

THE COURTS SERVICE

Account of the sum expended, in the year ended 31 December 2008, compared with the sum granted, and of the sum which may be applied as appropriations-in-aid in addition thereto, for the salaries and expenses of the Courts Service and of the Supreme Court, the High Court, the Special Criminal Court, the Circuit Court and the District Court and of certain other minor services as are not charged to the Central Fund.

Service	Estimate Provision €000	Outturn €000	Closing Accruals €000
ADMINISTRATION	€000		
A.1. SALARIES, WAGES AND ALLOWANCES	58,677	58,343	—
A.2. TRAVEL AND SUBSISTENCE			
<i>Original</i>	4,526		
<i>Supplementary</i>	400	4,926	511
A.3. INCIDENTAL EXPENSES			
<i>Original</i>	8,822		
<i>Supplementary</i>	4,300	13,122	648
A.4. POSTAL AND TELECOMMUNICATIONS SERVICES			
<i>Original</i>	2,514		
<i>Supplementary</i>	701	3,215	311
A.5. OFFICE MACHINERY AND OTHER OFFICE SUPPLIES AND RELATED SERVICES			
<i>Original</i>	10,805		
<i>Supplementary</i>	1,700	12,505	(1,080)
A.6. COURTHOUSE AND OFFICE PREMISES EXPENSES			
<i>Original</i>	20,754		
<i>Supplementary</i>	2,600	23,354	981
A.7. CONSULTANCY SERVICES			
<i>Original</i>	305		
<i>Supplementary</i>	300	605	5
A.8. PAYMENTS TO THE INCORPORATED COUNCIL OF LAW REPORTING FOR IRELAND		60	41
A.9. VALUE FOR MONEY AND POLICY REVIEWS		100	82
OTHER SERVICES			
B. COURTHOUSES (CAPITAL WORKS)	29,632	25,290	823
Gross Total			
<i>Original</i>	136,195		
<i>Supplementary</i>	10,001	146,196	2,199
Deduct:			
C. APPROPRIATIONS-IN-AID			
<i>Original</i>	28,935		
<i>Supplementary</i>	10,000	38,935	5,849
Net Total			
<i>Original</i>	107,260		
<i>Supplementary</i>	1	107,261	(3,650)
		99,020	(3,650)
SURPLUS TO BE SURRENDERED		€3,241,434	

The Statement of Accounting Policies and Principles and Notes 1 to 16 form part of this Account.

NOTES

1 EXCEPTION TO GENERAL ACCOUNTING POLICIES

Statement of Capital Assets - Depreciation

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

2 OPERATING COST STATEMENT FOR 2008

	€000	€000	€000
Net Outturn			99,020
Changes in Capital Assets			
Purchases Cash	(9,136)		
Depreciation	8,578		
Loss on Disposals	<u>7</u>	(551)	
Assets under Development			
Cash Payments		(650)	
Changes in Net Current Assets			
Decrease in Closing Accruals	(4,035)		
Increase in Stock	<u>(37)</u>	<u>(4,072)</u>	(5,273)
Direct Expenditure			<u>93,747</u>
Expenditure Borne Elsewhere			
Net Allied Services Expenditure		42,015	
Notional Rents		<u>6,420</u>	48,435
Operating Cost			<u><u>142,182</u></u>

Note: The decrease in accruals of €4.035m has been arrived at by restating both accrued income for 2007 and 2008 to reflect accrued court fee income, which had not been recognised heretofore. This adjustment was necessary given the significant amounts involved; for 2007 and 2008 this amounted to €2.650m and €5.259m respectively.

3 STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2008

	€000	€000	€000
Capital Assets (Note 4)			172,829
Assets under Development (Note 5)			<u>3,585</u>
			176,414
Current Assets			
Stocks (Note 14)		267	
Prepayments		1,701	
Accrued Income		5,849	
Other Debit Balances:			
Advances to OPW	9,935		
Suspense	1,364		
Imprest	<u>28</u>	11,327	
PMG Balance and Cash	2,016		
Orders Outstanding	<u>(2,295)</u>	(279)	
		<u>18,865</u>	
Total Current Assets			18,865
Less Current Liabilities			
Accrued Expenses		3,900	
Other Credit Balances:			
Due to the State (Note 15)	8,168		
Payroll Deductions	438		
Suspense	<u>701</u>	9,307	
Net Liability to the Exchequer (Note 6)		<u>1,741</u>	
			<u>14,948</u>
Total Current Liabilities			14,948
Net Current Assets			<u>3,917</u>
Net Assets			<u><u>180,331</u></u>

