of its litigation powers. Its terms of reference have been agreed this year. The Litigation Panel is attended by the IMA Chief Executive (who is the chair), General Counsel, the Director of Operational Delivery, the Director of Governance and Corporate Services and two Non-Executive members. The Chair of the Board may choose to attend. The Litigation Panel is convened on ad hoc basis on request by any member of the Panel.

### **Committee Membership Review**

The IMA Chair reviews committee membership and chairing responsibilities annually. The last review took place in January 2023.



## Board and Committee Member Attendance

Board Member attendance business year ending	IMA Board	Audit and Risk	HR and Remuneration	Delivery and Impact
<b>Sir Ashley Fox</b> , Non-Executive Member (Chair)	4/4	3/4	3/4	4/4
<b>Leo O'Reilly</b> , Non-Executive Member* (Vice Chair)	4/4	4/4*	n/a	n/a
<b>Punam Birly</b> , Non-Executive Member*	4/4	n/a	4/4*	3/4
<b>Marcus Killick</b> , Non-Executive Member*	4/4	4/4	n/a	4/4*
<b>Joyce Cullen</b> , Non-Executive Member	4/4	4/4	3/4	n/a
<b>Ronnie Alexander</b> , Non-Executive Member	4/4	n/a	4/4	4/4
<b>Dr Kathryn Chamberlain</b> , Executive Member (CEO)	4/4	4/4	4/4	4/4
<b>Andrew Bagley</b> , Executive Member	4/4	4/4	4/4	3/4
<b>Pam Everett</b> , Executive Member	4/4	n/a	n/a	4/4

\*Committee Chair

## **Board effectiveness**

The Board carried out a Board Effectiveness Review in June 2022 and actions have been implemented. Board members undertook a series of learning and development activities to support their knowledge and understanding of the IMA and attended a strategy day in London where they heard from guest speakers from the Ministry of Justice and the European Union and discussed the opportunities for and threats to the organisation in the forthcoming years.

Work has also been undertaken to update and strengthen the Board's skills matrix and development plans, and to formalise a clear succession plan to ensure that relevant skills and knowledge are not lost in case of planned or sudden departures. In addition to this, the IMA Board has participated in a Board Apprentice Scheme sponsored by the Department for Levelling Up, Housing and Communities. The IMA Board apprentice attended the Board meeting in March 2023.

## **Compliance with corporate governance code**

Our organisational structure, policies and procedures are set in line with the UK Corporate Governance Code.

Our leadership is consistent with expected senior management roles and responsibilities. Supporting procedures are in place to ensure Board roles can operate effectively and that our reporting routes are clear to ensure accountability and appropriate division of duties and key internal controls are in place. An annual evaluation of board membership has been undertaken and we have regular meetings with our key stakeholders to maintain constructive working relationships.

## **Ministerial Directions**

We have not received any Ministerial Directions this year.

## **Government Functional Standards**

This year, the IMA has carried out a full review of its compliance with relevant functional standards and raised internal awareness of the standards within teams. The IMA has developed an action log to address gaps and is working on embedding a project management approach to its work in line with functional standard 02 Project Delivery. Progress of the actions set out is being monitored at regular six-weekly organisational development sub-group meetings.

## **Our Internal Control Framework**

### **Risk Management**

Our robust risk management framework and risk culture is an essential component in managing our business, protecting our resources and reputation, and is facilitated by our Governance Team.

Our risk management policy sets out our risk statement and specific roles and responsibilities in the organisation. Managers, staff, directors, and Board members have a role in managing risk. Our risk management policy encourages staff to consider, identify and manage risks when performing their day-to-day responsibilities. We have a clear risks and issues management process and clear guidance on how to identify and assess risks.

The Board approved our first risk management policy including a risk appetite statement in March 2021 and since then we have developed our risks and issues reporting framework. The framework and risk appetite statements were further reviewed and approved by the Board this year.

We have three directorate risk registers that escalate risks or issues as required to the Corporate Risk Register and Issues Log. Directorate risks are reviewed monthly by each directorate management team, before any high or very high risks or issues are collated and reviewed each month by the Executive Team. The Corporate Risk Register is also scrutinised quarterly by both the Audit and Risk Committee and the IMA Board by reviewing and challenging actions taken by management to manage identified risks and issues.

We have ensured that active controls and mitigations are applied and that controls effectively manage the risks. IMA staff are proactive in flagging new threats to the organisation and ensuring the risk register is dynamic.

The key risks that have been scrutinised and managed during this financial year include financial risks associated with reduced budget allocations from the MoJ for future financial years which could affect IMA's delivery of its statutory duties and compliance with MoJ/ Cabinet Office requirements; and, risks associated with human resource capacity in the legal team.

There have been however robust controls and mitigations put in place, including improved forecasting and regular reviews of IMA's budget requirements for future years. On human resource capacity, caseloads have been regularly reviewed and prioritised with work also being outsourced during times of high demand.

## **Data and Information Security**

We are committed to ensuring data and information is well governed and managed, and that we continue to achieve a balance between openness and security, making sure that staff and customers are assured of suitable levels of protection.

We have delivered a cyber security programme of work to improve staff awareness, including cyber security online training. We have mandatory annual online learning courses for staff on General Data Protection Regulation (GDPR) and Information Security to ensure everyone is aware and up to date on how we manage the information we receive and hold.

We have also delivered training videos on the importance and benefit of appropriate security classifications, to ensure we minimise the risk of data breaches by distributing data securely.

There have been no information breaches which were reportable to the Information Commissioners Office (ICO).

## **Declaration of Interest**

Our Conflict-of-Interest policy supports all staff and Board members with our continuous process to declare relevant personal interests to help us manage any potential or perceived conflicts with their professional roles. All staff and board members made an annual declaration and continue to update the register in line with any changes to their personal circumstances.

## **Whistleblowing**

We are committed to the highest standards of openness, probity, and accountability. Therefore, we have established measures in place to raise serious concerns about malpractice or impropriety.

We have had no whistleblowing reports this year.

## Fraud

Our Counter Fraud Policy is in place to ensure appropriate arrangements to handle any reports of fraud within the organisation or related to our activities. Our arrangements are in line with HM Government's Functional Standard on Counter Fraud (013). IMA has a comprehensive fraud risk assessment enhanced this year and reviewed on quarterly basis by team leads. IMA has also updated its response plan and has an action plan that has been fully completed this year.

Joyce Cullen is also our nominated non-executive accountable for Fraud and Whistleblowing arrangements within the organisation. If formal investigations are required, we will seek support from the Ministry of Justice's Counter Fraud team who employ qualified fraud investigators.

All staff completed the Counter Fraud, bribery, and corruption mandatory training during the year.

We have had no reports of fraud this year.

## Our Assurance Framework

### Internal Audit

Our internal audit function is undertaken by the Government Internal Audit Agency (GIAA). Our internal audit plan 2022/23 was agreed at the Audit and Risk Committee in May 2022 and the team have delivered the audit plan with regular progress updates and feedback to the Audit and Risk Assurance Committee throughout the year.

