

## **Vote 21: Prisons**

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## 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 2009 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 2009, 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, Equality and Law Reform owns 14 prisons and places of detention, as well as property at Beladd Park, Thornton Hall and the former prison site at Fort Mitchell (Spike Island). Most of this property was included in the Statement of Capital Assets for the first time in 2008.

Because of recent volatility in property prices, during 2009, the land was valued at open market value by the OPW Valuation section. This has necessitated a revaluation of the land value included in the 2008 account, where the alternative use value (agricultural use or development land) basis was used. Land at Thornton Hall has been valued at purchase price.

The basis for valuing Prison Buildings - average replacement cost per cell - remains unchanged from the 2008 account. However, the replacement value of the buildings has been revised downwards to reflect the significant decrease in construction prices during the year.

It is intended to carry out a revaluation exercise in respect of Prisons Land and Buildings every 5 years with the assistance of the OPW Valuation Section.

Buildings will not be 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, Equality and Law Reform

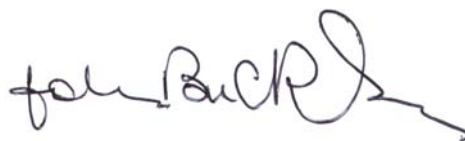
26 March 2010

## Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Prisons 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 Department of Justice, Equality 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 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  
7 September 2010

## Vote 21 Prisons Appropriation Account 2009

Service	2009 Estimate provision €000	2009 Outturn €000	2008 Outturn €000
<b>Administration</b>			
A.1. Salaries, wages and allowances	283,151	259,895	271,932
A.2. Travel and subsistence	2,619	2,714	3,471
A.3. Incidental expenses	8,357	8,099	17,045
A.4. Postal and telecommunications services	3,005	3,627	3,775
A.5. Office machinery and other office equipment, and related services	2,923	5,179	997
A.6. Consultancy services	209	189	215
A.7. Value for money and policy reviews	50	—	—
<b>Other Services</b>			
B. Buildings and equipment	48,335	49,788	69,644
C. Prison services, etc.	24,507	38,218	32,557
D. Manufacturing department and farm	629	648	529
E. Probation service - services to offenders	53	10	30
F. Educational services	1,400	1,320	1,694
G. Prison Officers Medical Aid Society (grant-in-aid)	548	—	—
H. Compensation	2,783	4,013	2,213
I. Social disadvantage measures (dormant accounts funded)	750	420	273
<b>Gross Expenditure</b>	<b>379,319</b>	<b>374,120</b>	<b>404,375</b>
<b>Deduct</b>			
J. <b>Appropriations-in-aid</b>	<b>15,733</b>	<b>16,293</b>	<b>2,057</b>
<b>Net Expenditure</b>	<b>363,586</b>	<b>357,827</b>	<b>402,318</b>
<b>Surplus to be surrendered</b>		<b>€5,759,307</b>	<b>€1,848,963</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2009

	Note	2009 €000	2008 €000
Expenditure on administration		279,703	297,435
Expenditure on services and programmes		94,417	106,940
<b>Gross expenditure</b>		<b>374,120</b>	<b>404,375</b>
Deduct			
<b>Appropriations in aid</b>		<b>16,293</b>	<b>2,057</b>
<b>Net expenditure</b>		<b>357,827</b>	<b>402,318</b>
<b>Changes in capital assets</b>			
Purchases cash		(21,834)	(3,955)
Depreciation		5,387	5,223
Disposals cash		1	18
Loss/(Gain) on disposals		23	(18)
<b>Changes in assets under development</b>			
Cash payments		(29,765)	(48,826)
<b>Changes in net current assets</b>			
Decrease in closing accruals		(2,035)	(1,224)
Decrease in stock		1,056	989
<b>Direct expenditure</b>		<b>310,660</b>	<b>354,525</b>
Net allied services expenditure	1.1	36,666	31,554
<b>Total operating cost</b>		<b>347,326</b>	<b>386,079</b>

#### 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

		2009 €000	2008 €000
7	Superannuation and Retired Allowances	34,455	28,976
10	Office of Public Works	812	1,010
19	Justice, Equality and Law Reform	1,399	1,568
		<b>36,666</b>	<b>31,554</b>

