

Appropriation Account 2021

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 2021 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

- a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €1.048 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account except for the following.

Valuation of land and buildings

Buildings are valued every five years on the basis of depreciated replacement cost. This 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. Land and buildings not in use but required for future development are valued at market 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 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.

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.
- There is an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.

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 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 15 contracts (in excess of €25,000), totalling €2,434,458 (ex. VAT) as set out below.

- One contract with a value of €1,248,198 relating to interpretation services. This contract could not be extended as the OGP framework is subject to legal challenges.
- Two contracts with a value of €413,281 relating to delays in putting a central government contract in place for mobile voice and data and fixed voice telephony services. Both contracts are in place since October 2021 and Q1 2022 respectively.
- Two contracts with a value of €235,923 that were replaced by a multi-supplier framework contract in August 2021 for the provision of systems platform support and development services.
- Two instances with a value of €210,633 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.
- Four instances with a value of €110,775 for a range of services such as graphic design work, franking machines, digital dictation services, and expert medical reports. Services are being reviewed with a view to fresh procurements where necessary.

- One contract with a value of €64,173 due to project management services that was extended beyond the contract expiry date. A contract is in place since March 2021.
- One contract with a value of €63,685 for time critical courier services. A procurement competition has taken place and a contract is being awarded Q1 2022.
- One instance with a value of €57,563 for costs of telephony services.
- One contract with a value of €30,227 for ICT managed services, a contract is in place since February 2021.

The Courts Service has provided details of 12 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. The Courts Service's *Corporate Governance Framework* 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 and updated in 2019. The Courts Service also has an oversight agreement in place with the Department of Justice.

The Service's *Corporate Governance Framework* is, in addition to its compliance with the Civil Service *Corporate Governance Standard*, compliant with the main features of the *Code of Practice for the Governance of State Bodies 2016*.

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, on a timely basis. 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.

Internal financial control issues

No weakness in internal financial control were identified in relation to 2021 that require disclosure in the appropriation account, or that resulted in, or may result in a material loss.

The Service continually reviews and implemented recommendations arising from the Comptroller and Auditor General and internal audit to strengthen the control environment, particularly in the areas of procurement and contract management, record management and ICT security and infrastructure. This is a continuous process and the system and its effectiveness is kept under ongoing review.

Covid-19 control issues

The changes to the working and control environment with remote and virtual working that came about in 2020 as a result of the impact of the Covid-19 pandemic continued through 2021.

As part of the initial response to the pandemic in 2020, 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. This team continued to operate throughout 2021, which included regular communications with the SMT, the Judiciary and key stakeholders. The team regularly updated and communicated the Covid-19 Safety Management Programme to all Court users, on foot of advice from the National Public Health Emergency Team and the HSE throughout 2021. The following measures introduced in 2020, continued in 2021

- updating of risk assessments of all buildings in compliance with health and safety protocols, retaining some best practice measures such as screens, people flow management and good hygiene measures.
- updating and communicating the Covid-19 Safety Management Programme to reflect various updated government protocols (e.g. *Return to Work Safely Protocol*, *Work Safely Protocol*).
- remote court hearings and the continued use of video conference.
- prioritising of cases, particularly family law, domestic violence and child custody cases and transitional protocol arrangements for 2022.
- working with Regional Managers, local offices, directorates and Covid-19 Worker Representatives on a continuous basis to ensure that the Covid-19 Safety Management programme was being implemented and complied with.

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 €4.3 million was incurred on Covid-19 related expenditure in 2021 (€5.4 million 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 €17.03 million in 2021 (€17.08 million in 2020).

Angela Denning
Accounting Officer
Courts Service

28 March 2022

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 2021 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 2021, 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 appendix to this report. 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 appendix to this report.

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 2021.

