

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 2010 for the salaries and expenses of the Prison Service, and other expenses in connection with prisons, including places of detention; for probation services and for payment of a grant-in-aid.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2010, including the amount that could be used as appropriations-in-aid of expenditure for the year.

The Statement of Accounting Policies 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 have been applied in the preparation of the Account except for the following:

Land and Buildings:

The Minister for Justice and Law Reform owns 14 prisons and places of detention, as well as property at Beladd Park and Thornton Hall.

Land was valued at open market value by the OPW Valuation section during 2009. Land at Thornton Hall has been valued at purchase price.

The basis for valuing prison buildings – average replacement cost per cell – remains unchanged. Prisons land and buildings will be revalued every 5 years with the assistance of the OPW Valuation Section – the next planned revaluation is 2014. Buildings are not being depreciated in the years between revaluations, on the basis that ongoing annual maintenance expenditure will be sufficient to maintain their condition. With the exception of land, all other capital assets are depreciated on a straight line basis over their estimated useful life starting in the month placed in service.

Statement on Internal Financial Control

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Irish Prison Service.

S AYLWARD
Accounting Officer
Department of Justice and Law Reform
30 March 2011

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 21: Prisons for 2010 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 Department of Justice and Law Reform in respect of the Vote for Prisons. 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 2010.

A handwritten signature in black ink, appearing to read 'John Buckley', with a stylized flourish at the end.

JOHN BUCKLEY
Comptroller and Auditor General
22 August 2011

Vote 21 Prisons Appropriation Account 2010

Service	2010 Estimate provision €000	2010 Outturn €000	2009 Outturn €000
Administration			
A.1. Salaries, wages and allowances	254,714	241,955	259,895
A.2. Travel and subsistence	2,316	2,082	2,714
A.3. Incidental expenses	8,187	5,884	8,099
A.4. Postal and telecommunications services	3,985	3,154	3,627
A.5. Office machinery and other office supplies and related services	3,923	5,100	5,179
A.6. Consultancy services	190	66	189
A.7. Value for money and policy reviews	50	—	—
Other Services			
B. Buildings and equipment	39,752	30,486	49,788
C. Prison services, etc.	32,407	41,336	38,218
D. Manufacturing department and farm	629	586	648
E. Probation service - services to offenders	53	26	10
F. Educational services	1,665	1,457	1,320
G. Prison Officers' Medical Aid Society (grant-in-aid)	521	—	—
H. Compensation	2,973	2,854	4,013
I. Social disadvantage measures (dormant accounts funded)	750	218	420
Gross Expenditure	352,115	335,204	374,120
Deduct			
J. Appropriations-in-aid	17,384	18,095	16,293
Net Expenditure	334,731	317,109	357,827
Surplus for the year		€17,622,088	€5,759,307
Deferred surrender under Section 91 of the Finance Act 2004		€2,000,000	—
Surplus to be surrendered		€15,622,088	€5,759,307

Notes to the Appropriation Account

1 Operating Cost Statement 2010

	Note	2010 €000	2009 €000
Expenditure on administration		258,241	279,703
Expenditure on services and programmes		76,963	94,417
Gross expenditure		335,204	374,120
Deduct			
Appropriations-in-aid		18,095	16,293
Net expenditure		317,109	357,827
Changes in capital assets			
Purchases cash		(15,113)	(21,834)
Depreciation		4,718	5,387
Disposals cash		1	1
Loss on disposals		182	23
Changes in assets under development			
Cash payments		(10,102)	(29,765)
Changes in net current assets			
Increase/(Decrease) in closing accruals		124	(2,035)
Decrease in stock		413	1,056
Direct expenditure		297,332	310,660
Net allied services expenditure	1.1	46,634	36,666
Total operating cost		343,966	347,326

1.1 Net Allied Services

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

Vote		2010 €000	2009 €000
7	Superannuation and Retired Allowances	43,794	34,455
10	Office of Public Works	1,448	812
19	Justice and Law Reform - Financial Shared Services Centre	1,392	1,399
		46,634	36,666

