

Appropriation Account 2021

Vote 21

Prisons

Introduction

As Accounting Officer for Vote 21, 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 the salaries and expenses of the Irish Prison Service, and other expenses in connection with prisons, including places of detention and for payment of certain grants.

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 by 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 €5.43 million is liable for surrender to the Exchequer.

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

The Minister for Justice owns 13¹ prisons and places of detention, as well as property at the Irish Prison Service College in Portlaoise and property adjacent to the Headquarters building in Longford, and two sites in Dublin: one small site adjacent to Cloverhill Prison and lands acquired for prison development at Thornton Hall, Kilsallaghan, County Dublin.

Land is valued at existing use value or market value (if not in use) in the Statement of Fixed Assets. Prison buildings are valued at average replacement cost per cell. The most recent revaluations took place in 2020 with updated revaluations taking place every five years.

An exception to this accounting treatment related to the lands at Thornton Hall, which had continued to be valued at historic cost including investment in infrastructure and services, on the basis that it is a strategic State asset with potential future use value. Its availability has been identified to the Land Development Agency.

¹ There are 12 prisons and places of detention operational at present. The Training Unit which is part of Mountjoy Prison does not hold prisoners currently but is expected to become operational again subject to ongoing assessment of the risks related to the Covid-19 pandemic.

While it remains a strategic State asset and is subject to ongoing engagement with the Land Development Agency, an updated independent valuation was sought in the context of the 2021 accounts. This also reflects the opinion of the Comptroller and Auditor General in his certificate to the 2020 Accounts that an exceptional accounting treatment for the Thornton Hall lands is not warranted.

The net effect is that the most recent independent valuation puts a value of €6.5 million on the lands and buildings on the site compared with the historic cost of €49.3 million which reflects the acquisition cost and development of the lands. The most recent valuation is based on the existing use and zoning, and takes into account the quality of the agricultural land, location and road frontage. It specifically does not take into account any increased value based on a rezoning of the land for an alternative use.

The asset has now been revalued taking account of the most recent valuation. This position will be kept under review on an ongoing basis and particularly to reflect future use value as a strategic State asset and any further changes in valuation will be reflected in the accounts for the relevant financial year.

Depreciation

Buildings are not depreciated in the years between revaluations, on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

With the exception of land and buildings, all other capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

Consumables

Supplies for prisoner meals, cleaning, maintenance and workshops are treated as expensed items and are not counted in stocks.

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 Irish Prison Service.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. 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

The National Shared Services Office provides payroll processing services to the Irish Prison Service.

I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the Irish Prison 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.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- 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 Irish Prison 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.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. Its work is informed by an analysis of the financial and management risks to which the Prison Service and the Department are exposed. The annual internal audit plans are approved by the Audit Committee and take account of this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. A dedicated audit team has been assigned to work on Prison Service audit issues in 2021, and this brings a greater focus to audit work across the Prison Service. The internal audit function is reviewed periodically by the Audit Committee. I am satisfied that there are procedures in place to ensure that the reports of the internal audit function are followed up.

Non-compliance with procurement rules

The Irish Prison Service (IPS) ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines in so far as these are within its control.

The Irish Prison Service is compliant with the exception of eighteen contracts (in excess of €25,000) totalling €5,608,548 (ex. VAT) for the year 2021. To date, thirteen of these contracts have been awarded for a value of €5,060,635 following the conclusion of tender competitions.

- Eleven contracts with a value of €3,013,904 are considered non-compliant on the basis that they were extended beyond the original contract date as new competitive processes were not fully completed in partnership with the Office of Government Procurement by the year end. Nine contracts have been awarded to date for a value of €2,583,544, one contract is currently out to tender for a value of €338,233, with the remaining one for €92,127 now to be included in a new ICT framework that is being progressed. The reason for delays in some of the above tender processes was due to security issues as a result of contraband incursions discovered in food supplies for prisoners which necessitated a security review in relation to the supply chain which led to additional security requirements being included in the new tender specifications. In addition, legal issues presented in some tender processes which also led to delays.
- Seven contracts with a value of €2,594,644 are also considered as non-compliant on the basis that it has been necessary to roll-over beyond the original contract date, while updated procurement arrangements were being finalised. To date, four such contracts have been awarded, for a value of €2,477,091 with the other three of value €117,553 now published and in the process of being completed.