Three audits were undertaken during 2022/23 looking at: Governance, IMA Independence, and IMA preparedness for a Cabinet Office Review. All the audits were given a substantial assurance rating as outlined in the table below:

Total Number of Audits 2022/23	Substantial Assurance Rating	Moderate Assurance Rating	Limited Assurance Rating	Unsatisfactory Assurance Rating
3	3	0	0	0



The opinion ratings are described as follows:

Opinion Rating	Description
<b>Substantial</b>	The framework of governance, risk management and control is adequate and effective.
<b>Moderate</b>	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
<b>Limited</b>	There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.
<b>Unsatisfactory</b>	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

### **Head of Internal Audit Opinion**

Based on evidence obtained during the period 1 April 2022 and 31 March 2023, the Head of Internal Audit was able to provide a **Substantial level of assurance** that the framework of governance, risk management and control is appropriately defined and working effectively.

The Head of Internal Audit reported that the work undertaken this year has shown an improved and sustained environment from last year. The work on IMA Independence and Preparedness for the Public Body Review has shown the IMA has been proactive in maintaining controls and in preparing assurances.

The Head of Internal Audit reported that he has noted the IMA's strengthening of the control environment and a culture of continuous improvement in a maturing environment during 2022/23. The Executive has an acute awareness of the independent operational nature of their role and the review found that the IMA are operating within the requirements of the "Framework Document".

The Head of Internal Audit found that the IMA has been very proactive in preparing for the public body review and leads have increased awareness of the Cabinet Office Functional Standards across the organisation, including assessing the IMA's compliance with these standards. Both audits were given a substantial opinion, alongside the substantial rating for Governance and the sound preparation on identifying and governing change.

## 3.2. Remuneration and Staff Report

### Remuneration and Staff Report

IMA staff, whether on permanent or temporary contracts are classed as public servants and not civil servants.

We operate the Civil Service Compensation Scheme and the Civil Service Pension Scheme.

This report discloses the remuneration of those serving on our Board comprising the Chair, IMA non-executive members and Executive Team, including the Chief Executive Officer. This disclosure is made to comply with HM Treasury requirements to show the remuneration of those who influence the direction of the entity as a whole.

### Remuneration Policy

**Salary covers both pensionable and non-pensionable amounts and includes, but may not necessarily be confined to:**

- gross salaries
- overtime

The IMA does not currently offer any non-consolidated and non-pensionable recruitment and retention or specialist allowances.

### Delegated Grades: Administrative Officer – Grade 6

Remuneration for staff at delegated grades is subject to the requirements of the Cabinet Office Pay Remit guidance.

As a new non-departmental public body, the IMA has been incorporated into years 2 (2021/22) and 3 (2022/23) of the MoJ 3 year pay offer. As a result of this, staff are currently subject to the terms and conditions of our sponsoring body the Ministry of Justice.

## **Performance-related pay**

The Independent Monitoring Authority (IMA) believes in the importance of recognising and rewarding staff (individuals or teams) who make an exceptional contribution.

The key principle of the policy is that high individual performance and teamwork should be rewarded throughout the year.

The scheme enables staff to be nominated by managers, colleagues, stakeholders and board members for outstanding work and behaviours. The scheme is monitored by the Executive Team; and scrutinised by the HR and Remuneration Committee to ensure fairness, consistency, and the principles of diversity and inclusion.

Awards can be given in the form of vouchers (up to £100) or with individuals' salaries as one-off lump sum payments, which are not consolidated into basic pay. These financial awards may be of any value up to an annual maximum of £2,500 for an individual in total across the financial year.

There is no requirement that the size of an award should be related directly to salary or grade.

Where a team award is made, there is no specific financial limit for the team, though the award to any individual in the team should not cause an individual to receive in excess of £2,500 gross in non-consolidated awards in any one financial year.

Bonuses relate to the performance in the appraisal year in which they become payable to the individual.

## **The Executive Team terms of appointment and remuneration**

The Executive Team, including the Chief Executive Officer, are permanent employees of the IMA.

When conducting recruitment campaigns, we follow the Civil Service Commissioner's recruitment principles to ensure open and fair recruitment with appointments based on merit. We offer a guaranteed interview scheme for people with disabilities who meet the role criteria.

Remuneration for the Executive Team is subject to the principles outlined in the Senior Civil Service Practitioner Guidance.



## **Performance-related pay**

Performance-related pay for the Chief Executive Officer and the Executive Team is based on performance levels and are awarded following the formal review process.

The performance framework set by the Cabinet Office for the Senior Civil Service (SCS) Practitioner Guidance is used as a guide on distribution and out-turn with the HR and Remuneration Committee giving approval of any bonuses.

Any bonuses for SCS level staff are on a cash basis. Amounts disclosed for each year represent those paid in that year but relate to performance in the previous year.

Bonuses are not payable to Non-Executive Board Members.

## **Non-Executive Members**

The Chair is paid £500 per day and works two days per week. All other non-executives are paid £300 per day for up to 25 days per year. There is no additional pay for chairing committees or taking on any additional roles e.g. Senior Independent Director. No pension benefits are paid to the Chair or non-executive members.

The Chair can be appointed for a period of up to five years while all other non-executive members can be appointed for a period of up to four years. The appointment of all non-executive members, and the extension of their appointments, is subject to the approval of the Secretary of State for Justice. Reappointments are subject to a satisfactory appraisal process undertaken by the Chair.

The early termination of a non-executive member's appointment is at the discretion of the Secretary of State for Justice. The notice period for the Chair and non-executive members is three months.



## Current appointments

Non-Executive Member	Start Date	Current End Date	Term	Current Term Length
<b>Sir Ashley Fox</b>	8 December 2020	11 September 2023	1	4 years
<b>Punam Birly</b>	8 December 2020	7 December 2025	2	3 years
<b>Marcus Killick</b> (Gibraltar)	8 December 2020	7 December 2026	2	3 years
<b>Leo O'Reilly</b> (Northern Ireland)	8 December 2020	7 December 2026	2	3 years
<b>Joyce Cullen</b> (Scotland)	10 February 2021	9 February 2027	2	3 years
<b>Ronnie Alexander</b> (Wales)	17 March 2021	16 December 2027	2	3 years

## Benefits in Kind

The monetary value of any benefits in kind covers any benefits we provided, and reimbursements of costs treated by HM Revenue and Customs (HMRC) as a taxable emolument.

Board members are reimbursed for their travel and subsistence costs incurred in attending Board meetings at our Swansea headquarters and elsewhere as required to undertake their duties on behalf of the IMA.

## Board and Executive Team Remuneration (audited information)

For the year ended 31 March 2023, IMA members and Executive Directors received remuneration as follows.

Board Members and Executive Team	12 months to 31 March 23						14 months to 31 March 22				
	Salary £'000	Bonuses £'000	Benefits in kind (to nearest 100) £'000	Pension benefits (to nearest £1,000) <sup>4</sup> £'000	Total £'000	Total £'000	Salary £'000	Bonuses £'000	Benefits in kind (to nearest 100) £'000	Pension benefits (to nearest £1,000) <sup>6</sup> £'000	Total £'000
<b>Chamberlain, Doctor Kathryn</b> Executive member (CEO)	115-120	0-5	-	-33	86	<b>85-90</b>	130-135 (annualised 110-115)	10-15	0.2	21	160-165
<b>Everett, Mrs. Pam</b> Executive member	90-95	0-5	-	-	93	<b>90-95</b>	100-105 (annualised 85-90)	0-5	0.2	76	180-185
<b>Davies, Mr. Rhys Tomos</b> General Counsel (Legal Director)	80-85	5-10	-	26	116	<b>115-120</b>	90-95 (annualised 75-80)	0-5	-	38	130-135
<b>Bagley, Mr. Andrew</b> Executive member	80-85	0-5	-	26	111	<b>110-115</b>	90-95 (annualised 75-80)	0-5	0.3	39	130-135
<b>Fox, Sir Ashley</b> Non-executive member (Chair)	50-55	-	4.5	-	57	<b>55-60</b>	60-65 (annualised 50-55)	-	4.8	-	65-70

<sup>6</sup>The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

## Board and Executive Team Remuneration (audited information)

For the year ended 31 March 2023, IMA members and Executive Directors received remuneration as follows.

