

LEGAL AID BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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Board Members

Chairperson Nuala Egan (appointed interim Chairperson 27th October 2023 and Chairperson 4th January 2024)

Members Maurice Lawlor
Nuala Jackson (resigned as
Chairperson on 21st October 2023)
Niamh O'Hanlon
Gordon Jeyes
Freda McKittrick
Catherine Keane
Tracy O'Keeffe
Michael Patrick Bourke
Patrick Durcan
Marianne Nolan
Catherine Ryan
Liam Ryan

Office Address Quay St.
Cahirciveen
Co. Kerry

Board Secretary Mary O'Connor

Banker Allied Irish Banks
24 Main Street,
Cahirciveen,
Co. Kerry

Solicitor Holmes O'Malley Sexton
Bishopsgate
Henry Street
Limerick

Auditor Comptroller and Auditor General
3A Mayor Street
Upper, Dublin 1

Governance Statement and Board Members' Report 2023

Governance

The Legal Aid Board is accountable to the Minister for Justice and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Legal Aid Board are the responsibility of the Chief Executive and the senior management team. The Chief Executive and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Chief Executive acts as a direct liaison between the Board and management of the Legal Aid Board.

Board Responsibilities

The functions of the statutory Board are set out in Section 5 of the Civil Legal Aid Act 1995 (as amended) – “the Act” – and its responsibilities are set out in the Board’s Governance Manual, as follows:

- the strategic direction of the organisation;
- determining policy and monitoring its implementation;
- overseeing the proper and effective management of the organisation;
- monitoring the implementation of effective financial procedures and providing accountability;
- approving and monitoring budgets; and
- making certain reserved decisions.

Section 20 of the Act requires the Board to keep in such form as may be approved by the Minister for Justice, with the consent of the Minister for Public Expenditure, NDP Delivery and Reform, all proper and usual accounts of the resources of the Board.

In preparing these financial statements, the Board of the Legal Aid Board is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position. The Board are responsible for preparing the financial statements each year which are subject to external audit by the Comptroller and Auditor General.

The Board also provides a detailed Annual Report on all corporate activity undertaken in the previous financial year detailing its delivery on strategic commitments and performance. The maintenance and integrity of the information contained in such reports is the responsibility of the Board.

The financial statements and annual report in respect of the financial year will be published and made available on the Board's website.

The Board is responsible for approving the annual plan and budget. It approved the 2023 budget at its meeting on 19th January 2023. A Statement of Strategy for the period 2021 – 2023 was approved by the previous Board in February 2021. Reflecting the objectives in that Statement of Strategy, a set of organisational priorities for 2023 was reviewed by the Board in January 2023.

The Board reviewed the level of expenditure against the budgeted figures in July 2023 and November 2023. The full-year review of the budgetary outturn for 2023 took place at the Board meeting held on the 25th of January 2024.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of the Legal Aid Board give a true and fair view of the financial performance and the financial position of the Legal Aid Board at 31 December 2023.

Board Structure

The Civil Legal Aid Act 1995 makes provision for the appointment of a chairperson and 12 ordinary members to the Board. The current Board was appointed by the Minister for Justice Ms. Helen McEntee TD, on 10th November 2021.

The table below details the appointment period for the outgoing and current Board members who served during 2023:

Legal Aid Board 2021-2026		
Name	Date of first Appointment (and date of re-appointment where applicable)	Date on which term expired / Board member resigned
Nuala Jackson Chairperson 2021-2026	08/11/2016 (01/11/2021) re-appointed	Resigned 21/10/2023
Nuala Egan Senior Counsel – Interim Chair 27/10/2023, Chairperson from 04/01/2024	21/02/2017 (01/11/2021) re-appointed	31/10/2026
Catherine Keane Solicitor, Cartoon Saloon	09/06/2020 (01/11/2021) re-appointed	31/10/2026
Gordon Jeyes Former Chief Executive of Tusla, the Child and Family Agency	08/11/2016 (01/11/2021) re-appointed	31/10/2026
Maurice Lawlor Department of Social Protection	08/11/2016 (01/11/2021) re-appointed	31/10/2026
Freda McKittrick Assistant Director, Barnardos	08/11/2016 (01/11/2021) re-appointed	31/10/2026
Tracy O’Keeffe Department of Justice	22/07/2021 (01/11/2021) re-appointed	31/10/2026
Michael Patrick Bourke Solicitor	01/11/2021	31/10/2026
Patrick Durcan District Court Judge	01/11/2021	31/10/2026
Marianne Nolan Department of Public Expenditure NDP Delivery and Reform	01/11/2021	<u>Resigned 02/01/2024</u>
Niamh O’Hanlon Civil Servant (staff member)	01/11/2021	31/10/2026
Catherine Ryan Civil Servant (staff member)	01/11/2021	31/10/2026
Liam Ryan Solicitor	01/11/2021	31/10/2026

The Board has established seven committees, as follows:

Appeal Committee

The Appeal Committee is a statutory committee of the Board, and comprised the following members in 2023:

Ms. Nuala Egan (Chair, resigned 23/11/2023), Mr. Michael Bourke (Chair from 23/11/2023), Mr. Maurice Lawlor, Ms. Marianne Nolan, Mr. Liam Ryan.

This committee considers requests by legal aid applicants for decisions made by the executive in a particular case to be reversed. The Appeal Committee met 17 times in 2023.

Audit and Risk Committee

The Audit and Risk Committee considers organisational and other risks identified in the risk assessment reports or otherwise and reports to the main Board on the extent to which such risks are managed or mitigated in a structured and on an on-going basis. The members of the Audit and Risk Committee in 2023 were as follows:

Mr. Gordon Jeyes (Chair), Ms. Nuala Egan, Ms. Freda McKittrick, Ms. Tracy O' Keeffe, Ms. Catherine Ryan, Mr. Michael Flynn (external member of Committee).

The Committee held 5 meetings in 2023 in February, March, May, September and November.

Finance and Effectiveness Committee

The Committee considers the Board's finances in detail and reports to the Board on the financial affairs and policies of the Board. This includes the review of budgets and financial reports, the approval of the Board's annual accounts and detailed consideration of financial matters in order to make appropriate recommendations to the Board and to advise management. The Committee's membership in 2023 was as follows:

Ms. Catherine Keane (Chair), Ms. Marianne Nolan, Mr. Patrick Durcan, Ms. Nuala Jackson (resigned 21/10/2023), Ms. Nuala Egan (appointed 23/11/2023), Mr. Gordon Jeyes and Mr. Michael Flynn (External Member).

In light of the media attention around poor financial governance practices within the public service broadcaster in 2023, the Committee convened a special meeting in July

2023 to discuss matters related to governance within the Legal Aid Board. It was noted that the CEO had provided verbal reassurances with regard to same at a recent Board meeting and that the Legal Aid Board is a public sector body which is subject to audit by the Comptroller and Auditor General.

Following a discussion, it was agreed that the Committee would seek further assurances from the Executive in relation to governance matters. The Committee drafted a list of questions pertaining to governance within the Board for the Executive to respond to. These questions would subsequently become an annual governance checklist for completion and presentation by the Executive to the Committee.

Following a comprehensive review by the Executive, of the governance arrangements in place, a further committee meeting was convened in October 2023 wherein the Executive presented a report detailing the governance and control framework currently in place within the Legal Aid Board. This report outlined the current framework of accountability, risk management and control, providing further assurance that the organisation's policies, procedures and control measures continue to function as intended. This paper also covered the subject of financial decision-making and procedures within the Legal Aid Board.