The Irish Prison Service has provided details of 41 non-competitive contracts in the annual return in respect of circular 40/2002.

Risk and control framework

The Irish Prison 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 risk register is in place for each Prison, Directorate and for the Irish Prison Service at a corporate level which identify the key risks at prison, directorate and organisation level and these have been identified, evaluated and graded according to their significance. The Corporate Risk Register is reviewed and updated by the Irish Prison Service Risk Management Committee (Directors Group) on a quarterly basis and quarterly reviews also take place at prison/directorate level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned 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 Risk Management Committee, 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

The Irish Prison Service's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Irish Prison Service responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

Arising from the recommendations in recent audit reports, the Prison Service is continually reviewing and strengthening financial and other controls in processes in areas such as ICT project management, GDPR compliance and the business continuity/disaster recovery processes.

The Department of Justice and the Irish Prison Service jointly commissioned an external review of the procurement function with a view to strengthening the structures and processes going forward.

Covid-19 pandemic

The impact of Covid-19 has been a central focus at all levels of management across the Irish Prison Service (IPS) since the onset of the pandemic and has had a wide ranging and significant impact on operations during 2020, 2021 and to date in 2022. Prisons are a high risk environment for transmission of such viruses and the Irish Prison Service has been proactive in managing and mitigating against the risk since the beginning of the crisis. The senior management team has been meeting every day since early March 2020 dealing with the day to day security, safety, healthcare, operational and management challenges posed by the pandemic. An Emergency Response Planning Team was also activated on commencement of the crisis, with key stakeholders represented and meetings convened on a weekly basis to identify and implement protection measures and processes to minimise the impact on prisoners and staff in order to ensure prisons can be as Covid free as possible.

As an essential service, the Irish Prison Service has maintained its core custodial and security operations and other services, to varying degrees, in line with the restriction levels in place under the National Framework for "*Living with Covid*".

While key payment controls were maintained throughout the pandemic, it was necessary to revise certain processes to allow remote approval of invoices and payment forms by email where required. Secure remote access was provided to existing systems allowing staff working remotely to have access to their existing policies, procedures and detailed work manuals. The Irish Prison Service and the Internal Audit Unit are monitoring the changes to the processes introduced during Covid to ensure that they are effective.

There has been a major impact on cost with an estimated €5 million being incurred in 2021 as a result of the pandemic for items such as

- staff costs (particularly in relation to additional locum/agency healthcare staff)
- medical PPE
- virus detection measures
- deep cleaning and infection control
- industrial cleaning
- bedding, laundry and catering contingencies
- ICT for improved prisoner services and remote working for staff.

Covid outbreaks have occurred in all closed prisons over the course of the pandemic. There have been almost 1,000 positive prisoner cases since the beginning of the pandemic. Following the arrival of the Omicron variant and its associated level of transmissibility, two thirds of all confirmed Covid cases amongst the prisoner population have been detected in the last three months. One prisoner fatality was reported in relation to a prisoner with a terminal cancer diagnosis.

The IPS has been extremely challenged during the course of the pandemic in relation to maintaining adequate staffing levels and managing the large increase in both PCR and antigen testing required in order to minimise transmission. There continue to be outbreaks of infections in prisons leading to management and staffing challenges.

