

Appropriation Account 2020

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 2020 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 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 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.356 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 2020. 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, as set out by the Department of Public Expenditure and Reform in Circular 22 of 2020, have been applied in the preparation of the account except for the following.

Capitalisation threshold

The Courts Service is availing of the sanction from the Department of Public Expenditure and Reform to report on assets with a value over €1,000 for the 2020 appropriation account, as we are not in a position to apply the new threshold of €10,000.

Valuation of land and buildings

In 2016, the policy was adopted of valuing buildings every five years 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.

Depreciation

- Land is not depreciated.
- Buildings are depreciated at a rate of 2% per annum on a straight line basis.
- All other assets are depreciated on a straight line basis over their estimated useful life, starting in the month placed in service.

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 controls is a continuous process and the system and its effectiveness are kept under ongoing 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 Services Office for the provision of human resource services and payroll services.

I rely on letters of assurance from the Accounting Officers for the National Shared Services Office and for the Financial Shared Service Centre, Killarney that the appropriate controls are exercised in the provision of shared services to the Courts Service.

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 containing 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.

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 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 Courts 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.

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.

The Courts Service complied with the guidelines with the exception of 14 contracts (in excess of €25,000), totalling €3,820,050 (ex. VAT) as set out below.

- Two contracts with a value of €2,523,531 for ICT managed services and video link systems where services were extended beyond the contract expiry date to ensure service continuity due to a delay in the procurement process. In both instances new contracts are now in place.
- One contract with a value of €251,360 due to the engagement of ICT service support that was extended beyond the contract expiry date. The procurement for these services will be conducted in 2021.
- One instance with a value of €227,921 for bank charges due to a delay in transitioning to Danske bank following a government decision and a competitive procurement process for banking services, the transition for which is being completed on a phased basis.
- One contract with a value of €193,367 for mobile phone services due to a delay in a central government contract being put in place for mobile voice and data services. It is expected that this matter will be rectified in 2021.
- Two contracts with a value of €143,053 for services relating to the Fines (Payment and Recovery) Act 2014, beyond the expiry of the original contract. The Courts Service is awaiting the recommendations of a working group on the Act as to whether such services will be required and re-tendered for.
- One contract with a value of €132,943 due to project management services that was extended beyond the contract expiry date. This will be formalised and tendered for in 2021.
- One contract with a value of €130,943 due to the engagement of ICT support beyond the contract expiry date. Procurement for these services will be conducted in 2021.
- One instance with a value of €87,563 for costs of telephony services. A review of these services is to be undertaken and, if required, procurement will be conducted during 2021.

- One contract with a value of €35,980 for canteen services in Phoenix House which had been extended beyond the contract expiry date. Following a review in 2020, these services will no longer be required.
- One contract with a value of €34,113 for transitional interpreting services required between the expiry of the old contract and the commencement of the new contract.
- One contract with a value of €30,172 due to time critical courier services which could not be met within the existing contract.
- One instance with a value of €29,104 for sign language interpreting services, the demand for which is being assessed for the purposes of establishing our requirements and assessing procurement options.

The Courts Service has provided details of non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and to the Department of Public Expenditure and Reform.

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 and audit assurance arrangements. This framework was published in 2016. The Courts Service also has an oversight agreement in place with the Department of Justice.

The *Code of Practice for the Governance of State Bodies* came into effect in September 2016. The Courts Service has a robust governance framework in place and is, in addition to its compliance with the Civil Service *Corporate Governance Standard*, compliant with the main features of this code which are kept under review.

Risk and control framework

The Service has implemented a risk management system which identifies and reports key risks and the management actions 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 and 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 risk register details 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 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.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in changes to the working and control environment with remote and virtual working becoming the norm in the Courts Service.

As a front-line service, the primary objective in managing the pandemic was to ensure appropriate measures were in place to ensure a safe environment for staff, the judiciary and courts users, while complying with guidance and instruction from National Public Health Emergency Team and the HSE.

The most significant impact of the pandemic was on the provisions of services, a substantial element of which must, by their nature, be provided in person. Accordingly, the named risks facing the Service were

- the risk of the spread of Covid-19 among staff, the judiciary and court users
- a reduction in service delivery capacity, impacting on waiting times across all jurisdictions and access to justice.

