

## **Appropriation Account 2016**

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**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 2016 for the salaries and expenses of the 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 granted by Dáil Éireann under the Appropriation Act 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €4.2 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 have been applied in the preparation of the account except for the following:

### ***Land and buildings***

The Minister for Justice and Equality owns 14 prisons and places of detention, as well as property at Irish Prison Service College, Portlaoise and property adjacent to the Headquarters building in Longford, and three sites in Dublin: one adjacent to Cloverhill Prison and others in Kilmainham and Thornton.

#### *Valuation*

Land was valued at existing use value (or market value if not in use) by the Valuation Office during 2014. Land at Thornton continues 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. This position will be kept under review on an annual basis.

The basis for valuing prison buildings is average replacement cost per cell. Prisons land and buildings will be revalued every 5 years – the next planned revaluation is 2019.

#### *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.

## **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 Payroll Shared Services Centre (PSSC) provides payroll processing services to the Prison Service. The PSSC is a function managed by the National Shared Services Office in the Department of Public Expenditure and Reform.

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services 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, whose remit includes the Irish Prison Service, that advises me in discharging my responsibilities for the internal financial control system.

### ***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 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.
- The Prison Service 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 total 35 supply arrangements were reported under Circular 40/02 in 2016 with a total value of €7,007,188. These are broken down as follows:
  - (a) Five urgent purchases with a total value of €518,211,
  - (b) Nine proprietary purchases accounted for a total of €3,318,519,
  - (c) Twelve existing supply contracts were extended/rolled over with a value of €1,881,149,

- (d) Two situations arose where there was a single suitable supplier available and the value of these contracts were €156,490,
- (e) Four local arrangements/tenders were entered in to with a value of €134,680,
- (f) Three other procurements with a value of €998,139 have mainly arisen while the finalisation of centralised tenders in the Office of Government Procurement and Office of the Government Chief Information Officer are awaited.

***Internal Audit and Audit Committee***

I confirm that the Department of Justice and Equality has an internal audit function with appropriately trained personnel, which operates in accordance with an approved written charter. The remit of the Department's internal audit function includes the Irish Prison Service. Its work is informed by an analysis of the financial and management risks to which the Irish Prison Service is 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. 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.

**Noel Waters**  
Accounting Officer  
Prisons

31 March 2017

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 21 Prisons**

I have audited the appropriation account for Vote 21 Prisons for the year ended 31 December 2016 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

#### ***Responsibility of the Accounting Officer***

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration in the Prison Service and for the regularity and propriety of all transactions in the appropriation account.

#### ***Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

#### ***Scope of audit***

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

***Opinion on the appropriation account***

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 21 Prisons for the year ended 31 December 2016.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Prison Service. The appropriation account is in agreement with the accounting records.

***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 2016.

**Seamus McCarthy**  
Comptroller and Auditor General

25 September 2017

## Vote 21 Prisons Appropriation Account 2016

	2016		2015
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>Programme expenditure</b>			
A Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison	332,058	325,041	331,203
<b>Gross expenditure</b>	<b>332,058</b>	<b>325,041</b>	<b>331,203</b>
<i>Deduct</i>			
B Appropriations-in-aid	13,407	13,440	15,922
<b>Net expenditure</b>	<b>318,651</b>	<b>311,601</b>	<b>315,281</b>

### Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2016	2015
	€	€
Surplus	7,049,978	1,259,379
Deferred surrender	(2,833,000)	—
Surplus to be surrendered	<b>4,216,978</b>	<b>1,259,379</b>

**Analysis of administration expenditure**

		<b>2016</b>	<b>2015</b>	
		<b>Estimate</b>	<b>Outturn</b>	
		<b>provision</b>	<b>Outturn</b>	
		<b>€000</b>	<b>€000</b>	
i	Salaries, wages and allowances	236,681	230,781	235,013
ii	Travel and subsistence	1,816	1,770	1,894
iii	Training and development and incidental expenses	3,860	2,397	2,795
iv	Postal and telecommunications services	2,900	2,956	2,935
v	Office equipment and external IT services	4,480	6,801	5,672
vi	Consultancy services and value for money and policy reviews	100	22	—
		249,837	244,727	248,309

