

Appropriation Account 2017

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 2017 for such of the salaries and expenses of the Courts Service and of the Supreme Court, the Court of Appeal, 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 2017, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.23 million is liable for surrender to the Exchequer.

The Service is governed by a Board consisting of a chairperson and 17 other members. In accordance with the Courts Service Act, 1998 the term of office of the Board is three years. The current Board was established on 9 November 2017. The Board is responsible for determining policies for the Service and for overseeing their implementation. It performs these functions directly and through the committees of the Board.

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.

Valuation of land and buildings

In 2016, the policy was adopted of valuing public buildings on the basis of depreciated replacement cost and a programme of valuing buildings on this basis commenced. Depreciated replacement cost is the current cost of replacing the asset with its modern equivalent asset less deduction for physical deterioration and all relevant forms of obsolescence and optimisation. Buildings in use which have not yet been revalued are stated at historic cost. Land and buildings not in use but required for future development are valued at market value/fair value.

Statement on Internal Financial Control

Responsibility for System of Internal Financial Control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Courts Service. This responsibility is exercised in the context of the resources available to me and my other obligations as Chief Executive Officer. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial control is a continuous process and the system and its effectiveness is kept under ongoing review.

Financial Control Environment

I confirm that a control environment including the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- procedures for all key business processes have been documented
- there are systems in place to safeguard the assets.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Courts Service
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

The Courts Service ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. In total twenty-six supply arrangements were reported under Circular 40/02 in 2017 with a total value of €5,012,796. These are broken down as follows:

- Eight proprietary purchases accounted for a total value of €1,872,896.
- Twelve contracts with a value of €1,376,652 were extended beyond the original contract date:
 - Procurement process is completed for one item with a value of €747,098.
 - Two instances totaling €258,252 arose due to transitional delays in migrating to new utility providers, which will be resolved in 2018.
 - Two items totaling €63,928 were due to procurement time delays with contracts now in place.
 - The remaining 7 items valued at €307,374 are being addressed.
- Two instances with a value of €948,606 arose due to the finalisation of centralised contracts in the Office of Government Procurement and Office of Government Chief Information Officer. A new contract is now in place for one of these items.

- Four instances with a value of €814,642 relate to extensions to existing contracts. The extensions were required to allow sufficient time for Office of Government Procurement and Office of Government Chief Information Officer to put frameworks in place.

Audit and Risk Committee

I confirm that the Courts Service has an Audit and Risk Committee. The Committee is a sub-committee of the Courts Service Board. The role of the Committee is to oversee, advise and support the Board and the Chief Executive Officer/Accounting Officer by reviewing the comprehensiveness of assurances on a range of matters including the integrity of internal financial controls. The Audit and Risk Committee operates under a written charter and reports annually to the Courts Service Board. It also reviews and approves the Internal Audit annual work programme.

Internal Audit

I confirm that the Courts Service has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which has been approved by the Audit and Risk Committee and by me. Its work is informed by analysis of the financial and operational risks to which the Service is exposed, and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis. The internal audit function is reviewed periodically by me and by the Audit and Risk Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Governance

Good governance is fundamental to the effective operation of the Service. In line with the Civil Service Corporate Governance Standard, the existing Corporate Governance Framework was updated. This sets out the statutory basis within which we operate, including the governance arrangements in place, functions and organisational structure, accountability, audit and assurance arrangements. This framework was published in 2016. The Courts Service also has an Oversight Agreement in place with the Department of Justice and Equality.

The Code of Practice for the Governance of State Bodies 2016 came into effect in September 2016. The Courts Service has a robust governance framework and is compliant with the main features of the new code.

Shared Services

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the Courts Service and the Financial Shared Services Centre Killarney for the provision of financial shared services, and the National Shared Service Office for the provision of human resource services and payroll services.

I rely on a letter of assurance from the relevant Accounting Officers of those services that the appropriate controls are exercised in the provision of shared services to the Courts Service.

Risk and Control Framework

The Service has implemented a risk management system which identifies and reports key risks and the management action being taken to address and, to the extent possible, to mitigate those risks.

