

Vote 22: The 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 2009 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.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2009, including the amount that could be used as appropriations-in-aid of expenditure for the year.

The Statement of Accounting Policies and Principles and notes 1 to 5 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.

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 Courts Service.

Risk Management

The Courts Service has a risk management framework which has been implemented over the past five years. It continues to be an agenda item for the senior management team and regional managers with risks being regularly reviewed and updated. Further progress continued to be made during 2009, with the integration of risk management into the business planning process. Regular updates were provided to the audit committee during the year.

New Code of Practice for the Governance of State Bodies

A new Code of Practice for State Bodies which provides a framework of best practice in Corporate Governance was introduced in 2009. The Service has conducted a review of the code and is adopting where appropriate relevant recommendations.

Audit Committee

The Service has an Audit Committee comprising five members. The Audit Committee operates under an approved written charter and submits an annual report to the Courts Service Board. The Head of Internal Audit reports to the Audit Committee on a quarterly basis.

Information and Communications Technology

The Service has a strong commitment to the security of its Information and Communications Technology through the implementation of the recommendations made by an independent review of Information Communication Technology security. The ICT governing committee continues to meet on a quarterly basis and monitors progress of the overall ICT programme.

A review of the effectiveness of internal financial controls has been undertaken in respect of the year ended 31 December 2009. The statement confirmed that the financial control environment operating within the Service is effective.

BRENDAN RYAN
Accounting Officer
The Courts Service
31 March 2010

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Courts Service for 2009 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 2009.

A handwritten signature in black ink, appearing to read 'John Buckley', with a long horizontal stroke extending to the right.

JOHN BUCKLEY
Comptroller and Auditor General
8 September 2010

Vote 22 The Courts Service Appropriation Account 2009

| Service | | Estimate Provision | Outturn | Outturn 2008 |
|---|----------------------|-----------------------|-------------------|-------------------|
| | €000 | €000 | €000 | €000 |
| Administration | | | | |
| A.1. Salaries, wages and allowances | | 58,311 | 58,181 | 58,343 |
| A.2. Travel and subsistence | | | | |
| | <i>Original</i> | 3,466 | | |
| | <i>Supplementary</i> | 1,034 | 4,500 | 3,954 |
| A.3. Incidental expenses | | | | |
| | <i>Original</i> | 8,413 | | |
| | <i>Supplementary</i> | 3,708 | 12,121 | 10,728 |
| A.4. Postal and telecommunications services | | | | |
| | <i>Original</i> | 2,417 | | |
| | <i>Supplementary</i> | 983 | 3,400 | 2,835 |
| A.5. Office machinery and other office equipment and related services | | | | |
| | <i>Original</i> | 8,645 | | |
| | <i>Supplementary</i> | 781 | 9,426 | 9,239 |
| A.6. Courthouse and office premises expenses | | | | |
| | <i>Original</i> | 19,071 | | |
| | <i>Supplementary</i> | 1,604 | 20,675 | 20,306 |
| A.7. Consultancy services | | | | |
| | <i>Original</i> | 152 | | |
| | <i>Supplementary</i> | (52) | 100 | 102 |
| A.8. Payments to the incorporated council of law Reporting for Ireland | | | | |
| | <i>Original</i> | 57 | | |
| | <i>Supplementary</i> | (56) | 1 | — |
| A.9. Value for money and policy reviews | | | | |
| | <i>Original</i> | 95 | | |
| | <i>Supplementary</i> | (95) | — | — |
| Other Services | | | | |
| B. Courthouses (capital works) | | | | |
| | <i>Original</i> | 21,400 | | |
| | <i>Supplementary</i> | (1,142) | | |
| | | | 20,258 | 20,427 |
| Gross Expenditure | | | | |
| | <i>Original</i> | 122,027 | | |
| | <i>Supplementary</i> | 6,765 | 128,792 | 125,772 |
| Deduct | | | | |
| C. Appropriations-in-aid | | | | |
| | <i>Original</i> | 44,408 | | |
| | <i>Supplementary</i> | 6,764 | | |
| | | | 51,172 | 51,358 |
| Net Expenditure | | | | |
| | <i>Original</i> | 77,619 | | |
| | <i>Supplementary</i> | 1 | 77,620 | 74,414 |
| Surplus to be Surrendered | | | €3,205,778 | €3,241,434 |

Notes to the Appropriation Account

1 Operating Cost Statement 2009

| | Note | €000 | 2009 €000 | 2008 €000 |
|--|------|---------|----------------|----------------|
| Expenditure on administration | | | 105,345 | 112,748 |
| Expenditure on services and programmes | | | 20,427 | 25,290 |
| Gross Expenditure | | | 125,772 | 138,038 |
| Deduct | | | | |
| Appropriations-in-aid | | | 51,358 | 39,018 |
| Net expenditure | | | 74,414 | 99,020 |
| Changes in Capital Assets | | | | |
| Purchases cash | | (2,852) | | |
| Depreciation | | 8,924 | 6,072 | (551) |
| Changes in assets under Development | | | | |
| Cash payments | | | (68) | (650) |
| Changes in net current assets | | | | |
| Decrease in closing accruals | | (37) | | |
| Decrease in stock | | 53 | 16 | (4,072) |
| Direct Expenditure | | | | |
| | | | 80,434 | 93,747 |
| Net allied services expenditure | 1.1 | 45,981 | | |
| Notional rents | | 6,253 | 52,234 | 48,435 |
| Total operating cost | | | 132,668 | 142,182 |