The board has clearly defined financial guidelines and procedures, including delegated spending and authorisation limits and segregation of duties, approved by resolution of the statutory Board. In addition, the statutory Board has reserved approval of expenditure on contracts with value in excess of €65,000, while the Finance and Effectiveness Committee of the statutory Board is notified of all contracts with value in excess of €10,000 and less than €65,000.

The Committee held ten meetings in 2023.

Strategy and Opportunity Committee

The role of the Strategy and Opportunity Committee is to consider matters relating to new areas of work of the Board and any relevant areas of reform in relation to the approaches adopted by the Board. The Committee considers Board policy and interpretation of legislation and reports and makes recommendations to the Board as deemed appropriate. The members of the Committee in 2023 were as follows:

Ms. Catherine Ryan (Chair), Mr. Michael Bourke, Mr. Patrick Durcan, Ms. Nuala Egan, Ms. Niamh O'Hanlon, Ms. Tracy O'Keeffe.

The Committee held six meetings in 2023.

Performance Committee

The Performance Committee is set up to consider the objectives of the Chief Executive and the extent to which those objectives have been achieved. It's members in 2023 were as follows:

Mr. Gordon Jeyes (Chair), Ms. Nuala Jackson (resigned 21/10/2023), Ms. Freda McKittrick, Ms Nuala Egan (appointed 23/11/2023).

People and Culture Committee

The role of the People and Culture Committee is to consider policies, procedures and actions as they relate to staff and the organisational culture and will report and make recommendations to the Board as deemed appropriate.

The membership of the Committee in 2023 was as follows:

Ms. Freda McKittrick (Chair), Ms. Niamh O'Hanlon, Mr. Maurice Lawlor, Mr. Liam Ryan, Ms. Stephanie Coggans (Staff member resigned 05/09/2023), Ms. Aisling O'Meara (Staff member), Mr. Jonathan Coyle (Staff member).

Environment Committee

The Environment Committee was established in 2022 to consider matters relating to the Government's policies in response to the challenges of climate change, to monitor and oversee the organisation's compliance with these policies, and to examine areas of potential reform in the Board's own practices and policies that would assist in further reducing the climate and environmental impact of its operations.

The Committee members in 2023 were as follows:

Ms Freda McKittrick (Joint chair), Ms Nuala Egan (Joint Chair), Ms Tracy O'Keeffe, Ms Cathy Farrell, staff member, Ms Helena Murphy, staff member, Mr Michael O'Connell, staff member. Mr John Sugrue replaced Mr Michael O'Connell in June 2023.

This Committee convened on three occasions in 2023.

Key Personnel Changes 2023

Ms Joan Crawford was acting CEO from 18th October 2022 until 02nd December 2022. Mr John McDaid returned from 03rd December 2022 until 31st March 2023. Ms Crawford was subsequently formally appointed to the role on 01st April 2023.

Ms Nuala Jackson resigned from the Board on 21st October 2023 and Ms Nuala Egan was appointed as Interim Chairperson. Ms Egan has subsequently been formally appointed as Chairperson to the Board on 04th January 2024.

Mr Donal Reddington, Director of Corporate Services & Criminal Legal Aid left on mobility in September 2023. Ms Angela McDonnell was acting Director of Corporate Services & CLA from September 2023 to December 2023.

Matters specifically reserved to the Board itself

In compliance with the requirement in the Code of Practice for the Governance of State Bodies, the Board has a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the body is firmly in its hands. In the case of the Legal Aid Board, the matters specifically reserved are:

- Significant acquisition, disposal and retirement of assets. The Board must approve acquisitions, disposals and retirement of assets with an anticipated value at or above a threshold level of €65,000. The Board is to be notified of any acquisitions/disposals/retirement of assets with a value at or above €10,000.
- No contract valued over €65,000 can be entered into, directly or by way of draw down, without the prior approval of the Board. The Finance and Effectiveness Committee is to be notified of the awarding of contracts with a value over €10,000.
- Approval of terms of major contracts.
- Assurances of compliance with statutory and administrative requirements in relation to the approval of the appointment, number, grading, and conditions of all staff, including remuneration and superannuation;
- Approval of the Annual Budget;
- Approval of the Board's Corporate Plans which are prepared every 3 years;
- Approval of the annual report and financial statements consistent with the Board's obligations under the 1995 Act.
- Approval of recommendations to the Minister for the amendment of legislation;

- Approval of Board policy documents which it is proposed to publish or disseminate;
- Responsibility for systems of internal financial and other controls;
- Delegated authority levels and risk management policies;
- Appointment, remuneration and assessment of the performance of, and succession planning for, the Chief Executive; and
- Significant amendments to the pension benefits of the Chief Executive and staff (which may require Ministerial approval).

The Code of Practice provides that the Board should meet at least twice a year without executive Board members or management present to discuss any matters deemed relevant.

In the case of the Legal Aid Board, Section 4 (6) of the 1995 Act states that the Board shall hold such and so many meetings as may be necessary for the performance of its functions.

Delegations to Management

Under the provisions of Section 10(2) of the Civil Legal Aid Act, 1995, the Board may assign certain functions to the Chief Executive. It has formally assigned responsibility for the day-to-day management of the provision of a legal aid and advice service to the Chief Executive, subject to the provisions of the Civil Legal Aid Act, 1995 and any Regulations made under the Act.

Specifically, the Board has assigned the following particular functions to the Chief Executive:

- reporting to and advising the Board on the operation of the legal aid and advice service;
- ensuring that the service is administered in the most efficient and cost-effective manner;
- decision making in relation to the provision of legal aid and advice in individual cases;
- management of the dissemination, for the benefit of those for whom its services are made available, of information in relation to those services and their availability;
- the nomination of solicitors and barristers for the purpose of providing a person with legal aid and advice or the referral of a person to the solicitors' panel as appropriate;

- liaison between the Board and relevant interests including its clients and the public generally;
- monitoring and evaluating the performance of the law centres and their staff;
- maintaining a high standard of communication with the Board, law centres and staff;
- subject to any policy directives of the Minister and / or of the Board, policy development and the formulation and implementation of suitable strategies;
- management of the Board's resources, including physical resources;
- management of human resource matters; and
- financial management, including the keeping of appropriate accounts and records as provided for in Section 20 of the Civil Legal Aid Act, 1995.

In turn, the Chief Executive may, with the consent of the Board, specify any of these functions to be performed by a member of staff. The Board's resolutions set out the decisions taken by the Board in these matters.

The Chief Executive is accountable to the Public Accounts Committee (PAC) of the Oireachtas. This is on the basis that the financial statements of the State body are audited by the Comptroller and Auditor General and laid before the Oireachtas in accordance with the State body's governing legislation.

Schedule of Attendance

In 2023, the Board held 12 Board meetings (BM). The meetings took place in a combination of videoconference and in-person formats. A schedule of attendance at the Board meetings, fees and expenses paid for 2023 are set out below;

<i>Name</i>	<i>Number of Board meetings attended</i>	<i>Fees €</i>	<i>Expenses €</i>
Nuala Jackson (Chair to 21/10/2023)	9	9,661	0
Nuala Egan (Chair from 27/10/2023)	12	7,695	204
Gordon Jeyes	12	7,695	93
Catherine Keane	11	7,695	356
Maurice Lawlor	9	0	1,441
Freda McKittrick	10	7,695	0
Tracy O’Keeffe	11	0	0
Michael Bourke	11	0	175
Patrick Durcan	11	7,695	1,949
Marianne Nolan	10	0	0
Niamh O’Hanlon	12	0	0
Catherine Ryan	12	0	1,822
Liam Ryan	10	7,695	148
Michael Flynn (External member of Audit and Risk Committee)	0	3,078	0

Note: Maurice Lawlor, Marianne Nolan, Niamh O’Hanlon, Tracy O’Keeffe, Michael Bourke and Catherine Ryan, who are public servants, did not receive a Board fee under the One Person One Salary principle.