As part of the initial response to the pandemic, a Covid-19 Response Management Team was established to develop a business response plan. A Covid-19 safety management programme was central to the plan. Furthermore, a Covid-19 Recovery Committee was established on foot of the Government's publication of *Resilience and Recovery 2020-2021*. Taken together, the measures put in place included

- risk assessments of all buildings in compliance with health and safety protocols
- remote working policy and returning to work safety protocol
- remote court hearings and the increased use of video conference
- prioritising of cases, particularly family law, domestic violence and child custody cases
- weekly updates from the Covid-19 Response Management Team.
- regular meetings with the senior members of the judiciary and key stakeholders
- recovery roadmaps for crime and family law.

A Covid-19 recovery risk register was in place for 2020. This register identified pandemic-related risks in all major operational categories, including finance, service delivery, buildings and people, and ensured mitigating actions were adopted in response to identified risks.

Key payment controls were maintained throughout the pandemic. However, it was necessary to revise certain processes to allow remote approval of invoices and payment forms by email where necessary. Secure remote access was provided to existing systems to allow access to staff working remotely.

A total of €5.4 million was incurred on Covid-19 related expenditure in 2020, primarily in relation to ICT, courthouse capital and maintenance. Covid-19 had a significant impact on court fee income, primarily driven by a reduction in licensing and civil business. This resulted in a shortfall in fees of €17.081 million.

Under the Courts Service risk control framework, we carried out a risk assessment of the impact of Covid-19. I can confirm that both existing and new financial and administrative controls introduced as a result of Covid-19 continue to be in place and their effectiveness is kept under on-going review.

Internal financial control issues

During 2020, the Courts Service Internal Audit Unit finalised a report in relation to overpayments to a supplier. The matter is subject to ongoing discussions with the supplier to agree the amount of the overpayment and the recovery of same. The overpayments arose as a result of rates paid which were not in agreement with the contracted rates. The Service has taken action to prevent its re-occurrence. No other weaknesses in internal financial control were identified in relation to 2020 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 procurement, contract management and record management, ICT infrastructure, business systems and support applications. This is a continuous process and the system and its effectiveness is kept under ongoing review.

Angela Denning
Accounting Officer
Courts Service

28 September 2021

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 2020 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 2020, and
- 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*.

Overpayments to a supplier

The Accounting Officer has disclosed in the statement on internal financial control that a supplier had been overpaid by the Courts Service because the rates paid were in excess of the contracted rates. She has stated that discussions are ongoing with the supplier regarding the recovery of the overpayments and that actions have been taken to prevent a re-occurrence.

Non-compliance with procurement rules

The Accounting Officer has also 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 2020.

Seamus McCarthy

Comptroller and Auditor General

28 September 2021

Vote 22 Courts Service

Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Manage the courts and support the judiciary			
	<i>Original</i>	156,378		
	<i>Supplementary</i>	4,800		
		161,178	154,628	139,416
Gross expenditure		161,178	154,628	139,416
	<i>Deduct</i>			
B	Appropriations-in-aid			
	<i>Original</i>	50,133		
	<i>Supplementary</i>	(18,200)		
		31,933	32,634	47,084
Net expenditure				
	<i>Original</i>	106,245		
	<i>Supplementary</i>	23,000		
		129,245	121,994	92,332

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.

	2020	2019
	€	€
Surplus	7,251,177	792,780
Deferred surrender	(4,895,000)	—
Surplus to be surrendered	2,356,177	792,780

Angela Denning
Accounting Officer
Courts Service

28 September 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

		2020	2019
	€000	€000	€000
Programme cost		50,831	42,642
Pay		57,556	54,543
Non pay		46,241	42,231
Gross expenditure		154,628	139,416
<i>Deduct</i>			
Appropriations-in-aid		32,634	47,084
Net expenditure		121,994	92,332
Changes in capital assets			
Purchases cash	(5,341)		
Depreciation	8,738		
Loss on disposal	4	3,401	721
Changes in net current assets			
Decrease in closing accruals	(1600)		
Increase in stock	(48)	(1,648)	(789)
Direct expenditure		123,747	92,264
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		53,608	53,106
Notional rents ^a		3,605	3,605
Net programme cost		180,960	148,975

Note ^a Notional rents for Office of Public Works (OPW) owned buildings occupied by the Courts Service.

