

Vote 22: The Courts Service

Introduction

As Accounting Officer for Vote 22, I am required each year to prepare the Appropriation Account for the Vote, and to submit the Account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2009 of the salaries and expenses of the Courts Service and of the Supreme Court, the High Court, the Special Criminal Court, the Circuit Court and the District Court and of certain other minor services as are not charged to the Central Fund.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2009, including the amount that could be used as appropriations-in-aid of expenditure for the year.

The Statement of Accounting Policies and Principles and notes 1 to 5 form part of the Account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of Appropriation Accounts have been applied in the preparation of the Account.

Statement on Internal Financial Control

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Courts Service.

Risk Management

The Courts Service has a risk management framework which has been implemented over the past five years. It continues to be an agenda item for the senior management team and regional managers with risks being regularly reviewed and updated. Further progress continued to be made during 2009, with the integration of risk management into the business planning process. Regular updates were provided to the audit committee during the year.

New Code of Practice for the Governance of State Bodies

A new Code of Practice for State Bodies which provides a framework of best practice in Corporate Governance was introduced in 2009. The Service has conducted a review of the code and is adopting where appropriate relevant recommendations.

Audit Committee

The Service has an Audit Committee comprising five members. The Audit Committee operates under an approved written charter and submits an annual report to the Courts Service Board. The Head of Internal Audit reports to the Audit Committee on a quarterly basis.

Information and Communications Technology

The Service has a strong commitment to the security of its Information and Communications Technology through the implementation of the recommendations made by an independent review of Information Communication Technology security. The ICT governing committee continues to meet on a quarterly basis and monitors progress of the overall ICT programme.

A review of the effectiveness of internal financial controls has been undertaken in respect of the year ended 31 December 2009. The statement confirmed that the financial control environment operating within the Service is effective.

BRENDAN RYAN
Accounting Officer
The Courts Service
31 March 2010

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Courts Service for 2009 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Courts Service. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2009.

A handwritten signature in black ink, appearing to read 'John Buckley', with a stylized flourish at the end.

JOHN BUCKLEY
Comptroller and Auditor General
8 September 2010

Vote 22 The Courts Service Appropriation Account 2009

Service		Estimate Provision	Outturn	Outturn 2008
	€000	€000	€000	€000
Administration				
A.1. Salaries, wages and allowances		58,311	58,181	58,343
A.2. Travel and subsistence				
	<i>Original</i>	3,466		
	<i>Supplementary</i>	<u>1,034</u>	4,500	3,954
				4,673
A.3. Incidental expenses				
	<i>Original</i>	8,413		
	<i>Supplementary</i>	<u>3,708</u>	12,121	10,728
				12,240
A.4. Postal and telecommunications services				
	<i>Original</i>	2,417		
	<i>Supplementary</i>	<u>983</u>	3,400	2,835
				3,357
A.5. Office machinery and other office equipment and related services				
	<i>Original</i>	8,645		
	<i>Supplementary</i>	<u>781</u>	9,426	9,239
				11,434
A.6. Courthouse and office premises expenses				
	<i>Original</i>	19,071		
	<i>Supplementary</i>	<u>1,604</u>	20,675	20,306
				21,983
A.7. Consultancy services				
	<i>Original</i>	152		
	<i>Supplementary</i>	<u>(52)</u>	100	102
				595
A.8. Payments to the incorporated council of law Reporting for Ireland				
	<i>Original</i>	57		
	<i>Supplementary</i>	<u>(56)</u>	1	—
				41
A.9. Value for money and policy reviews				
	<i>Original</i>	95		
	<i>Supplementary</i>	<u>(95)</u>	—	—
				82
Other Services				
B. Courthouses (capital works)				
	<i>Original</i>	21,400		
	<i>Supplementary</i>	<u>(1,142)</u>		
			20,258	20,427
				25,290
Gross Expenditure				
	<i>Original</i>	122,027		
	<i>Supplementary</i>	<u>6,765</u>	128,792	125,772
				138,038
Deduct				
C. Appropriations-in-aid				
	<i>Original</i>	44,408		
	<i>Supplementary</i>	<u>6,764</u>		
			51,172	51,358
				39,018
Net Expenditure				
	<i>Original</i>	77,619		
	<i>Supplementary</i>	<u>1</u>		
			77,620	74,414
				99,020
Surplus to be Surrendered			<u>€3,205,778</u>	<u>€8,241,434</u>