Disclosures Required by the Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that the Legal Aid Board has complied with the requirements of the Code of Practice for the Governance of State Bodies (“the Code”), as published by the Department of Public Expenditure NDP Delivery and Reform in August 2016. The following disclosures are required by the Code:

Employees Short-Term Benefits Breakdown

Employees’ short-term benefits in excess of €60,000 are shown in note 6(b) to the Financial Statements 2023.

Key Management Personnel

The key management personnel in the Legal Aid Board are the Chief Executive, the Director of Decision Making and External Services (Civil), the Director of Human Resources, the Director of Information & Communications, the Director of Family Mediation, the Director and Regional Managers of Internal Service Delivery (Civil), and the Director of Corporate and Criminal Legal Aid Services.

From 2023, the Board is including the Regional Managers under Internal Service Delivery (Civil) as part of key management personnel as they form part of the Executive Management Team of the organisation.

The total value of employee benefits for key management personnel is set out below:

	2023	2022
Pay	€908,620	€744,468

The key management personnel are members of an unfunded defined benefit public sector scheme and their pension entitlements do not extend beyond the standard entitlements for such schemes.

Consultancy Costs

	2023	2022
Legal Advice – Property	€427,145	€391,988
Human Resources / IT	€170,971	€113,658
Total	€598,116	€505,646

Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to settlements or judgements in legal actions taken against the Legal Aid Board, and the legal fees associated with these actions. The Board self-insures in respect of Public Liability/Employer Liability matters. A figure of €80,167 has been included in Litigation liabilities in 2023 for public liability. The Board recognises the latter under Note 11 General Administration: Insurance.

It does not include legal fees incurred by the Board on behalf of its clients in the normal course of business (these are shown in Note 10 to the Financial Statements), or general legal advice on other matters received by the Legal Aid Board, which is disclosed in Consultancy Costs above.

	2023	2022
Litigation Liabilities (includes Public Liability)	€17,124	(€57,519)
Legal Fees – Legal proceedings	€23,876	€112,084
Total	€41,000	€54,565

Travel and Subsistence Expenditure

		2023	2022	2021
Domestic				
	Board*	€14,615	€16,666	€14,879
	Employees	€495,695	€390,016	€199,024
International				
	Board*	€2,390	€657	
	Employees	€5,460	€5,171	
Total		€518,160	€412,510	€213,903

*Includes travel and subsistence of €6,188 paid directly to Board members in 2023 (2022: €8,195). The balance of €10,817 relates to expenditure paid by the Legal Aid Board on behalf of the Board members.

Hospitality Expenditure

Hospitality expenditure of €5,698 was incurred by the Board during 2023, of which approximately €800 was incurred for external hospitality provided. The balance of €4,898 related to expenditure incurred under the staff support and well-being program.

Risk Management

The Board has carried out an appropriate assessment of the State body's principal risks. These include issues relating to cyber security, health and safety at Board offices, data protection, and the availability of sufficient skilled staff to ensure the effective delivery of services to clients.

The Board has a comprehensive set of internal controls across all of its functional areas. These are reviewed annually by the Audit and Risk Committee and the Board.

There is a programme of regular reporting to the Board on developments in relation to risk, including a Risk Register and Risk Materialisation Report.

External Review of the Board

In line with Section 4.6 of the Code of Practice (CoP) for the Governance of State Bodies 2016, an external review of the Board and its Committees was completed in 2023. Seven committees of the Board were included in this evaluation which primarily focused on issues of effectiveness of governance and continuous improvement of Board practices. This review consisted of a survey to each Board member on a range of matters relating to the governance of the Board and the engagement between the Board and the Executive. As part of the process, there was also a survey of Board members in respect of each Board Committee to which they were appointed. A detailed report was provided to the Board including observations on the effectiveness of the corporate governance arrangements in place and identifying key areas in which recommendations have been made to support the continued evolution of the Board.

Public Spending Code

The Board seeks to obtain maximum value for all of its expenditures. Its primary area of non-pay expenditure is in the referral of client cases to private legal practitioners. The fee rates for such referrals are set out by the Board in the terms and conditions for the panels of private legal practitioners.

In other procurements, the Board operates under Public Procurement Guidelines, and utilises the Office of Government Procurement centralised purchasing arrangements wherever this is possible.

The Assisted Decision Making (Capacity) Act 2015 came into force on 26th April 2023. The Board established a private practitioner panel to deal with cases under the Act. Uptake of services in connection with the Act was much slower than anticipated, pent-up demand failed to materialise. Applications have primarily been made in cases where the former jurisdiction of the Court to appoint a care representative would have been invoked. The Board has been in a position to deal with most of these matters in house. Spending under this programme includes the cost of private practitioners, counsel and medical reports in connection with these cases.

The Board's statutory remit was widened in 2011 to include responsibility for providing a Family Mediation Service. The Private Mediator Scheme for the provision of Family

Mediation Services in certain Family Matters (“a Panel”) was set up under Section 5 (1) and Section 11A (1) of the Civil Legal Aid Act 1995 (as amended). The commencement of a Family Mediator Panel to provide this critical service was established in 2023. The cases which are either within the jurisdiction of the District Court (primarily parenting and maintenance) or the Circuit Court (separation and divorce jurisdiction) are referred to private practitioners on the panel. This programme aims to ensure that family mediation clients receive as prompt a service as possible and that any waiting period is kept to a very modest level. It is also used to increase the geographical spread of the mediation support. It is principally aimed at improving the availability and access to mediation for all those who are in need of the service.

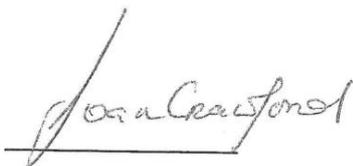
Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The Legal Aid Board was in compliance with the Code of Practice for the Governance of State Bodies in 2023.



Nuala Egan
Chairperson

Date: 16th December 2024



Joan Crawford
Chief Executive

Date: 16th December 2024

Legal Aid Board

Statement on the System of Internal Control 2023

Purpose and Content

The Statement on Internal Control (SIC) is a mandatory requirement whereby organisations set out the approach to, and responsibility for risk management, internal control and corporate governance.

The statement is tailored to reflect the size and complexity of the organisation in order to provide a full understanding of the procedures which have been put in place by the Board to provide effective internal control. The system of internal control is designed to manage rather than eliminate risk.

Board Responsibilities

The Board is responsible for ensuring that an effective system of internal control is instituted and implemented throughout the organisation.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely manner.

In considering the effectiveness of internal controls the Board has regard, among other things, to the requirements of the Code of Practice for the Governance of State Bodies 2016.

Capacity to Handle Risk

Control and Risk Management are intrinsically linked. The control environment of the Board provides assurance that the organisation will achieve its objectives with an acceptable degree of residual risk. The Risk Management and Control system employed ensures that risks are identified, analysed and assessed and controls are in place to manage identified risks. The system also includes ongoing monitoring to ensure that control activities are operating effectively.