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 22 borne elsewhere.

| Vote: | | 2009 €000 | 2008 €000 |
|-------|---|---------------|---------------|
| 7 | Superannuations and Retired Allowances | 7,485 | 4,828 |
| 10 | Office of Public Works | 4,798 | 3,144 |
| 20 | Garda Síochána | 173 | 240 |
| 19 | Financial Shared Services Centre Cost | 794 | 890 |
| | Central Fund - Judicial salaries and pensions | 32,731 | 32,913 |
| | | 45,981 | 42,015 |

2 Statement of Assets and Liabilities as at 31 December 2009

| | Note | 2009 €000 | 2008 €000 |
|---|------|----------------|----------------|
| Capital Assets | 2.1 | 165,178 | 172,829 |
| Capital Assets under Development | 2.2 | 3,545 | 3,585 |
| | | 168,723 | 176,414 |
| Current Assets | | | |
| Bank and Cash | 2.3 | 307 | (279) |
| Stocks | 2.4 | 214 | 267 |
| Prepayments | | 3,168 | 1,701 |
| Accrued Income | | 4,912 | 5,849 |
| Other Debit Balances | 2.5 | 6,959 | 11,327 |
| Total Current Assets | | 15,560 | 18,865 |
| Less Current Liabilities | | | |
| Accrued Expenses | | 4,317 | 3,900 |
| Other Credit Balances: | 2.6 | 6,561 | 9,307 |
| Net Liability to the Exchequer | 2.7 | 705 | 1,741 |
| Total Current Liabilities | | 11,583 | 14,948 |
| Net Current Assets | | 3,977 | 3,917 |
| Net Assets | | 172,700 | 180,331 |

2.1 Statement of Capital Assets

| | Land and Buildings €000 | IT and Office Equipment €000 | Furniture and Fittings €000 | Totals €000 |
|--|-------------------------------|------------------------------------|-----------------------------------|----------------|
| Gross Assets | | | | |
| Cost or Valuation at 1 January 2009 | 160,006 | 31,644 | 30,708 | 222,358 |
| Additions | 811 | 1,819 | 255 | 2,885 |
| Prior year adjustment | (1,846) | — | — | (1,846) |
| Disposals | — | (108) | (7) | (115) |
| Cost or valuation at 31 December 2009 | 158,971 | 33,355 | 30,956 | 223,282 |
| Accumulated Depreciation: | | | | |
| Opening Balance at 1 January 2009 | 10,600 | 22,019 | 16,910 | 49,529 |
| Depreciation for the year | 2,973 | 3,100 | 2,793 | 8,866 |
| Depreciation associated with prior year adjustment | (176) | — | — | (176) |
| Depreciation on disposals | — | (108) | (7) | (115) |
| Cumulative Depreciation at 31 December 2009 | 13,397 | 25,011 | 19,696 | 58,104 |
| Net Assets at 31 December 2009 | 145,574 | 8,344 | 11,260 | 165,178 |
| Net Assets at 31 December 2008 | 149,406 | 9,625 | 13,798 | 172,829 |

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 five buildings vested in 2009. In addition to these five, four were vested prior to 2009. Valuations are outstanding for all nine buildings at year end and therefore have not been included in the above figures.

Prior year adjustment

The fixed asset revaluation has arisen following an asset verification exercise which highlighted amounts charged to fixed assets incorrectly in previous years. This was rectified in the 2009 account with a corresponding adjustment to the depreciation charge.

2.2 Capital Assets Under Development

| | In-House Computer Applications €000 |
|---|--|
| Amounts brought forward at 1 January 2009 | 3,585 |
| Cash Payments for the Year | 68 |
| Transferred to Asset Register | (108) |
| Amounts carried forward at 31 December 2009 | 3,545 |

2.3 Bank and Cash

| at 31 December | 2009 €000 | 2008 €000 |
|----------------------|--------------|--------------|
| PMG Balance and Cash | 3,206 | 2,016 |
| Orders Outstanding | (2,899) | (2,295) |
| | 307 | (279) |