## 2 Statement of Assets and Liabilities as at 31 December 2009

		<b>2009</b>	<b>2008</b>
	<b>Note</b>	<b>€000</b>	<b>€000</b>
<b>Capital Assets</b>	2.1	672,651	745,529
<b>Capital Assets under Development</b>	2.2	77,796	121,388
		<u>750,447</u>	<u>866,917</u>
<b>Current Assets</b>			
Bank and cash	2.3	9,536	9,643
Stocks	2.4	2,335	3,391
Prepayments		271	120
Accrued income		115	189
Other debit balances	2.5	2,170	1,410
<b>Total Current Assets</b>		<u>14,427</u>	<u>14,753</u>
<b>Less Current Liabilities</b>			
Accrued expenses		3,230	10,543
Other credit balances	2.6	10,947	11,204
Net Liability to the Exchequer	2.7	759	(151)
<b>Total Current Liabilities</b>		<u>14,936</u>	<u>21,596</u>
<b>Net Current Liabilities</b>		<u>(509)</u>	<u>(6,843)</u>
<b>Net Assets</b>		<u>749,938</u>	<u>860,074</u>

## 2.1 Capital Assets

	Land and Buildings €000	Office Equipment €000	Furniture and Fittings €000	Motor Vehicles €000	Total €000
<b>Gross assets</b>					
Cost or valuation at 1 January 2009	733,388	63,134	10,569	8,816	815,907
Revaluation	(146,243)	—	—	—	(146,243)
Additions	73,357	4,882	19	518	78,776
Disposals	—	(916)	(91)	(140)	(1,147)
Cost or valuation at 31 December 2009	<u>660,502</u>	<u>67,100</u>	<u>10,497</u>	<u>9,194</u>	<u>747,293</u>
<b>Accumulated Depreciation</b>					
Opening balance at 1 January 2009	—	56,608	7,836	5,934	70,378
Depreciation for the year	—	3,718	649	1,020	5,387
Depreciation on disposals	—	(909)	(74)	(140)	(1,123)
Cumulative depreciation at 31 December 2009	<u>—</u>	<u>59,417</u>	<u>8,411</u>	<u>6,814</u>	<u>74,642</u>
<b>Net Assets at 31 December 2009</b>	<b><u>660,502</u></b>	<b><u>7,683</u></b>	<b><u>2,086</u></b>	<b><u>2,380</u></b>	<b><u>672,651</u></b>
<b>Net Assets at 31 December 2008</b>	<b><u>733,388</u></b>	<b><u>6,526</u></b>	<b><u>2,733</u></b>	<b><u>2,882</u></b>	<b><u>745,529</u></b>

## 2.2 Capital Assets under Development

	Construction Contracts 2009 €000	Construction Contracts 2008 €000
Amounts brought forward at 1 January	121,388	94,949
Cash payments for the year	29,765	48,826
Transferred to asset register	(73,357)	(22,387)
Amounts carried forward at 31 December	<u>77,796</u>	<u>121,388</u>

## 2.3 Bank and Cash

at 31 December	2009 €000	2008 €000
PMG balances and cash	11,501	11,025
Orders outstanding	(1,965)	(1,382)
	<u>9,536</u>	<u>9,643</u>

## 2.4 Stocks

at 31 December	2009 €000	2008 €000
Uniforms & Clothing	1,937	2,360
Furniture & Maintenance Material	158	173
Food	22	27
Miscellaneous	218	831
	<u>2,335</u>	<u>3,391</u>