A corporate risk register is in place which identifies the key risks facing the Service. These are evaluated and graded according to their significance. The corporate risk register is reviewed quarterly by the Senior Management Team (SMT) and Audit & Risk Committee. Risk Management is a standing item for the Courts Service Board and the Chief Risk Officer reports to the Board on the operations of risk management. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The register details existing controls, planned actions needed to mitigate identified risks and assigns responsibility for operation of controls to specific staff.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the SMT, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of Effectiveness

I confirm that the Service has procedures to monitor the effectiveness of its risk management and control procedures. The service's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Service responsible for the development and maintenance of the internal financial control framework.

Internal Financial Control Issues

No weaknesses in internal financial control were identified in relation to 2017 that resulted in, or may result in, a material loss.

The Service continually reviews and implements recommendations arising from the Comptroller and Auditor General and Internal Audit to strengthen the control environment, particularly in the areas of ICT Infrastructure, Business System Support applications and Procurement.

Brendan Ryan
Accounting Officer
Courts Service

25 September 2018

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 22 Courts Service

Opinion on the appropriation account

I have audited the appropriation account for Vote 22 Courts Service for the year ended 31 December 2017 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 22 Courts Service for the year ended 31 December 2017
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Courts Service and have fulfilled my other ethical responsibilities in accordance with the standards.

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

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

Non compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with procurement rules occurred in respect of contracts that operated in 2017.

Seamus McCarthy
Comptroller and Auditor General

25 September 2018

Vote 22 Courts Service

Appropriation Account 2017

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the courts and support the judiciary	140,080	133,115	112,365
Gross expenditure		140,080	133,115	112,365
<i>Deduct</i>				
B	Appropriations-in-aid	47,828	49,093	47,780
Net expenditure		92,252	84,022	64,585

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2017	2016
	€	€
Surplus	8,230,508	1,084,418
Deferred surrender	(6,000,000)	—
Surplus to be surrendered	2,230,508	1,084,418

Brendan Ryan
Accounting Officer
Courts Service

25 September 2018

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2017

	Note	2017	2016
		€000	€000
Programme cost		44,519	27,308
Pay		50,052	48,998
Non pay		38,544	36,059
Gross expenditure		133,115	112,365
<i>Deduct</i>			
Appropriations-in-aid		49,093	47,780
Net expenditure		84,022	64,585
Changes in capital assets			
Purchases cash		(5,680)	
Depreciation		6,323	
Loss on Disposal		47	
		690	4,913
Changes in net current assets			
Decrease in closing accruals		(48)	
Increase in stock		(25)	
		(73)	(1,619)
Direct expenditure		84,639	67,879
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		43,684	41,139
Notional rents ^a		3,315	3,315
Net programme cost		131,638	112,333

^a Notional rent for OPW owned buildings occupied by the Courts Service

1.1 Net Allied Services

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

	2017	2016
	€000	€000
Vote 9 Office of the Revenue Commissioners	180	180
Vote 12 Superannuation and Retired Allowances	11,070	8,339
Vote 13 Office of Public Works	113	793
Vote 18 National Shared Services Office	121	107
Vote 20 An Garda Síochána	180	161
Vote 24 Justice and Equality - Financial Shared Services Centre	276	268
Central Fund – Judicial salaries and pensions	31,744	31,291
	<u>43,684</u>	<u>41,139</u>

Note 2 Statement of Financial Position as at 31 December 2017

	Note	2017 €000	2016 €000
Capital assets	2.2	218,021	194,464
Current assets			
Bank and cash	2.3	26,511	1,631
Stocks	2.4	242	217
Prepayments		2,610	2,493
Accrued income		1,517	1,223
Other debit balances	2.5	1,359	1,134
Total current assets		32,239	6,698
Less current liabilities			
Accrued expenses		1,791	2,693
Other credit balances	2.6	20,705	2,749
Net Exchequer funding due	2.7	7,166	16
Total current liabilities		29,662	5,458
Net current assets		2,577	1,240
Net assets		220,598	195,704
Represented by:			
State funding account	2.1	220,598	195,704