Seamus McCarthy

Comptroller and Auditor General

28 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 22 Courts Service

Appropriation Account 2021

			2021	2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A Manage the courts and support the judiciary				
	<i>Original</i>	158,515		
	<i>Deferred surrender</i>	4,895		
	<i>Supplementary</i>	(4,000)		
		159,410	154,092	154,628
Gross expenditure		159,410	154,092	154,628
<i>Deduct</i>				
B Appropriations-in-aid				
	<i>Original</i>	34,633		
	<i>Supplementary</i>	(7,000)		
		27,633	27,011	32,634
Net expenditure				
	<i>Original</i>	123,882		
	<i>Deferred surrender</i>	4,895		
	<i>Supplementary</i>	3,000		
		131,777	127,081	121,994

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 spend in the following year. €3.648 million of unspent allocations in respect of the capital elements of subheads A.2 and A.4 were carried forward to 2022.

	2021	2020
	€	€
Surplus	4,695,710	7,251,177
Deferred surrender	(3,648,000)	(4,895,000)
Surplus to be surrendered	1,047,710	2,356,177

Angela Denning
Accounting Officer
Courts Service

28 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

	2021	2020
€000	€000	€000
Programme cost	43,014	50,831
Pay	59,425	57,556
Non pay	51,653	46,241
Gross expenditure	154,092	154,628
<i>Deduct</i>		
Appropriations-in-aid	27,011	32,634
Net expenditure	127,081	121,994
Changes in capital assets		
Purchases cash	(5,632)	
Depreciation	9,153	3,401
Changes in net current assets		
Increase in closing accruals	1,642	
Increase in stock	(218)	(1,648)
Direct expenditure	132,026	123,747
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	59,232	53,608
Notional rents ^a	3,605	3,605
Net programme cost	194,863	180,960

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.

	2021	2020
	€000	€000
Vote 9 Office of the Revenue Commissioners	207	198
Vote 12 Superannuation and Retired Allowances	17,330	14,689
Vote 13 Office of Public Works	1,366	436
Vote 18 National Shared Services Office	120	116
Vote 20 Garda Síochána	149	200
Vote 24 Justice – Financial Shared Services Centre	332	303
Central Fund - judicial salaries and pensions	39,728	37,666
	59,232	53,608

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	344,385	204,675
Current assets			
Bank and cash	2.2	4,777	5,865
Stocks	2.3	444	226
Prepayments	2.4	3,229	3,860
Accrued income		1,054	1,999
Other debit balances	2.5	3,015	4,012
Total current assets		12,519	15,962
Less current liabilities			
Accrued expenses	2.6	2,954	2,889
Other credit balances	2.7	3,950	4,823
Net Exchequer funding	2.8	3,840	5,054
Total current liabilities		10,744	12,766
Net current assets		1,775	3,196
Net assets		346,160	207,871
Represented by:			
State funding account	2.9	346,160	207,871

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 2021	266,398	59,079	31,626	1,370	358,473
Additions	262	1,294	—	4,076	5,632
Brought into use	676	342	—	(1,018)	—
Revaluations	137,824	—	—	—	137,824
Disposals	—	(24)	(73)	—	(97)
Cost or valuation at 31 December 2021	405,160	60,691	31,553	4,428	501,832
Accumulated depreciation					
Opening balance at 1 January 2021	75,145	47,712	30,941	—	153,798
Depreciation for the year	5,178	3,837	138	—	9,153
Depreciation on revaluations	(5,407)	—	—	—	(5,407)
Depreciation on disposals	—	(24)	(73)	—	(97)
Cumulative depreciation at 31 December 2021	74,916	51,525	31,006	—	157,447
Net assets at 31 December 2021	330,244	9,166	547	4,428	344,385
Net assets at 31 December 2020	191,253	11,367	685	1,370	204,675

Note ^a 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.

^b The Courts Service currently owns 46 buildings and five sites. All buildings and sites have been valued and are reflected in the capital assets balances in the table above. Due to a combination of capacity issues with the Valuation Office and the restrictions imposed as a result of the Covid -19 pandemic, 41 buildings/sites have valuations more than five years old. However, the Courts Service has worked with the Valuation Office and it is intended to carry out a number of revaluations in 2022, with the remaining revaluations to be carried out in 2023 and 2024.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	2,812	3,801
Commercial bank account balance ^a	1,965	2,064
	4,777	5,865

Note ^a Represents the Exchequer-related balances of the bank accounts held by the Courts Service at 31 December each year. The sum of €11.533 million is not included is the account balance (€9.468 million in 2020) stated above. This principally consists of non-Exchequer funding relating to lodgements of maintenance payments under family law, bail money lodgements and court poor box receipts.

