

Vote 22 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 2011 for such 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 2011, 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 6 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 except for the following:

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

Buildings are depreciated at a rate of 2% per annum on a straight line basis over the estimated useful life.

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.

Brendan Ryan
Accounting Officer
The Courts Service
31 March 2012

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 22: Courts Service for 2011 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 2011.

Seamus McCarthy
Comptroller and Auditor General
30 August 2012

Vote 22 The Courts Service Appropriation Account 2011

Service		2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000	€000
Administration				
A.1. Salaries, wages and allowances				
	<i>Original</i> 50,787			
	<i>Supplementary</i> 582	51,369	51,358	51,834
A.2. Travel and subsistence				
	<i>Original</i> 2,913			
	<i>Supplementary</i> 47	2,960	2,759	2,941
A.3. Training and development and incidental expenses				
	<i>Original</i> 8,992			
	<i>Supplementary</i> 460	9,452	8,707	9,245
A.4. Postal and telecommunications services				
	<i>Original</i> 2,415			
	<i>Supplementary</i> 683	3,098	2,666	2,825
A.5. Office equipment and external IT services				
	<i>Original</i> 6,094			
	<i>Supplementary</i> (392)	5,702	6,786	8,525
A.6. Office premises expenses				
	<i>Original</i> 13,972			
	<i>Supplementary</i> 1,663	15,635	16,056	16,580
A.7. Consultancy services and value for money and policy reviews		247	213	212
Other Services				
B.1. Courthouses (capital works)				
	<i>Original</i> 5,543			
	<i>Supplementary</i> (80)	5,463	4,679	17,272
B.2. PPP Costs				
	<i>Original</i> 21,163			
	<i>Supplementary</i> (1,663)	19,500	19,500	21,279
— PPP Costs - VAT Payments		—	—	17,881
Gross expenditure				
	<i>Original</i> 112,126			
	<i>Supplementary</i> 1,300	113,426	112,724	148,594
Deduct				
C. Appropriations-in-aid				
	<i>Original</i> 51,461			
	<i>Supplementary</i> (1,500)			
		49,961	50,085	50,447
Net expenditure				
	<i>Original</i> 60,665			
	<i>Supplementary</i> 2,800			
		63,465	62,639	98,147
Surplus to be surrendered			€826,295	€4,057,095

Notes to the Appropriation Account

1 Operating Cost Statement 2011

	Note	€000	2011 €000	2010 €000
Expenditure on administration			88,545	92,162
Expenditure on services and programmes			24,179	56,432
Gross Expenditure			<u>112,724</u>	<u>148,594</u>
Deduct				
Appropriations-in-aid			<u>50,085</u>	<u>50,447</u>
Net expenditure			<u>62,639</u>	<u>98,147</u>
Changes in capital assets				
Purchases cash		(1,440)		
Depreciation		<u>11,566</u>		
			10,126	10,498
Changes in assets under development				
Cash payments			(2,404)	(13,581)
Changes in net current assets				
Increase in closing accruals		908		
Decrease in stock		<u>1</u>		
			909	1,133
Direct expenditure			<u>71,270</u>	<u>96,197</u>
Net allied services expenditure	1.1		43,832	42,642
Notional rents			3,335	5,003
Total operating cost			<u><u>118,437</u></u>	<u><u>143,842</u></u>

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.

Vote	2011 €000	2010 €000
7 Superannuation and Retired Allowances	7,260	7,160
10 Office of Public Works	1,819	1,910
20 Garda Síochána	201	201
19 Justice and Equality - Financial Shared Services Centre	802	790
Central Fund - Judicial salaries and pensions	33,750	32,581
	<u><u>43,832</u></u>	<u><u>42,642</u></u>