Risk Management System

Risk Management forms an integral part of the business planning process of the Board. The Legal Aid Board, in accordance with the requirements of the Code of Practice for the Governance of State Bodies (CPGGB) and its wider governance obligations, operates an effective Risk Management System. In determining the nature and extent of the principal risks it is willing to take to achieve its strategic objectives, the Board has outlined and approved a Risk Appetite Statement, which specifies the amount of Risk the organisation is willing to actively pursue, seek, accept or tolerate in the pursuit of its goals.

The organisation has adopted and implemented a clearly defined Risk Management Policy and maintains a formal Risk Register which documents business risks and associated mitigations, controls and actions for all aspects of the Board's activities through the application of risk analysis techniques to its business objectives.

Building Organisational Capability Pertaining to Risk

The senior management team and Board members each attended Risk Management workshops which convened in July and October 2023. These were facilitated by an external Risk Management consultant. A key focus of the workshops was to build on the current knowledge and understanding of Risk Management principles which are governed by the ISO 3100 standard and provide guidance and understanding on what the organisation needs to embed robust Risk Management systems and processes, seen as a key element of good governance practice.

Ongoing Monitoring and Review of Risk

A Risk Materialisation reporting system is currently in place which records any risks that have materialised or near miss occurrences. The Risk Register and the Risk Materialisation Report were reviewed by the Audit and Risk Committee and the Board in Q2 2024. Following this review, the Risk Materialisation Report has evolved into the Executive Risk Realisation Log. A Paper outlining the changes to the Risk Management system was reviewed by the Audit and Risk Committee and the Board in October 2024.

In November 2023 the Chief Risk Officer presented a report on Risk, setting out in detail risk management activity undertaken in the previous twelve months and detailing corporate risks facing the Board. At that time, the Committee agreed that cyber security remained a principal risk with GDPR emerging as a separate risk. The recruitment and retention of staff and private panel solicitors remained a high risk.

Hybrid working with regards to productivity was emerging as a possible risk to the Board.

Of significant importance to the Board and senior management is determining the organisations overall attitude to risk, its risk reporting arrangements, the ownership and accountability for risk and the overall risk appetite.

Audit and Risk Committee (ARC)

One of the functions of the Audit and Risk Committee of the Board is to provide independent opinion on the adequacy of the Board's Risk Management framework. The Committee provides advice to the Board across a range of its key financial, risk, internal control and audit areas. In conducting these tasks, the Committee reviewed the comprehensiveness of assurances provided to the Board. Such assurances are intended to provide a high level of confidence that the organisation is on track to deliver on its strategic goals; this requires the Board to accept some risks while mitigating, avoiding or transferring others.

The ARC continually reviews the effectiveness of controls and monitors the action taken by management including the implementation of recommendations to resolve any issues identified.

The ARC produces a formal report within three months of the end of the calendar year. The Audit and Risk Committee Annual Report for 2023 was considered by the Committee at its meeting on 20th February 2024 and was presented to the Board at its meeting on 25th April 2024.

A revised Risk Appetite statement was presented to the Committee in Q2 of 2024 and they will receive an updated Risk Appetite statement in Q2 of 2025.

The ARC met on five occasions in 2023.

Budgetary and Financial Oversight

The Board has a comprehensive budgeting system in place that includes approval by the statutory Board of annual budgets and monitoring of monthly financial reports.

The Board is responsible for the preparation of the annual report and financial statements in accordance with relevant accounting standards.

Financial statements are subject to external audit by the Comptroller & Auditor General each year before inclusion in the Board's annual report.

Finance and Effectiveness Committee

The Finance and Effectiveness Committee is a committee of the Board which considers the Board's finances in detail and reports to the Board on the financial affairs and policies of the Board. The committee's annual work plan includes the systematic review of budgetary expenditure and other financial reports, enabling the Committee to make appropriate recommendations to the Board and to offer advice to the senior management team. Decisions are taken either by the Board or by the senior management team, as appropriate, having regard to the recommendations and advice of the Committee.

The Board has clearly defined financial instructions and procedures, including delegated spending and authorisation limits and segregation of duties, approved by resolution of the statutory Board.

In addition, the statutory Board has reserved approval of expenditure on contracts with value in excess of €65,000, while the Finance and Effectiveness Committee of the statutory Board is notified of all contracts with value in excess of €10,000 and less than €65,000.

The Committee make recommendations of approval of the Board's annual accounts to the Board and also give detailed consideration to other financial matters.

In addition to the monthly financial reports, the Committee also considers quarterly and mid-year reviews of finances. The quarterly reviews were conducted in April and October of 2023 while the mid-year review was completed in July 2023.

The Finance and Effectiveness Committee met on ten occasions during 2023.

Internal Audit

The Board's Internal Audit unit provides an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual audit programme is approved by the Audit and Risk Committee of the statutory Board and one of those functions is to review all aspects of internal financial controls. The Audit and Risk Committee reviews the work and recommendations of the Internal Audit function and monitors the action taken by management to resolve any issues that have been identified.

The Committee also reviews all significant reports received by the Board from the external auditors, including management's responses to these and makes recommendations on the issues raised.

Correspondence with the Comptroller and Auditor General, including the audit Management Letter, and any issues raised, are brought to the attention of the Finance and Effectiveness Committee, the Audit and Risk Committee and the statutory Board, which ensures that issues and recommendations are reviewed and actioned.

Each year, an Internal Audit Plan is prepared, setting out the planned activity of Internal Audit function, reflecting the range of risks faced by the Board. The plan is submitted for approval by the Audit and Risk Committee of the Board. The Committee also oversees the implementation of the plan when finalised. The Internal Audit Plan for 2023 was presented to the Audit and Risk Committee at its first meeting of the year on 22nd February 2023.

External Audit

Each year the Office of the Comptroller and Auditor General perform an audit of the Board's Financial Statements. These audits are similar in scope and nature to an audit of any other entity in accordance with applicable auditing standards; however, they can be seen to place a greater emphasis on compliance with authority commonly known as regularity and on the propriety of transactions. The audit, through the reporting of the audit opinion, gives independent assurance to the Board on the 'truth and fairness' of the financial statements of the organisation. Each year the ARC discusses issues arising on the current year's audit and progress on implementation of previous recommendations outlined in management letters with external auditors.

Internal Control Issues

A control weakness was identified in January 2024, in which a small sum was reported missing from the petty cash held in the Blanchardstown Law Centre. A subsequent investigation by line management was carried out. It appears that said control weaknesses may have predated the period of November 2023. Internal Audit commissioned a 'bespoke' audit of Blanchardstown Law Centre which would not be limited to petty cash procedures but include compliance with the financial procedures as set out in Amendment 1/2021 to the Board's Administrative Procedures Handbook.

Updates on the audit findings and recommendations were presented and reviewed by the Audit and Risk Committee at their meetings in May, June, July and October 2024.

It was recommended that all staff within the Law Centre network should receive further training in Financial Procedures as set out in the Administrative Procedures Handbook. This commenced in 2024 and this is scheduled to continue throughout 2025.

Procurement

The Legal Aid Board ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with procurement rules and guidelines as set out by the Office of Government Procurement.

2023 Summary

In 2023 a total of nine supply arrangements/contracts for service, each more than €25,000 in value, were identified, with a total cost of €2.2m. These were procured without a competitive process. Two of these contracts/purchases were pertaining to additional IT cyber security firewall support systems. Several of these service support contracts have since been through a competitive procurement process with new contracts now in place. A review of all such service supply contracts is scheduled for Q2 of 2024.