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Stationery	136	143
IT consumables	283	46
Miscellaneous	25	37
	444	226

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
A.2 Administration – non pay	2,691	3,321
A.3 Courthouse (capital works)	538	539
	3,229	3,860

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Advances to OPW	2,393	3,357
Recoupment of salaries	190	168
Other debit suspense items	393	454
Imprests	39	33
	3,015	4,012

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
A.2 Administration – non pay	2,639	1,633
A.3 Courthouse (capital works)	—	93
A.4 PPP costs	315	1,163
	2,954	2,889

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	866	1,100
Professional services withholding tax	139	68
Value added tax	60	646
Pay related social insurance	506	507
Fines	111	118
Funds for surrender to the Exchequer ^a	1,965	2,064
	3,647	4,503
Payroll deductions held in suspense	298	318
Other credit suspense items	5	2
	3,950	4,823

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

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	1,048	2,356
Deferred surrender	3,648	4,895
Exchequer grant undrawn	(855)	(2,197)
Net Exchequer funding	3,841	5,054
Represented by:		
Debtors		
Bank and cash	4,777	5,865
Debit balances: suspense	3,014	4,012
	7,791	9,877
Creditors		
Due to the State	(3,647)	(4,503)
Credit balances: suspense	(303)	(320)
	(3,950)	(4,823)
	3,841	5,054

2.9 State funding account

	Note	2021	2020
		€000	€000
Balance at 1 January		207,871	209,868
Disbursements from the Vote			
Estimate provision	Account	131,777	
Surplus to be surrendered	Account	(1,048)	
Deferred surrender	Account	(3,648)	
Net vote		127,081	121,994
Expenditure (cash) borne elsewhere	1.1	59,232	53,608
Non cash			
Notional rent	1	3,605	3,605
Non-cash items		3	—
Transfer of assets	2.1	—	(244)
Revaluations	2.1	143,231	—
Net programme cost	1	(194,863)	(180,960)
Balance at 31 December		346,160	207,871

2.10 Commitments

a) Global commitments	2021	2020
at 31 December	€000	€000
Procurement of goods and services		
Other goods and services ^a	12,379	—
ICT ^b	47,822	15,107
Leases ^c	31,498	11,818
Refurbishment loan for Washington Street Courthouse ^d	5,622	7,287
Public Private Partnership projects	629,788	663,923
Total of legally enforceable commitments	727,109	698,135

- Note ^a The increase in other goods and services commitments in 2021 is primarily driven by the Service entering into a large contract in Q1 2021 for the provision of business and management and ICT consultancy services for the modernisation programme.
- ^b The increase in ICT commitments in 2021 is driven by the ICT Unit entering into 14 new contracts in 2021, worth an estimated lifetime value of €33 million at the time of entering.
- ^c The increase in lease commitments is primarily driven by the renewal lease of the Phoenix House Building, Smithfield.
- ^d This commitment relates to a loan 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 €5.055 million (2020: €6.435 million) is disclosed under note 2.10(b) – multi-annual capital commitments. The balance of the commitment relates to interest.

b) Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
	€000	€000	€000	€000	€000
Refurbishment loan for Washington Street Courthouse	18,565	1,380	5,055	25,000	25,000

c) Capital cost of public private partnership project

Projects	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Legally enforceable commitments to be met in subsequent years	Project total 2021	Project total 2020
	€000	€000	€000	€000	€000
Criminal Courts Complex	256,493	21,224	310,992	588,709	589,030
PPP bundle	70,217	15,666	318,796	404,679	401,603
	326,710	36,890	629,788	993,388	990,633

2.11 Matured liabilities

There were no matured liabilities not discharged at year end (2020: nil).

