

**LEGAL AID BOARD**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Board Members**

**Chairperson** Nuala Egan (appointed interim Chairperson on 27<sup>th</sup> October 2023 to present)

**Members** Maurice Lawlor  
Nuala Jackson (resigned as Chairperson on 21<sup>st</sup> October 2023)  
Niamh O'Hanlon  
Gordon Jeyes  
Freda McKittrick  
Catherine Keane  
Tracey O'Keeffe  
Michael Patrick Burke  
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 2022**

## **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 for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 20 of the Act. The maintenance and integrity of the corporate and financial information on the Legal Aid Board's website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. It approved the 2022 budget at its meeting on 20 January 2022. 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 2022 was reviewed by the Board in January 2022.

The Board reviewed the level of expenditure against the budgeted figures in April 2022 and November 2022. A full-year review of the budgetary outturn and the implementation of the organisational priorities for 2022 took place at the Board meeting on 19 January 2023.

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 2022.

## **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 10<sup>th</sup> November 2021.

The tables below details the appointment period for the outgoing and current Board members who served during 2022:

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

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 2022:

Ms. Nuala Egan (Chair), Mr. Michael Bourke, 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 committee met 11 times in 2022.

### ***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 committee met 6 times in 2022 and the members of the Audit and Risk Committee in 2022 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).

### ***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 met 10 times in 2022 and the Committee's membership in 2022 was as follows:

Ms. Catherine Keane (Chair), Ms. Marianne Nolan, Mr. Patrick Durcan, Ms. Nuala Jackson, Mr. Gordon Jeyes, Mr. Michael Flynn – External Member.

### ***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 Committee met 5 times in 2022. The members of the Committee in 2022 were as follows:

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

### ***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. The members in 2022 were as follows:

Mr. Gordon Jeyes (Chair), Ms. Nuala Jackson, Ms. Freda McKittrick.

### ***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 members of the Committee met 6 times in 2022. The membership of the Committee in 2022 was as follows:

Ms. Freda McKittrick (Chair), Ms. Niamh O'Hanlon, Mr. Maurice Lawlor, Mr. Liam Ryan, Ms. Stephanie Coggans (Staff member), 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 met once in 2022. The Committee members in 2022 were as follows:

Ms. Freda McKittrick (Shared Committee Chair), Ms. Nuala Egan (Shared Committee Chair), Ms. Tracy O'Keeffe, Ms. Cathy Farrell (Staff Member), Ms. Helena Murphy (Staff Member), Mr. Michael O'Connell (Staff Member).

### **Key Personnel Changes**

There were no changes to the membership of the Board during 2022. Ms. Nuala Jackson resigned as Chairperson on 21<sup>st</sup> October 2023. Ms. Nuala Egan was appointed interim Chairperson on the 27<sup>th</sup> October 2023 until present. In the absence of Mr. John McDaid CEO, Joan Crawford was acting CEO from 18<sup>th</sup> October 2022 until 31<sup>st</sup> March 2023 and formally appointed as CEO on 3<sup>rd</sup> April



2023. Among the senior management team, Mr. Pat Gilheaney retired from the role of Director of Criminal Legal Aid and Internal Audit in February 2022. Mr Thomas Keane was appointed as Head of Internal Audit in February 2022. Mr. Gareth Clifford was appointed Director of Information and Communications in June 2022.

### **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 2022, the Board held 11 Board meetings. The meetings took place in a combination of videoconference and in-person formats. A schedule of attendance at the Board and Committee meetings for 2022 is set out below.

Name	Number of Board meetings attended	Fees 2022 €	Expenses 2022 €
Nuala Jackson (Chairperson)	11	11,970	525
Nuala Egan	11	7,695	-
Gordon Jeyes	11	7,695	533
Catherine Keane	10	7,695	-
Maurice Lawlor	11	-	2,072
Freda McKittrick	10	7,695	-
Tracy O'Keeffe	10	-	-
Michael Bourke	10	8,336	-
Patrick Durcan	10	8,978	3,156
Marianne Nolan	10	-	-
Niamh O'Hanlon	11	-	-
Catherine Ryan	10	-	1,538
Liam Ryan	11	8,978	371
Michael Flynn (External member of Audit and Risk Committee**)	-	3,377	-

Note: Maurice Lawlor, Marianne Nolan, Niamh O'Hanlon, Tracy O'Keeffe, and Catherine Ryan, who are public servants, did not receive a Board fee under the One Person One Salary principle. Michael Bourke took up a salaried public service position with effect from 1st December 2022, and notified the Board of this appointment immediately. A proportionate adjustment to Board fees payable in 2022 will be completed to comply with the One Person One Salary rule.