2 Balance Sheet as at 31 December 2011

	Note	2011 €000	2010 €000
Capital assets	2.1	221,896	170,707
Capital assets under development	2.2	2,115	62,200
		224,011	232,907
Current assets			
Stocks	2.4	238	239
Prepayments		3,197	3,091
Accrued income		2,615	3,295
Other debit balances	2.5	5,387	6,275
Total current assets		11,437	12,900
Less current liabilities			
Bank and cash	2.3	3,300	(198)
Accrued expenses		3,958	3,751
Other credit balances	2.6	1,401	5,816
Net liability to the Exchequer	2.7	686	657
Total current liabilities		9,345	10,026
Net current assets		2,092	2,874
Net assets		226,103	235,781
Represented by:			
State funding account		226,103	235,781

2.1 Statement of Capital Assets

	Land and buildings €000	IT and office equipment €000	Furniture and fittings €000	Total €000
Gross assets				
Cost or valuation at 1 January 2011	171,924	38,065	31,322	241,311
Additions	61,928	615	212	62,755
Disposals	—	(14)	—	(14)
Cost or valuation at 31 December 2011	233,852	38,666	31,534	304,052
Accumulated depreciation				
Opening balance at 1 January 2011	16,727	31,473	22,404	70,604
Depreciation for the year	6,131	2,851	2,584	11,566
Depreciation on disposals	—	(14)	—	(14)
Cumulative depreciation at 31 December 2011	22,858	34,310	24,988	82,156
Net assets at 31 December 2011	210,994	4,356	6,546	221,896
Net assets at 31 December 2010	155,197	6,592	8,918	170,707

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 and Equality 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). The vested properties are capitalised when the OPW valuation has been received. There were no buildings vested in 2011. Valuations are outstanding for six buildings at year end and therefore have not been included in the above figures.

2.2 Capital Assets Under Development

at 31 December 2011

	Construction €000	Computer applications €000	Total €000
Amounts brought forward at 1 January 2011	62,045	155	62,200
Cash payments for the year	2,404	—	2,404
Transferred to asset register	(61,442)	—	(61,442)
Adjustments made during the year ¹	(892)	(155)	(1,047)
Amounts carried forward at 31 December 2011	2,115	—	2,115

¹As part of a detailed review carried out in 2011, a number of adjustments were required to the balance.

2.3 Bank and Cash

at 31 December

	2011 €000	2010 €000
PMG balance and cash	(2,250)	1,456
Orders outstanding	(1,050)	(1,258)
	<u>(3,300)</u>	<u>198</u>

2.4 Stocks

at 31 December

	2011 €000	2010 €000
Stock	<u>238</u>	<u>239</u>

2.5 Other Debit Balances

at 31 December

	2011 €000	2010 €000
Advances to OPW	4,035	4,852
Suspense	1,332	1,406
Imprests	20	17
	<u>5,387</u>	<u>6,275</u>

2.6 Other Credit Balances

at 31 December

	2011 €000	2010 €000
Amounts due to the State		
Income Tax	827	656
Professional Services Withholding Tax	32	100
Value Added Tax	33	65
Pay Related Social Insurance	302	421
Fines	(157)	3,786
Excise Duty	—	103
	<u>1,037</u>	<u>5,131</u>
Payroll deductions held in suspense	364	378
Other credit suspense items	—	307
	<u>1,401</u>	<u>5,816</u>

2.7 Net Liability to the Exchequer

at 31 December

	2011 €000	2010 €000
Surplus to be surrendered	826	4,057
Exchequer grant undrawn	(140)	(3,400)
Net liability to the Exchequer	<u>686</u>	<u>657</u>

Represented by:**Debtors**

Debit balances: suspense

	5,387	6,275
	<u>5,387</u>	<u>6,275</u>

Creditors

Bank and cash

Due to State

Credit balances: suspense

	(3,300)	198
	(1,037)	(5,131)
	(364)	(685)
	<u>(4,701)</u>	<u>(5,618)</u>

Net liability to the Exchequer

	<u>686</u>	<u>657</u>
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2.8 Commitments

at 31 December

2011	2010
€000	€000

(a) Global commitments

Total of legally enforceable commitments

9,876	13,636
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(b) Multi-annual capital commitments