Notes to the Appropriation Account

1 Operating Cost Statement 2009

	Note	€000	2009 €000	2008 €000
Expenditure on administration			105,345	112,748
Expenditure on services and programmes			20,427	25,290
Gross Expenditure			125,772	138,038
Deduct				
Appropriations-in-aid			51,358	39,018
Net expenditure			74,414	99,020
Changes in Capital Assets				
Purchases cash		(2,852)		
Depreciation		8,924		
			6,072	(551)
Changes in assets under Development				
Cash payments			(68)	(650)
Changes in net current assets				
Decrease in closing accruals		(37)		
Decrease in stock		53		
			16	(4,072)
Direct Expenditure			80,434	93,747
Net allied services expenditure	1.1	45,981		
Notional rents		6,253		
			52,234	48,435
Total operating cost			132,668	142,182

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 22 borne elsewhere.

		2009 €000	2008 €000
Vote:			
7	Superannuations and Retired Allowances	7,485	4,828
10	Office of Public Works	4,798	3,144
20	Garda Síochána	173	240
19	Financial Shared Services Centre Cost	794	890
	Central Fund - Judicial salaries and pensions	32,731	32,913
		45,981	42,015

2 Statement of Assets and Liabilities as at 31 December 2009

	Note	2009 €000	2008 €000
Capital Assets	2.1	165,178	172,829
Capital Assets under Development	2.2	3,545	3,585
		168,723	176,414
Current Assets			
Bank and Cash	2.3	307	(279)
Stocks	2.4	214	267
Prepayments		3,168	1,701
Accrued Income		4,912	5,849
Other Debit Balances	2.5	6,959	11,327
Total Current Assets		15,560	18,865
Less Current Liabilities			
Accrued Expenses		4,317	3,900
Other Credit Balances:	2.6	6,561	9,307
Net Liability to the Exchequer	2.7	705	1,741
Total Current Liabilities		11,583	14,948
Net Current Assets		3,977	3,917
Net Assets		172,700	180,331

2.1 Statement of Capital Assets

	Land and Buildings €000	IT and Office Equipment €000	Furniture and Fittings €000	Totals €000
Gross Assets				
Cost or Valuation at 1 January 2009	160,006	31,644	30,708	222,358
Additions	811	1,819	255	2,885
Prior year adjustment	(1,846)	—	—	(1,846)
Disposals	—	(108)	(7)	(115)
Cost or valuation at 31 December 2009	158,971	33,355	30,956	223,282
Accumulated Depreciation:				
Opening Balance at 1 January 2009	10,600	22,019	16,910	49,529
Depreciation for the year	2,973	3,100	2,793	8,866
Depreciation associated with prior year adjustment	(176)	—	—	(176)
Depreciation on disposals	—	(108)	(7)	(115)
Cumulative Depreciation at 31 December 2009	13,397	25,011	19,696	58,104
Net Assets at 31 December 2009	145,574	8,344	11,260	165,178
Net Assets at 31 December 2008	149,406	9,625	13,798	172,829

Note: The Courts Service Act 1998 provides for the transfer of legal title in respect of certain land and buildings that are used for the purposes of the functions of the Service. In accordance with Section 26(3) of the Act, the Minister for Justice, Equality and Law Reform may by order appoint a day on which such land and buildings will be vested in the Service. Valuations of vested properties are provided by the Office of Public Works (OPW). There were five buildings vested in 2009. In addition to these five, four were vested prior to 2009. Valuations are outstanding for all nine buildings at year end and therefore have not been included in the above figures.

Prior year adjustment

The fixed asset revaluation has arisen following an asset verification exercise which highlighted amounts charged to fixed assets incorrectly in previous years. This was rectified in the 2009 account with a corresponding adjustment to the depreciation charge.