### 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 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 2022.

### ***Key Management Personnel***

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 of Internal Service Delivery (Civil), and the Director of Corporate and Criminal Legal Aid Services. In the absence of John McDaid CEO, Joan Crawford was acting CEO from 18<sup>th</sup> October 2022 until 31<sup>st</sup> March 2023 and formally appointed as CEO on 03<sup>rd</sup> April 2023.

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

	<b>2022 €</b>	<b>2021 €</b>
Pay	744,468	700,213

Pension entitlements for key management personnel do not extend beyond the standard entitlements in the public sector defined benefit superannuation schemes.

### ***Consultancy Costs***

	<b>2022 €</b>	<b>2021 €</b>
Legal Advice – Property	391,988	344,939
Human Resources / IT	113,658	90,843
Total	505,646	435,782

### ***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.

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.

	2022 €	2021 €
Professional Negligence Liabilities	(57,519)	167,600
Legal Fees – Legal proceedings	112,084	92,036
Total	54,565	259,636

### ***Travel and Subsistence Expenditure***

Travel and subsistence expenditure is categorised as follows:

		2022 €	2021 €
<b>Domestic</b>			
	Board*	16,666	14,879
	Employees	390,016	199,024
<b>International</b>			
	Board*	657	-
	Employees	5,171	-
Total		412,510	213,903

\*Includes travel and subsistence of €8,195 paid directly to Board members in 2022 (2021: €2,527). The balance of €9,128 relates to expenditure paid by the Legal Aid Board on behalf of the Board members.

### ***Hospitality Expenditure***

Hospitality expenditure of €12,587 was incurred by the Board during 2022 and the purpose of the expenditure included recognition of the essential contribution of staff to the Legal Aid Board's performance during the pandemic.

### ***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***

In line with Section 4.6 of the Code of Practice for the Governance of State Bodies 2016, an external review of the Board and its Committees was carried out in 2022. This review consisted of a survey to each Board member on a range of matters relating to the operation 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.

### ***Public Spending Code***

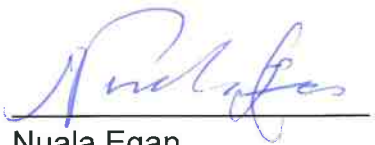
The Board seeks to obtain maximum value for all of its expenditures. Its primary area of non-pay expenditure is in the referral of client cases to private legal practitioners. The fee rates for such referrals are set out by the Board in the terms and conditions for the panels of private legal practitioners.

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 Board did not undertake any new programmes of expenditure in 2022.

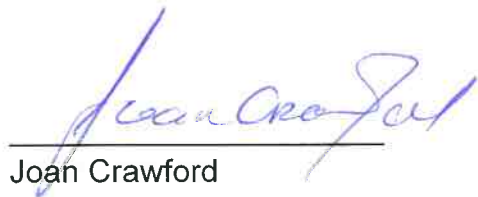
**Statement of Compliance**

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 2022.



Nuala Egan  
Interim Chairperson

Date: 18.12.23



Joan Crawford  
Chief Executive

Date: 18<sup>th</sup> December 2023



**Legal Aid Board**  
**Statement on the System of Internal Controls 2022**

**Board responsibilities**

On behalf of the Board of the Legal Aid Board, we acknowledge that the Board is responsible for ensuring that an effective system of internal control is maintained and operated for the organisation.

Any such system can provide only reasonable and not absolute assurance against material error. 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.

**Audit and Risk Committee**

The following is a description of the key control procedures which have been put in place by the Board, to provide effective internal control.

The Audit and Risk Committee continually reviews the effectiveness of controls and monitors the action taken by management to resolve any issues that are identified.

The annual review of internal controls was carried out in March 2023.

The Audit and Risk Committee is required to produce a formal report within three months of the end of the calendar year. The Committee's report was completed in February 2023 and was considered by the Audit and Risk Committee at its meeting on March 2023, and was presented to the Board at its meeting in April 2023.

There was no incident or breach of internal control in 2022 involving a loss to the Board. There were no material losses or frauds incurred by the Board in 2022.