Board Members and Executive Team	12 months to 31 March 23						14 months to 31 March 22				
	Salary £'000	Bonuses £'000	Benefits in kind (to nearest 100) £'000	Pension benefits (to nearest £1,000) <sup>6</sup> £'000	Total £'000	Total £'000	Salary £'000	Bonuses £'000	Benefits in kind (to nearest 100) £'000	Pension benefits (to nearest £1,000) <sup>4</sup> £'000	Total £'000
<b>O'Reilly, Mr. Leo</b> Non-executive member	5-10	-	2.5	-	10	<b>5-10</b>	5-10 (annualised 5-10)	-	1.7	-	10-15
<b>Killick, Mr. Marcus</b> Non-executive member	5-10	-	2.1	-	9	<b>5-10</b>	5-10 (annualised 5-10)	-	1.3	-	5-10
<b>Birly Jaspal, Ms. Punam</b> Non-executive member	5-10	-	1.3	-	8	<b>5-10</b>	5-10 (annualised 5-10)	-	0.4	-	5-10
<b>Cullen, Mrs. Joyce</b> Non-executive member	5-10	-	2.4	-	10	<b>5-10</b>	5-10 (annualised 5-10)	-	1.3	-	5-10
<b>Alexander, Mr. Ronald Joseph</b> Non-executive member	5-10	-	0.3	-	7	<b>5-10</b>	5-10 (annualised 5-10)	-	0.2	-	5-10

<sup>6</sup>The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

## HR and Remuneration Committee

This Committee oversees strategic people agenda items as well as the annual appraisal of the Chief Executive and any changes to the remuneration of the Executive Team, including the Chief Executive Officer. This includes the arrangements for and conditions of any remuneration or benefits in kind over and above their basic salary.

The Committee is made up of three non-executive members with the Chair having a standing invitation. The Chief Executive and Director of Governance and Corporate Services also attend each meeting.

The Committee has met four times in 2022/23 to discuss a number of key topics ranging from performance management and executive remuneration to equality, diversity and inclusion and wellbeing.

## Fair Pay Disclosure (audited information)

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

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

2022-23		
	Salary and Allowances	Bonus Payments
Staff Average	30.5%	-28.1%
Highest Paid Director	4.5%	-73.6%

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

	Lower quartile	Median	Upper quartile
2022/23	4.09:1	3.02:1	1.84:1
2021/22	4.90:1	3.40:1	2.41:1

Lower quartile, median and upper quartile for staff pay for salaries and total pay and benefits.

	Lower quartile		Median		Upper quartile	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Salary	25,827	25,118	37,683	36,049	63,185	50,427
<b>Salary &amp; Benefits</b>	<b>28,696</b>	<b>25,118</b>	<b>38,904</b>	<b>36,049</b>	<b>63,710</b>	<b>50,427</b>

The banded remuneration of the highest-paid director in the IMA in 2022/23 was £115,000-£120,000 (£120,000-£125,000 in 2021/22). This was 3.0 times (3.4 times in 2021/22) the median remuneration of the workforce, which was £38,904 (£36,049 in 2021/22).

No employees received remuneration in excess of the highest-paid director. Remuneration ranged from £20,000-£25,000 to £115,000-£120,000 (£20,000-£25,000 to £95,000-£100,000 in 2021/22).

## Pension benefits

Pension benefits are calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less contributions made by the employee. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

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



## Pension entitlements (audited information)

Board Members and Senior Leadership Group	Year to 31 March 23				
	Accrued pension at pension age as at 31/03/23 £'000	Real increase in pension at pension age £'000	Cash Equivalent Transfer Value (CETV) at 31/03/23 £'000	CETV at 31/03/22 £'000	Real increase in CETV* £'000
<b>Chamberlain, Doctor Kathryn</b> Executive member (CEO)	65-70	-	1,336	1,229	-50
<b>Everett, Mrs. Pam</b> Executive member	40-45 plus a lump sum 85-90	0-2.5 plus a lump sum 0	876	793	-13
<b>Davies, Mr. Rhys Tomos</b> General Counsel (Legal Director)	10-15	0-2.5	130	110	7
<b>Bagley, Mr. Andrew</b> Executive member	20-25	0-2.5	273	243	11

\*Taking account of inflation, the CETV funded by the employer has decreased in real terms for Doctor Kathryn Chamberlain and Mrs Pam Everett.

## 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 1 April 2015 all newly appointed staff and the majority of those with prior Civil Service records joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS).

The PCSPS has four sections: three 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 at some time between 1 June 2015 and 1 February 2022.

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 'money purchase' stakeholder 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) their 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. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from the appointed provider – Legal & General. 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.)

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**Further details about the civil service pension arrangements can be found at [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)**

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## **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 because 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 because 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.

## **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.

## **Compensation on early retirement or for loss of office (audited information)**

The IMA made no compensation payments for loss of office or early departure payments in the year to 31 March 2023 (nil in 2021/22).

## Expenditure on consultancy

During 2022/23, the IMA spent £88,000 on consultancy (nil in 2021/22). This related to an audit of the IMA's compliance with GDPR.

## Off-payroll engagements

The IMA had no off-payroll engagements in the year to 31 March 2023 (nil in 2021/22).

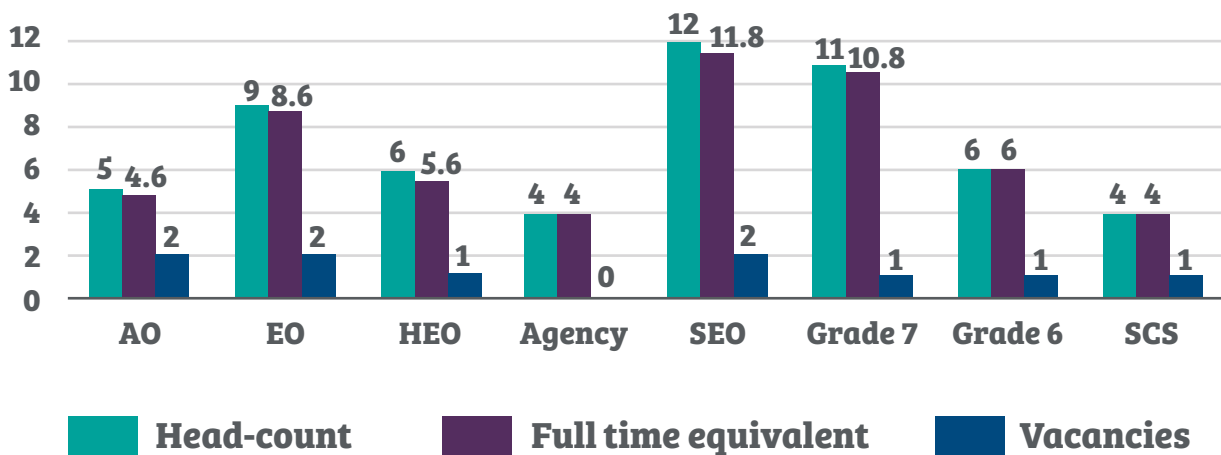
## Our staff numbers

Staff numbers and staff composition.