2.1 State funding account

	Note	2017 €000	2016 €000
Balance at 1 January		195,704	213,265
Disbursements from the Vote			
Estimate provision		92,252	
Surplus to be surrendered		(2,230)	
Deferred surrender		(6,000)	
Net vote		84,022	64,585
Expenditure (cash) borne elsewhere	1.1	43,684	41,139
Non cash			
– notional rent	1	3,315	3,315
– revaluations	2.2	25,901	(14,149)
– transfer of asset to local authority	2.2	(390)	(118)
Net programme cost	1	(131,638)	(112,333)
Balance at 31 December		220,598	195,704

2.2 Capital assets

	Land and buildings	IT and office equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2017	234,938	43,273	32,463	1,335	312,009
Additions	1,098	2,654	162	502	4,416
Revaluations ^a	37,180	—	—	—	37,180
Transfer of asset to local authority ^b	(515)	—	—	—	(515)
Disposals	(55)	(60)	(1)	—	(116)
Cost or valuation at 31 December 2017	272,646	45,867	32,624	1,837	352,974
Accumulated depreciation					
Opening balance at 1 January 2017	46,467	39,827	31,251	—	117,545
Depreciation for the year	4,537	1,431	355	—	6,323
Depreciation for revaluation ^a	11,279	—	—	—	11,279
Depreciation for transfer of asset to local authority ^b	(125)	—	—	—	(125)
Depreciation on disposals	(8)	(60)	(1)	—	(69)
Cumulative depreciation at 31 December 2017	62,150	41,198	31,605	—	134,953
Net assets at 31 December 2017	210,496	4,669	1,019	1,837	218,021
Net assets at 31 December 2016	188,471	3,446	1,212	1,335	194,464

Section 26 of the Courts Service Act 1998 provides for the transfer to the Courts Service of legal title in respect of certain land and buildings.

^a Commencing in 2016, it is policy to value buildings in use on the basis of depreciated replacement cost and at 31 December 2017, 27 of a total of 52 properties have been revalued on this basis. The impact of the revaluations in 2017 is to increase the net value of land and buildings by €25.9 million.

Three buildings included in the table above with a net book value of €319,000 have been identified for disposal.

^b Swinford Courthouse with a net book value of €390,000 was transferred to Mayo County Council in 2017.

2.3 Bank and cash

at 31 December	2017	2016
	€000	€000
PMG balances and cash	25,641	812
Commercial bank accounts ^a	870	819
	26,511	1,631

^a Represents the Exchequer-related balances of the bank accounts held by the Courts Service at 31 December each year.

Not included is the account balance of €6.4 million (€7.4 million in 2016) which principally consists of non Exchequer receipts relating to maintenance lodgements under family law, bail money lodgements and court poor box receipts.

Also, the Office of the Accountant of the Courts of Justice holds funds from the Companies Liquidation Account for seven years before they are due to be paid over to the Exchequer. These funds are not included in the above.

2.4 Stocks

at 31 December	2017	2016
	€000	€000
Stationery	161	183
Consumables	14	21
Miscellaneous	67	13
	242	217

2.5 Other debit balances

at 31 December	2017	2016
	€000	€000
Advances to OPW	1,030	903
Recoupment of salaries	137	43
Other debit suspense items	173	174
Imprests	19	14
	1,359	1,134

2.6 Other credit balances

at 31 December	2017	2016
	€000	€000
Amounts due to the State		
Income Tax	749	995
Professional Services Withholding Tax	17	9
Value Added Tax	16,503	60
Pay Related Social Insurance	381	439
Court Fees collected on behalf of other votes	1,487	—
Fines	353	—
Funds for surrender to the Exchequer ^a	870	819
	<u>20,360</u>	<u>2,322</u>
Payroll deductions held in suspense	344	426
Other credit suspense items	1	1
	<u>20,705</u>	<u>2,749</u>

^a This balance represents the Exchequer-related balances of the bank accounts held by the Courts Service at 31 December each year.