<b>2.5 Other Debit Balances</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
Imprests	892	896
Other debit suspense items	1,278	514
	<u>2,170</u>	<u>1,410</u>
	<u><u>2,170</u></u>	<u><u>1,410</u></u>
<b>2.6 Other Credit Balances</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
<b>Amounts due to the state</b>		
Income Tax	4,764	5,098
Pay Related Social Insurance	2,978	2,294
Retention Tax	225	225
Value Added Tax	1,395	898
Construction Tax	12	—
Pensions	354	283
	<u>9,728</u>	<u>8,798</u>
Payroll deductions held in suspense	1,026	1,290
Other credit suspense items	193	1,116
	<u>10,947</u>	<u>11,204</u>
	<u><u>10,947</u></u>	<u><u>11,204</u></u>
<b>2.7 Net Liability to the Exchequer</b>	<b>2009</b>	<b>2008</b>
at 31 December	€000	€000
Surplus to be surrendered	5,759	1,849
Exchequer grant undrawn	(5,000)	(2,000)
Net liability to the Exchequer	<u>759</u>	<u>(151)</u>
	<u><u>759</u></u>	<u><u>(151)</u></u>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	9,536	9,643
Debit balances: suspense	2,170	1,410
	<u>11,706</u>	<u>11,053</u>
<b>Creditors</b>		
Due to State	(9,728)	(8,798)
Credit balances: suspense	(1,219)	(2,406)
	<u>(10,947)</u>	<u>(11,204)</u>
	<u><u>(10,947)</u></u>	<u><u>(11,204)</u></u>
	<u>759</u>	<u>(151)</u>
	<u><u>759</u></u>	<u><u>(151)</u></u>

**2.8 Commitments**

	<b>2009</b>	<b>2008</b>		
<b>(A) Global Commitments</b>	<b>€000</b>	<b>€000</b>		
at 31 December				
Total of legally enforceable commitments	3,266	3,162		
<b>(B) Multi-Annual Capital Commitments</b>	<b>Expenditure to 31 December 2008</b>	<b>Expenditure in 2009</b>	<b>Subsequent Years</b>	<b>Total Cost</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Portlaoise C Block	29,782	1,905	428	32,115
Thornton Hall Prison	7,544	2,633	—	10,177
Wheatfield New Block	27,120	8,812	2,630	38,562
	<u>64,446</u>	<u>13,350</u>	<u>3,058</u>	<u>80,854</u>

The figure for subsequent years expenditure represents commitments where formal contracts were entered into at 31 December 2009.

### 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).

<b>Sub-head</b>	<b>Less/(more) than provided €000</b>	<b>Explanation</b>
A.1.	23,256	The saving is largely due to the efficiencies introduced with the implementation of the proposal for Organisational Change in the Prison Service. Other contributory factors include a significant rise in the number of retirements, coupled with the recruitment moratorium.
A.4.	(622)	The excess arose due to a number of key telecommunications projects which were initiated in 2009.
A.5.	(2,256)	The excess is primarily due to a reclassification of IT related costs in 2009 under this subhead. Previously, computer current expenditure costs were reflected in other subheads. They have now been re-grouped under subhead A.5.
C.	(13,711)	The excess is primarily due to the costs associated with a significant increase in prisoner numbers and other accommodation related costs with new blocks coming on stream in Castlereagh and Portlaoise prisons. Increased costs in relation to security and drug detection measures are also a contributory factor to the excess.
H	(1,230)	The level and timing of expenditure under this subhead is extremely difficult to estimate as awards and costs are decided by the Courts and the Criminal Injuries Compensation Tribunal.
I	330	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

		2009	2009	2008
4.1 Appropriations-in-aid		Estimated	Realised	Realised
		€000	€000	€000
1.	Receipts from manufacturing department and farm (including produce used in prisons)	905	1,082	981
2.	European Social Fund	5	—	—
3.	Proceeds from the sale of Prison property	—	—	—
4.	Miscellaneous	519	541	803
5.	Dormant Accounts Receipts	750	420	273
6.	Receipts from Pension - Related Deduction on Public Service Remuneration	13,554	14,250	—
<b>Total</b>		<b>15,733</b>	<b>16,293</b>	<b>2,057</b>

### 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.	(177)	Receipts from manufacturing activity are difficult to estimate in advance.
5.	330	Receipts from the Dormant Accounts Fund are linked to expenditure under Subhead I and are consequently difficult to predict.
6.	(696)	As this was the first year in which the Pension Related deduction applied it was difficult to estimate the receipts accruing with absolute accuracy.