The chart below summarises our staff composition as at 31 March 2023.

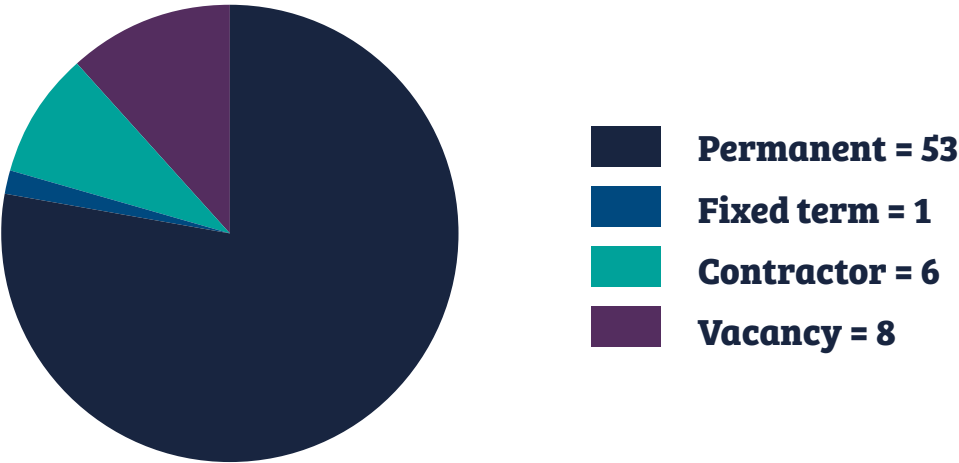
### IMA Staff Composition

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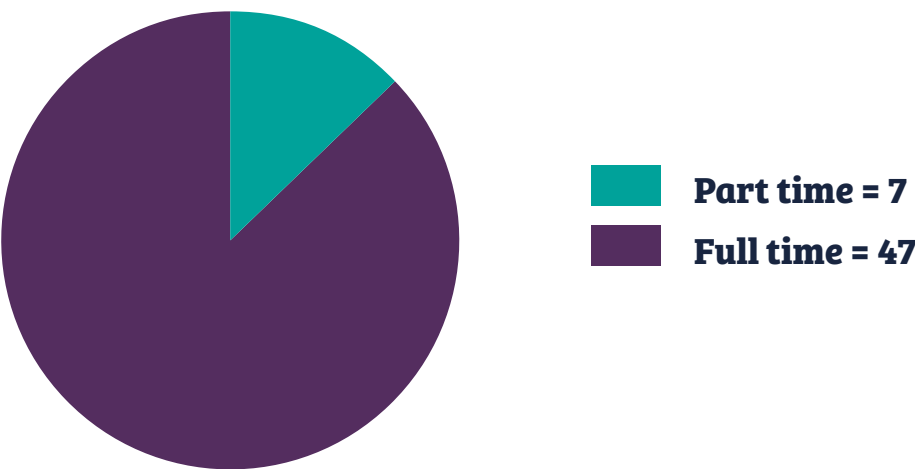




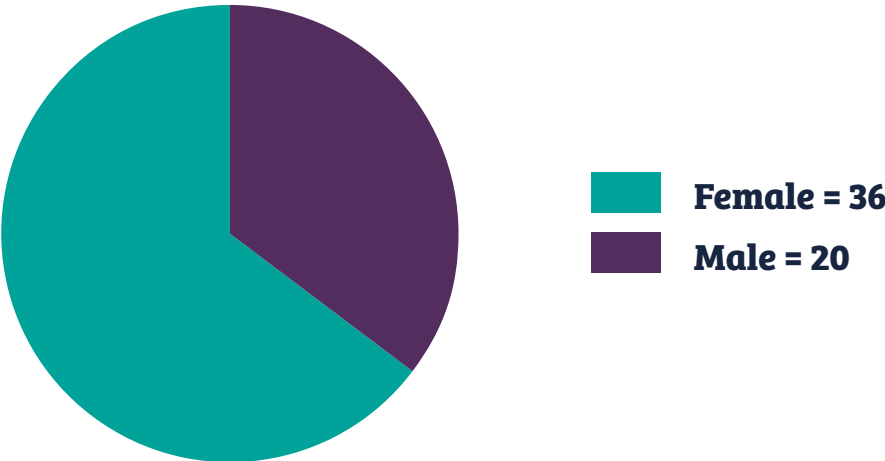
Staff by contract type



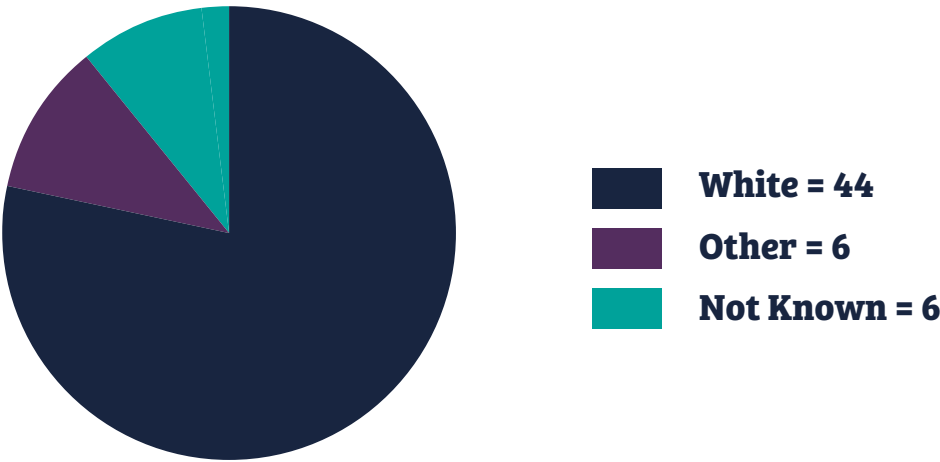
Staff by full time equivalent



Staff by gender



Staff and non-Executive Directors by Ethnicity



Staff numbers (audited information)

The table below shows the average number of full-time equivalent staff employed by the IMA from 1 April 2022 to 31 March 2023 was as follows:

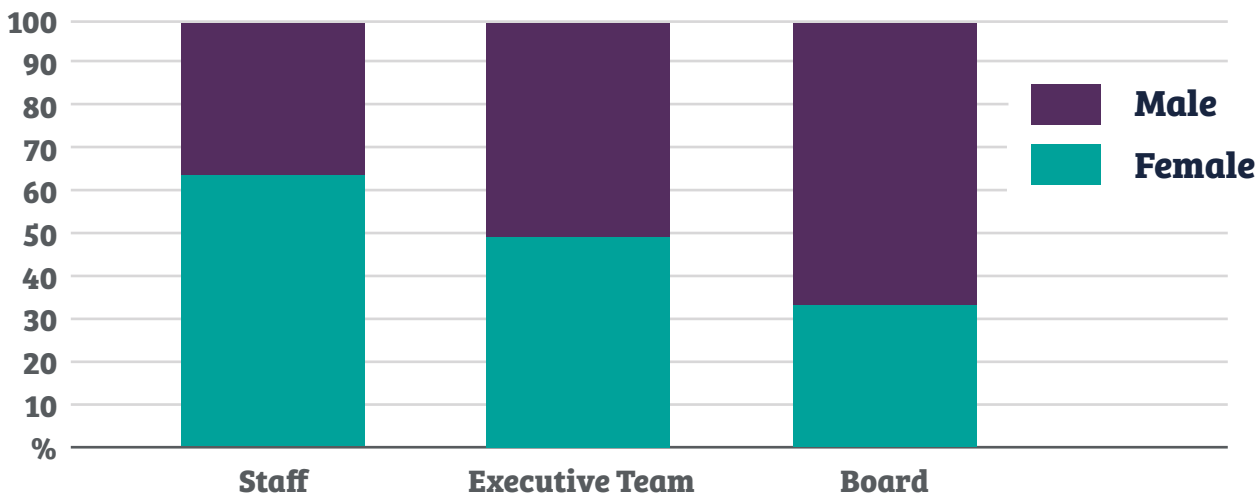
Full-time Equivalent Staff

		2022-23	2021-22
Permanently employeeed staff	Other	Total	Total
48.32	3.42	51.74	47.34

**In April 2022 the total number of staff was 44, with an increase to 55 staff at 31 March 2023.**

Staff and Board composition

The graph below shows staff and Board member composition between male and female as at 31 March 2023:



The graph below shows the Executive team member composition between male and female as at 31 March 2023:

Executive Team by gender



**Staff costs (audited information)**

For the year ended 31 March 2023:

			2022/23 12 months £'000	2021/22 14 months £'000
	Permanently employed staff	Other	Total	Total
<b>Wages and salaries, including overtime</b>	2,216	498	2,714	2,541
<b>Social security costs</b>	243	-	243	242
<b>Other pension contributions</b>	583	-	583	599
<b>Total costs</b>	<b>3,042</b>	<b>498</b>	<b>3,540</b>	<b>3,382</b>

Note that for the purposes of this table, executive directors are included as employed staff and they are shown alongside non-executive board members in the remuneration report. The costs of temporary staff covering vacancies are shown in the other staff costs column.

No staff costs were capitalised during the year ending 31 March 2023.

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as alpha, are an unfunded multi-employer defined benefit scheme, in which we are unable to identify its share of the underlying assets and liabilities.

A full actuarial valuation was carried out as at 31 March 2017. For 2022/23, employers' contributions of £560,000 were payable to the PCSPS at one of four rates in the range of 26.6% to 30.3% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions approximately every four years following a full scheme valuation. Employees can opt to open a partnership pension account (a stakeholder pension with an employer contribution). In 2022/23 no employees were members of the partnership scheme (2021/22: nil).

No employees retired early on ill-health grounds. The total additional accrued pension liabilities in the year amounted to nil.

## **Average sickness/absence**

The average number of working days lost by our staff due to sickness was 0.89 days per staff member during 2022/23 against a target of 5 days.

## **Staff turnover**

In 2022/23, organisational staff turnover was 1.20%; with peaks being identified between January and April.

We will continue to monitor turnover rates and support initiatives to maintain a healthy level of turnover and take appropriate action to improve effectiveness, including where turnover becomes problematic.

## **Recruitment**

The IMA is an equal opportunities employer and welcomes applications from all qualified persons regardless of their protected characteristics, identity, circumstances or background.

The IMA Resourcing Policy requires that all applications are “blind-sifted” and that all recruitment panel members have undergone mandatory training on the Civil Service Success Profiles Framework and the Civil Service Expectations training.

The IMA is an accredited Non-Departmental Public Body (NDPB) and our recruitment processes are based on the principle of selection on merit through fair and open competition, as outlined in the Civil Service Commissions recruitment principles, available at [Recruitment - Civil Service Commission \(independent.gov.uk\)](https://independent.gov.uk/recruitment-civil-service-commission)

The Civil Service Success Profiles framework is used in recruitment across the organisation to assess candidates, and our assessment methods ensure that we recruit the right people, with the right skills.

## **Employment of people with disabilities**

We automatically offer an interview to applicants with disabilities who have met the essential criteria for a post under the guaranteed interview scheme. In accordance with the principles set out in our recruitment, selection and induction policies and procedures, we acknowledge our duty under the Equality Act 2010 to make reasonable adjustments to the working environment or conditions of appointment that would enable a disabled person to compete for, and carry out, a job on an equal basis.



If an existing member of staff becomes disabled during their employment, the support given is determined on a case-by-case basis following consultation with HR Casework Service and Occupational Health.

We have raised awareness of the benefits and support services available to all staff as a part of their induction, at all staff events and through our intranet. Staff are reminded of our employee assistance programme (PAM Assist) and Occupational Health Services through our regular communication channels.

## **Employee Benefits**

Employees at the IMA have access to benefits including a cycle to work scheme, employee discounts on products, including holidays, food, groceries and electrical items and entertainment, through our suppliers such as Xexec and My Lifestyle.

We also have provision for a Give As You Earn scheme where employees can donate to charities, schools, hospitals, places of worship and sports clubs. They are able to donate straight from their salary, with no limitation on the amount and they don't pay tax on their donation.

## **Employee relations**

We aim to be an exemplary public sector organisation and employer in the management of staff.

The IMA does not currently recognise a trade union and does not have a collective bargaining agreement.

We engage with staff through the People Forum, which consists of representatives from each IMA directorate who meet every six weeks and is chaired by a volunteer from within the organisation. The People Forum acts as a communication platform to allow all IMA staff to voice their ideas, comments or concerns as well as a conduit for engagement with staff on organisational changes.

The outcomes of any communication or consultation is reported to the Organisational Development Group for review, with final approval of any new changes being considered by the Executive Team.

## **Employee engagement**

The IMA participated in the annual Civil Service People Survey in 2022, with an employee engagement score of 73%.

There were no concerns identified on staff engagement as a result of the feedback in the People Survey that require urgent intervention.

We have taken the feedback received following the results from this survey and have held discussions at directorate level with information being gathered from individuals to be consolidated into an action plan which outlined the key themes occurring across teams.

This action plan includes actions to be undertaken locally within teams and is published on our Intranet with monthly updates being provided to the Organisational Delivery Group and updated for all staff to view.

## **Diversity, inclusion, and wellbeing**

The IMA induction process for all new starters outlines mandatory e-learning facilitated through the Civil Service Learning website including Civil Service Expectations and Display Screen Equipment (DSE) Assessment. Completion of this training is tracked and reported to the Executive team.

Our Executive Team have approved the organisation's first Equality, Diversity and Inclusion Policy which will be launched to all staff in 2023/24 underpinned by workshops and mandatory training to include obligations under the Public Sector Equality Duty and the Northern Ireland Disability Discrimination Act (1995).

Section 75 of the Northern Ireland Act 1998 (the Act) requires public authorities, in carrying out their functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Act.

Following the publication of the IMA Disability Action Plan in March 2022, we have completed our first compliance return to the Northern Ireland Commission in August 2022. We continue to take positive steps to progressing the commitments made under this action plan.

The IMA People Forum have initiated a sub-group called the 'Inclusion Forum' with the support of HR to actively promote awareness days and key topics on Equality, Diversity and Inclusion. This group actively promotes issues through publications on our IMA intranet site including blogs and articles.