2.7 Net Exchequer funding due

At 31 December	2017	2016
	€000	€000
Surplus to be surrendered	2,230	1,084
Deferred surrender	6,000	—
Exchequer grant undrawn	(1,064)	(1,068)
Net Exchequer funding due	<u>7,166</u>	<u>16</u>
Represented by:		
Debtors		
Bank and cash	26,511	1,631
Debit balances: suspense	1,359	1,134
	<u>27,870</u>	<u>2,765</u>
Creditors		
Due to State	(20,359)	(2,322)
Credit balances: suspense	(345)	(427)
	<u>(20,704)</u>	<u>(2,749)</u>
	<u>7,166</u>	<u>16</u>

2.8 Commitments

at 31 December	2017	2016
	€000	€000
a) Global Commitments		
Procurement of goods and services		
ICT	2,453	1,699
Leases	17,154	21,035
Refurbishment loan for Washington Street Courthouse ^a	12,666	14,587
PPP	287,299	278,439
Total of legally enforceable commitments	319,572	315,760

^a The principal (capital) element of this loan outstanding at year end, amounting to €10,575,000 (2016: €11,995,000) is disclosed under note 2.8(b) – multi-annual capital commitments. The balance of the commitment relates to interest.

(b) Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2016	Expenditure in 2017	Project commitments in subsequent years	Expected total spend lifetime of project 2017	Expected total spend lifetime of project 2016
	€000	€000	€000	€000	€000
Refurbishment loan for Washington Street Courthouse	13,045	1,380	10,575	25,000	25,000

(c) Capital cost of Public Private Partnership project

Name of PPP Project	Cumulative expenditure to 31 December 2016	Expenditure in 2017	Legally enforceable commitments to be met in subsequent years	Project total 2017	Project total 2016
	€000	€000	€000	€000	€000
Criminal Courts Complex	48,551	5,638	122,908	177,097	177,097
PPP bundle ^a	—	18,189	164,391	182,580	149,894
Total	48,551	23,827	287,299	359,677	326,991

^a In July 2012, the Government announced an investment package which includes seven courthouse projects, as follows: Wexford, Mullingar, Waterford, Limerick, Cork, Letterkenny and Drogheda. The Courts Service entered into a contract with the preferred bidder in December 2015. Three of the PPP projects; Wexford, Letterkenny and Drogheda were completed in 2017 and the remaining 4 PPP projects are on schedule to be completed in full in 2018.

The increase in project total from €149.9 million in 2016 to €182.5 million in 2017 arises due to capitalised; interest, financing costs during construction and upfront costs relating to the consortium and VAT. These capitalised costs are in accordance with the National Development Finance Agency rules and Revenue Commissioners regulations.

The legally enforceable commitments to be met in subsequent years of €287 million include all future unitary charges.

2.9 Matured liabilities

There were matured liabilities undischarged at year end amounting to €12,100, (2016 - nil). These were paid in January 2018.

Note 3 Vote Expenditure by Subhead

Analysis of administration expenditure

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000).

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	51,814	50,052	48,998
ii	Travel and subsistence	3,013	3,072	2,768
iii	Training and development and incidental expenses	6,356	6,376	6,122
iv	Postal and telecommunications services	2,003	2,852	2,053
v	Office equipment and external IT services	10,855	10,900	9,749
vi	Office premises expenses	15,576	15,251	15,283
vii	Consultancy services and value for money and policy reviews	100	93	84
		89,717	88,596	85,057

Significant variations

i Salaries, wages and allowances

Estimate provision: €51.814 million, outturn: €50.052 million

The saving of €1.762 million on expenditure on salaries, wages and allowances relates to delays in the filling of posts primarily from outside panels particularly at clerical and executive officer level, in addition to savings associated with the replacement of staff at lower points on the pay scale. The original estimate of €51.814 million was reduced by a virement of €1 million to €50.814 million, to meet the cost of anticipated additional demands in non-pay expenditure.

ii Travel and subsistence

Estimate provision: €3.013 million, outturn: €3.072 million

The excess of €0.059 million on expenditure on travel and subsistence was due to the timing of claims made. The original estimate of €3.013 million was increased by a virement to €3.189 million. The decrease in expenditure relative to the revised amount of €3.189 million of €0.117 million is due to the difficulty in forecasting the timing of claims being submitted. The final outturn of €3.072 million is 2% higher than the estimate provision.