4 STATEMENT OF CAPITAL ASSETS AS AT 31 DECEMBER 2008

	Land and Buildings €000	IT and Office Equipment €000	Furniture and Fittings €000	Totals €000
Cost or Valuation at 1 January 2008	153,646	28,583	29,746	211,975
Additions	6,360	3,703	962	11,025
Disposals	—	(642)	—	(642)
Gross Assets at 31 December 2008	<u>160,006</u>	<u>31,644</u>	<u>30,708</u>	<u>222,358</u>
Accumulated Depreciation:				
Opening Balance at 1 January 2008	7,593	19,934	14,059	41,586
Depreciation for the year	3,007	2,720	2,851	8,578
Depreciation on Disposals	—	(635)	—	(635)
Cumulative Depreciation at 31 December 2008	<u>10,600</u>	<u>22,019</u>	<u>16,910</u>	<u>49,529</u>
Net Assets at 31 December 2008	<u><u>149,406</u></u>	<u><u>9,625</u></u>	<u><u>13,798</u></u>	<u><u>172,829</u></u>

Note: The Courts Service Act 1998 provides for the transfer of legal title in respect of certain land and buildings that are used for the purposes of the functions of the Service. In accordance with Section 26(3) of the Act, the Minister for Justice, Equality and Law Reform may by order appoint a day on which such land and buildings will be vested in the Service. Valuations of vested properties are provided by the Office of Public Works (OPW). There were three buildings vested in 2008. For two such buildings, valuations were outstanding at year end and therefore not included in the above figures.

5 STATEMENT OF CAPITAL ASSETS UNDER DEVELOPMENT AS AT 31 DECEMBER 2008

	In-House Computer Applications €000
Amounts brought forward at 1 January 2008	4,655
Cash Payments for the Year	650
Transferred to Asset Register	(1,720)
Amounts carried forward at 31 December 2008	<u>3,585</u>

6 NET LIABILITY TO THE EXCHEQUER

Reconciliation of Surplus to be Surrendered at year end to Debtor and Creditor Balances held at 31 December 2008

	€000	€000
Surplus for the Year		
Surplus to be Surrendered		8,241
Exchequer Grant Undrawn		<u>(6,500)</u>
Net Liability to the Exchequer		<u>1,741</u>
Represented by:		
Debtors		
Net PMG Position and Cash	(279)	
Debit Balances: Suspense	<u>11,327</u>	11,048
Creditors		
Due to the State (Note 15)	(8,168)	
Credit Balances: Suspense	<u>(1,139)</u>	<u>(9,307)</u>
		<u>1,741</u>

7 EXTRA RECEIPTS PAYABLE TO THE EXCHEQUER

	Estimated €	Realised €
Court Fines	4,900,000	7,065,592
Road Traffic Act Fines	<u>10,000,000</u>	<u>14,733,220</u>
	<u>14,900,000</u>	<u>21,798,812</u>

8 EXPLANATION OF THE CAUSES OF VARIATION BETWEEN OUTTURN AND THE ESTIMATE PROVISION

Sub-head	Less/(More) than provided €000	Explanation
B.	4,342	The underspend on this subhead, Courthouses (Capital Works), is due to timing issues in relation to the commencement and progress of a small number of Capital Building projects.

9 APPROPRIATIONS-IN-AID

	Estimated €	Realised €
1. Fees	38,493,000	38,105,152
2. Miscellaneous	442,000	913,017
TOTAL	<u>38,935,000</u>	<u>39,018,169</u>

Explanation of Variations

2. **Miscellaneous:** The receipts are made up of a variety of miscellaneous items, the majority of which relate to Committee Fees in respect of the General Solicitors Office, uncashed cheques and fees collected by Sheriffs. There is also an element of recoupments from previous years.

10 COMMITMENTS

(A) Global Commitments

Contracted Commitments at 31 December 2008 amounted to €19,491,436.

