

THE COURTS SERVICE

Account of the sum expended, in the year ended 31 December 2007, compared with the sum granted, and of the sum which may be applied as appropriations-in-aid in addition thereto, for such of 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			
A.1. SALARIES, WAGES AND ALLOWANCES	54,437	54,137	-
A.2. TRAVEL AND SUBSISTENCE	4,414	4,346	506
A.3. INCIDENTAL EXPENSES	8,345	10,667	1,240
A.4. POSTAL AND TELECOMMUNICATIONS SERVICES	2,463	2,530	442
A.5. OFFICE MACHINERY AND OTHER OFFICE SUPPLIES AND RELATED SERVICES	10,765	10,605	(659)
A.6. COURTHOUSE AND OFFICE PREMISES EXPENSES	20,416	21,136	1,960
A.7. CONSULTANCY SERVICES	297	257	42
A.8. PAYMENTS TO THE INCORPORATED COUNCIL OF LAW REPORTING FOR IRELAND	58	41	10
A.9. VALUE FOR MONEY AND POLICY REVIEWS	100	-	-
OTHER SERVICES			
B. COURTHOUSES (CAPITAL WORKS)	<u>29,632</u>	<u>25,466</u>	<u>95</u>
Gross Total	130,927	129,185	3,636
<i>Deduct :-</i>			
C. APPROPRIATIONS-IN-AID	<u>28,361</u>	<u>30,232</u>	<u>570</u>
Net Total	<u>102,566</u>	<u>98,953</u>	<u>3,066</u>
SURPLUS TO BE SURRENDERED	€3,613,291		

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 2007

	€000	€000	€000
Net Outturn			98,953
Changes in Capital Assets			
Purchases Cash	(16,383)		
Depreciation	8,106		
Loss on Disposals	<u>2</u>	(8,275)	
Assets under Development			
Cash Payments		(1,235)	
Changes in Net Current Assets			
Increase in Closing Accruals	729		
Increase in Stock	<u>(62)</u>	<u>667</u>	<u>(8,843)</u>
Direct Expenditure			90,110
Expenditure Borne Elsewhere			
Net Allied Services Expenditure		34,065	
Notional Rents		<u>5,503</u>	<u>39,568</u>
Operating Cost			<u>129,678</u>

3 STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2007

	€000	€000	€000
Capital Assets (Note 4)			170,389
Assets under Development (Note 5)			<u>4,655</u>
			175,044
Current Assets			
Stocks (Note 14)		230	
Prepayments		1,793	
Accrued Income		570	
Other Debit Balances:			
Advances to OPW	3,863		
Suspense	760		
Imprest	<u>27</u>	4,650	
PMG Balance and Cash	7,483		
Orders Outstanding	<u>(770)</u>	<u>6,713</u>	
Total Current Assets		<u>13,956</u>	
Less Current Liabilities			
Accrued Expenses		5,429	
Other Credit Balances:			
Due to the State (Note 15)	8,640		
Payroll Deductions	502		
Suspense	<u>2,189</u>	11,331	
Net Liability to the Exchequer (Note 6)		<u>32</u>	
Total Current Liabilities		<u>16,792</u>	
Net Current Liabilities			<u>(2,836)</u>
Net Assets			<u>172,208</u>

4 STATEMENT OF CAPITAL ASSETS AS AT 31 DECEMBER 2007

	Land and Buildings €000	IT and Office Equipment €000	Furniture and Fittings €000	Totals €000
Cost or Valuation at 1 January 2007	128,616	27,237	26,535	182,388
Additions	25,030	2,008	3,215	30,253
Disposals	-	<u>(662)</u>	<u>(4)</u>	<u>(666)</u>
Gross Assets at 31 December 2007	<u>153,646</u>	<u>28,583</u>	<u>29,746</u>	<u>211,975</u>
Accumulated Depreciation:				
Opening Balance at 1 January 2007	4,780	18,073	11,291	34,144
Depreciation for the year	2,813	2,522	2,771	8,106
Depreciation on Disposals	-	<u>(661)</u>	<u>(3)</u>	<u>(664)</u>
Cumulative Depreciation at 31 December 2007	<u>7,593</u>	<u>19,934</u>	<u>14,059</u>	<u>41,586</u>
Net Assets at 31 December 2007	<u>146,053</u>	<u>8,649</u>	<u>15,687</u>	<u>170,389</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).

5 STATEMENT OF CAPITAL ASSETS UNDER DEVELOPMENT AS AT 31 DECEMBER 2007

In-House
Computer
Applications
€000

Amounts brought forward at 1 January 2007	3,536
Cash Payments for the Year	1,235
Transferred to Asset Register	<u>(116)</u>
Amounts carried forward at 31 December 2007	<u>4,655</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 2007

	€000	€000
Surplus for the Year		
Surplus to be Surrendered		3,613
Exchequer Grant Undrawn		<u>(3,581)</u>
Net Liability to the Exchequer		<u>32</u>
Represented by:		
Debtors		
Net PMG Position and Cash	6,713	
Debit Balances: Suspense	<u>4,650</u>	11,363
Creditors		
Due to the State (Note 15)	(8,640)	
Credit Balances: Suspense	<u>(2,691)</u>	<u>(11,331)</u>
		<u>32</u>

7 EXTRA RECEIPTS PAYABLE TO THE EXCHEQUER

	Estimated €	Realised €
Court Fines	4,700,000	6,664,341
Road Traffic Act Fines	<u>9,500,000</u>	<u>12,805,684</u>
	<u>14,200,000</u>	<u>19,470,025</u>

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

Sub-head	Less/(More) Than Provided €000	Explanation
A.3.	(2,322)	The overspend on this subhead, Incidental Expenses, is mainly attributable to expenditure on Interpretation Services, which continues to increase in line with the number of foreign nationals coming before the Courts. Additionally it related to expenditure on projects as part of our modernisation and change management programmes.
A.5.	160	The underspend on this subhead, Office Machinery and Other Office Supplies and Related Services, is mainly attributable to the timing of ICT projects.
A.6.	(720)	The overspend on this subhead, Courthouse and Office Premises Expenses, is mainly attributable to increased expenditure on leases associated with the Capital Buildings Programme.
A.8.	17	The saving was due to the timing of the final payment to the Incorporated Council of Law Reporting Ireland.

