

Appropriation Account 2018

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 2018 for 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 2018, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.612 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:

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.

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.

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.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

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.

Non-compliance with procurement rules

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 nineteen supply arrangements were reported under Circular 40/02 in 2018 with a total value of €3,371,070 (excluding VAT). These are broken down as follows

- Eight contracts with a value of €343,519 are considered non-competitive and non-compliant as the contracts were extended beyond their original contract terms.
 - Three instances with a total value of €95,904 where procurement is currently underway and is expected to be completed in 2019.
 - Two instances totaling €81,844 arose due to transitional delays in migrating to new utility providers. For one of these, a new contract is now in place.
 - For the remaining three items valued at €165,771, two will be addressed in 2019 with the remaining item relating to a once off service in 2018.
- Three instances with a value of €1,215,533 are considered non-competitive and non-compliant. The delays in entering into a procurement process arose due to matters arising as a result of centralised contracts put in place by the Office of Government Procurement and the Office of Government Chief Information Officer.
- Eight purchases with a total value of €1,812,018 are considered non-competitive but compliant as they are proprietary purchases.

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, risk management and financial statements. The 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 Court Service Board. 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.

Two internal audit reports highlighted deficiencies in the recording procedures used to support extra attendance claims for certain additional remuneration. These deficiencies are currently being addressed.

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 which are kept under review.

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 framework 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 2018 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

18 September 2019

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 2018 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 2018
- 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 national procurement rules occurred in respect of contracts that operated in 2018.

Seamus McCarthy

Comptroller and Auditor General

19 September 2019

Vote 22 Courts Service

Appropriation Account 2018

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the courts and support the judiciary			
	<i>Original</i>	131,575		
	<i>Deferred surrender</i>	6,000		
	<i>Supplementary</i>	601		
			138,176	135,003
				133,115
	Gross expenditure	138,176	135,003	133,115
	<i>Deduct</i>			
B	Appropriations-in-aid			
	<i>Original</i>	47,969		
	<i>Supplementary</i>	600		
			48,569	49,508
				49,093
	Net expenditure			
	<i>Original</i>	83,606		
	<i>Deferred surrender</i>	6,000		
	<i>Supplementary</i>	1		
			89,607	85,495
				84,022

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. €2.5 million of unspent allocations in respect of the capital elements of Subhead A.4 was carried forward to 2019.

	2018	2017
	€	€
Surplus	4,111,785	8,230,508
Deferred surrender	(2,500,000)	(6,000,000)
Surplus to be surrendered	1,611,785	2,230,508

Brendan Ryan
Accounting Officer
Courts Service

28 March 2019

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2018

	2018	2017
	€000	€000
Programme cost	40,840	44,519
Pay	52,524	50,052
Non pay	41,639	38,544
Gross expenditure	135,003	133,115
<i>Deduct</i>		
Appropriations-in-aid	49,508	49,093
Net expenditure	85,495	84,022
Changes in capital assets		
Purchases cash	(4,250)	
Depreciation	7,230	
	2,980	690
Changes in net current assets		
Increase in closing accruals	466	
Decrease in stock	16	
	482	(73)
Direct expenditure	88,957	84,639
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	49,308	43,684
Notional rents ^a	3,481	3,315
Net programme cost	141,746	131,638

Note ^a Notional rents 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 estimated amounts in relation to Vote 22 borne elsewhere.

	2018	2017
	€000	€000
Vote 9 Office of the Revenue Commissioners	180	180
Vote 12 Superannuation and Retired Allowances	12,802	11,070
Vote 13 Office of Public Works	1,714	113
Vote 18 National Shared Services Office	101	121
Vote 20 An Garda Síochána	196	180
Vote 24 Justice and Equality - Financial Shared Services Centre	292	276
Central Fund – Judicial salaries and pensions	34,023	31,744
	49,308	43,684