## **Health and Safety at Work**

All employees of IMA are obligated to adhere to the protection and responsibilities outlined in the Health and Safety at Work etc. Act 1974. Our work processes strictly follow the mandatory risk assessment procedure. We have developed comprehensive risk assessments and accompanying guidelines specifically tailored for our office and the activities conducted at the Swansea Civic Centre. These resources are readily available to all our staff members, encompassing various aspects such as support for working from home, personal risk assessments, and assessments for driving on official business.

To ensure the safety and well-being of our employees engaged in home-based work, we have implemented a robust DSE (Display Screen Equipment) self-assessment system. This system, facilitated through our Cardinus platform (via MoJ), allows employees to conduct self-assessments and mitigate potential risks. Additionally, our staff members receive comprehensive training and guidance on practicing safe home-working and maintaining a conducive office environment. This encompasses aspects such as posture, health screening, and incident reporting, promoting a culture of proactive incident management and prevention.

### 3.3. Parliamentary Accountability and Audit Report

The Government Financial Reporting Manual (FReM) requires us to report on losses, special payments, and remote contingent liabilities. Further detail in Managing Public Money states that any losses should be declared by category, type, and value where they exceed £300,000 in total and for any individual items of £300,000 or more. These notes and disclosures are subject to audit.

#### Regularity issues

There are no regularity issues to report.

#### Losses and special payments

##### Losses statement

There were no losses in the year to 31 March 2023 (nil in 2021/22).

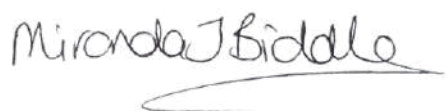
##### Special payments

There were no special payments made in the year to 31 March 2023 (nil in 2021/22).

#### Remote contingent liabilities

In addition to contingent liabilities reported within the meaning of IAS 37, we are also required to disclose details of any liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability.

As at 31 March 2023, we had no remote contingent liabilities.



**Miranda Biddle**

Chief Executive and Accounting Officer

17 November 2023

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

### **Opinion on financial statements**

I certify that I have audited the financial statements of the Independent Monitoring Authority for the Citizens' Rights Agreements (IMA) for the year ended 31 March 2023 under the European Union (Withdrawal Agreement) Act 2020.

The financial statements comprise the IMA'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 IMA'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 European Union (Withdrawal Agreement) Act 2020 and Secretary of State 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 IMA 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 IMA'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 IMA'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 IMA is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other Information

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

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

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 Secretary of State directions issued under the European Union (Withdrawal Agreement) Act 2020.

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 Secretary of State directions made under the European Union (Withdrawal Agreement) Act 2020; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements 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 IMA 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 IMA 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 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 IMA 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 statement 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 Secretary of State directions made under the European Union (Withdrawal Agreement) Act 2020;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the European Union (Withdrawal Agreement) Act 2020; and
- assessing the IMA'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 Accounting Officer anticipates that the services provided by the IMA 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 European Union (Withdrawal Agreement) Act 2020.

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 IMA's accounting policies, performance against key priorities and performance incentives.
- inquired of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the IMA'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 IMA's controls relating to the IMA's compliance with the European Union (Withdrawal Agreement) Act 2020 and Managing Public Money;
- inquired of management, 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 IMA for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the IMA's framework of authority and other legal and regulatory frameworks in which the IMA 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 IMA. The key laws and regulations I considered in this context included European Union (Withdrawal Agreement) Act 2020, Managing Public Money, employment law and pensions legislation.

## 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 Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- 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.

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

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

## Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the 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**

Date 17 November 2023

Comptroller and Auditor General

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



## **4. Financial Statements**

**For the year ended 31 March 2023**

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

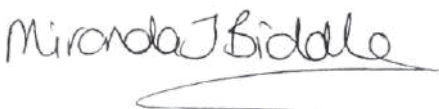
	Notes	2022/23 12 Months £'000	2021/22 14 Months £'000
<b>Expenditure</b>			
Staff costs	3	3,540	3,382
Other operating costs	4	1,894	1,742
Other gains	5	-	(144)
<b>Net expenditure for the period</b>		<b>5,434</b>	<b>4,980</b>
<b>Other comprehensive net expenditure</b>			
		-	-
Net (gain)/loss on revaluation of: Intangible assets	7	(2)	-
<b>Comprehensive net expenditure for the period</b>		<b>5,432</b>	<b>4,980</b>

The notes on pages 90 to 103 form part of these accounts.

## Statement of Financial Position as at 31 March 2023

	Notes	31 March 2023 £'000	31 March 2022 £'000
<b>Non-Current Assets</b>			
Right-of-use assets	6	150	218
Intangible assets	7	164	150
<b>Total non-current assets</b>		<b>314</b>	<b>368</b>
<b>Current Assets</b>			
Trade and other receivables	8	18	6
Cash at bank	9	750	-
<b>Total current assets</b>		<b>768</b>	<b>6</b>
<b>Total assets</b>		<b>1,082</b>	<b>374</b>
<b>Current Liabilities</b>			
Trade and other payables	10	(789)	(532)
Lease liabilities	10	(67)	(67)
Cash at bank (overdraft)	9	-	(35)
<b>Total current liabilities</b>		<b>(856)</b>	<b>(634)</b>
<b>Total assets less current liabilities</b>		<b>226</b>	<b>(260)</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	10	(87)	(154)
<b>Total non-current liabilities</b>		<b>(87)</b>	<b>(154)</b>
<b>Total assets less total liabilities</b>		<b>139</b>	<b>(414)</b>
<b>Taxpayers' equity and other reserves:</b>			
General Fund		137	414
Revaluation Reserve		2	-
<b>Total equity</b>		<b>139</b>	<b>(414)</b>

The notes on pages 82 to 96 form part of these accounts.



**Miranda Biddle** Chief Executive and Accounting Officer

17 November 2023



## Statement of Cash Flows for the year ended 31 March 2023

	Notes	2022/23 12 Months £'000	2021/22 14 Months £'000
<b>Cash flows from operating activities</b>			
Net expenditure for the period		(5,434)	(4,980)
Adjustments for non-cash transactions:			
• MoJ overhead recharges	4	509	367
• Depreciation, amortisation and write offs	4	117	110
(Increase)/decrease in trade and other receivables	8	(12)	(6)
Increase/(decrease) in trade and other payables	10	257	532
Increase/(decrease) in lease liabilities		(67)	-
Less movements in financial liabilities not passing through the SoCNE		67	-
<b>Net cash outflow from operating activities</b>		<b>(4,563)</b>	<b>(3,977)</b>
<b>Cash flows from investing activities</b>			
Intangible asset recognised through business combination	7	-	(144)
Purchase of intangible assets	7	(61)	(40)
<b>Net cash outflow from investing activities</b>		<b>(61)</b>	<b>(184)</b>
<b>Cash flows from financing activities</b>			
Grant-in-aid received from Ministry of Justice		5,476	4,199
Repayment of principal on lease		(67)	(73)
<b>Net financing</b>		<b>5,409</b>	<b>4,126</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b>785</b>	<b>(35)</b>
Cash and cash equivalents at the beginning of the year		(35)	-
<b>Cash and cash equivalents at the end of the period</b>	9	<b>750</b>	<b>(35)</b>

The notes on pages 90 to 103 form part of these accounts.



## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

	General Fund £'000	Revaluation Reserve £'000	Total £'000
<b>Changes in taxpayers' equity - 2021/22</b>			
Net expenditure for the period ended 31 March 2022	(4,980)	-	(4,980)
Grant-in-aid towards expenditure	4,199	-	4,199
Notional recharge from Moj	367	-	367
<b>Balance at 31 March 2022</b>	<b>(414)</b>	<b>-</b>	<b>(414)</b>
<b>Changes in taxpayers' equity - 2022/23</b>			
Net expenditure for the year ended 31 March 2023	(5,434)	-	(5,434)
Grant-in-aid towards expenditure	5,476	-	5,476
Notional recharge from Moj	509	-	509
Revaluation of intangible assets	-	2	2
<b>Balance at 31 March 2023</b>	<b>137</b>	<b>2</b>	<b>139</b>

## Notes to the Accounts

### 1. General Information

The IMA was set-up to ensure UK public bodies protect the rights of EU and EEA EFTA citizens in the UK and Gibraltar. All EU and EEA EFTA citizens have the right to be treated fairly; the IMA ensures this is achieved by monitoring UK public bodies to ensure they implement the rights of these citizens and by identifying any underlying issues.

### 2. Statement of Accounting Policies

#### Basis of preparation

The IMA is required to prepare a statement of accounts for each financial year in the form and on the basis directed by the Secretary of State, with the approval of HM Treasury. The accounts and audit requirements of the IMA are defined by the European Union (Withdrawal Agreement) Act 2020 (EUWAA), Schedule 2, paragraph 14.

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 the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the circumstances of the IMA for the purpose of giving a true and fair view has been selected. The accounting policies adopted by the IMA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

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.

## **Going concern**

These accounts are prepared on a going concern basis. The IMA is an independent non-departmental public body whose activities are funded by the Ministry of Justice (MoJ) but operates independently to ensure its work is objective and impartial. The EUWAA requires the Secretary of State to pay to the IMA such sums as the Secretary of State considers appropriate for the purpose of enabling the IMA to exercise its functions. The IMA's future costs are expected to be met by grant-in-aid from the MoJ, which has included the IMA's funding for 2023/24 in its Estimates. The IMA will work with all EU and EEA EFTA citizens in the UK before and after the settlement schemes close. There are currently no proposals that would change the IMA's status as a going concern.

## **Changes in Accounting Policy and disclosures, and accounting standards issued but not adopted**

### **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. Subject to UK adoption, it may come into effect for accounting periods commencing on, or after, 1 January 2023 and should be included in the 2023/24 FReM at the earliest opportunity. To assess the impact of the standard, we are reviewing contracts which meet the definition of insurance contracts.

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

## **Grant-in-aid**

The FReM requires non-departmental public bodies (NDPBs) to account for grants received for both revenue and capital as financing because they are regarded as contributions from a controlling party which give rise to a financial interest in the residual value of NDPBs. All grant-in-aid is therefore credited to the General Fund when received.

The IMA receives grant-in-aid funding from the MoJ to meet its operational expenditure. The IMA also receives corporate services from the MoJ such as digital, finance and HR services, the funding for which is recognised as grant-in-aid, a notional recharge of overheads in the Statement of Changes in Taxpayers' Equity. These services are recorded as other operating costs in the Statement of Comprehensive Net Expenditure and non-cash costs in note 3, to report the full cost of the IMA's operations. They are accounted for at full cost based on the services received.

## **Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance. The IMA initially capitalises expenditure on intangible assets at cost above a capitalisation threshold of £5,000. This threshold is applied on a grouped basis where the elements in substance form a single asset. Subsequent acquisitions with a value less than £5,000 which are of the same nature as existing grouped assets are capitalised. Otherwise, expenditure on intangible assets which falls below £5,000 is charged as an expense in the SoCNE.

The IMA has recognised its Case Management System (CMS) as an intangible asset. Amortisation is charged on a straight-line basis to write off the value of the CMS over its estimated useful life of five years.

Subsequent to initial recognition, intangible assets are recognised at current value in existing use. As no active market exists for the CMS, current value in existing use is assessed as replacement cost less any accumulated amortisation and impairment losses. When material, intangible assets are revalued at each reporting date using the Producer Price Index produced by the Office for National Statistics; to date the effect of revaluation has not been material.

Intangible assets under construction are not amortised or revalued until the assets are ready for use.

## **Impairment**

An impairment reflects a diminution in value of an asset as a result of a clear consumption of economic benefits or service potential. Each year, IMA performs an impairment review of its assets. If indicators of impairment exist, the asset in question is tested for impairment by comparing the carrying value of those assets with their recoverable amounts.

## **Leases**

The IMA occupies office space on the third floor, Civic Centre, Swansea. This lease qualifies as a right-of-use asset under IFRS 16 Leases as it confers the IMA's right to use the leased asset during the lease term. Therefore, IMA recognises a right-of-use asset and a corresponding lease liability.

### **Initial measurement – IMA as lessee**

The IMA's initial recognition of the Civic Centre lease upon implementation of IFRS 16 occurred when it was constituted on 22 January 2021. The right-of-use asset and lease liability were initially measured at the value of the remaining lease payments, discounted by IMA's incremental rate of borrowing. This rate is advised annually by HM Treasury (0.95% for leases recognised in 2022). IMA's lease includes a termination option but the IMA is reasonably certain this option will not be exercised. Therefore, the remaining payments included assume the option will not be exercised.

### **Subsequent measurement – IMA as lessee**

After initial recognition, the lease liability has been adjusted for repayments and accruals of interest. The lease is also monitored for reassessments and modifications which could affect the carrying amount of the liability; to date there have been none.

The right-of-use asset is subsequently measured using the fair value model. IMA considers that the cost model (measurement by reference to the lease liability) is a reasonable proxy for fair value, given the lease length is five years and the rents payable are aligned with open market rates. The value of the asset will be adjusted for subsequent depreciation and impairment and for reassessments and modifications of the lease liability if they were to occur.

Expenditure for each financial year includes interest on the lease liability and a straight-line depreciation charge on the right-of-use asset over the life of the lease, together with any impairments of the right-of-use asset.

## **Cash and cash equivalents**

For the purposes of the Statement of Cash Flows (SoCF), cash includes cash in hand and deposits on call with banks. The IMA does not currently hold any items that meet the definition of cash equivalents, such as short-term liquid investments.

## **Financial liabilities**

The IMA has financial liabilities, comprising accruals, finance lease liabilities, trade and other payables. All financial liabilities are recognised initially at fair value, net of any transaction costs incurred, and then measured at amortised cost using the effective interest rate method. Financial liabilities are derecognised when the liability has been discharged; that is, the liability has been paid or has expired.

## **Pension costs**

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) which are contributory and unfunded. Although the schemes are defined benefit schemes, liability for payment of future benefits is a charge to the PCSPS and CSOPS. The IMA recognises contributions payable to the schemes as an expense in the year in which it is incurred. There is a separate scheme statement for the PCSPS and CSOPS.

## **Employee benefits**

In compliance with International Accounting Standard (IAS) 19 Employee Benefits, an accrual is made for holiday pay in respect of leave which has not been taken at the year end and this is included within payables.

## **Defined benefit pension schemes**

The provisions of the Principal Civil Service Pension Scheme (PCSPS) cover most present employees. The PCSPS is an unfunded defined benefit scheme although, in accordance with the FReM, the IMA accounts for it as a defined contribution scheme. The IMA recognises contributions payable to the PCSPS 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. The IMA is unable to recognise its share of the underlying assets and liabilities.