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances		60,215	59,425
ii	Travel and subsistence			57,556
	<i>Original</i>	3,013		
	<i>Supplementary</i>	(600)		
			2,413	2,433
iii	Training and development and incidental expenses			2,291
	<i>Original</i>	10,891		
	<i>Supplementary</i>	500		
			11,391	12,014
iv	Postal and telecommunications services			8,290
	<i>Original</i>	2,003		
	<i>Supplementary</i>	1,300		
			3,303	3,408
v	Office equipment and external IT services			2,933
	<i>Estimate provision</i>	13,520		
	<i>Deferred surrender</i>	1,000		
			14,520	15,195
vi	Office premises expenses			15,887
	<i>Original</i>	25,276		
	<i>Supplementary</i>	(5,200)		
			20,076	18,436
vii	Consultancy services and value for money and policy reviews		100	167
				217
		112,018	111,078	103,797

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 €3.408 million

The overspend of €1.405 million on postal and telecommunications was due to additional postage costs to jurors and legal practitioners regarding rescheduling/cancelling of court sittings combined with an increase in postal rates.

vi Office premises expenses

Estimate provision €25.276 million; outturn €18.436 million

The underspend of €6.84 million is due to the following

- deferral of projects due to Covid-19 - €1.4 million
- saving on temporary lease costs during Covid-19 and renegotiations of lease on Dublin headquarters - €1.7 million
- reduction in security cost due to Covid-19 - €300,000.

The estimate provision was in excess of what was required and the surplus was used to meet budgetary commitments in other subheads.

Programme A Manage the Courts and Support the Judiciary

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay		59,425	57,556
A.2	Administration – non pay			
	<i>Original</i>	54,803		
	<i>Deferred surrender</i>	1,000		
	<i>Supplementary</i>	(4,000)		
		51,803	51,653	46,241
A.3	Courthouse (capital works)			
	<i>Estimate provision</i>	4,880		
	<i>Deferred surrender</i>	3,895		
		8,775	6,058	5,564
A.4	PPP costs	38,617	36,956	45,267
		159,410	154,092	154,628

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €9.318 million lower than (originally) provided. €4.940 million of this related to administration expenditure and has already been explained and the balance of the variance of €4.378 million was mainly due to the following:

A.3 Courthouse (capital works)

Estimate provision €8.775 million; outturn €6.058 million

The underspend of €2.717 million is due to the delay in the completion of a number of capital building projects and the delay in the planned purchase of sites in Galway, Naas and Tralee.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Fees			
	Original	31,693		
	Supplementary	(6,300)		
		25,393	24,770	24,612
2	Miscellaneous			
	Original	1,442		
	Supplementary	(700)		
		742	658	1,024
3	Receipts from additional superannuation contributions on public service remuneration	1,498	1,583	1,498
4	Dormant court funds	—	—	5,500
Total		27,633	27,011	32,634

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €7.622 million (28%) less than the estimate.

1 Fees

Estimate €31.693 million; realised €24.77 million

Fee Income in 2021 was lower than the original estimate by €6.923 million due to the level 5 restrictions for the first four months of 2021, closing time restrictions introduced to the hospitality sector, coupled with the Government announcement in July that court fees relating to the renewal of licences in 2021 were to be waived.

2 Miscellaneous

Estimate €1.442 million; realised €658,000

Miscellaneous receipts in 2021 were lower than the original estimate by €784,000 (106%) due to a reduction in receipts from the General Solicitor's Office.

4.2 Extra receipts payable to the Exchequer

	2021	2020
	€000	€000
Balance at 1 January	—	—
Road Traffic Act fines ^a	3,958	3,588
Other fines ^a	3,159	1,932
Refunds ^b	(10)	(20)
Other receipts ^c	145	108
Transferred to the Exchequer	(7,252)	(5,608)
Balance at 31 December	—	—

- Notes
- ^a The increase in Road Traffic Act Fines and other fines receipts is primarily due to the increase in the number of fines imposed/payments made in 2021
 - ^b There was a decrease in refunds in 2021 compared to 2020 due to: (i) no Fixed Charge Notice refunds in 2021, and (ii) a reduction in the number of appeals heard and results reversed in 2021 (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 2021 receipts relate to funds lodged in 2014. The balance of these funds as at the 31 December 2021 is €5.812 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 2021.