2 Statement of Assets and Liabilities as at 31 December 2010

	Note	2010 €000	2009 €000
Capital Assets	2.1	755,263	672,651
Capital Assets under Development	2.2	15,690	77,796
		770,953	750,447
Current Assets			
Bank and cash	2.3	8,688	9,536
Stocks	2.4	1,922	2,335
Prepayments		380	271
Accrued income		310	115
Other debit balances	2.5	1,578	2,170
Total Current Assets		12,878	14,427
Less Current Liabilities			
Accrued expenses		3,658	3,230
Other credit balances	2.6	10,244	10,947
Net Liability to the Exchequer	2.7	22	759
Total Current Liabilities		13,924	14,936
Net Current Liabilities		(1,046)	(509)
Net Assets		769,907	749,938

2.1 Capital Assets

	Land and Buildings €000	Office Equipment €000	Furniture and Fittings €000	Motor Vehicles €000	Total €000
Gross assets					
Cost or valuation at 1 January 2010	660,502	67,100	10,497	9,194	747,293
Prior year adjustment ¹	—	4,696	(9,562)	(2,002)	(6,868)
Additions	81,756	3,729	101	1,749	87,335
Disposals	—	(4,847)	(271)	(193)	(5,311)
Cost or valuation at 31 December 2010	742,258	70,678	765	8,748	822,449
Accumulated Depreciation					
Opening balance at 1 January 2010	—	59,417	8,411	6,814	74,642
Prior year adjustment ¹	—	2,981	(7,786)	(2,255)	(7,060)
Depreciation for the year	—	3,716	40	962	4,718
Depreciation on disposals	—	(4,829)	(92)	(193)	(5,114)
Cumulative depreciation at 31 December 2010	—	61,285	573	5,328	67,186
Net Assets at 31 December 2010	742,258	9,393	192	3,420	755,263
Net Assets at 31 December 2009	660,502	7,683	2,086	2,380	672,651

¹ The Irish Prison Service concluded work in bringing all its fixed assets onto the computerised asset register in 2010. As a result, unlike previous years, the statement of capital assets has been prepared in its entirety from the computerised fixed assets register. This work included a review of all its fixed assets.

2.2 Capital Assets under Development

	Construction Contracts 2010 €000	Construction Contracts 2009 €000
Amounts brought forward at 1 January	77,796	121,388
Cash payments for the year	10,102	29,765
Transferred to asset register	(72,208)	(73,357)
Amounts carried forward at 31 December	15,690	77,796

2.3 Bank and Cash

at 31 December	2010 €000	2009 €000
PMG balances and cash	10,969	11,501
Orders outstanding	(2,281)	(1,965)
	8,688	9,536

2.4 Stocks	2010	2009
at 31 December	€000	€000
Uniforms and clothing	1,433	1,937
Furniture and maintenance material	206	158
Food	18	22
Miscellaneous	265	218
	<u>1,922</u>	<u>2,335</u>

Inventory valued at €689,197 has been written off as obsolete in 2010. This relates to uniform items (clothing and footwear), which were deemed obsolete on health and safety grounds and due to the uniform items being no longer functional. Some of the items were 10 to 20 years old and related to 8 different institutions throughout the State.

2.5 Other Debit Balances	2010	2009
at 31 December	€000	€000
Imprests	727	892
Other debit suspense items	851	1,278
	<u>1,578</u>	<u>2,170</u>

2.6 Other Credit Balances	2010	2009
at 31 December	€000	€000
Amounts due to the state		
Income Tax	4,053	4,764
Pay Related Social Insurance	2,925	2,978
Retention Tax	287	225
Value Added Tax	1,317	1,395
Construction Tax	—	12
Tax deducted from pension contribution refunds	2	—
Staff pension contributions	793	354
	<u>9,377</u>	<u>9,728</u>
Payroll deductions held in suspense	721	1,026
Other credit suspense items	146	193
	<u>10,244</u>	<u>10,947</u>