iv Postal and telecommunications services

Estimate provision: €2.003 million, outturn: €2.852 million

The excess of €0.849 million on expenditure on postal and telecommunications services was due to the delay in the transfer of the Courts Service telephone network from Wide Area Network (WAN) to the Government Cloud Network, which was anticipated to generate savings. The original estimate of €2.003 million was increased by virement to €2.730 million. The increase in expenditure relative to the revised amount of €2.73 million of €0.122 million is due to an upgrade of the Cisco Unified Communications Manager (CUCM) telephony solution, which was essential as the existing software and servers had reached the end of the contract support period. The final outturn of €2.852 million is 42% higher than the estimate provision.

vi *Office premises expenses*

Estimate provision: €15.576 million, outturn: €15.251 million

The saving of €0.325 million on expenditure on office premises expenses was due to the delay in the completion of a number of courthouse maintenance projects planned for 2017, in addition to the timing of payments in relation to light, heat and fuel. The original estimate of €15.576 million was decreased by virement to €15.109 million. The increase on expenditure relative to the revised amount of €15.109 million of €0.142 million was due to additional payments made in relation to security in Dublin and leases at year end. The final outturn of €15.251 million is 2% less than the estimate provision.

Programme A Manage the Courts and Support the Judiciary

		2017		2016
		Estimated	Outturn	Outturn
		€000	€000	€000
A.1	Administration - pay	51,814	50,052	48,998
A.2	Administration - non pay	37,903	38,544	36,059
A.3	Courthouse (capital works)	4,880	3,992	4,223
A.4	PPP costs	45,483	40,527	23,085
		140,080	133,115	112,365

Significant variations

Overall, the gross expenditure in relation to the programme was €6.965 million less than provided (€6 million of this underspend is due to the capital carryover from 2017 to 2018).

€1.121 million of this related to administration expenditure and has already been explained and the balance of the variance of €5.844 million was mainly due to the following:

A.3 Courthouse (capital works)

Estimate provision: €4.880 million, outturn: €3.992 million

The shortfall in expenditure of €0.888 million relative to the estimate provision was due to the delay in the purchase of sites in 2017. An amount of €0.892 million was carried forward to 2018 under the capital carryover provisions. The final outturn of €3.992 million was 18.2% less than the Estimate Provision.

A.4 PPP costs

Estimate provision: €45.483 million, outturn: €40.527 million

The shortfall in expenditure of €4.956 million relative to the estimate provision is made up of an underspend on the PPP Regional Unitary Payments of €2.160 million and the PPP VAT Payments of €2.680 million due to the delay in the completion of a number of regional PPP courthouses, in addition to an underspend of €0.116 million, on the CCJ Unitary Payment due to an insurance rebate. €2.091 million and €2.617 million were carried over into 2018 in relation to the PPP Regional Unitary payments and PPP VAT Payments respectively under the capital carryover provisions.

The final outturn of €40.527 million was 10.9% less than the Estimate Provision.

Note 4 Receipts

4.1 Appropriations-in-aid

	2017		2016
	Estimated	Realised	Realised
	€000	€000	€000
1 Fees	44,693	45,838	44,336
2 Miscellaneous	1,442	1,478	1,497
3 Receipts from pension-related deduction on public service remuneration	1,693	1,777	1,947
Total	47,828	49,093	47,780

4.2 Extra receipts payable to the Exchequer

	2017		2016
	Estimated	Realised	Realised
	€000	€000	€000
Balance at 1 January	—	—	—
Road Traffic Act fines ^a	5,500	4,831	5,606
Other fines ^a	4,000	4,573	3,308
Other receipts ^b	—	68	425
Total transferred to Exchequer	(9,500)	(9,472)	(9,339)
Balance at 31 December	—	—	—

^a The value of fines receipts increased in 2017. This is owing to an increase in the 'Other' (Exchequer) fines of €1.265 million primarily due to the receipt of €1 million fine from a Court of Appeal case. In the absence of this one-off receipt of €1 million, extra receipts payable to the Exchequer would have decreased overall due to the transition to the Fines (Payment and Recovery) Act 2014, which commenced on 11 January 2016. The decrease in the Road Traffic Act fines is an ongoing consequence of the introduction of the Fines Act and the delay in enforcement proceedings in place for non-payment of fines. The decrease in Road Traffic Act Fines in 2017 was €0.775 million.