2.2 Capital Assets Under Development

	In-House Computer Applications €000
Amounts brought forward at 1 January 2009	3,585
Cash Payments for the Year	68
Transferred to Asset Register	(108)
Amounts carried forward at 31 December 2009	3,545

2.3 Bank and Cash at 31 December

	2009 €000	2008 €000
PMG Balance and Cash	3,206	2,016
Orders Outstanding	(2,899)	(2,295)
	307	(279)

2.4 Stocks
at 31 December

2009 **2008**
€000 **€000**

Stock 214 267

2.5 Other Debit Balances
at 31 December

2009 **2008**
€000 **€000**

Advances to OPW	6,451	9,935
Suspense	480	1,364
Imprest	28	28
	<u>6,959</u>	<u>11,327</u>

2.6 Other Credit Balances
at 31 December

2009 **2008**
€000 **€000**

Amounts due to the State

Income Tax	757	810
Professional Services Withholding Tax	96	124
Value Added Tax	74	24
Pay Related Social Insurance	452	366
Fines	4,109	6,611
Excise Duty	162	233
	<u>5,650</u>	<u>8,168</u>
Payroll deductions held in suspense	426	438
Other credit suspense items	485	701
	<u>6,561</u>	<u>9,307</u>

2.7 Net Liability to the Exchequer
at 31 December

2009 **2008**
€000 **€000**

Surplus to be surrendered	3,206	8,241
Exchequer grant undrawn	(2,501)	(6,500)
Net Liability to the Exchequer	<u>705</u>	<u>1,741</u>

Represented by:

Debtors

Bank and cash	307	(279)
Debit balances: suspense	<u>6,959</u>	<u>11,327</u>
	7,266	11,048

Creditors

Due to State	(5,650)	(8,168)
Credit balances: suspense	<u>(911)</u>	<u>(1,139)</u>
	(6,561)	(9,307)
	<u>705</u>	<u>1,741</u>

2.8 Commitments

(A) Global Commitments

Contracted commitments at 31 December 2009 amounted to €19,147,968

(B) Multi-Annual Capital Commitments

Project	Expenditure to 1 Jan 2009 ¹ €000	Expenditure in 2009 €000	Subsequent Years €000
Refurbishment of courthouses	45,240	12,685	36,096
Information Technology Projects	1,537	1,585	1,774

¹ Excludes projects completed by the end of 2008.

2.9 Matured Liabilities

The estimate of matured liabilities not discharged at year end was €1,729.

3 Receipts

3.1 Appropriations - in - Aid

	2009 Estimated €000	2009 Realised €000	2008 Realised €000
1. Fees	47,478	47,429	38,105
2. Miscellaneous	1,221	1,235	913
3. Pension Levy	2,473	2,694	—
Total	51,172	51,358	39,018

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
3	(221)	As this was the first year in which the pension related deduction applied it was difficult to estimate the receipts accruing with absolute accuracy.

3.2 Extra receipts payable to the Exchequer

	2009 Estimated €000	2009 Realised €000	2008 Realised €000
Court fines	6,300	8,507	7,066
Road Traffic Act fines	11,000	15,665	14,733
	17,300	24,172	21,799

4 Employee Numbers and Pay

	2009	2008
Number of staff at year end (full time equivalents)	1,015	1,078
	2009 €000	2008 €000
Pay	53,511	53,448
Higher, special or additional duties allowances	138	233
Other allowances	1,045	931
Overtime	849	991
Employer's PRSI	2,638	2,740
Total Pay	58,181	58,343

4.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2009 €	Maximum individual payment 2008 €
Higher, special or additional duties	37	4	21,921	23,639
Overtime and extra attendance	342	32	26,703	25,089
Miscellaneous	311	16	21,012	22,014

Note: Certain individuals received extra remuneration in more than one category.

4.2 Performance and Merit Payments

A total of €1,300 was paid to 9 individuals in respect of exceptional performance merit awards in accordance with the provisions of the Administrative Budget Agreement. They ranged from €100 to €500. These payments related to 2008 awards and were paid in early 2009.

4.3 Other Remuneration Arrangements

A total of €29,483, ranging from €700 to €15,712, was paid to 5 retired Civil Servants in receipt of Civil Service pensions who were engaged on various duties during 2009.

4.4 Recouped Costs

Salary costs of €1,296,987 were recouped from Tribunals and Government Departments in respect of staff on secondment.

5 Miscellaneous Items

5.1 Compensation and Third Party legal costs

Total payments in respect of compensation and legal costs amounted to €488,000. Of this amount €425,000 related to third party legal costs primarily associated with Judicial Review proceedings where the Courts Service was a party to such proceedings. Payments amounting to €36,275 were made to the State Claims Agency in respect of actions dealt with by it. Also compensation of €26,250 was paid in respect of four cases of wrongful detention.