Oonagh McPhillips
Accounting Officer
Prisons

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 21 Prisons

Opinion on the appropriation account

I have audited the appropriation account for Vote 21 Prisons 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 21 Prisons 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 Department of Justice and of the Irish Prison 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

25 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 21 Prisons

Appropriation Account 2021

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison			
	<i>Estimate provision</i>	394,536		
	<i>Deferred surrender</i>	5,468		
			400,004	392,389
				400,879
	Gross expenditure		400,004	392,389
	<i>Deduct</i>			
B	Appropriations-in-aid		9,152	10,568
Net expenditure				
	<i>Estimate provision</i>	385,384		
	<i>Deferred surrender</i>	5,468		
			390,852	381,821
				390,054

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. €3.601 million of unspent allocations in respect of the capital elements of subhead A.3 Buildings and equipment was carried forward to 2022.

	2021	2020
	€	€
Surplus	9,031,130	7,156,894
Deferred surrender	(3,601,000)	(5,468,000)
Surplus to be surrendered	5,430,130	1,688,894

Oonagh McPhillips
Accounting Officer
Prisons

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

	2021	2020
	€000	€000
Programme cost	102,286	110,740
Pay	271,455	271,324
Non pay	18,648	18,815
Gross expenditure	392,389	400,879
<i>Deduct</i>		
Appropriations-in-aid	10,568	10,825
Net expenditure	381,821	390,054
Changes in capital assets		
Purchases cash	(29,173)	
Depreciation	4,074	
Loss on disposals	9	(36,540)
	(25,090)	
Changes in net current assets		
Decrease in closing accruals	(6,489)	
Decrease in stock	358	(1,710)
	(6,131)	
Direct expenditure	350,600	351,804
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	76,191	70,031
Net programme cost	426,791	421,835

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 21 borne elsewhere.

	2021	2020
	€000	€000
Vote 9 Office of the Revenue Commissioners	270	270
Vote 12 Superannuation and Retired Allowances	74,707	68,625
Vote 13 Office of Public Works	145	145
Vote 18 National Shared Services Office	324	332
Vote 24 Justice (Financial Shared Service Centre)	719	639
Vote 43 Office of the Government Chief Information Officer	26	20
	76,191	70,031

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	1,386,918	1,404,618
Current assets			
Bank and cash	2.2	17,083	18,859
Stocks	2.3	1,919	2,277
Prepayments	2.4	3,794	2,498
Accrued income		194	56
Other debit balances	2.5	1,617	2,086
Total current assets		24,607	25,776
Less current liabilities			
Accrued expenses	2.6	3,330	8,385
Other credit balances	2.7	15,010	15,088
Net Exchequer funding	2.8	3,690	5,857
Total current liabilities		22,030	29,330
Net current assets		2,577	(3,554)
Net assets		1,389,495	1,401,064
Represented by:			
State funding account	2.9	1,389,495	1,401,064

2.1 Capital assets

	Land and buildings	Office equipment	Furniture and fittings	Motor vehicles	Capital assets under development	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2021	1,358,654	77,947	759	12,862	33,986	1,484,208
Additions	246	2,053	—	510	26,364	29,173
Brought into use	5,193	—	—	—	(5,193)	—
Revaluations ^a	(42,790)	—	—	—	—	(42,790)
Disposals	—	(583)	—	(46)	—	(629)
Cost or valuation at 31 December 2021	1,321,303	79,417	759	13,326	55,157	1,469,962
Accumulated depreciation						
Opening balance at 1 January 2021	—	69,335	677	9,578	—	79,590
Depreciation for the year	—	2,623	20	1,431	—	4,074
Depreciation on disposals	—	(577)	—	(43)	—	(620)
Cumulative depreciation at 31 December 2021	—	71,381	697	10,966	—	83,044
Net assets at 31 December 2021	1,321,303	8,036	62	2,360	55,157	1,386,918
Net assets at 31 December 2020	1,358,654	8,612	82	3,284	33,986	1,404,618

Note ^a This relates to the revaluation of lands at Thornton Hall, Killsallaghan, County Dublin from a historic cost value of €49.3 million to a current use value of €6.5 million.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash	16,839	18,724
Commercial bank account balances	244	135
	17,083	18,859

Non Vote bank accounts

The Irish Prison Service holds 25 commercial bank accounts. Moneys in these accounts are managed by the Irish Prison Service separately to voted funds and relate to prison shops, a Prisoner Assist Fund and two accounts for prisoners' personal cash. With the exception of gratuity payments to individual prisoners, which originate from the Vote, no moneys due to or paid from the Vote are transmitted through these bank accounts. The amount held at the end of 2021 is €3,478,046 and is not included in the account (2020: €3,295,289). See also Note 6.6.