	Expenditure to 31 December 2010 ¹	Expenditure in 2011	Subsequent Years	Total
Project	€000	€000	€000	€000
Refurbishment of courthouses	40,398	3,203	18,762	62,363
Information technology projects	3,931	262	1,064	5,257

¹ Excludes projects completed by the end of 2010**(c) Capital cost of Public Private Partnership project**

Name of PPP Project	Expenditure to 31 December 2010	Expenditure in 2011	Legally enforceable commitments to be met in subsequent years	Total ¹
	€000	€000	€000	€000
Criminal Courts Complex	20,621	3,862	152,613	177,096

¹ Includes an amount of €15,000 for VAT not included in 2010.**2.9 Matured Liabilities**

The estimate of matured liabilities not discharged at year end amounted to €2,160 (2010 - €8,260).

3 Variations in Expenditure

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

Sub-head	Less/(more) than provided €000	Explanation
B.1.	784	The underspend was due to a delay in commencing a capital project.

4 Receipts

4.1 Appropriations-in-aid		2011 Estimated €000	2011 Realised €000	2010 Realised €000
1. Fees				
	<i>Original</i>	47,493		
	<i>Supplementary</i>	(1,500)	45,993	45,156
2. Miscellaneous		1,142	1,858	1,328
3. Receipts from pension-related deduction on public service remuneration		2,826	3,071	3,094
Total		49,961	50,085	50,447

Explanation of significant variation

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
2.	(716)	The excess arose due to additional recoupment received from the Law Society and Bar Council.
3.	(245)	The excess arose due to the general difficulty in accurately forecasting staff movement, including age related retirements, early retirements, and the recruitment of staff to fill a number of these vacancies.

4.2 Extra receipts payable to the Exchequer

	2011 Estimated €000	2011 Realised €000	2010 Realised €000
Road Traffic Act fines	10,800	9,700	11,372
Other fines ¹	9,000	5,230	6,991
Prior year fines ²	—	2,740	—
	19,800	17,670	18,363

¹In 2010, other fines included payments made to the Revenue Commissioners, the Department of Communications, Energy and Natural Resources and the Department of Agriculture, Fisheries and Food amounting to €2.3 million. The 2011 Estimate figure also includes a provision for direct payments to the aforementioned departments for revenue and fisheries fines. These are not extra receipts payable to the Exchequer. Payments in respect of revenue and fisheries fines are now shown separately in Note 6.2. The 2010 realised receipts figure has been revised.

² This amount relates to an untransferred legacy balance held in the fines suspense account.

5 Employee Numbers and Pay

	2011	2010
Number of staff at year end (full time equivalents)	958	990
	€000	€000
Pay	47,222	47,697
Higher, special or additional duties allowances	25	65
Other allowances	1,230	1,219
Overtime	413	443
Employer's PRSI	2,468	2,410
Total pay	51,358	51,834

5.1 Allowances and Overtime payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2011 €	Maximum individual payment 2010 €
Higher, special or additional duties allowances	7	—	6,409	10,117
Other allowances	309	24	19,585	19,581
Overtime	135	10	27,016	27,647

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

5.2 Other Remuneration Arrangements

A total of €24,329 was paid to five retired civil servants in receipt of civil service pensions who were engaged for short periods during 2011.

5.3 Recouped Costs

Salary costs of €877,938 were recouped from tribunals and Government departments in respect of staff on secondment.

6 Miscellaneous

6.1 Compensation and third party legal costs

Total payments in respect of compensation and legal costs amounted to €140,531. Of this amount, €109,851 relates to third party legal costs primarily associated with judicial review proceedings where the Courts Service was a party to such proceedings. Payments in respect of actions dealt with by the State Claims Agency amounted to €18,676.

6.2 Fines collected on behalf of other Departments

Direct payments were made to the following departments in respect of fines collected by the Court Service on their behalf in 2011.

	2011 €000	2010 €000
Revenue Commissioners	2,003	2,040
Department of Communications, Energy and Natural Resources	28	48
Department of Agriculture, Fisheries and Food	247	233
Total	2,278	2,321