(B) Multi-Annual Capital Commitments

Project	Expenditure to 1 Jan 2008 €000	Expenditure in 2008 €000	Subsequent Years €000
Refurbishment of Courthouses	44,567	16,196	68,838
Information Technology Projects	1,634	2,147	4,165

11 MATURED LIABILITIES

The estimate of matured liabilities not discharged at year end was €33,901.

12 DETAILS OF EXTRA REMUNERATION

	Amount Paid €	Number of Recipients	Recipients of €10,000 or more	Max. Individual Payment of €10,000 or more €
Higher, special or additional duties	233,435	90	6	23,639
Overtime and extra attendance	990,984	351	25	25,089
Miscellaneous	930,976	288	19	22,014
Total extra remuneration	<u>2,155,395</u>			

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

13 MISCELLANEOUS ITEMS

Salary costs of €1,472,214 were recouped from Tribunals and Government Departments in respect of staff on secondment.

A total of €119,812 was paid in respect of exceptional performance merit awards in accordance with the provisions of the Administrative Budget Agreement.

Consultancy expenditure not charged to the Consultancy Services subhead for 2008 amounted to €375,209. This primarily related to ICT consultancy services and is included under subhead A.5.

A total of €147,727 was paid to 5 retired civil servants who were engaged on various duties during 2008.

This account includes penalty interest payments amounting to €31,624 under the Prompt Payments of Accounts Act 1997 and as amended by the EU (Late Payments in Commercial Transactions) Regulations 2002.

Payments totalling €54,224 were paid during 2008. These comprised State Claims Agency settlement payments of €18,250, related Council/Solicitor costs of €29,294, PIAB payments of €1,680 and payment of €5,000 relating to two cases of wrongful detention.

The Net Allied Expenditure of €42,015,000 included in the Operating Cost Statement is made up of the following estimated amounts borne on other Votes:

Vote:		€000
7	Superannuations and Retired Allowances	4,828
10	Office of Public Works	3,144
20	Garda Siochana	240
	Financial Shared Services Centre Cost	890
	Central Fund - Judicial salaries and pensions	32,913
		<u>42,015</u>

14 STOCKS

Stocks at 31 December 2008 comprise:	€000
Stationery	<u>267</u>

15 DUE TO THE STATE

The amount due to the State at 31 December 2008 consisted of:

	€000
Income Tax	810
Professional Services Withholding Tax	124
Value Added Tax	24
Pay Related Social Insurance	366
Fines	6,611
Excise Duty	233
	<u>8,168</u>

16 ENHANCING INTERNAL CONTROLS

A review of the effectiveness of internal financial controls has been undertaken in respect of the year ended 31 December 2008, and a Statement of Internal Financial Control in the standard format has been submitted to the Comptroller and Auditor General.

Risk Management - A Risk Management process has been in place for a number of years with work ongoing in enhancing risk awareness and understanding. The Risk Management process is overseen by the Senior Management Team through the use of a Corporate Risk Register with appropriate reporting procedures in place. Managers are responsible for ongoing risk assessments and recommending enhancements to controls for their area of responsibility. Clear roles and responsibilities have been outlined for all stakeholders involved in Risk Management. Risk Management is a continuous agenda item for the Senior Management Team, Regional and Office Managers with risks being regularly reviewed and updated.

Audit Committee - The Service has an Audit Committee comprising of five members. The Audit Committee operates under a written charter. It issues an annual report on its work. The Head of Internal Audit reports to the Audit Committee on a quarterly basis.

ICT - The Service has a strong commitment to the security of its Information Communication Technology through the implementation of the recommendations made by the independent review of Information Communication Technology security. This implementation is continuing and a number of measures were taken in 2008 to improve information and ICT security. A value for money review of the ICT programme carried out in 2008 made a number of recommendations which are designed to further strengthen governance structures and procedures. The ICT governing committee continues to meet on a quarterly basis and monitors progress of the overall ICT programme.

BRENDAN RYAN
Accounting Officer
THE COURTS SERVICE
21 May 2009

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Courts Service for 2008 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Courts Service. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2008.

Chapter 17 of my annual report refers to certain matters which I considered it appropriate to report on in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act, 1993.



JOHN BUCKLEY
Comptroller and Auditor General
4 September 2009