Note 2 Statement of Financial Position as at 31 December 2018

	Note	2018 €000	2017 €000
Capital assets	2.2	213,046	218,021
Current assets			
Bank and cash	2.3	4,530	26,511
Stocks	2.4	226	242
Prepayments		2,712	2,610
Accrued income		1,846	1,517
Other debit balances	2.5	1,406	1,359
Total current assets		<u>10,720</u>	<u>32,239</u>
Less current liabilities			
Accrued expenses		3,329	1,791
Other credit balances	2.6	2,788	20,705
Net Exchequer funding due	2.7	3,148	7,166
Total current liabilities		<u>9,265</u>	<u>29,662</u>
Net current assets		<u>1,455</u>	<u>2,577</u>
Net assets		<u>214,501</u>	<u>220,598</u>
Represented by:			
State funding account	2.1	<u>214,501</u>	<u>220,598</u>

2.1 State funding account

	Note	2018 €000	2017 €000
Balance at 1 January		220,598	195,704
Disbursements from the Vote			
Estimate provision		89,607	
Surplus to be surrendered		(1,612)	
Deferred surrender		<u>(2,500)</u>	
Net vote		85,495	84,022
Expenditure (cash) borne elsewhere	1.1	49,308	43,684
Non cash			
– notional rent	1	3,481	3,315
– revaluations	2.2	(165)	25,901
– transfer of assets	2.2	(2,470)	(390)
Net programme cost	1	<u>(141,746)</u>	<u>(131,638)</u>
Balance at 31 December		<u>214,501</u>	<u>220,598</u>

2.2 Capital assets

	Land and buildings ^a	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 2018	272,646	45,867	32,624	1,837	352,974
Additions	7	1,927	34	2,922	4,890
Brought into use	232	1,597	—	(1,829)	—
Transfer of assets to other agencies ^c	(3,200)	—	—	—	(3,200)
Revaluations adjustments	(165)	—	—	—	(165)
Disposals	—	(6)	(2)	—	(8)
Cost or valuation at 31 December 2018	269,520 ^b	49,385	32,656	2,930	354,491
Accumulated depreciation					
Opening balance at 1 January 2018	62,150	41,198	31,605	—	134,953
Depreciation for the year	5,261	1,749	220	—	7,230
Depreciation on transfer of assets to other agencies ^a	(730)	—	—	—	(730)
Depreciation on disposals	—	(6)	(2)	—	(8)
Cumulative depreciation at 31 December 2018	66,681	42,941	31,823	—	141,445
Net assets at 31 December 2018	202,839	6,444	833	2,930	213,046
Net assets at 31 December 2017	210,496	4,669	1,019	1,837	218,021

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

^b The Courts Service currently owns 48 buildings and four sites. Of these, 40 buildings and four sites have been revalued. There were no valuations carried out in 2018. Valuations of the seven PPP regional courthouses will be considered during 2019.

^c In 2018, Kilmainham Courthouse with a net book value of €2.33 million was transferred to the OPW, and Ballyhaunis Courthouse with a net book value of €140,000 was transferred to Mayo County Council.

2.3 Bank and cash

at 31 December	2018	2017
	€000	€000
PMG balances	3,641	25,641
Other commercial bank accounts ^a	889	870
	4,530	26,511

Note ^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 €7.68 million (€6.4 million in 2017) which principally consists of non-Exchequer receipts relating to maintenance lodgements under family law, bail money lodgements and court poor box receipts.

2.4 Stocks

at 31 December	2018	2017
	€000	€000
Stationery	170	161
Consumables	19	14
Miscellaneous	37	67
	226	242

2.5 Other debit balances

at 31 December	2018	2017
	€000	€000
Advances to OPW	1,148	1,030
Recoupment of salaries	20	137
Other debit suspense items	214	173
Imprests	24	19
	1,406	1,359

2.6 Other credit balances

at 31 December	2018	2017
	€000	€000
Amounts due to the State		
Income Tax	760	749
Professional Services Withholding Tax	39	17
Value Added Tax	82	16,503
Pay Related Social Insurance	378	381
Court Fees collected on behalf of other votes	—	1,487
Fines	323	353
Funds for surrender to the Exchequer ^a	889	870
	<u>2,471</u>	<u>20,360</u>
Payroll deductions held in suspense	316	344
Other credit suspense items	1	1
	<u>2,788</u>	<u>20,705</u>