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2016

	2016		2015
	€000	€000	€000
Programme cost		80,314	82,894
Pay		230,781	235,013
Non pay		13,946	13,296
<b>Gross expenditure</b>		<b>325,041</b>	<b>331,203</b>
<i>Deduct</i>			
<b>Appropriations-in-aid</b>		<b>13,440</b>	<b>15,922</b>
<b>Net expenditure</b>		<b>311,601</b>	<b>315,281</b>
<b>Changes in capital assets</b>			
Purchases cash	(2,884)		
Depreciation	1,716	(1,168)	(419)
<b>Changes in assets under development</b>			
Cash payments		(18,356)	(28,826)
<b>Changes in net current assets</b>			
Decrease in closing accruals	(1,484)		
Increase in stock	(130)	(1,614)	1,634
<b>Direct expenditure</b>		<b>290,463</b>	<b>287,670</b>
<b>Expenditure borne elsewhere</b>			
Net allied services expenditure (note 1.1)		45,197	44,387
<b>Net programme cost</b>		<b>335,660</b>	<b>332,057</b>

#### 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.

		2016	2015
		€000	€000
Vote 9 Office of the Revenue Commissioners	e	270	270
Vote 12 Superannuation and Retired Allowances	e	43,771	43,088
Vote 13 Office of Public Works	e	148	203
Vote 18 National Shared Services Office	e	453	219
Vote 24 Justice and Equality - Financial Shared Services Centre	e	555	607
		<u>45,197</u>	<u>44,387</u>

"e" indicates that the number is an estimated value or an apportioned cost.

**2 Balance Sheet as at 31 December 2016**

		<b>2016</b>	<b>2015</b>
	<b>Note</b>	<b>€000</b>	<b>€000</b>
<b>Capital assets</b>	2.2	920,719	889,370
<b>Capital assets under development</b>	2.3	5,438	55,667
		<b>926,157</b>	<b>945,037</b>
<b>Current assets</b>			
Bank and cash	2.4	11,111	7,933
Stocks	2.5	1,169	1,039
Prepayments		929	380
Accrued income		111	91
Other debit balances	2.6	275	469
<b>Total current assets</b>		<b>13,595</b>	<b>9,912</b>
<b>Less current liabilities</b>			
Net liability to the Exchequer	2.8	2,911	259
Accrued expenses		3,259	4,174
Other credit balances	2.7	8,475	8,143
<b>Total current liabilities</b>		<b>14,645</b>	<b>12,576</b>
<b>Net current liabilities</b>		<b>(1,050)</b>	<b>(2,664)</b>
<b>Net assets</b>		<b>925,107</b>	<b>942,373</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>925,107</b>	<b>942,373</b>

<b>2.1 State Funding Account</b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>€000</b>	<b>€000</b>
Balance at 1 January		942,373	914,762
Disbursements from the Vote			
Estimate provision	Account	318,651	
Surplus to be surrendered	Account	(4,217)	
Deferred surrender	Account	(2,833)	
Net vote		311,601	315,281
Expenditure (cash) borne elsewhere	1	45,197	44,387
Non cash expenditure – revaluation	2.2	(38,404)	—
Net programme cost	1	(335,660)	(332,057)
<b>Balance at 31 December</b>		<b>925,107</b>	<b>942,373</b>

**2.2 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 2016	884,878	71,166	810	8,699	965,553
Additions	68,639	1,783	3	1,044	71,469
Disposals	—	(759)	—	(24)	(783)
Revaluation <sup>a</sup>	(38,404)	—	—	—	(38,404)
Cost or valuation at 31 December 2016	915,113	72,190	813	9,719	997,835
<b>Accumulated depreciation</b>					
Opening balance at 1 January 2016	—	67,266	709	8,208	76,183
Depreciation for the year	—	1,437	29	250	1,716
Depreciation on disposals	—	(759)	—	(24)	(783)
Cumulative depreciation at 31 December 2016	—	67,944	738	8,434	77,116
<b>Net assets at 31 December 2016</b>	<b>915,113</b>	<b>4,246</b>	<b>75</b>	<b>1,285</b>	<b>920,719</b>
<b>Net assets at 31 December 2015</b>	<b>884,878</b>	<b>3,900</b>	<b>101</b>	<b>491</b>	<b>889,370</b>

<sup>a</sup> The revaluation relates to the old Cork Prison which is no longer in use as a prison. A site valuation of €1.683 million carried out in 2014 remains in the statement of capital assets. This valuation will be reviewed further pending a final decision as to the future use of the site and buildings.