2.7 Net Liability to the Exchequer

at 31 December	2010 €000	2009 €000
Surplus to be surrendered	15,622	5,759
Deferred Surrender	2,000	—
Surplus for the year	17,622	5,759
Exchequer grant undrawn	(17,600)	(5,000)
Net liability to the Exchequer	22	759

Represented by:**Debtors**

Bank and cash	8,688	9,536
Debit balances: suspense	1,578	2,170
	10,266	11,706

Creditors

Due to State	(9,377)	(9,728)
Credit balances: suspense	(867)	(1,219)
	(10,244)	(10,947)
	22	759

2.8 Commitments**(a) Global Commitments**

Contracted commitments at 31 December 2010 amounted to €385,000. (2009 €3.266m)

(b) Multi-Annual Capital Commitments

	Expenditure to 31 December 2009	Expenditure in 2010	Subsequent Years	Total Cost
	€000	€000	€000	€000
Thornton Hall Prison	10,177	1,760	3,348	15,285
Midlands Prison	—	1,511	22,170	23,681
Other Projects	—	2,242	4,830	7,072
	10,177	5,513	30,348	46,038

The figure for subsequent years expenditure represents commitments where formal contracts were entered into at 31 December 2010.

3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided by more than €100,000 and by more than 5% (25% in the case of administration subheads).

Sub-head	Less/(more) than provided €000	Explanation
A.1.	12,759	The saving arises as a result of efficiencies introduced with the implementation of the Proposal for Organisational Change in the Prison Service together with an increase in the number of retirements.
A.2.	234	The saving primarily resulted from a reduction in the devolved allocations for travel and subsistence and tighter management of expenditure due to budgetary constraints.
A.3.	2,303	The savings in this subhead arose primarily due to reduced expenditure on prison officer uniforms in comparison to the prior year and reduced staff training costs for new recruits due to the impact of the recruitment moratorium.
A.4.	831	The saving arose due to efficiencies realised through telecommunications operations and new contract arrangements for telecommunication services (primarily the prisoner phone system and mobile phone services).
A.5.	(1,177)	The excess arose due to developments on key prison systems such as HRMS, PRIS etc which progressed during 2010. In addition, office and computer equipment at the Irish Prison Service headquarters in Longford had to be replaced after flood damage.
A.6.	124	The saving arose as the use of consultants was minimised to the greatest extent possible.
B.	9,266	The saving arose primarily due to the delays in the commencement of projects, due to procurement timelines, including the impact of the Remedies Directive.
C.	(8,929)	The excess arose due to the increased running cost of the prisons including utilities such as heat, light and fuel as well as other day to day costs such as food, clothing and healthcare costs, etc. The provision of additional spaces (in Wheatfield and Mountjoy) along with the increase in prisoner numbers in 2010 has, again, impacted on the cost of providing such prison services. In addition, a number of healthcare reviews were undertaken during the year on the recommendation of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT), resulting in increased costs in this area.
F.	208	The saving arose due to efficiencies and other measures to reduce expenditure in this area being put in place including revised arrangements with service providers.
G.	521	The saving arose as funding was not provided under this subhead due to outstanding legal issues.
I.	532	The timing of expenditure under the dormant accounts initiatives is difficult to anticipate as it is dependent on the rate of progress in funded projects.

4 Receipts

4.1 Appropriations-in-aid	2010	2010	2009
	Estimated	Realised	Realised
	€000	€000	€000
1. Receipts from manufacturing department and farm (including produce used in prisons)	905	1,059	1,082
2. European Social Fund	5	—	—
3. Proceeds from the sale of prison property	—	—	—
4. Miscellaneous	519	360	541
5. Dormant account receipts	750	218	420
6. Receipts from pension - related deduction on public service remuneration	15,205	16,458	14,250
Total	17,384	18,095	16,293

Explanation of significant variation

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
1	(154)	Receipts from prison manufacturing activities are difficult to quantify in advance.
4	159	Receipts in this category are difficult to predict with certainty.
5	532	Receipts from the dormant accounts fund are linked to expenditure under subhead land are consequently difficult to predict.
6	(1,253)	The surplus has arisen due to a greater than expected intake of income from this source which is closely related to payroll expenditure.