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Uniforms and clothing	1,863	2,241
Miscellaneous	56	36
	1,919	2,277

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Administration (v). Office equipment and external IT services <i>(ICT - system maintenance and support including licencing)</i>	2,709	1,643
A.5 Operational services <i>(mainly communication services provided by Tetra and other security services)</i>	576	579
A.4 Prisoner services <i>(mainly resettlement services costs)</i>	281	249
A.3 Buildings and equipment <i>(includes ICT system maintenance and support and building rental costs)</i>	174	10
A.6 Educational services	50	4
Administration (iv). Postal and telecommunications services	2	11
Administration (iii). Training and development and incidental expenses	2	2
	3,794	2,498

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Prison imprest accounts	278	250
Payroll suspense account (Paypath)	947	1,472
Other debit suspense items	392	364
	1,617	2,086

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
A.4. Prisoner services	1,555	3,103
A.3. Buildings and equipment	882	2,658
Admin (v) Office equipment and external IT services	288	1,267
Admin (iii) Training and development and incidental expenses	163	355
Admin (ii) Travel and subsistence	139	86
Admin (iv) Postal and telecommunications services	118	133
A.5. Operational services	103	154
A.6. Educational services	82	94
A.7. Compensation	—	520
A.8. Social disadvantage measures (Dormant accounts funded)	—	15
	3,330	8,385

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	7,030	6,905
Pay related social insurance	3,698	3,537
Professional services withholding tax	134	115
Value added tax	1,539	2,311
Registered contractors tax	—	27
Tax deducted from pension contribution refunds	1	—
	12,402	12,895
 Vote related bank account balances	 244	 135
Payroll deductions held in suspense	933	919
Other credit suspense items	1,431	1,139
	15,010	15,088

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	5,430	1,689
Deferred surrender	3,601	5,468
Exchequer grant undrawn	(5,341)	(1,300)
Net Exchequer funding	3,690	5,857
Represented by:		
Debtors		
Bank and cash	17,083	18,859
Debit balances: suspense	1,617	2,086
	18,700	20,945
Creditors		
Due to the State	(12,402)	(12,895)
Vote related bank account balances	(244)	(135)
Credit balances: suspense	(2,364)	(2,058)
	(15,010)	(15,088)
	3,690	5,857

2.9 State funding account

	Note	2021	2020
		€000	€000
Balance at 1 January		1,401,064	991,119
Disbursements from the Vote			
Estimate provision	Account	390,852	
Deferred surrender	Account	(3,601)	
Surplus to be surrendered	Account	(5,430)	
Net vote		381,821	390,054
Expenditure (cash) borne elsewhere	1.1	76,191	70,031
Asset revaluation (non cash)	2.1	(42,790)	371,695
Net programme cost	1	(426,791)	(421,835)
Balance at 31 December		1,389,495	1,401,064

2.10 Commitments

a) Global commitments	2021	2020
at 31 December	€000	€000
Capital projects	14,985	41,715
Total of legally enforceable commitments	14,985	41,715

b) Major capital projects

	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^a
	€000	€000	€000	€000	€000
Limerick Prison	31,858	22,396	13,846	68,100	68,100
	31,858	22,396	13,846	68,100	68,100

Note ^a The redevelopment of Limerick Prison includes an extension to a current wing of the prison, a new female facility and a number of other related works. It will also provide a new Probation Service premises which is funded, to the value of €3.4 million, by the Office of Public Works.