1.1 Net allied services expenditure

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

		2020	2019
		€000	€000
Vote 9	Office of the Revenue Commissioners	198	185
Vote 12	Superannuation and Retired Allowances	14,689	14,729
Vote 13	Office of Public Works	436	1,343
Vote 18	National Shared Service Office	116	106
Vote 20	Garda Síochána	200	200
Vote 24	Justice – Financial Shared Services Centre	303	296
	Central Fund - judicial salaries and pensions	37,666	36,247
		53,608	53,106

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	204,675	207,247
Current assets			
Bank and cash	2.2	5,865	63
Stocks	2.3	226	178
Prepayments		3,860	2,375
Accrued income		1,999	2,200
Other debit balances	2.4	4,012	3,429
Total current assets		15,962	8,245
Less current liabilities			
Accrued expenses		2,889	2,132
Other credit balances	2.5	4,823	3,359
Net Exchequer funding	2.6	5,054	133
Total current liabilities		12,766	5,624
Net current assets		3,196	2,621
Net assets		207,871	209,868
Represented by:			
State funding account	2.7	207,871	209,868

2.1 Capital assets

	Land and buildings ^{a, b}	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 2020	263,629 ^b	54,577	32,697	3,933	354,836
Additions	698	3,217	99	2,400	6,414
Brought into use	2,424	2,539	—	(4,963)	—
Transfer out to other agencies ^c	(350)	—	—	—	(350)
Disposals	(3)	(1,254)	(1,170)	—	(2,427)
Cost or valuation at 31 December 2020	266,398	59,079	31,626	1,370	358,473
Accumulated depreciation					
Opening balance at 1 January 2020	70,127	45,525	31,937	—	147,589
Depreciation for the year	5,124	3,441	173	—	8,738
Depreciation for transfer to other agencies	(106)	—	—	—	(106)
Depreciation on disposals	—	(1,254)	(1,169)	—	(2,423)
Cumulative depreciation at 31 December 2020	75,145	47,712	30,941	—	153,798
Net assets at 31 December 2020	191,253	11,367	685	1,370	204,675
Net assets at 31 December 2019	193,502	9,052	760	3,933	207,247

Note ^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 At the end of 2020, the Courts Service owned 46 buildings and five sites. Of these, 38 buildings and four sites have been revalued. There were no valuations carried out in 2020 due to Covid-19 restrictions. It is hoped that the valuations will be carried out in 2021, but this will depend on the lifting of Covid-19 restrictions and the availability of Valuation Office staff. The courthouses held at nominal value/cost are situated in Drogheda, Letterkenny, Mullingar, Wexford town, Anglesea Street in Cork City, Mulgrave Street in Limerick City, and Waterford City.

^c Transferred out to other agencies relates to Birr and Westport courthouses which were transferred to the relevant local authority.

2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	3,801	(1,324)
Other commercial bank accounts ^a	2,064	1,387
	5,865	63

Note ^a Represents the balances held by the Courts Service at 31 December each year in Exchequer-related bank accounts. Not included is the account balance of €9.468 million (€8.717 million in 2019) which principally consists of non-Exchequer receipts relating to maintenance lodgements under family law, bail money lodgements and court poor box receipts.

2.3 Stocks

at 31 December	2020	2019
	€000	€000
Stationery	143	131
Consumables	46	16
Miscellaneous	37	31
	226	178

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Advances to OPW	3,357	2,820
Recoupable salaries	168	168
Other debit suspense items	454	410
Imprests	33	31
	4,012	3,429

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	1,100	811
Professional services withholding tax	68	30
Value added tax	646	245
Pay related social insurance	507	419
Court fees collected on behalf of other Votes	—	(194)
Fines	118	330
Funds for surrender to the Exchequer ^a	2,064	1,387
	<u>4,503</u>	<u>3,028</u>
 Payroll deductions held in suspense	 318	 312
Other credit suspense items	2	19
	<u>4,823</u>	<u>3,359</u>

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

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	2,356	792
Deferred surrender	4,895	—
Exchequer grant undrawn	(2,197)	(659)
Net Exchequer funding	<u>5,054</u>	<u>133</u>
 Represented by:		
Debtors		
Bank and cash	5,865	63
Debit balances: suspense	4,012	3,429
	<u>9,877</u>	<u>3,492</u>
 Creditors		
Due to the State	(4,503)	(3,028)
Credit balances: suspense	(320)	(331)
	<u>(4,823)</u>	<u>(3,359)</u>
	<u>5,054</u>	<u>133</u>