Sub-head	Less/(More) Than Provided €000	Explanation
A.9.	100	The expenditure review for ICT Directorate did not take place as anticipated during the year. This review will take place in 2008.
B.	4,166	The underspend on this subhead, Courthouses (Capital Works), is due to timing issues in relation to the commencement of a small number of Capital Building projects.

9 APPROPRIATIONS-IN-AID

	Estimated €	Realised €
1. Fees	27,928,000	29,191,128
2. Miscellaneous	<u>433,000</u>	<u>1,040,781</u>
Total	<u>28,361,000</u>	<u>30,231,909</u>

Explanation of Variations

- Fees:** This item represents fees received in respect of legal documents lodged in court offices including court percentages which produced higher than expected receipts.
- 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 under the Change Management Fund.

10 COMMITMENTS

(A) Global Commitments

Contracted Commitments at 31 December 2007 amounted to €19,591,498.

(B) Multi-Annual Capital Commitments

Project	Expenditure to 1 Jan 2007 ¹ €000	Expenditure in 2007 €000	Subsequent Years €000
Refurbishment of Courthouses	64,550	16,311	83,401
Information Technology Projects	2,458	1,117	738

¹ Excludes projects completed by the end of 2006.

11 MATURED LIABILITIES

The estimate of Matured Liabilities not discharged at year end was €291,791.

12 DETAILS OF EXTRA REMUNERATION

	Amount Paid €	Number of Recipients	Recipients of €6,350 or more	Max. Individual Payment of €6,350 or more €
Higher, special or additional duties	232,270	95	8	19,674
Overtime and extra attendance	1,000,654	383	51	24,104
Miscellaneous	<u>787,202</u>	280	31	17,842
Total extra remuneration	<u>2,020,126</u>			

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

13 MISCELLANEOUS ITEMS

Salary costs of €1,297,942 were recouped from Tribunals and other Departments in respect of staff on secondment.

A total of €101,391 was paid in respect of exceptional performance merit awards in accordance with the provisions of the Administrative Budget Scheme. There were 149 payments to individuals.

Consultancy expenditure not charged to the Consultancy Services subhead for 2007 amounted to €555,748. This primarily related to ICT consultancy services and is included under subhead A.5.

A total of €54,154 was paid to 7 retired Civil Servants who were engaged on various duties during 2007.

This account includes penalty interest payments amounting to €19,922 under the Prompt Payments of Accounts Act 1997 and as amended by the EU (Late Payments in Commercial Transactions) Regulations 2002.

Compensation totalling €71,322 was paid during the year to the State Claims Agency for the settlement of claims on behalf of the Courts Service.

The Net Allied Expenditure of €34,065,000 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	3,745
10 Office of Public Works	1,624
20 Garda Síochána	197
Central Fund - Judicial salaries and pensions	<u>28,499</u>
	<u>34,065</u>

A total of €210,271 was transferred to Appropriations-in-Aid in relation to Change Management projects from previous years.

A sum of €8,149 was brought to account in respect of unrecoupable suspense account balances.

14 STOCKS

Stocks at 31 December 2007 comprise:	€000
Stationery	<u>230</u>

15 DUE TO THE STATE

The amount Due to the State at 31 December 2007 consisted of:

	€000
Income Tax	772
Retention Tax	26
Value Added Tax	19
Pay Related Social Insurance	351
Fines	6,379
Excise Duty	<u>1,093</u>
	<u>8,640</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 2007, and a Statement of Internal Financial Controls in a standard format has been submitted to the Comptroller and Auditor General. For 2007 this statement has been supported by a system of compliance statements.

Risk Management

A Risk Management framework is in place. Managers of the Service are responsible for ongoing and formal risk assessments and recommending enhancements to controls. The framework is overseen by the Senior Management team which has overall responsibility for ensuring that risks are identified and managed.

Audit Committee

The Service has an Audit Committee comprising of four members, including two external members. The Audit Committee which operates under a written charter, reviews the outcome of all audits conducted by the Internal Audit unit. It issues an annual report on its work. In compliance with the recommendations in the Report of the Working Group on the Accountability of Secretaries General and Accounting Officers, the Service has upgraded its Internal Audit function. This has enabled a much more comprehensive Internal Audit programme to be conducted in 2007. The Head of Internal Audit reports to the Audit Committee on a quarterly basis. The Internal Audit unit is augmented by external service providers.

ICT

The Service is implementing on a phased basis the recommendations of an independent review of Information Communications Technology security in 2005. A five year Information Communication Technology Strategy covering the period 2006 - 2010 is in place. This will ensure that appropriate governance structures, processes, policies and procedures are consistent with industry best practice. As part of the structure an Information Communication Technology Governance Committee was established in 2006, chaired by the Accounting Officer and meets on a quarterly basis.

P.J. FITZPATRICK
Accounting Officer
THE COURTS SERVICE
31 March 2008

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for the Courts Service for 2007 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Appropriation Account has been prepared in accordance with the Statement of Accounting Policies and Principles on pages v-viii. The responsibilities of the Accounting Officer and the Comptroller and Auditor General, and the basis of the audit opinion are set out on pages iii-v.

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 2007.



JOHN BUCKLEY
Comptroller and Auditor General
19 September 2008