## 5 Employee Numbers and Pay

	2009	2008
<b>Number of staff at year end</b> (full time equivalents)	3,577	3,641
	€000	€000
Pay	156,032	157,603
Higher, special or additional duties allowances	649	667
Other allowances	52,720	63,419
Overtime and extra attendance	36,643	35,744
Employer's PRSI	13,851	14,499
<b>Total pay</b>	<b>259,895</b>	<b>271,932</b>

## 5.1 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	168	9	13,226	14,660
Overtime and extra attendance	3,472	2,074	36,200	28,640
Shift and roster allowances	3,143	729	27,977	17,835
Miscellaneous	3,644	575	27,275	22,716

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

## 5.2 Other Remuneration Arrangements

A total of €43,647 was paid to 6 retired civil servants in receipt of civil service pensions, ranging from €142 to €23,268, who were re-employed on various duties during 2009.

A total of €65,688 was paid as fees/expenses to 9 members of the Prisons Interim Board in 2009.

## 6 Miscellaneous Items

### 6.1 Prison Population

The estimated daily average number of prisoners in 2009 was 3,881 (3,544 in 2008).

### 6.2 Compensation and Legal Costs

Compensation and legal costs totalling €681,889 and ranging from €31 to €73,346 were made in respect of 47 claims arising out of injuries received by Prison Staff while on duty and other issues involving Prison Staff.

Compensation and legal costs totalling €649,142 and ranging from €31 to €66,203 were made in respect of 83 claims arising out of injuries received by prisoners and other actions involving prisoners.

Compensation and legal costs totalling €131,650 and ranging from €34 to €20,000 were made in respect of claims arising out of injuries received by 26 civilians while visiting prisons.

Compensation payments totalling €2,520,091 were made arising from awards of the Criminal Injuries Compensation Tribunal. The payments ranged from €600 to €553,616 and were in respect of 112 claims arising out of injuries received by Prison Staff.

### 6.3 Other

Ex gratia payments totalling €16,216 were made towards the funeral expenses of 6 offenders who died while in prison.

An amount of €24,090 was written off in respect of uncollected debtor balances arising from the sale of manufactured items in 3 prisons. The uncollected amounts were all over 6 years old and many dated back to a considerably longer period.

## Appendix

### ABSTRACT STATEMENT OF THE MANUFACTURING ACCOUNTS OF THE PRISONS FOR THE YEAR ENDED 31 DECEMBER 2009

	Agriculture	Other Industries	Total 31 December 2009	Total 31 December 2008
	€000	€000	€000	€000
Stock on hand at 1 January 2009	4	368	372	439
Purchases	59	567	626	547
Profit/(Loss)	7	390	397	367
	<u>70</u>	<u>1,325</u>	<u>1,395</u>	<u>1,353</u>
	Agriculture	Other Industries	Total 31 December 2009	Total 31 December 2008
	€000	€000	€000	€000
Sales	65	993	1,058	981
Stock on hand at 31 December 2009 <sup>1</sup>	5	332	337	372
	<u>70</u>	<u>1,325</u>	<u>1,395</u>	<u>1,353</u>

#### Note

<sup>1</sup>Materials and Manufactured Goods €159,376 Tools etc., €178,049

	2009	2008
	€000	€000
<b>Reconciliation with Appropriation Account</b>		
Amount due in respect of purchases as at 1 January 2009	30	13
Purchases during year ended 31 December 2009	626	547
	<u>656</u>	<u>560</u>
Amount due in respect of purchases as at 31 December 2009	(8)	(31)
Expenditure from Subhead D. as per Appropriation Account	<u>648</u>	<u>529</u>
	2009	2008
	€000	€000
Amount due in respect of sales as at 1 January 2009	33	33
Sales during year ended 31 December 2009	1,058	981
	<u>1,091</u>	<u>1,014</u>
Amount due in respect of sales as at 31 December 2009	(9)	(33)
Receipts under Subhead J.1. as per Appropriation Account	<u>1,082</u>	<u>981</u>

**S ALYWARD**

Accounting Officer

Department of Justice, Equality and Law Reform

26 March 2010