	2021 €000	2020 €000
Balance at 1 January	—	—
Revenue Commissioners		
Revenue fines ^a	456	485
Excise duty ^b	—	1,200
Department of Environment, Climate and Communications	23	23
Department of Agriculture, Food and the Marine ^c	171	40
Total transferred	(650)	(1,748)
Balance at 31 December	—	—

- Notes
- ^a Monies 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 no excise duty collected in 2021, driven by the Government announcement in July that court fees relating to the renewal of licences in 2021 were to be waived.
 - ^c There was a large increase in fines payable to the Department of Agriculture, Food and the Marine in 2021 when compared with 2020. This was due to a number of high value Circuit Court fines received in 2021.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	<u>1,120</u>	<u>1,106</u>

5.2 Pay

	2021	2020
	€000	€000
Pay	53,767	52,252
Higher, special or additional duties allowances	313	269
Other allowances	797	815
Overtime	237	212
Employer's PRSI	4,311	4,008
Total pay	<u>59,425</u>	<u>57,556</u>

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	107	8	16,273	17,605
Other allowances	201	12	22,171	20,873
Overtime	115	6	22,227	17,809
Extra remuneration in more than one category	60	14	26,672	22,097

5.4 Other remuneration arrangements

Salary costs of €157,445 were recouped from tribunals and government departments in respect of staff on secondment. There is nil recoupment outstanding for 2021.

5.5 Salary overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	84	241,315	168,637
Recovery plans in place	20	42,256	52,869

There were 44 new cases arising in 2021 with a value of €138,515. Four cases (€13,607) have recoupment plans in place, the remaining 40 (€124,907) do not have recoupment plans in place. 40 cases are brought forward from 2020, 16 cases (€28,648) have recoupment plans in place, the remaining 24 (€74,153) do not have recoupment plans in place.

5.6 Salary of Accounting Officer

As at 31 December 2021, the Accounting Officer's current salary is at the grade of Secretary General Level III, with an annual gross salary associated with this grade of €202,604 (as at 31 December 2020, €200,598).

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Court Service in the year

	Claims by				Total 2021	Total 2020
	employees		members of the public			
	Slips, trips and falls	Other	Slips, trips and falls	Other		
Number of cases	1	5	6	24	36	41
	€000	€000	€000	€000	€000	€000
Court Service's own legal costs	—	9	8	78	95	272
Payments by/on behalf of the Courts Service						
Compensation	—	—	—	198	198	7
Legal costs	11	—	94	124	229	229
Other costs	—	—	—	—	—	-
2021 Total	11	9	102	400	522	507
2020 Total	—	—	2	505	507	

Notes ^a At 31 December 2021, the following claims are outstanding.

- Slip, trip and falls 6 (2020: 2)
- Other 21 (2020: 10)

Cumulative costs of cases completed in 2021

	Claims by				Total
	employees		members of the public		
	Slips, trips and falls	Other	Slips, trips and falls	Other	
Number of cases	1	—	—	8	9
	€000	€000	€000	€000	€000
Court Service's own legal costs	—	—	—	—	—
Payments by/on behalf of the Courts Service					
Compensation	—	—	—	2	2
Legal costs	1	—	—	83	84
Other costs	—	—	—	—	—
2021 Total	1	—	—	85	86

6.2 Fraud and suspected fraud

	Number of cases	2021 €000	2020 €000
Fraud	1	2	—
Suspected fraud	—	—	—

The Courts Service identified one case of fraud/irregularity in 2021. This case had a value of €1,950 and has been dealt with in accordance with Courts Service policies and procedures.

6.3 Prompt payment interest

The amount of prompt payment interest and compensation incurred in 2021 was €13,413.

6.4 Deferred surrender

Deferred surrender comprises savings in 2021 of €3.648 million in capital expenditure in the following subheads that were carried over to 2022.

	€000
Description of subhead:	
A.3 Courthouse (capital works)	1,134
A.4 PPP costs	2,514
	3,648