Subject of Contract / Purchase	Value €	Reason for not having a Competitive Process
IT -Cortex XDR	€72,670	A heightened risk of sophisticated cyber-attacks on Government entities. We purchased Cortex XDR without a competitive process. The support contract was awarded in April 2023.
IT - Threatlocker	€27,000	Due to the perceived imminent risk we purchased Threatlocker without a competitive process. In April 2023 a new cybersecurity security contract which includes the Cortex XDR and Threatlocker licences and support was put in place.
Security Services Brunswick Street	€83,721	The previous contract expired in December 2022. A new contract was awarded in April 2024. There were a number of issues that held up the commencement of a new contract including whether service officers were to be appointed at the Brunswick Street Building rather than the continuation of the security contract.
General Maintenance	€91,185	Emergency Maintenance and Equipment works for all the Dublin Offices and adjoining regions. The Board finds it difficult to source contractors for works that are difficult to quantify, minor and irregular in nature and are on a call out basis.
Off-site Storage Facilities	€55,117	The previous contract expired in May 2023. Under the terms and conditions of the existing contract, this was extended for a further 24 months until March 2025.
Postal Franking Equipment	€344,742	This contract was not reviewed in 2023 however it is on the Contracts workplan for 2024/2025.
Security Systems Maintenance	€48,210	Two new contracts (Dublin based and wider network excluding Dublin) were approved and contracts are in place until 01/01/2025.
Translation of Documents	€167,913	This contract has been prioritised in the 2024 Workplan and was approved in September 2024.
Interpreting Services	€1,323,541	This contract was approved in August 2023 for a two-year term.

Annual Review of Effectiveness

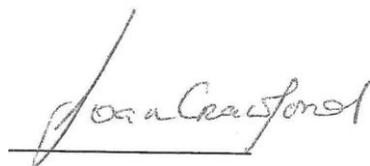
Reviewing the effectiveness of internal control is an essential part of the Board's responsibilities. We confirm that during the year ended 31 December 2023, the Board, through its Finance and Effectiveness Committee, its Audit and Risk Committee and through both internal and external audit activity and subsequent findings and recommendations pertaining to the Board's activity, continued to monitor and review the effectiveness of the Board's system of internal controls. The senior management team with the Legal Aid Board are responsible for the development and maintenance of the internal control framework.

The Board reviewed this Statement on 25th May 2024 and subsequently conducted its formal review in September 2024.



Nuala Egan
Chairperson

Date: 16th December 2024



Joan Crawford
Chief Executive

Date: 16th December 2024



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Legal Aid Board

Opinion on financial statements

I have audited the financial statements of the Legal Aid Board for the year ended 31 December 2023 as required under the provisions of section 20 (2) of the Civil Legal Aid Act 1995. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of other comprehensive income, the statement of financial position, the statement of cash flows, and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Legal Aid Board at 31 December 2023 and of its income and expenditure for 2023 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements 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 Legal Aid Board 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 information other than the financial statements, and on other matters

The Legal Aid Board has presented certain other information together with the financial statements. This comprises the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, 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 Legal Aid Board has disclosed in the statement on internal control that material instances of non-compliance with relevant procurement rules occurred in respect of contracts that operated in 2023.

Seamus McCarthy
Comptroller and Auditor General

17 December 2024

Appendix to the report

Responsibilities of Board members

The governance statement and Board members' report sets out the Board members' responsibilities. The Board is responsible for

- the preparation of annual financial statements of the Legal Aid Board in the form prescribed under section 20 (1) of the Civil Legal Aid Act 1995
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 20 (2) of the Civil Legal Aid Act 1995 to audit the financial statements of the Legal Aid Board and to report thereon to the Houses of the Oireachtas.

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 these financial statements.

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 evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Legal Aid Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Legal Aid Board to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance 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 financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is 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.

**STATEMENT OF INCOME AND EXPENDITURE AND RETAINED
REVENUE RESERVES**

For the year ended 31st December 2023

	Note	2023		2022	
		€	€	€	€
Income					
State funding	2	54,065,000		45,212,000	
Net deferred funding for pensions	3	(71,129)		10,837	
Contributions from aided persons		1,374,635		1,411,815	
Costs recovered		854,320		1,089,856	
Other income	4	<u>304,117</u>		<u>378,889</u>	
			56,526,943		48,103,397
Expenditure					
Salaries and related expenses	6a	28,335,532		25,260,987	
Pension Costs	3	2,000		173,000	
Fees to board members		58,909		72,419	
Accommodation and establishment expenses	9	6,180,599		6,120,955	
Legal fees and expenses	10	13,166,171		13,309,007	
General administration	11	2,435,403		2,703,354	
Depreciation	12	1,344,543		1,351,326	
Audit fee		<u>24,750</u>		<u>24,750</u>	
(Deficit)/Surplus for the year before appropriations			<u>51,547,907</u>		<u>49,015,798</u>
			4,979,036		(912,401)
Transfer to/(from) capital account	5		<u>(503,290)</u>		<u>501,811</u>
(Deficit)/Surplus for the year after appropriations			4,475,746		(410,590)
Opening balance as at start of year			<u>(11,411,139)</u>		<u>(11,000,549)</u>
Closing balance as at end of year			<u>(6,935,393)</u>		<u>(11,411,139)</u>

All income and expenditure for the year 31 December 2023 relates to continuing activities at the statement of financial position date.

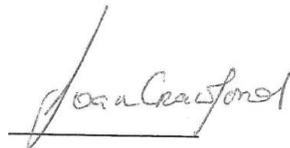
Notes 1 to 21 form part of these financial statements.



Chairperson

Date : 16th December 2024

NUALA EGAN



Chief Executive

Date : 16th December 2024

JOAN CRAWFORD

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 €	2022 €
Deficit before appropriations		4,979,036	(912,401)
Experience losses on retirement benefit obligations	3	2,000	2,373,000
Changes in assumptions underlying the present value of retirement benefit obligations			
Actuarial gain / (loss) in the year	3	0	2,373,000
Adjustment to retirement benefits funding		(2,000)	(2,373,000)
Total comprehensive income for the year		4,979,036	(912,401)

Notes 1 to 21 form part of these financial statements.

NUALA EGAN

Chairperson

Date : 16th December 2024

JOAN CRAWFORD

Chief Executive

Date : 16th December 2024

STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Note	2023		2022	
		€	€	€	€
Property, plant and equipment	12		3,481,916		2,978,626
Current assets					
Cash at bank and on hand			10,600,250		9,720,666
Receivables	13		<u>1,413,734</u>		<u>1,097,657</u>
			12,013,984		10,818,323
Current liabilities (amounts falling due within one year)					
Payables	14		16,969,314		19,237,321
Clients' funds	15		<u>1,980,063</u>		<u>2,992,141</u>
			18,949,377		22,229,462
Net current liabilities			<u>(6,935,393)</u>		<u>(11,411,139)</u>
Total assets less current liabilities before retirement benefit obligations			(3,453,477)		(8,432,513)
Deferred retirement benefits funding	3		59,000		11,883,250
Retirement benefits obligations	3		<u>(59,000)</u>		<u>(11,883,250)</u>
Total net liabilities			<u>(3,453,477)</u>		<u>(8,432,513)</u>
Represented by:					
Retained revenue reserves			(6,935,393)		(11,411,139)
Capital account	5		<u>3,481,916</u>		<u>2,978,626</u>
			<u>(3,453,477)</u>		<u>(8,432,513)</u>

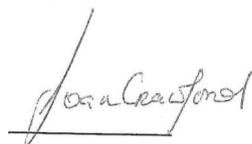
Notes 1 to 21 form part of these financial statements.