**2.3 Capital Assets under Development**

at 31 December	Construction Contracts	
	2016 €000	2015 €000
Amounts brought forward at 1 January	55,667	28,461
Cash payments for the year	18,356	28,826
Transferred to asset register	(68,585)	(1,620)
	5,438	55,667

**2.4 Bank and Cash**

at 31 December	2016 €000	2015 €000
PMG balances and cash	10,805	7,821
Commercial bank accounts	306	112
	11,111	7,933

**2.5 Stocks**

at 31 December	2016 €000	2015 €000
Uniforms and clothing	914	916
Furniture and maintenance material	92	28
Miscellaneous	163	95
	1,169	1,039

<b>2.6 Other Debit Balances</b>	<b>2016</b>	<b>2015</b>
at 31 December	<b>€000</b>	<b>€000</b>
Imprests	67	150
Payroll suspense account (Paypath)	1	61
Other debit suspense items	207	258
	<u>275</u>	<u>469</u>

<b>2.7 Other Credit Balances</b>	<b>2016</b>	<b>2015</b>
at 31 December	<b>€000</b>	<b>€000</b>
<b>Amounts due to the State</b>		
Income Tax	4,188	4,420
Pay Related Social Insurance	1,878	1,877
Retention Tax	211	239
Value Added Tax	1,486	930
	<u>7,763</u>	<u>7,466</u>
Payroll deductions held in suspense	666	675
Other credit suspense items	46	2
	<u>8,475</u>	<u>8,143</u>

<b>2.8 Net Liability to the Exchequer</b>	<b>2016</b>	<b>2015</b>
at 31 December	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	4,217	1,259
Deferred surrender	2,833	—
Exchequer grant undrawn	(4,139)	(1,000)
Net liability to the Exchequer	<u>2,911</u>	<u>259</u>

**Represented by:****Debtors**

Bank and cash	11,111	7,933
Debit balances: suspense	275	469
	<u>11,386</u>	<u>8,402</u>

**Creditors**

Due to State	(7,763)	(7,466)
Credit balances: suspense	(712)	(677)
	<u>(8,475)</u>	<u>(8,143)</u>
	<u>2,911</u>	<u>259</u>

## 13 Appropriation Account 2016

<b>2.9 Commitments</b>	<b>2016</b>	<b>2015</b>
at 31 December	€000	€000

### a) Global Commitments

Capital projects	4,627	4,657
Total of legally enforceable commitments	<u>4,627</u>	<u>4,657</u>

### b) Multi Annual Capital Commitments

	Cumulative expenditure to 31 December 2015	Expenditure in 2016	Project Commitments in subsequent years	Expected total spend lifetime of project 2016	Expected total spend lifetime of project 2015
	€000	€000	€000	€000	€000
<b>Cork Prison</b>	<b>44,503</b>	<b>1,582</b>	<b>—</b>	<b>46,085</b>	<b>45,285</b>

### Significant variations

An explanation is provided below where multi-annual commitments increased by more than €500,000 from 2015 to 2016

Description	Amount of increase	Explanation
	€000	
Cork Prison	800	The increase relates to operational and security matters identified in transitioning from an old operating prison to a new building including a greater commitment to more recognized/accredited levels of education and work-training which, for example, resulted in upgraded requirements for kitchen equipment capable of training prisoners to FETAC Level 4.

Cork Prison has now been completed at a total cost of €46.085 million. The prison was operational from February 2016.

### 2.10 Matured Liabilities

There were no matured liabilities undischarged at year end (2015: Nil).