Note ^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	2018	2017
	€000	€000
Surplus to be surrendered	1,612	2,230
Deferred surrender	2,500	6,000
Exchequer grant undrawn	(964)	(1,064)
Net Exchequer funding due	<u>3,148</u>	<u>7,166</u>
Represented by:		
Debtors		
Bank and cash	4,530	26,511
Debit balances: suspense	1,406	1,359
	<u>5,936</u>	<u>27,870</u>
Creditors		
Due to State	(2,471)	(20,359)
Credit balances: suspense	(317)	(345)
	<u>(2,788)</u>	<u>(20,704)</u>
	<u>3,148</u>	<u>7,166</u>

2.8 Commitments

at 31 December	2018	2017
	€000	€000
Global commitments		
Procurement of goods and services		
ICT	2,091	2,453
Leases	13,599	17,154
Refurbishment loan ^a	10,809	12,666
PPP	748,780	287,299
Total of legally enforceable commitments	775,279	319,572

Note ^a The loan was taken out to fund refurbishment of the Courthouse at Washington Street, Cork. The principal (capital) element of this loan outstanding at year end, amounting to €9.195 million (2017: €10.575 million) is disclosed under multi-annual capital commitments. The balance of the commitment relates to interest.

Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2017	Expenditure in 2018	Project commitments in subsequent years	Expected total spend lifetime of project 2018	Expected total spend lifetime of project 2017
	€000	€000	€000	€000	€000
Refurbishment loan for Washington Street Courthouse	14,425	1,380	9,195	25,000	25,000

Capital cost of Public Private Partnership project

Name of PPP Project	Cumulative expenditure to 31 December 2017	Expenditure in 2018	Legally enforceable commitments to be met in subsequent years	Project total 2018	Project total 2017
	€000	€000	€000	€000	€000
Criminal Courts Complex	189,398	21,056	386,283	596,736	599,196
PPP bundle ^a	18,480	14,744	371,397	395,721	396,875
Total	207,878	35,800	757,680^b	992,457	996,071

Notes ^a In July 2012, the Government announced an investment package which included seven courthouse projects. 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 four PPP projects (Cork, Limerick, Waterford and Mullingar) were completed in full in 2018. The contract for the PPP bundle of projects provided for claims, in particular in relation to latent defects in historical buildings. In May 2019, agreement was reached with the contract provider to pay €8.9 million (ex VAT), on a phased basis over the three year period 2019-2021.

^b The legally enforceable commitments to be met in subsequent years of €757.680 million include all future unitary charges.

2.9 Matured liabilities

There were no matured liabilities undischarged at year end (2017 - €12,100).

Note 3 Vote Expenditure

Analysis of administration expenditure

		2018		2017
		Estimate provision		Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	53,975		
	<i>Supplementary</i>	(962)		
			53,013	52,524
ii	Travel and subsistence			50,052
	<i>Original</i>	3,013		
	<i>Supplementary</i>	53		
			3,066	3,355
iii	Training and development and incidental expenses			3,072
	<i>Original</i>	6,291		
	<i>Supplementary</i>	1,686		
			7,977	7,498
iv	Postal and telecommunications services			6,376
	<i>Original</i>	2,003		
	<i>Supplementary</i>	847		
			2,850	2,876
v	Office equipment and external IT services			2,852
	<i>Original</i>	8,774		
	<i>Deferred surrender</i>	881		
	<i>Supplementary</i>	1,465		
			11,120	12,313
vi	Office premises expenses			10,900
	<i>Original</i>	16,576		
	<i>Supplementary</i>	(1,414)		
			15,162	15,509
vii	Consultancy services and value for money and policy reviews			15,251
	<i>Original</i>	100		
	<i>Supplementary</i>	26		
			126	88
			93,314	94,163
				88,596