2.11 Matured liabilities

at 31 December	2021	2020
	€000	€000
Estimate of matured liabilities not discharged at year end	—	33

2.12 Contingent liabilities

The Irish Prison Service is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. The contingent liabilities include compensation claims relating to in-cell sanitation which are being dealt with by the State Claims Agency on behalf of the Irish Prisons Service. Any actual amount or timing of potential liabilities is uncertain. See also Note 6.2 Compensation and legal costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below is included in Programme A expenditure, to provide complete programme costings.

		2021	2020
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	267,111	271,455
ii	Travel and subsistence	2,316	1,645
iii	Training and development and incidental expenses	3,860	4,020
iv	Postal and telecommunications services	1,800	1,670
v	Office equipment and external IT services	7,380	11,313
vi	Consultancy services and value for money and policy reviews	100	—
		282,567	290,103
			290,139

Significant variations

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

ii Travel and subsistence

Estimate provision €2.316 million; outturn €1.645 million

The saving of €671,000 arose as the level of travel-related expenditure continued to be impacted by Covid restrictions in 2021.

v Office equipment and external IT services

Estimate provision €7.38 million; outturn €11.313 million

The excess of €3.933 million is related to additional costs associated with managing the continuation and expansion of ICT services, infrastructure and systems during the COVID pandemic. This included the facilitation of remote working for office-based staff and the provision of services within prisons such as video linking facilities for prisoner families and in-cell services for prisoners.

vi Consultancy services and value for money and policy reviews

Estimate provision €100,000; outturn €nil

There was no requirement for consultancy services in the year.

Programme A Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	267,111	271,455	271,324
A.2	Administration – non pay	15,456	18,648	18,815
A.3	Buildings and equipment			
	<i>Estimate provision</i>	60,849		
	<i>Deferred surrender</i>	<u>5,468</u>		
		66,317	54,419	60,241
A.4	Prisoner services	34,256	32,801	34,203
A.5	Operational services	4,500	4,726	5,585
A.6	Educational services	1,265	914	1,424
A.7	Compensation	10,873	9,152	9,087
A.8	Social disadvantage measures (Dormant accounts funded)	226	274	200
		400,004	392,389	400,879

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 €7.615 million lower than the estimate provision, notwithstanding an overspend in the administration subheads of €7.536 million (see above). This was offset by savings in other subheads and the variation in the remaining subheads is mainly due to the following.

A.3 Buildings and equipment

Estimate provision €66.317 million; outturn €54.419 million

The saving arose mainly due to the closedown of construction works during national lockdowns in the management of the Covid pandemic. This impacted on the progress of the major redevelopment project at Limerick Prison contributing to the saving of €11.898 million. An amount of €3.601 million of this capital underspend was carried over to 2022 under the deferred capital provisions.

A.5 Operational services

Estimate provision €4.5 million; outturn €4.726 million

The excess of €226,000 is due to additional costs related to the management of the prisons transport fleet.

A.6 Educational services

Estimate provision €1.265 million; outturn €914,000

The saving of €351,000 arose as prison schools were closed for the first quarter of the year. In addition, reduced school attendance was a consequence of infection control measures which in turn gave rise to reduced expenditure in this area.

A.7 Compensation

Estimate provision €10.873 million; outturn €9.152 million

The saving of €1.721 million arose due to less expenditure than expected in relation to in-cell sanitation cases and other compensation areas. This is a demand led expenditure area largely managed by the State Claims Agency on behalf of the Irish Prison Service and expenditure can vary depending on the quantum, number and timing of awards.

Note 4 Receipts

4.1 Appropriations-in-aid

		2021		2020
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous	305	443	583
2	Dormant account receipts	226	274	200
3	Receipts from additional superannuation contributions on public service remuneration	8,621	9,851	10,042
Total		9,152	10,568	10,825

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, the appropriations-in-aid were €1.416 million higher than the estimate provision of €9.152 million. This is mainly due to the following:

1 Miscellaneous

Estimate €305,000; realised €443,000

The surplus of €138,000 is due to a greater volume of receipts being generated than expected. The largest proportion of receipts relate to illness benefits payments from the Department of Social Protection which increased during the year due to the Covid-19 pandemic.