### 3 Programme Expenditure by Subhead

	2016		2015
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>A Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison.</b>			
A.1 Administration – pay	236,681	230,781	235,013
A.2 Administration – non pay	13,156	13,946	13,296
A.3 Buildings and equipment	45,188	38,861	47,099
A.4 Prisoner services	28,976	27,649	26,524
A.5 Operational services	3,730	6,650	4,945
A.6 Educational services	1,265	1,065	1,123
A.7 Compensation	2,873	5,901	3,014
A.8 Social disadvantage measures (Dormant accounts funded)	189	188	189
	332,058	325,041	331,203

#### Significant variations

Overall, the gross expenditure in relation to the Programme was €7.02 million lower than provided. The significant variations were as follows:

Description	Less/(more) than provided	Explanation
	€000	
Administration - pay	5,900	The process for recruitment of prison officers took longer than expected resulting in no prison officer recruitment in the year. The number of retirements was also greater than anticipated.
Administration - non pay	(790)	The excess arose across a number of administrative areas but was mainly due to increased ICT expenditure in relation to projects such as the call manager system upgrade and the purchase of replacement servers (€2.3 million). Offsetting savings of €1.53 million were generated in other administrative areas including in relation to the purchase of uniforms and training costs, as there was no prison officer recruitment during the year.
Buildings and equipment	6,327	The saving arose due to delays in a number of large projects planned for Wheatfield and Cloverhill and an enhancement programme for CCTV throughout the Prisons estate. A number of construction framework contracts concluded during 2016 and were retendered during the year. This was a contributory factor to the delay in a number of capital projects. An amount of €2.83 million was carried forward to 2017 under the capital carryover provisions.

15 Appropriation Account 2016

Description	Less/(more) than provided	Explanation
	<b>€000</b>	
Prisoner services	1,327	The saving mainly arose due to the continuing reduction in prisoner numbers and cost and procurement efficiencies achieved in a number of areas including the prison cleaning services.
Operational services	(2,920)	The excess arose mainly due to increased purchases for the prison transport fleet (€1.3 million). After a review of the age of the existing fleet, it was decided to replace a number of the vehicles registered prior to 2008, in order to continue the process of updating and modernising the fleet. This investment will substantially reduce health and safety risks associated with older vehicles and reduce the running costs in respect of the newer models. €1.1 million of the remaining excess is accounted for by other operational services including the need to invest in updating certain items of operational and security equipment.
Educational services	200	The saving is linked to the ongoing reduction in prison numbers over the last number of years and also the precise level of expenditure is difficult to predict in each year as it depends on the level of uptake of the various courses. In addition, the level of expenditure on library services has been less than expected pending the finalisation of negotiations with the local authorities for the reinstatement of librarian services in a number of prisons. Further, the number of teaching hours lost due to resourcing difficulties was higher than expected leading to a general underspend on the education budget.
Compensation	(3,028)	The excess arose due to the higher than expected number and quantum of compensation cases falling due for payment in 2016. Most of the cases in question were managed by the State Claims Agency on behalf of the Irish Prison Service.

## 4 Receipts

4.1 Appropriations-in-aid	2016		2015
	Estimated	Realised	Realised
	€000	€000	€000
1. Miscellaneous	405	237	203
2. Dormant account receipts	189	188	189
3. Receipts from pension - related deduction on public service remuneration	12,813	13,015	15,530
<b>Total</b>	<b>13,407</b>	<b>13,440</b>	<b>15,922</b>

### 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%

Description	Less/(more) than provided	Explanation
	€000	
Miscellaneous	168	It is difficult to predict the level of receipts under this heading. While the level is similar to 2015, it is a reduction on 2014 receipts (€313,000).

## 5 Employee Numbers and Pay

	2016	2015
<b>Number of staff at year end</b> (full time equivalents)	3,215	3,308
	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
Pay	137,047	139,840
Higher, special or additional duties allowance	273	279
Other allowances	46,283	48,316
Extra attendance and overtime	31,416	30,897
Employer's PRSI	15,762	15,681
<b>Total Pay</b>	<b>230,781</b>	<b>235,013</b>

### 5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2016 €	Maximum individual payment 2015 €
Higher, special or additional duties	62	3	11,560	12,004
Extra attendance and overtime	2,977	1,805	29,072	26,028
Shift and roster allowances	2,707	631	15,601	16,130
Miscellaneous	3,079	203	15,176	23,903
Extra remuneration in more than one category	3,025	2,922	52,743	52,549

### 5.2 Other Remuneration Arrangements

A total of €174,394\* was paid to 28\* retired civil servants in receipt of civil service pensions, ranging from €150 to €36,297, who were re-employed on various duties during 2016. A total of €43,073 was paid to 14 retired members of An Garda Síochána, who were re-employed by the Prison Service on specific duties during 2016. 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

\* The corresponding figures reported in the published account for 2015 were €120,339 and 14 retired civil servants respectively. Due to incorrect categorisation, the figures for 2015 should have been €58,813 and 8 retired civil servants respectively.