Significant variations

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

- i* **Salaries, wages and allowances**
Original estimate: €53.975 million, outturn: €52.524 million
The saving of €1.451 million on expenditure on salaries, wages and allowances was due to the delay in the filling of posts in a complex and dynamic recruitment environment, combined with the lower cost of replacements. The original estimate of €53.975 million was reduced by a supplementary of €962,000 to €53.013 million, to meet the cost of anticipated additional demands in non-pay current.
- ii* **Travel and subsistence**
Original estimate: €3.013 million, outturn: €3.355 million
The overspend of €342,000 on travel and subsistence was due to the difficulty in forecasting the timing of claims being submitted. The original estimate was increased by €53,000 by way of supplementary to €3.066 million. The final outturn of €3.355 million was 11% higher than the original estimate
- iii* **Training and development and incidental expenses**
Original estimate: €6.291million, outturn: €7.498 million
The overspend of €1.207 million on training and development and incidental expenses was due to the following:
- Increase in interpreting services and associated mileage costs which are now in line with current market rates.
 - Difficulty in forecasting Digital Audio Recording expenditure as this is a demand led service.
 - Compensation claims along with associated legal costs which by their nature are difficult to project.
 - The full year cost of bank charges.
 - Temporary contract support
- The original estimate of €6.291 million was increased by €1.686 million by way of supplementary to €7.977 million. The final outturn of €7.498 million is 19% higher than the original estimate.
- iv* **Postal and telecommunications services**
Original estimate: €2.003 million, outturn: €2.876 million
The overspend of €873,000 on postal and telecommunications was due to the following:
- An increase on standard postal rates and meter costs.
 - The ongoing 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 €0.847 million by way of supplementary to €2.850 million.
The final outturn of €2.876 million was 44% higher than original estimate.

v *Office equipment and external IT services*

Original estimate: €9.655 million, outturn €12.313 million

The overspend in expenditure of €2.658 million was as a result of the following:

- ICT costs of €1.107 million associated with the Video Conference refresh.
- Additional expenditure of €1.551 million in relation to upgrading the current ICT infrastructure.

The original estimate of €9.655 million was increased by €1.465 million by a supplementary to give a revised estimate provision of €11.120 million. The final outturn of €12.313 million was 28% higher than the original estimate and 11% higher than the revised estimate provision.

vi *Office premises expenses*

Original estimate: €16.576 million, outturn €15.509 million

The underspend of €1.067 million on office premises expenses was due to the delay in the completion of a number of courthouse maintenance projects planned in 2018. The original estimate of €16.576 million was decreased by €1.414 million by way of supplementary to €15.162 million. The final outturn of €15.509 million was 6% lower than the original estimate.

Programme A Manage the Courts and Support the Judiciary

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration - pay			
	<i>Original</i>	53,975		
	<i>Supplementary</i>	(962)		
			53,013	52,524
A.2	Administration - non pay			50,052
	<i>Original</i>	36,757		
	<i>Deferred surrender</i>	881		
	<i>Supplementary</i>	2,663		
			40,301	41,639
A.3	Courthouse (capital works)			38,544
	<i>Original</i>	4,880		
	<i>Deferred surrender</i>	1,383		
			6,263	5,041
A.4	PPP costs			3,992
	<i>Original</i>	35,963		
	<i>Deferred surrender</i>	3,736		
	<i>Supplementary</i>	(1,100)		
			38,599	35,799
		138,176	135,003	133,115

Significant variations

Overall, the expenditure in relation to Programme A was €2.572 million less than provided. This includes an overspend on A.2 of €4.001 million which has already been explained. The remaining balance represents an underspend of €6.573 million which is explained below:

A.3 Courthouse (capital works)

Original estimate: €6.263 million, outturn €5.041 million

The original estimate includes an element totalling €1.383 million of the capital carryover from 2017. The underspend of €1.222 million is due to the delayed purchase of a site combined with the delay in the Naas Courthouse roof repairs. The final outturn of €5.041 million was 20% less than the original estimate.

A.4 PPP costs

Original estimate: €39.699 million, outturn: €35.799 million

The original estimate includes €3.736 million of the capital carryover from 2017 which was allocated to PPP VAT.

The underspend of €3.9 million was largely due to the following:

- An underspend of €1.1m had been re-allocated from the PPP CCJ Unitary Payment heading to meet the ICT costs of the Video Conference refresh in the CCJ.
- An underspend of €2.5 million had been projected due to the delay in the completion of the 7 PPP sites, resulting in the full allocation not being incurred. Sanction was approved to carryover this into 2019.

The final outturn of €35.799 million was 10% less than the original estimate.