## **Value Added Tax (VAT)**

The IMA is not eligible to register for VAT and all costs are shown inclusive of VAT, all of which is irrecoverable. VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Non-current assets are capitalised inclusive of VAT.



## Comparison to the previous year

The 2021/22 and 2022/23 accounts were prepared over different time frames. The IMA's 2021/22 accounts were prepared for a 14-month period which ran from 22 January 2021 to 31 March 2022. The 2022/23 accounts have been prepared for a 12-month period which ran from 1 April 2022 to 31 March 2023.

## Operating segments

The IMA operates as a single operating segment and therefore the segmental reporting requirements as set out by the FReM are not required.

## 3. Staff Costs

	2022/23 12 Months £'000			2021/22 14 Months £'000
	Permanently employed staff	Other	Total	Total
Salaries and wages, including overtime	2,216	498	2,714	2,541
Pension contributions	583	-	583	599
Social security costs	243	-	243	242
<b>Total costs</b>	<b>3,042</b>	<b>498</b>	<b>3,540</b>	<b>3,382</b>

## 4. Other Operating Costs

	2022/23 12 Months £'000	2021/22 14 Months £'000
Legal costs	253	271
Travel, subsistence and hospitality	39	14
Communications, office supplies and services	161	163
IT services and telecommunications	210	300
Training and other staff related costs	108	117
Audit fees – internal audit	42	51
Audit fees – external audit (NAO)	44	45
Professional fees	88	-
Accommodation	125	137
Shared services	161	154
Other costs	37	13
Non-cash items: – Depreciation and amortisation	117	110
<b>Costs met by the IMA</b>	<b>1,385</b>	<b>1,375</b>
<b>Costs incurred by the IMA but settled by the Ministry of Justice: (Non-cash costs)</b>		
Digital, finance and other common services	509	367
<b>Total other operating costs</b>	<b>1,894</b>	<b>1,742</b>

## 5. Other Gains and Losses

	2022/23 12 Months £'000	2021/22 14 Months £'000
Absorption gain through business combination	-	(144)
<b>Total gain</b>	<b>-</b>	<b>(144)</b>

## 6. Right-of-Use Assets

### Movements in 2022/23

	Buildings £'000	Total £'000
<b>Cost or valuation</b>		
At 1 April 2022	294	294
Additions	-	-
Disposals	-	-
Revaluations	-	-
<b>At 31 March 2023</b>	<b>294</b>	<b>294</b>
<b>Depreciation</b>		
At 1 April 2022	76	76
Charged in year	68	68
Disposals	-	-
Revaluations	-	-
<b>At 31 March 2023</b>	<b>144</b>	<b>144</b>
<b>Carrying value at 31 March 2023</b>	<b>150</b>	<b>150</b>
Carrying value at 31 March 2022	218	218

## Movements in 2021/22

	<b>Buildings £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>		
Initial recognition on implementation of IFRS 16	-	-
Acquired through business combination	294	294
Additions	-	-
Disposals	-	-
Revaluations	-	-
<b>At 31 March 2022</b>	<b>294</b>	<b>294</b>
<b>Depreciation</b>		
Initial recognition on implementation of IFRS 16	-	-
Charged in period	76	76
Disposals	-	-
Revaluations	-	-
<b>At 31 March 2022</b>	<b>76</b>	<b>76</b>
<b>Carrying value at 31 March 2022</b>	<b>218</b>	<b>218</b>

## 7. Intangible Assets

### Movements in 2022/23

	Casework Management System £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2022	147	40	187
Additions	61	-	61
Disposals	-	-	-
Reclassification	40	(40)	-
Revaluations	2	-	2
<b>At 31 March 2023</b>	<b>250</b>	<b>-</b>	<b>250</b>
<b>Amortisation</b>			
At 1 April 2022	37	-	37
Charged in year	49	-	49
Disposals	-	-	-
Revaluations	-	-	-
<b>At 31 March 2023</b>	<b>86</b>	<b>-</b>	<b>86</b>
<b>Carrying value at 31 March 2023</b>	<b>164</b>	<b>-</b>	<b>164</b>
Carrying value at 31 March 2022	110	40	150

## Movements in 2021/22

	Casework Management System £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>			
At 22 January 2021	-	-	-
Acquired through business combination	147	-	147
Additions	-	40	40
Disposals	-	-	-
Revaluations	-	-	-
<b>At 31 March 2022</b>	<b>147</b>	<b>40</b>	<b>187</b>
<b>Amortisation</b>			
At 22 January 2021	-	-	-
Charged in year	34	-	34
Disposals	-	-	-
Revaluations	-	-	-
Transfer	3	-	3
<b>At 31 March 2022</b>	<b>37</b>	<b>-</b>	<b>37</b>
<b>Carrying value at 31 March 2022</b>	<b>110</b>	<b>40</b>	<b>150</b>

## 8. Trade and Other Receivables

	31 March 2023 £'000	31 March 2022 £'000
<b>Amounts falling due within one year</b>		
Staff receivables	11	5
Other receivables	1	1
Prepayments	6	-
<b>Total</b>	<b>18</b>	<b>6</b>



## 9. Cash at Bank

	31 March 2023 £'000	31 March 2022 £'000
Balance at 1 April	(35)	-
Net change in cash and cash equivalent balances	785	(35)
Balance at 31 March	750	(35)
<b>Total cash held at Government Banking Service</b>	<b>750</b>	<b>(35)</b>

## 10. Trade and Other Payables

	31 March 2023 £'000	31 March 2022 £'000
<b>Amounts falling due within one year</b>		
Tax and social security	63	54
Trade payables	17	34
Other payables	65	53
Accrued holiday pay	76	63
Accruals	347	214
Lease liabilities	67	67
Intra-departmental payables	221	114
<b>Total</b>	<b>856</b>	<b>599</b>
<b>Amounts falling due after more than one year</b>		
Lease liabilities	87	154
<b>Total</b>	<b>87</b>	<b>154</b>

## 11. Commitments under Leases

	31 March 2023 £'000	31 March 2022 £'000
<b>Lease creditors</b>		
Not later than one year	69	69
Later than one year and not later than five years	87	155
	<b>156</b>	<b>224</b>
Less interest element	(2)	(3)
<b>Present value of obligations</b>	<b>154</b>	<b>221</b>
<b>Amounts recognised in the Statement of Comprehensive Net Expenditure</b>		
Depreciation	68	76
Interest expense	2	3
	<b>70</b>	<b>79</b>
<b>Amounts recognised in the Statement of Cash Flows</b>		
Repayment of principal on leases	67	73
Interest expense	2	3
	<b>69</b>	<b>76</b>

## **12. Financial Instruments**

The IMA relies on grant-in-aid from the Ministry of Justice for its cash requirements, and is therefore not exposed to significant liquidity, currency or market risk.

## **13. Related Party Transactions**

The IMA is a non-departmental public body sponsored by the Ministry of Justice. The Ministry of Justice is regarded as a related party with which the IMA has had various material transactions during the year.

No board members or senior executives of the IMA engaged in activities that gave rise to related party transactions during the 2022/23 reporting year.

The Remuneration Report provides information on senior management remuneration.

## **14. Events After The Reporting Date**

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 events after the reporting period which require disclosure.



For the Citizens'  
Rights Agreements

**Independent Monitoring Authority**

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978-1-5286-4470-9