^b The Office of the Accountant of the Courts of Justice holds funds from the Companies Liquidation Account for seven years before they are due to be paid over to the Exchequer. The 2017 receipts relate to funds lodged in 2010. The balance of these funds as at the 31 December 2017 is €2.663 million.

4.3 Fines and fees collected on behalf of other Departments

Direct payments were made to the following government departments / agencies in respect of fines and fees collected by the Court Service on their behalf in 2017.

	2017	2016
	€000	€000
Balance at 1 January	—	—
Revenue Commissioners		
— Revenue fines ^a	956	1,421
— Excise Duty ^b	4,933	4,935
Department of Communications, Climate Action and Environment	10	19
Department of Agriculture, Food and the Marine	87	187
Total transferred	<u>(5,986)</u>	<u>(6,562)</u>
Balance at 31 December	<u>—</u>	<u>—</u>

^a Moneys collected relate to court fines imposed where the prosecutor is the Revenue Commissioners.

^b Moneys collected relate to fees for certain licensing applications such as extension of opening hours and special exemption orders which are received by the Court Service on behalf of the Revenue Commissioners.

Note 5 Employee Numbers and Pay

5.1 Employee numbers

	2017	2016
Number of staff at year end (full time equivalents)	<u>1,026</u>	<u>976</u>

5.2 Pay

	2017	2016
	€000	€000
Pay	45,718	44,865
Higher, special or additional duties allowance	101	59
Other allowances	953	974
Overtime	282	283
Employer's PRSI	2,998	2,819
Total pay	<u>50,052</u>	<u>49,000</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2017 €	Highest individual payment 2016 €
Higher, special or additional duties	37	1	13,975	8,658
Other allowances	244	13	19,585	19,961
Overtime	138	7	22,550	22,323
Extra remuneration in more than one category	57	11	24,405	24,476

5.4 Other remuneration arrangements

A total of €51,830 was paid in 2017 to three retired civil servants in receipt of civil service pensions who were engaged for short periods during 2017. This amount is made up of €26,145 payroll and €25,684 travel and subsistence. The pension abatement rule was applied in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.5 Recouped costs

Salary costs of €197,472 were recouped from tribunals and government departments in respect of staff on secondment.

5.6 Salary overpayments

Overpayments at the year-end were €149,281 in respect of 121 individuals (2016: €92,818, with 76 cases). Outstanding overpayments with recovery plans in place at end of year is €76,316.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Compensation awarded	Legal costs awarded and paid	Legal costs paid by the Courts Service	2017	2016
					Total	Total
		€000	€000	€000	€000	€000
Claims by members of the public	30	100	406	141	647	602

Total payments in respect of third-party legal costs and compensation costs amounted to €505,716. These included costs associated with judicial review proceedings where the Courts Service was a party to such proceedings, and payments in respect of actions dealt with by the State Claims Agency amounting to €408,495.

6.2 Arbitration and conciliation costs

There was no expenditure in relation to Arbitration and Conciliation Costs in 2017. There was one case in 2016 with a total cost of €15,188.

6.3 Write-offs and provisions

During 2017, Vote 22 wrote off €3,390 in relation to administrative errors (2016: €1,871).

6.4 Carryover to 2018

Under the provisions of section 91 of the Finance Act 2004, unspent allocations in respect of the capital elements of €0.400 million, €0.892 million and €4.708 million of subheads A.2, A.3 and A.4, respectively, was carried forward to 2018.

Appendix A State-owned lands and buildings controlled or managed by the Courts Service which do not have valuations

The Courts Service currently manages the following:

- 1 Cork District Court, Anglesea Street, Cork City
- 2 Limerick Courthouse, Mulgrave Street, Co. Limerick
- 3 Drogheda Courthouse, Linenhall Street, Co. Louth
- 4 Mullingar Courthouse, Mount Street, Mullingar, Co. Westmeath

These lands are vested in the Courts Service. The lands were transferred to the Courts Service at no cost.