3 Receipts from additional superannuation contributions on public service remuneration

Estimate €8.621 million; realised €9.851 million

The surplus of €1.23 million is directly related to payroll costs with additional superannuation payments arising.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end	<u>3,476</u>	<u>3,455</u>

5.2 Pay

	2021	2020
	€000	€000
Pay	167,717	168,396
Higher, special or additional duties allowances	407	439
Other allowances	39,989	40,747
Extra attendance and overtime	40,591	39,604
Employer's PRSI	22,751	22,138
Total pay	<u>271,455</u>	<u>271,324</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	69	4	25,408	18,347
Extra attendance and overtime	3,110	2,121	54,048	83,449
Shift and roster allowances	2,869	1,474	20,237	19,387
Miscellaneous	3,187	25	13,266	12,958
Extra remuneration in more than one category	3,164	2,916	72,660	101,650

5.4 Other remuneration arrangements

A total of €118,478 was paid to 27 retired civil servants in receipt of civil service pensions who were employed on various duties. Payments ranged from €150 to €19,826. A total of €37,502 was paid to seven retired members of An Garda Síochána, who were employed by the Irish Prison Service on specific duties during 2021.

Appropriate procedures were in place with regard to payments to retired staff in accordance with section 52 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021 €	2020 €
Overpayments	226	543,047	506,901
Recovery plans in place	131	272,808	310,024

There were no individuals with overpayment recovery plans who transferred to other departments in 2021. The details listed above include a number of preserved pension cases. A number of additional recovery repayment plans have been put in place in the year to date.

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 II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155). The salary of the Accounting Officer is paid from Vote 24 Justice.

Note 6 Miscellaneous

6.1 Prison population

The estimated daily average number of prisoners in 2021 was 3,794 (2020: 3,823).

6.2 Compensation and legal costs

Payments/costs paid by the Irish Prison Service in the year

	Claims by				Total 2021
	employees		prisoners, arising out of injuries and other actions involving prisoners	members of the public	
	Civil claims - injuries while on duty and other issues	Criminal Injuries Compensation Tribunal – prison staff injuries			
Number of cases	115	57	1,176	34	1,382
	€000	€000	€000	€000	€000
Irish Prison Service's own legal costs	119	—	861	31	1,011
Payments by/on behalf of the Irish Prison Service					
Compensation	1,044	1,505	3,340	103	5,992
Legal costs	191	—	1,799	19	2,009
Other costs	84	—	33	14	131
2021 total	1,438	1,505	6,033	167	9,143
2020 total	2,537	2,701	3,144	691	9,073

Note At 31 December 2021, the State Claims Agency recorded 1,465 active claims as outstanding (2020: 2,399). Legal costs incurred by the Prison Service in relation to eight non-compensation cases amounted to €142,813 (2020: €257,730).

The outstanding claims recorded by the State Claims Agency include 909 cases relating to in-cell sanitation. Arising from a related Supreme Court judgement, the State Claims Agency has put in place a scheme to address these claims. The costs of any compensation from this scheme are paid from the Prisons Vote. The amount of €6.033 million paid in compensation and legal costs from the table above, in respect of claims by prisoners includes €3.735 million (2020: €1.477 million) in compensation and €555,000 (2020: €542,000) in legal costs for finalised in-cell sanitation cases. It is estimated by the State Claims Agency that the final cost of in-cell sanitation cases is likely to be in the region of €15 million to €20 million.

At 31 December 2021, the Irish Prison Service has no (2020: €520,011) outstanding legal costs due to the State Claims Agency.