Note 4 Receipts

4.1 Appropriations-in-aid

		2018		2017
		Estimated	Realised	Realised
		€000	€000	€000
1	Fees			
	Original	44,693		
	Supplementary	780		
			45,473	46,222
2	Miscellaneous			45,838
	Original	1,442		
	Supplementary	(230)		
			1,212	1,382
3	Receipts from pension-related deduction on public service remuneration			1,478
	Original	1,834		
	Supplementary	50		
			1,884	1,904
Total		48,569	49,508	1,777
				49,093

Significant variations

Overall, appropriations-in-aid were €1.539 million more than the estimate.

Explanations for variances are set out below:

1 Fees

Original estimate: €44.693 million, outturn: €46.222 million

Fee income for 2018 was higher than original estimate by €1.529 million as a result of additional receipts taken in by the Examiner's Office.

4.2 Extra receipts payable to the Exchequer

	2018	2017
	Realised	Realised
	€000	€000
Balance at 1 January	—	—
Road Traffic Act fines	5,353	4,882
Refunds	(346)	(51)
Other fines	1,843	4,573
Other receipts ^a	135	68
Total transferred to Exchequer	(6,985)	(9,472)
Balance at 31 December	—	—

Note ^a 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 Department of Finance. The 2018 receipts relate to funds lodged in 2011. The balance of these funds as at the 31 December 2018 is €2.735 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 2018.

	2018 €000	2017 €000
Balance at 1 January	—	—
Revenue Commissioners		
— Revenue fines ^a	848	956
— Excise Duty ^b	4,884	4,933
Department of Communications, Climate Action and Environment	13	10
Department of Agriculture, Food and the Marine	30	87
Total transferred	(5,775)	(5,986)
Balance at 31 December	—	—

Notes ^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 Staffing and Remuneration

5.1 Employee numbers (full time equivalents)

	2018	2017
Number of staff at year end	1,049	1,026

5.2 Pay

	2018 €000	2017 €000
Pay	47,822	45,718
Higher, special or additional duties allowance	155	101
Other allowances	951	953
Overtime	295	282
Employer's PRSI	3,301	2,998
Total pay	52,524	50,052

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2018 €	2017 €
Higher, special or additional duties	51	3	22,878	13,975
Other allowances	245	12	19,585	19,585
Overtime	181	6	20,950	22,550
Extra remuneration in more than one category	67	6	22,154	24,405

5.4 Other remuneration arrangements

A total of €79,018 was paid in 2018 to two retired civil servants in receipt of civil service pensions who were engaged for short periods during 2018. This amount is made up of €23,211 payroll and €55,807 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 €204,078 were recouped from tribunals and government departments in respect of staff on secondment.

5.6 Salary overpayments

Overpayments at the year-end were €135,865 in respect of 154 individuals (2017: €149,281, 121 number of individuals). Of this, €14,822 (69 cases) have recovery plans in place.

Note 6 Miscellaneous

6.1 Compensation and legal costs

					2018	2017
	Number of cases	Compensation awarded	Legal costs awarded and paid	Legal costs paid by the Courts Service	Total	Total
		€000	€000	€000	€000	€000
Claims by members of the public	30	48	755	277	1,080	647

Note Total payments in respect of third-party legal costs and compensation costs amounted to €802,530. These include payments in respect of proceedings dealt with by the State Claims Agency amounting to €696,629 and proceedings in which the Courts Service was a party including proceedings by way of judicial review.

6.2 Write-offs and provisions

During 2018, Vote 22 wrote off €4,721 in relation to administrative errors (2017: €3,390)

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

- 1 Cork District Court, Anglesea Street, Cork City (PPP)
- 2 Limerick Courthouse, Mulgrave Street, Co. Limerick (PPP)
- 3 Drogheda Courthouse, St. Patrick's Lane, Co. Louth (PPP)
- 4 Mullingar Courthouse, Mount Street, Mullingar, Co. Westmeath (PPP)
- 5 Letterkenny Courthouse, High Street, Letterkenny, Co. Donegal (PPP)
- 6 Waterford Courthouse, Catherine Street, Waterford City (PPP)
- 7 Wexford Courthouse, Belvedere Road, Wexford Town (PPP)
- 8 Dundalk Courthouse, Dundalk, Co. Louth