2.7 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		209,868	214,501
Disbursements from the Vote			
Estimate provision	Account	129,245	
Surplus to be surrendered	Account	(2,356)	
Deferred surrender	Account	(4,895)	
Net vote		121,994	92,332
Expenditure (cash) borne elsewhere	1.1	53,608	53,106
Non cash			
Notional rent	1	3,605	3,605
Revaluations	2.1	—	(233)
Transfer of assets	2.1	(244)	—
Net programme cost	1	(180,960)	(153,443)
Balance at 31 December		207,871	209,868

2.8 Commitments

a) Global commitments

at 31 December	2020	2019
	€000	€000
Procurement of goods and services		
ICT	15,107	1,699
Leases	11,818	13,607
Refurbishment loan ^a	7,287	9,016
PPP	663,923	717,010
Total of legally enforceable commitments	698,135	741,332

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 €6.435 million (2019: €7.815 million) is disclosed under multi-annual capital commitments. The balance of the commitment relates to interest.

b) Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2019 €000	Expenditure in 2020 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2020 €000	Expected total spend lifetime of project 2019 €000
Refurbishment loan for Washington Street Courthouse	17,185	1,380	6,435	25,000	25,000

c) Capital cost of public private partnership project

Projects	Cumulative expenditure to 31 December 2019 €000	Expenditure in 2020 €000	Legally enforceable commitments to be met in subsequent years €000	Project total 2020 €000	Project total 2019 €000
Criminal Courts Complex	232,590	23,903	332,537	589,030	593,881
PPP bundle ^a	48,853	21,364	331,386	401,603	404,572
	281,443	45,267	663,923	990,633	998,453

Note ^a The contract for the PPP bundle of projects provided for claims, in particular in relation to latent defects in historical buildings. In May 2019, the Courts Service reached agreement with the contract provider to pay €8.9 million (ex VAT), on a phased basis. The Courts Service made the final payment of €7.3 million 2020.

2.9 Matured liabilities

There were no matured liabilities in 2020. (2019: €1,349).

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below are included in Programme A to present complete programme costings.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	58,078		
	<i>Supplementary</i>	<u>(1,047)</u>		
		57,031	57,556	54,543
ii	Travel and subsistence	3,013	2,291	3,388
iii	Training and development and incidental expenses	7,491	8,290	8,261
iv	Postal and telecommunications services	2,003	2,933	3,030
v	Office equipment and external IT services			
	<i>Original</i>	13,520		
	<i>Supplementary</i>	<u>1,847</u>		
		15,367	15,887	12,040
vi	Office premises expenses	19,076	16,623	14,990
vii	Consultancy services and value for money and policy reviews	100	217	522
		104,081	103,797	96,774

Significant variations

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

iv Postal and telecommunications services

Estimate provision €2.003 million; outturn €2.933 million

The overspend of €930,000 on postal and telecommunications was due to

- 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, and
- additional postage due to the Covid-19 pandemic as jurors and legal practitioners were notified of the re-scheduling/cancelling of court dates and the transfer of files back to legal practitioners to reduce footfall through court offices.

vii Consultancy services and value for money and policy reviews

Estimate provision €100,000; outturn €217,000

The overspend of €117,000 on consultancy services and value for money was due to the expenditure in relation to the Courts Service Modernisation Programme which was not factored into the original estimate.

Programme A Manage the Courts and Support the Judiciary

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	58,078		
	<i>Supplementary</i>	(1,047)		
			57,031	54,543
A.2	Administration – non pay			
	<i>Original</i>	45,203		
	<i>Supplementary</i>	1,847		
			47,050	42,231
A.3	Courthouse (capital works)			
	<i>Original</i>	15,380		
	<i>Supplementary</i>	4,000		
			19,380	4,876
A.4	PPP costs			
			37,717	37,766
		161,178	154,628	139,416

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €1.75 million less than provided in the original estimate.

A.3 Courthouse (capital works)

Estimate provision €15.38 million; outturn €5.564 million

The underspend on courthouse capital works of €9.816 million is due to the delay in the completion of a number of capital building projects, in addition to the delay in the planned purchase of sites in Galway, Naas and Tralee.

A.4 PPP costs

Estimate provision €37.717 million; outturn €45.267 million

The overspend on PPP costs of €7.55 million is due in the main to the payment of €7.33 million in full settlement of agreed obligations to PPP contractors in respect of latent defects in historical buildings claims (See Note 2.8c).

Note 4 Receipts

4.1 Appropriations-in-aid

		2020		2019
		Estimated	Realised	Realised
		€000	€000	€000
1	Fees			
	<i>Original</i>	41,693		
	<i>Supplementary</i>	(18,200)		
		23,493	24,612	43,972
2	Miscellaneous	1,442	1,024	1,448
3	Receipts from additional superannuation contributions on public service remuneration	1,498	1,498	1,664
4	Dormant court funds	5,500	5,500	—
	Total	31,933	32,634	47,084

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €17.499 million (35%) less than the original estimate.