### 5.3 Payroll Overpayments

Overpayments at the year end were €542,561 (197 cases) (2015: €625,952, 218 cases). Of this, €379,862 (138 cases) had recovery plans in place at 31 December 2016, including 37 preserved pension cases.

## 6 Miscellaneous

### 6.1 Prison Population

The estimated daily average number of prisoners in 2016 was 3,717 (2015: 3,722)

### 6.2 Compensation and Legal Costs

The account includes expenditure in relation to compensation and legal costs made to prisoners, staff and members of the public. The table below shows a breakdown of these costs.

	Number of cases	Legal costs paid by the Prison Service €000	Compensation awarded €000	Legal costs awarded €000	2016 Total €000	2015 Total €000
<b>Claims by prison staff</b>						
Civil claims for injuries received while on duty and other issues involving prison staff	94	—	1,194	940	2,134	1,056
Claims through the Criminal Injuries Compensation Tribunal arising out of injuries received by prison staff	35	—	744	1	745	579
<b>Claims by prisoners</b>						
Claims arising out of injuries and other actions involving prisoners	221	—	647	2,235	2,882	1,129
<b>Claims by members of the public</b>						
	29	—	116	24	140	233
		—	2,701	3,200	5,901	2,997

At 31 December 2016, the State Claims Agency recorded 1,893 claims as outstanding (2015: 1,622 cases). Legal costs incurred by the Prison Service in relation to 26 non-compensation cases amounted to €575,000 (2015: €564,000).

### 6.3 Contingent Liability

The Irish Prison Service is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or timing of potential liabilities is uncertain.

### 6.4 Prisoner Funeral Expenses

Ex gratia payments totalling €4,000 were made towards the funeral expenses of two prisoners who died in prison.

<b>6.5 Fraud and Suspected Fraud</b>	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
Alleged misappropriation of stock/monies	—	1

### **6.6 Cash Losses**

A total of seven cash losses totalling €1,692 were identified across various prisons. Sanction was received to write-off the losses in question.

### **6.7 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 Prison Service in order to carry out its functions. The operations in question relate to the prison shops, a Prisoner Assist Programme Fund and a bank account for prisoner cash. The details are as follows;

**Prison shops** — Each prison has an internal shop (“tuck shop”) where prisoners can purchase small items such as sweets and soft drinks, etc. The items are paid for from individual prisoner funds. All procurement for the shop is done through the cash generated and is funded from sales to prisoners and any ‘net profit’ generated is transferred to the Prisoner Assist Programme Fund to assist prisoner hardship cases.

The total of the bank account balances for the 13 prison shops at 31 December 2016 was €976,187 (2015: €702,260). The value of stock on hand was €360,597 (2015: €307,852).

**Prisoner Assist Programme Fund (PAPF)** — Each prison operates a PAPF account to fund prisoner hardship projects. The funding for the account is not from voted funds but rather from the ‘net profit’ surplus generated from the prison shop.

The total of the bank account balances at 31 December 2016 was €503,819 (2015: €584,526).

**Prisoner cash account** — a bank account is maintained specifically for prisoner’s personal cash and is managed by the Prisons Finance Directorate. As prisoners leave prison, they receive the balance of their personal cash from this account. The balance in the account at 31 December 2016 was €1,058,875 (2015: €914,473). This represents the accumulated prisoner balances at year end but also includes payments due to the prison shops for December sales that will be transferred, shortly after month end, to the corresponding prison shop bank accounts to facilitate payment to suppliers for December purchases.

In addition, Voluntary Mess Committees (VMCs) were established in each of the relevant prisons (nine in all) 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. Notwithstanding this, the Irish Prison Service has undertaken to engage with each VMC to remind them of their governance obligations and to reinforce to the Committees their responsibilities for adherence with policies, procedures, controls and Revenue regulations where appropriate. The operation of the VMCs will be included as part of a review of certain administrative processes currently being undertaken in the Prison Service.