NUALA EGAN

Chairperson

Date : 16th December 2024



JOAN CRAWFORD

Chief Executive

Date : 16th December 2024

STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	Note	2023 €	2022 €
Net cash flows from operating activities			
Excess (expenditure over income) income over expenditure		4,979,036	(912,401)
Depreciation of property, plant and equipment		1,344,543	1,351,326
(increase)/decrease in debtors		(316,367)	(128,251)
Increase in creditors		(2,269,317)	313,224
Increase in Client Funds		(1,012,080)	375,474
Net cash inflow / (outflow) from operating activities		<u>2,725,815</u>	<u>999,372</u>
Cash flows from investing activities			
Payments to acquire fixed assets		(1,847,833)	(849,515)
Interest paid on client settlements		(606)	(7,651)
Net cash flows from investing activities		<u>(1,848,439)</u>	<u>(857,166)</u>
Cash flows from financing activities			
Bank Interest Received		<u>2,208</u>	<u>7,651</u>
Net cash flows from financing activities		<u>2,208</u>	<u>7,651</u>
Increase in cash and cash Equivalents		879,584	149,857
Cash and cash equivalents at 1 January		<u>9,720,666</u>	<u>9,570,809</u>
Cash and cash equivalents at 31 December		<u>10,600,250</u>	<u>9,720,666</u>

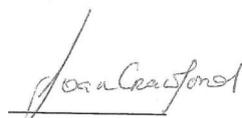
Notes 1 to 21 form part of these financial statements.



NUALA EGAN

Chairperson

Date : 16th December 2024



JOAN CRAWFORD

Chief Executive

Date: 16th December 2024

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1 Accounting Policies

General

The Legal Aid Fund, which is provided for under Section 19 of the Civil Legal Aid Act, 1995, is managed by a Legal Aid Board appointed by the Minister for Justice. The Fund consists of all the financial resources of the Board. In 2023, the Board operated out of 43 premises throughout the country.

Basis of Preparation

The financial statements of the Legal Aid Board for the year ended 31 December 2023 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

The financial statements have been prepared under the accrual's method of accounting, except where stated below, and in accordance with generally accepted accounting principles under the historical cost convention and in the form approved by Minister for Justice with the consent of the Minister for the Department of Public Expenditure, NDP Delivery and Reform.

Going Concern

The Legal Aid Board is a statutory body established under the Civil Legal Aid Act 1995. The financing of the Board's activities is predominantly met by grant and exchequer funding from the Department of Justice.

During the financial year the Board carried out a comprehensive exercise for the purpose of assessing the Board's accrued liabilities figure, in particular, Counsel Fees and the Private Practitioner service.

The statement of financial position at 31 December 2023 shows an excess of liabilities over assets of €3,453,477. This deficit arises from the timing difference between receipt of funding to pay liabilities for legal services when they are due for payment and the provision for these liabilities that is recognised in these accounts under the accrual's method of accounting.

A letter of ongoing support has been received from the Secretary General of the Department of Justice confirming that the Board's activities will be funded into the future.

The Board takes the view that the going concern accounting convention applies to the accounts which represent the operations of the Board as long as the provisions of the Civil Legal Aid Act 1995 remain in existence.

The Board knows of no review of its operations or intention to suspend its activities or merge it with other organisations. It has therefore been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

State Grants

Income under this heading is accounted for on a cash receipts basis.

Contributions from Aided Persons

Due to the nature of this income, i.e., contributions from persons of modest means, it is considered prudent to account for such income on a cash receipts basis. The estimated amount collectable at 31 December 2023 was approximately €185,526. There were no bad debts written off in 2023.

Costs Recovered

The Board may recover the costs of providing legal services from:

- (a) The other party to a dispute, either as a result of a court order or as part of an agreement to settle a dispute, or
- (b) From the legally aided person, out of moneys/property received by the person as a result of the provision of legal services.

The costs are accounted for on a cash receipts basis.

Property, plant and equipment and related depreciation

Property, plant and equipment is shown on the statement of financial position at cost less accumulated depreciation.

Depreciation, which is calculated over the useful life of the assets using the straight-line method, is charged at the following annual rates:

Leases, office furniture & equipment and premises fit out	20%
Computer equipment	33%

A half year's depreciation is charged in the year of purchase and in the year of disposal.

Clients' Funds

These funds represent the gross amounts plus interest accrued, which were held by the Board at 31 December 2023, on foot of awards or settlements made in favour of clients represented by the Board. The Board may recover there from the total cost of providing such legal services and the balance is paid to the persons represented.

Capital Account

The capital account represents the unamortised amount of income used to purchase property, plant and equipment.

Retirement Benefit Obligations

Civil Service Superannuation Scheme

a) General Staff

As at 31 December 2023, there are 167 general staff of the Board who are in the civil service superannuation scheme and the pension liabilities for these staff are not included in the Board's financial statements. Staff pension contributions in respect of these 167 staff are remitted by the Board to the Department of Justice.

b) Solicitor Staff

As at 31 December 2023, there were 67 solicitor staff of the Board who are in the civil service superannuation scheme and the pension liabilities for these staff are not included in the Board's financial statements. Staff pension contributions in respect of these 67 solicitor staff were retained by the Board until July 2023 and were used to fund the payment of superannuation to solicitors who retired or left the Board prior to June 2014. Since 1st of August 2023, staff pension contributions in respect of these 67 staff are remitted by the Board to the Department of Justice.

As at December 31 2023, the Board continues to recognise the pension liability for a single retired individual who was a member of the Family Support Agencies Superannuation scheme and whose pension liabilities were not affected by the commencement of Section 122 of Courts and Civil Law (miscellaneous provisions) Act 2023.

Single Public Services Pension Scheme ('Single Scheme')

a) General Staff

The Board operates the Single Public Services Pension Scheme ('Single Scheme') which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. As at 31 December 2023, there were 231 general staff who were

members of the single scheme. The Single Scheme members' contributions of general staff are remitted to the Department of Public Expenditure, NDP Delivery and Reform. At present, the pension liability for these staff is not included in the Board's financial statements.

b) Solicitor Staff

The Board operates the Single Public Services Pension Scheme ('Single Scheme') which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. As at 31 December 2023, there were 74 solicitor staff who were members of the Single Scheme. The Single Scheme members' contributions of solicitor are retained by the Board and are used to fund the payment of superannuation to solicitors who retired or left the Board prior to June 2014. At present, the pension liability for these staff is not included in the Board's financial statements.

Administration of certain Legal Aid Schemes

The Board administers certain legal aid schemes on behalf of the Department of Justice, these being the Garda Station Legal Advice ad-hoc scheme, the Attorney General ad-hoc scheme and the Criminal Assets Bureau ad-hoc scheme which was transferred to the Board with effect from 1 January 2014. The costs of administering these schemes continue to be met from the Department of Justice B.12 and B.13. A Government decision in 2010 determined that the main criminal legal aid scheme should come under the administration of the Board. This requires a legislative change and publication of a Criminal Legal Aid Bill is awaited.