1 Fees

Estimate €41.693 million; realised €24.612 million

2020 fee receipts were lower than the original estimate by €17.081 million due to the introduction of restrictions as a result of the Covid-19 pandemic. This resulted in a significant fall-off in both licensing and civil applications, resulting in the shortfall.

2 Miscellaneous

Estimate €1.442 million; realised €1.024 million

2020 miscellaneous receipts were lower than the original estimate by €418,000 (29%) due to a reduction in receipts from the General Solicitor's Office.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	—	—
Road Traffic Act fines ^a	3,588	5,427
Other fines ^a	1,932	2,831
Refunds ^b	(20)	(84)
Other receipts ^c	108	170
Transferred to the Exchequer	(5,608)	(8,344)
Balance at 31 December	—	—

- Notes
- ^a The decrease in Road Traffic Act fines and other fines receipts is primarily due to the drop in the number of fines imposed/payments made in 2020 due to Covid-19.
 - ^b There was a decrease in refunds of fines in 2020 compared to 2019 due to: (i) a reduction in the number of fixed charge notice refunds in 2020, and (ii) a reduction in the number of appeals heard and results reversed in 2020 (where fines paid) due to Covid-19.
 - ^c 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 2020 receipts relate to funds lodged in 2013. The balance of these funds as at the 31 December 2020 is €4.321 million.

4.3 Fine 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 2020.

	2020	2019
	€000	€000
Balance at 1 January	—	—
Revenue Commissioners		
Revenue fines ^a	485	826
Excise duty ^b	1,200	3,356
Department of Communications, Climate Action and Environment	23	27
Department of Agriculture, Food and the Marine ^c	40	268
Total transferred	(1,748)	(4,477)
Balance at 31 December	—	—

- Notes
- ^a Moneys collected relate to court fines imposed where the prosecutor is the Revenue Commissioners.
 - ^b Monies collected relate to fees for certain licensing applications such as extension of opening hours and special exemption orders which are received by the Courts Service on behalf of the Revenue Commissioners. There was a reduction of €2.156 million in excise duty in 2020 compared to 2019 due to the government restrictions introduced as a result of Covid-19 to close all pubs from March 2020. This resulted in a significant reduction in licensing applications, which include excise duty.
 - ^c There was a large reduction in fines for the Department of Agriculture, Food and the Marine in 2020 when compared with 2019. This was due to a number of high value Circuit Court fines received in 2019.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	<u>1,106</u>	<u>1,080</u>

5.2 Pay

	2020	2019
	€000	€000
Pay	52,252	49,527
Higher, special or additional duties allowances	269	161
Other allowances	815	920
Overtime	212	332
Employer's PRSI	4,008	3,603
Total pay	<u>57,556</u>	<u>54,543</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	88	5	17,605	12,554
Other allowances	199	12	20,873	16,896
Overtime	104	5	17,809	23,680
Extra remuneration in more than one category	44	4	22,097	25,534

5.4 Other remuneration arrangements

A total of €13,574 was paid in 2020 to two retired civil servants in receipt of civil service pensions who were engaged for short periods during 2020. This amount is made up of €13,425 payroll and €149 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.

Salary costs of €67,409 were recouped from tribunals and government departments in respect of staff on secondment. There is €168,000 recoupment outstanding for 2020.

5.5 Salary overpayments

	Number of recipients	2020 €	2019 €
Overpayments	80	168,637	120,527
Recovery plans in place	31	52,869	28,353

Five individuals with recovery plans in place to a value of €2,728 transferred to other departments in the year.

Note 6 Miscellaneous

6.1 Compensation and legal costs

					2020	2019
	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	41	7	229	272	507	1,122

Note Total payments in respect of third-party legal costs and compensation costs amounted to €235,536. These include payments in respect of proceedings dealt with by the State Claims Agency amounting to €145,202 and proceedings in which the Courts Service was a party including proceedings by way of judicial review.

6.2 Arbitration and conciliation costs

There was no expenditure in relation to arbitration and conciliation costs in 2020.
There were no cases in 2019.

6.3 Write-offs and provisions

During 2020, Vote 22 wrote off €4,838 in relation to administrative errors (2019: €1,619).