Cumulative costs of cases completed in 2021

	Claims by			Total
	prison staff	prisoners	members of the public	
Number of cases	52	1,375	21	1,448
	€000	€000	€000	€000
Irish Prison Service's own legal costs	104	1,044	31	1,179
Payments by/on behalf of the Irish Prison Service				
Compensation	577	2,733	110	3,420
Legal costs	227	1,638	35	1,900
Other costs	42	106	3	151
Total	950	5,521	179	6,650

6.3 Prisoner funeral expenses

Ex-gratia payments totalling €8,915 were made towards the funeral expenses of four prisoners who died in prison.

6.4 Cash losses

A number of cash losses totalling €4,841 (2020: nil) were identified across five prisons during 2021.

6.5 Prompt payment of account interest

The amount of prompt payment interest incurred by the Irish Prison Service in 2021 was €10,013 (2020: €13,387).

6.6 Other financial operations within the Irish Prison Service

Separate to the expenditure reflected in the appropriation account, a number of other financial operations arise within the Irish Prison Service in order to carry out its functions. The operations in question relate to two bank accounts for prisoner cash, prison shops (including a central prison shop bank account), and a Prisoner Assist Programme Fund. The details are as follows:

- **Main prisoners' personal funds account** - A bank account is maintained centrally specifically for prisoners' personal funds and is managed by the Finance and Estates Directorate. As prisoners leave prison, they receive the balance of their personal funds from this account. The balance in the account at 31 December 2021 was €1,430,914 (2020: €1,227,855). This represents the accumulated prisoner balances at year end but also includes the total prison shop sales for December (typically over €600,000 approx.) that will be transferred, shortly after month end, to the appropriate prison shop bank accounts to facilitate payment to suppliers for December purchases.
- **Prisoner funds account** - Since 2020, a further bank account was in use for prisoners' personal funds. This account is also managed by the Finance and Estates Directorate. This account allows prisoners' families to transfer funds by EFT or An Post card to their family member in prison. This was necessary arising from the Covid pandemic and also removes some risk associated with cash handling. Similar to the process in place with the prisons, the funds received into this bank account are transferred on a weekly basis into the main prisoners' personal funds account. The balance in the account at 31 December 2021 was €157,841 (2020: €135,437).
- **Prison shops** - Each prison has an internal shop ('tuck shop') where prisoners can purchase items such as confectionary and toiletry products. The items are paid for from individual prisoner funds. All purchasing for the shop is funded from sales to prisoners and since February 2021, any 'net surplus' generated is transferred to a centrally managed prison shop bank account. (The total of the bank account balances for the 11 prisons shops at 31 December 2021 was €425,954 (2020: €520,697). The value of stock on hand was €351,366 (2020: €343,436).
- **Central prison shop bank account** - From February 2021, a central prison shop bank account is in use, managed by the Finance and Estates Directorate. The funds in this account are generated from the 'net surplus' generated from all prison shops and will fund prisoner hardship through a centrally managed allocation process. The balance in the account at 31 December 2021 was €424,022 (2020: €nil).
- **Prisoner Assist Programme Fund (PAPF)** - The central prison shop bank account was set up to manage the 'net surpluses' generated from prison shops. The balances remaining in the PAPF bank accounts in each prison are being used to fund prisoner hardship and related projects and, as the balances are cleared, the PAPF bank accounts will be closed. The total of the bank account balances at 31 December 2021 was €1,039,315 (2020: €1,411,300).

Voluntary mess committees (VMCs) are currently operating in eight prisons to coordinate the administration of the operation of canteen facilities for prison staff provided through prisoner training kitchens. VMCs operate as separate and independent entities from the Irish Prison Service.

In 2021, at the request of the Public Accounts Committee, the Department of Justice commissioned an independent review of the operation of VMCs within the Irish Prison Service. This review is expected to conclude shortly.

6.7 Deferred surrender

Deferred surrender comprises savings in 2021 of €3.601 million in capital expenditure in the following subhead that was carried over to 2022.

	€000
Description of subhead:	
A.3 Buildings and equipment	3,601
	<u>3,601</u>