Critical Accounting Judgement and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Within its process of determining accruals the Board, due to the nature of legal cases, employs a statistical model to assist with its estimation of legal expenses. This model is currently under review.

2 State Funding

State Funding was received from Vote 24 – Department of Justice as follows:

Subhead:	2023 €	2022 €
B.11 Grant	54,065,000	45,212,000

The Board received a letter from the Department of Justice acknowledging its financial position and confirming that it will continue to be funded.

3 Retirement Benefit Obligations

From 31 July 2023, the Board ceased to have responsibility for the payment of retired solicitors' pensions due to the commencement of Section 122 of Courts and Civil Law (Miscellaneous Provisions) Act 2023. Accordingly, the Board's pension liability for these retired and former solicitor staff of the Board was derecognised from the enactment of this legislation and their pensions fall due to be paid from the main superannuation vote subsequent to 31 July 2023. The corresponding deferred funding asset for the payment of these pensions was also derecognised on the same date. No actuarial valuation was performed at the date of the de-recognition of the pension liability and as a result no actuarial gain/loss or other items of income/expense arising from changes in actuarial assumptions are recognised in the financial statements in 2023. There is no net impact on the income and expenses recognised as they would be offset by the movement in the deferred funding assets to settle the pension liability.

Until 31 July 2023, retirement benefit obligations were calculated for solicitor pensioners who retired prior to 1 June 2014 and their dependents. In accordance with section 11 of the Civil Legal Aid Act, 1995 the Minister designated Board solicitors as civil servants in the service of the State with effect from 1 June 2014. As a result, all liabilities for solicitors serving on that date transferred to the Superannuation Vote.

As at December 31 2023, the Board continues to recognise the pension liability for a single retired individual whose pension liabilities were not affected by the commencement of Section 122 of Courts and Civil Law (miscellaneous provisions) Act 2023.

(a) Analysis of total retirement benefits charged to Income and expenditure	2023	2022
	€	€
Interest on retirement benefit obligations	2,000	173,000
Employee contributions	(321,851)	(511,152)
	_____	_____
	(319,849)	(388,152)
	_____	_____

(b) Movement in net retirement benefits liability during the financial year	2023	2022
	€	€
Net liability at 1 January	11,883,250	14,756,565
Interest costs	2,000	173,000
Actuarial (gain)/loss	2,000	(2,373,000)
Retirement benefits paid in the year	(394,980)	(673,315)
Transfer retirement benefit liability to main superannuation vote	(11,433,270)	-
Net liability at 31 December 2023	59,000	11,883,250
	_____	_____

The net deferred funding for retirement benefits recognised in the Income and Expenditure Account was as follows:

(C) Deferred funding asset for retirement benefits	2023	2022
	€	€
Funding recoverable in respect of current year retirement benefits	-	-
Interest costs	2,000	173,000
State grant applied to pay retirement benefits	(394,980)	(673,315)
Refundable contributions retained to meet current costs	321,851	511,152
	<u> </u>	<u> </u>
	(71,129)	10,837
	<u> </u>	<u> </u>

The deferred funding asset for retirement benefits as at 31 December 2023 amounted to €0.06m (2022: €11.9m).

(c) History of defined benefit obligations	2023	2022
	€	€
Defined benefit obligation	59,000	11,883,250
Experience gains/(losses)	(2,000)	2,373,000
Percentage of the present value of the scheme liabilities	3%	2%

(d) General description of the scheme

The retirement benefits scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The scheme provides a pension (eightieths per year of services), a gratuity or lump sum (three eightieth per year of service) and spouse's and children's pensions. Normal retirement age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

The valuation used for FRS 102 disclosures has been based on a full actuarial valuation (2023) by a qualified independent actuary taking account of the requirements of the FRS102 in order to assess the scheme liabilities at 31 December 2023.

The principal actuarial assumptions were as follows:

	2023	2022
Rate of increase in salaries	3.75%	4.0%
Rate of increase in pensions in payment	3.25%	3.5%
Discount rate	3.15%	3.5%
Inflation rate	2.25%	2.5%

The average future life expectancy according to the mortality tables used to determine the pension liabilities were as follows:

Year of attaining age 65

	2023	2043
Life expectancy - male	22.1 years	21.9 years
Life expectancy - female	24.4 years	24.3 years

4 Other Income

	2023 €	2022 €
Interest received and receivable	(1,215)	8,609
Sundry receipts	<u>305,332</u>	<u>370,280</u>
	<u>304,117</u>	<u>378,889</u>

5 Capital Account

	€	€
Balance as at 1 January 2023		2,978,626
Transfer from Income and Expenditure Account		
- Income used to purchase fixed assets	1,847,833	
- Income amortised in year in line with depreciation of assets	<u>(1,344,543)</u>	
		<u>503,290</u>
Balance as at 31 December 2023		<u>3,481,916</u>

6 Employees

a) Employee Numbers and Costs

As at 31 December 2023, 544 (2022:492) whole time equivalents were employed in the Board. The average number of employees in the Board during the year was 511 (2022 – 459).

Employees and related costs were as follows:

	2023 €	2022 €
Salaries	25,833,746	23,087,314
Employer PRSI	<u>2,501,786</u>	<u>2,173,673</u>
	<u>28,335,532</u>	<u>25,260,987</u>

€667,868 was deducted from staff by way of additional superannuation contribution and was paid over to the Department of Justice.

b) Employee Numbers by Salary Category

Salary Category	Number of Employees 2023	Number of Employees 2022
€60,000 to €69,999	26	21
€70,000 to €79,999	55	62
€80,000 to €89,999	23	22
€90,000 to €99,999	11	13
€100,000 to €109,999	8	9
€110,000 to €119,999	4	7
€120,000 to €129,999	1	-
€130,000 to €139,999	1	-
Above €140,000	0	1

7 Chief Executive Officer Salary and Expenses

	2023 €	2022 €
CEO Salary	162,464	161,746
CEO Expenses	<u>9,539</u>	<u>0</u>
	<u>172,004</u>	<u>161,746</u>

The CEO is a member of an unfunded defined benefit public sector scheme and her pension entitlements do not extend beyond the standard entitlements for such schemes.

CEO 2023 Salary breakdown. Current CEO €115,293. Former CEO €47,171.

CEO 2023 Expenses breakdown. Current CEO €6,346. Former CEO €3,193.

8 Board Members Fees and Expenses

	2023 €	2022 €
Board Members Fees	58,909	72,419
Board Members Expenses	<u>17,005</u>	<u>17,323</u>
	<u>75,914</u>	<u>89,742</u>

Board Members	Fees	Board Members	Fees
Nuala Jackson	9,661	Patrick Durcan	7,695
Nuala Egan	7,695	Liam Ryan	7,695
Catherine Keane	7,695	Freda McKittrick	7,695
Gordon Jeyes	7,695	Michael Flynn*	3,078

*External Member of Audit Committee and the Finance and Effectiveness Committee.

9 Accommodation and Establishment Expenses

	2023 €	2022 €
Rents	3,020,796	3,041,375
Cleaning	356,078	322,221
Lighting and heating	601,362	526,639
Maintenance – Premises	1,190,851	971,186
Maintenance – Equipment and computers	<u>1,011,512</u>	<u>1,259,534</u>
	<u>6,180,599</u>	<u>6,120,955</u>

10 Legal Fees and Expenses

	2023 €	2022 €
Counsel fees	4,532,304	3,163,598
Witness/Ancillary fees (incl. expert witness fees)	3,050,806	1,533,076
Private Practitioner Schemes (includes International Protection)	2,884,715	7,134,735
Abhaile Scheme	1,260,481	244,501
Private Mediators	80,587	0
Litigation Liabilities*	(35,478)	54,565
Other Professional fees	672,034	505,639
Other Expenses (includes training)	<u>720,722</u>	<u>672,893</u>
	<u>13,166,171</u>	<u>13,309,007</u>

*At December 31st 2023, the Board was subject to a number of claims in respect of litigation liabilities. As at year end, the Board has accrued €252,998 (2022 – €363,379) in respect of these matters.