5 Employee Numbers and Pay

	2010	2009
Number of staff at year end (full time equivalents)	3,521	3,577
	€000	€000
Pay	143,493	156,032
Higher, special or additional duties allowances	507	649
Other allowances	49,556	52,720
Overtime and extra attendance	34,950	36,643
Employer's PRSI	13,449	13,851
Total pay	241,955	259,895

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment	Maximum individual payment
			2010 €	2009 €
Higher, special or additional duties	134	9	13,566	13,226
Overtime and extra attendance	3,497	1,880	31,479	36,200
Shift and roster allowances	3,173	503	22,603	27,977
Miscellaneous	3,624	436	18,316	27,275

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

5.2 Other Remuneration Arrangements

A total of €83,822 was paid to 11 retired civil servants in receipt of civil service pensions, ranging from €247 to €27,216, who were re-employed on various duties during 2010.

A total of €122,400 was paid as fees/expenses to 9 members of the Prisons Interim Board in 2010.

6 Miscellaneous Items

6.1 Prison Population

The estimated daily average number of prisoners in 2010 was 4,299 (3,881 in 2009).

6.2 Compensation and Legal Costs

Compensation and legal costs totalling €694,374 and ranging from €31 to €125,000 was paid in respect of 68 claims arising out of injuries received by Prison staff while on duty and other issues involving Prison staff.

Compensation and legal costs totalling €848,067 and ranging from €14 to €127,500 was paid in respect of 97 claims arising out of injuries received by prisoners and other actions involving prisoners.

Compensation and legal costs totalling €96,455 and ranging from €10 to €22,500 was paid in respect of 16 claims arising out of injuries to civilians.

Compensation payments totalling €1,101,524 were made arising from 30 awards of the Criminal Injuries Compensation Tribunal. The payments ranged from €631 to €270,200 and was paid in respect of claims arising out of injuries received by Prison staff.

Legal fees of €90,818 were also paid to a prison officer in respect of a judicial review case.

6.3 Other

Ex gratia payments totalling €12,565 were made towards the funeral expenses of 5 offenders who died while in prison.

6.4 Prisoner Assist Programme Fund

In the course of carrying out its statutory function, the Irish Prison Service and its agents operate certain bank accounts. These accounts are accounted for separately and do not form part of this Account as they do not relate to voted funds.

Appendix

ABSTRACT STATEMENT OF THE MANUFACTURING ACCOUNTS OF THE PRISONS FOR THE YEAR ENDED 31 DECEMBER 2010

	Agriculture	Other Industries	Total 31 December 2010	Total 31 December 2009
	€000	€000	€000	€000
Stock on hand at 1 January 2010	5	332	337	372
Purchases	61	518	579	626
Profit	21	366	387	397
	<u>87</u>	<u>1,216</u>	<u>1,303</u>	<u>1,395</u>
	Agriculture	Other Industries	Total 31 December 2010	Total 31 December 2009
	€000	€000	€000	€000
Sales	80	978	1,058	1,058
Stock on hand at 31 December 2010 ¹	7	238	245	337
	<u>87</u>	<u>1,216</u>	<u>1,303</u>	<u>1,395</u>

Note

¹Materials and manufactured goods €124,875 tools etc., €120,116

	2010	2009
	€000	€000
Reconciliation with Appropriation Account		
Amount due in respect of purchases as at 1 January	8	30
Purchases during year ended 31 December	579	626
	<u>587</u>	<u>656</u>
Amount due in respect of purchases as at 31 December	(1)	(8)
Expenditure from subhead D. as per Appropriation Account	<u>586</u>	<u>648</u>
	2010	2009
	€000	€000
Amount due in respect of sales as at 1 January	9	33
Sales during year ended 31 December	1,058	1,058
	<u>1,067</u>	<u>1,091</u>
Amount due in respect of sales as at 31 December	(8)	(9)
Receipts under subhead J.1. as per Appropriation Account	<u>1,059</u>	<u>1,082</u>

S AYLWARD

Accounting Officer
Department of Justice and Law Reform
30 March 2011