| | | |
|---|----------------|----------------|
| 2.4 Stocks | 2009 | 2008 |
| at 31 December | €000 | €000 |
| Stock | 214 | 267 |
| 2.5 Other Debit Balances | 2009 | 2008 |
| at 31 December | €000 | €000 |
| Advances to OPW | 6,451 | 9,935 |
| Suspense | 480 | 1,364 |
| Imprest | 28 | 28 |
| | <u>6,959</u> | <u>11,327</u> |
| 2.6 Other Credit Balances | 2009 | 2008 |
| at 31 December | €000 | €000 |
| Amounts due to the State | | |
| Income Tax | 757 | 810 |
| Professional Services Withholding Tax | 96 | 124 |
| Value Added Tax | 74 | 24 |
| Pay Related Social Insurance | 452 | 366 |
| Fines | 4,109 | 6,611 |
| Excise Duty | 162 | 233 |
| | <u>5,650</u> | <u>8,168</u> |
| Payroll deductions held in suspense | 426 | 438 |
| Other credit suspense items | 485 | 701 |
| | <u>6,561</u> | <u>9,307</u> |
| 2.7 Net Liability to the Exchequer | 2009 | 2008 |
| at 31 December | €000 | €000 |
| Surplus to be surrendered | 3,206 | 8,241 |
| Exchequer grant undrawn | (2,501) | (6,500) |
| Net Liability to the Exchequer | <u>705</u> | <u>1,741</u> |
| Represented by: | | |
| Debtors | | |
| Bank and cash | 307 | (279) |
| Debit balances: suspense | 6,959 | 11,327 |
| | <u>7,266</u> | <u>11,048</u> |
| Creditors | | |
| Due to State | (5,650) | (8,168) |
| Credit balances: suspense | (911) | (1,139) |
| | <u>(6,561)</u> | <u>(9,307)</u> |
| | <u>705</u> | <u>1,741</u> |

2.8 Commitments

(A) Global Commitments

Contracted commitments at 31 December 2009 amounted to €19,147,968

(B) Multi-Annual Capital Commitments

| Project | Expenditure to 1 Jan 2009¹ €000 | Expenditure in 2009 €000 | Subsequent Years €000 |
|---------------------------------|---|---|--------------------------------------|
| Refurbishment of courthouses | 45,240 | 12,685 | 36,096 |
| Information Technology Projects | 1,537 | 1,585 | 1,774 |

¹ Excludes projects completed by the end of 2008.

2.9 Matured Liabilities

The estimate of matured liabilities not discharged at year end was €1,729.

3 Receipts

3.1 Appropriations - in - Aid

| | 2009 Estimated €000 | 2009 Realised €000 | 2008 Realised €000 |
|------------------|---------------------------|--------------------------|--------------------------|
| 1. Fees | 47,478 | 47,429 | 38,105 |
| 2. Miscellaneous | 1,221 | 1,235 | 913 |
| 3. Pension Levy | 2,473 | 2,694 | — |
| Total | 51,172 | 51,358 | 39,018 |

Explanation of significant variations

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 |
|---------|--|--|
| 3 | (221) | As this was the first year in which the pension related deduction applied it was difficult to estimate the receipts accruing with absolute accuracy. |

3.2 Extra receipts payable to the Exchequer

| | 2009 Estimated €000 | 2009 Realised €000 | 2008 Realised €000 |
|------------------------|---------------------------|--------------------------|--------------------------|
| Court fines | 6,300 | 8,507 | 7,066 |
| Road Traffic Act fines | 11,000 | 15,665 | 14,733 |
| | 17,300 | 24,172 | 21,799 |

4 Employee Numbers and Pay

| | | |
|--|---------------|---------------|
| Number of staff at year end (full time equivalents) | 2009 | 2008 |
| | 1,015 | 1,078 |
| | 2009 | 2008 |
| | €000 | €000 |
| Pay | 53,511 | 53,448 |
| Higher, special or additional duties allowances | 138 | 233 |
| Other allowances | 1,045 | 931 |
| Overtime | 849 | 991 |
| Employer's PRSI | 2,638 | 2,740 |
| Total Pay | 58,181 | 58,343 |

4.1 Allowances and Overtime Payments

| | Number of recipients | Recipients of €10,000 or more | Maximum individual payment 2009 | Maximum individual payment 2008 |
|--------------------------------------|----------------------|-------------------------------|---------------------------------|---------------------------------|
| | | | € | € |
| Higher, special or additional duties | 37 | 4 | 21,921 | 23,639 |
| Overtime and extra attendance | 342 | 32 | 26,703 | 25,089 |
| Miscellaneous | 311 | 16 | 21,012 | 22,014 |

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

4.2 Performance and Merit Payments

A total of €1,300 was paid to 9 individuals in respect of exceptional performance merit awards in accordance with the provisions of the Administrative Budget Agreement. They ranged from €100 to €500. These payments related to 2008 awards and were paid in early 2009.

4.3 Other Remuneration Arrangements

A total of €29,483, ranging from €700 to €15,712, was paid to 5 retired Civil Servants in receipt of Civil Service pensions who were engaged on various duties during 2009.

4.4 Recouped Costs

Salary costs of €1,296,987 were recouped from Tribunals and Government Departments in respect of staff on secondment.

5 Miscellaneous Items

5.1 Compensation and Third Party legal costs

Total payments in respect of compensation and legal costs amounted to €488,000. Of this amount €425,000 related to third party legal costs primarily associated with Judicial Review proceedings where the Courts Service was a party to such proceedings. Payments amounting to €36,275 were made to the State Claims Agency in respect of actions dealt with by it. Also compensation of €26,250 was paid in respect of four cases of wrongful detention.