11 General Administration

	2023 €	2022 €
Stationery and office expenses	631,857	694,587
Books and printing	52,671	49,752
Postage and telephone	1,096,371	1,186,182
Insurance	136,344	360,323
Travel and subsistence	<u>518,160</u>	<u>412,510</u>
	<u>2,435,403</u>	<u>2,703,354</u>

12 Property, Plant and Equipment

	Leases €	Office Furniture €	Equipment & Computers €	Premises Fit Out €	Total €
Cost					
Balance at start of year	1,364,334	760,374	5,413,633	8,641,314	16,179,655
Acquisitions	0	0	171,313	1,676,520	1,847,833
Disposals	0	0	<u>(25,732)</u>	0	<u>(25,732)</u>
Balance at end of year	<u>1,364,334</u>	<u>760,374</u>	<u>5,559,214</u>	<u>10,317,834</u>	<u>18,001,756</u>
Depreciation of Fixed Assets					
Balance at start of year	1,364,334	755,425	5,046,706	6,034,564	13,201,029
Charge in year	0	3,313	298,663	1,042,567	1,344,543
Disposals	0	0	<u>(25,732)</u>	0	<u>(25,732)</u>
Balance at end of year	<u>1,364,334</u>	<u>758,738</u>	<u>5,319,637</u>	<u>7,077,131</u>	<u>14,519,840</u>
Net book value at 31 December 2023	<u>-</u>	<u>1,636</u>	<u>239,577</u>	<u>3,240,703</u>	<u>3,481,916</u>
Net book value at 31 December 2022	<u>-</u>	<u>4,949</u>	<u>366,927</u>	<u>2,606,750</u>	<u>2,978,626</u>

13 Receivables

	2023 €	2022 €
Prepayments		
- Rent	195,120	187,419
- Maintenance – Premises		
Computers & Equipment	438,214	272,744
- Salaries	204,300	170,031
- Other	207,191	130,578
- Practising Certificates	368,909	336,885
	<u>1,413,734</u>	<u>1,097,657</u>

14 Payables

	2023 €	2022 €
Amounts falling due within one year:		
Creditors	1,016,678	707,749
Accruals	<u>15,952,636</u>	<u>18,529,572</u>
	<u>16,969,314</u>	<u>19,237,321</u>

The Legal Aid Board estimates the value of unbilled live cases each year to arrive at the amounts disclosed within the accounts as a provision. The amount is an estimate of the expenditure required to settle any obligation at the statement of financial position date. In 2023, the amount provided for, in relation to unbilled cases was €13,450,588 (2022 – €16,176,319). In estimating the provision, the Board has adopted prudent measurement techniques based on the latest data available. Improved data capture methods have been utilised in the Board's estimate for the current year. A review of the statistical model used to calculate the accrual for costs of cases has been completed. Please see Note 16 (b). No income is anticipated for cases that may recover costs.

Contingent Liability

The Board is subject to a number of legal cases, the outcome or quantification of any potential liability cannot be estimated with reasonable certainty at this time.

15 Clients' Funds

	2023 €	2022 €
Client funds held at 1 January (Gross)	2,992,141	2,616,667
Interest	<u>1,497</u>	<u>540</u>
Client funds held at 1 January (Net of Interest)	2,993,638	2,617,207
<i>Add Awards/settlements received during 2023</i>	13,231,621	14,387,984
<i>Less Settlements paid out, including interest allowed and costs recovered</i>	<u>(14,245,009)</u>	<u>(14,011,553)</u>
Client funds held at 31 December	1,980,250	2,993,638
Interest accruing on client funds held	(187)	(1,497)
Total due to clients	<u>1,980,063</u>	<u>2,992,141</u>

16 Commitments

(a) Commitments under operating leases

The Board occupies premises at Cahirciveen, Co. Kerry and operates out of 41 other centres throughout the country. The Board has commitments to pay rent of €19,972,154 in future years as at 31 December 2023 in respect of leases expiring as follows:

	€
2024	2,685,317
2025 – 2028	5,310,096
2029 onwards	<u>11,976,741</u>
	19,972,154

(b) Capital commitments

Commitments relating to capital projects commenced in 2023 amounted to €121,666.

(c) Commitments in respect of Legal Fees

Commitments in respect of Legal Fees, Counsel Fees and Private Practitioner Schemes.

	2023 €	2022 €
Open cases certified at 1 January	34,586,039	22,484,479
Additional fees certified	17,054,671	23,359,540
Payments	<u>(12,989,763)</u>	<u>(11,257,980)</u>
	38,650,947	34,586,039
Provided for at 31 December	<u>(13,450,588)</u>	<u>(16,176,319)</u>
Outstanding commitments at 31 December	<u>25,200,359</u>	<u>18,409,720</u>

At 31 December 2023, the Legal Aid Board had a number of ongoing cases where the matter of fees had not yet been settled. In accordance with its operating policy on these matters the Legal Aid Board makes partial provision against these fees based on a statistical model which recognises the average term to crystallise for such costs. This model is applied consistently across all cases handled. At 31 December 2023, the Legal Aid Board had provided for legal fees of €13,450,588 and had outstanding commitments in the amount of €25,200,359 of which €17,791,831 is due between one and three years and €7,408,528 is due in more than three years.

17 Movement of Cash

	2023 €	2022 €
Balance at 1 January	9,720,666	9,570,809
Net cash inflow	879,584	149,857
Balance at 31 December	<u>10,600,250</u>	<u>9,720,666</u>

18 Holiday Pay Accrual

Prior to the introduction of FRS 102, the Legal Aid Board had previously not accrued for holiday pay earned by employees but not availed of at the reporting date.

Under FRS 102, the financial statements must recognise such accruals. The accrual for holiday pay as at 31 December 2023 is €727,647 (2022 - €762,029).

19 Related Party Transactions

Key management personnel are the Chief Executive Officer, the Director of Decision Making and External Services (Civil), the Director of Human Resources, the Director of Information & Communications, the Director of Family Mediation, the Director of Internal Service Delivery (Civil), and the Director of Corporate and Criminal Legal Aid Services. The details regarding the CEO pay and expenses are disclosed in Note 5.

The Legal Aid Board complies with the Code of Practice for the Governance of State Bodies issued by the Department of Finance in relation to the disclosure of interests by the Board members and its staff. Formal procedures exist to ensure adherence with this requirement of the code.

During 2023, Nuala Jackson received €22,523.76 and Nuala Egan received €7,195.50 as a result of work carried out in their capacity as Barristers on the Legal Aid Board Barristers Panel. In addition, Liam Ryan received €5,420.61 in 2023 as a result of work carried out under a related company name listed on the District Court PP panel.

20 Events after Reporting Period

There are no events between the reporting date and the date of approval of these Financial Statements for issue that require adjustment to the Financial Statements.

21 Approval of Financial Statements

The Financial Statements were approved by the Board on 27th June 2024.