**Delegation of functions**

The management and executive functions of the Board are delegated to the Chief Executive and senior management of the organisation by resolutions of the statutory Board, which monitors and reviews the work of senior management.



The Chief Executive reports to the Board at its monthly meetings and the Chief Executive and senior management also report to it through its various committees. A Corporate Governance Manual is in place, which provides a clear and comprehensive summary of the principal aspects of corporate governance for the Board and senior management.

The current Board was appointed in November 2021 and was briefed on Board roles and responsibilities.

### **Risk management**

Risk Management forms an integral part of the Business Planning process. The Board has adopted and implemented a clearly defined Risk Management Policy and maintains a formal Risk Register that 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.

A formal risk materialisation reporting system is in place that records any risks that materialised or near miss occurrences. Both the Risk Register and the risk materialisation report are updated on a twice yearly basis and are reviewed at a meeting of the Audit and Risk Committee, and noted at a meeting of the Board.

The Board has also a range of reports available on the legal case management system that are used to identify and proactively manage risk cases.

One of the functions of the Audit and Risk Committee of the Board is to provide an independent opinion on the adequacy of the Board's risk management arrangements.

The Audit and Risk Committee met on six occasions in 2022.

### **Budgetary and financial controls**

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

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. This includes the review of budgets and financial reports, the recommendation of approval of the Board's annual accounts to the Board and detailed consideration of financial matters in order to make appropriate recommendations to the Board and to advise management. Decisions are taken

either by the Board or by management, as appropriate, having regard to the recommendations and advice of the Committee.

The Finance Committee met on ten occasions during 2022. In addition to the monthly financial reports, the Committee also considered interim reviews of finances in May and October.

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.

### **Internal audit**

The Board has an Internal Audit function whose 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 raised are acted upon.

Each year, an Internal Audit and Risk Management 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.

A three-year audit plan for the organisation was approved by the Audit and Risk Committee in February 2021 and significant progress was made in 2022 towards completion of this audit plan.

### **Confirmation of Board's oversight role**

We confirm that during the year ended 31 December 2022, the Board, through its Finance and Effectiveness Committee, and Audit and Risk Committee, and through the Board itself, continued to monitor and review the effectiveness of the Board's system of internal controls.

### **Confirmation of procurement compliance**

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 all relevant guidelines.

In 2022 a total of seven supply arrangements (2021: five) were identified with a total value of €1.287m (2021: €446,761) which were procured without a competitive process. These are broken down as follows:

- 2 procurements with a value of €120,955 which were non-competitive but compliant, and concern emergency investment in additional IT security systems following advice from the National Cyber Security Centre at the outset of the invasion of Ukraine by Russia. The advice concerned an increased risk of cyber attacks on Government entities.
- 1 procurement with a value of €283,398 relating to the provision of office cleaning services is considered non-competitive but compliant. An existing contract was renewed in 2021 at the height of the COVID-19 pandemic as an emergency measure to ensure the continuity of cleaning services as offices were being re-occupied on a phased basis. A new request for tender has recently been issued for this service and tenders are being evaluated at present.
- 1 contract with a value of €42,644 is considered non-competitive but compliant as concerns the direct procurement of a renewal in 2020 of a support contract for a key IT system, due to extreme urgency, as provided for under Regulation 32(2)(c) of S.I. No. 284/2016 – European Union (Award of Public Authority Contracts) Regulations 2016 (referenced in the Department of Public Expenditure and Reform OGP) Covid Information Note).
- 1 procurement with a value of €670,439 in respect of interpreting services is considered non-competitive and non-compliant as these involved the procurement of services without a contract while the completion of a procurement process by the OGP was being completed. This procurement process was completed in Q4 2022 and the Board is in the process of drawing down services from the newly-contracted supplier.
- 2 procurements with a value of €91,142 in respect of document translation services is considered non-competitive and non-compliant as these involved

the procurement of services without a contract. The Board is preparing a request for tender for this type of service.

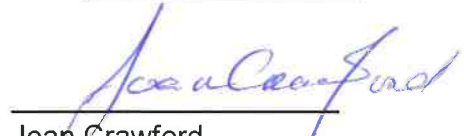
The Legal Aid Board is working to replace remaining non-compliant procurement arrangements during 2023.

**Review of Effectiveness**

The Board conducted their annual review of the effectiveness of internal controls for 2022 in April 2023. No weaknesses of internal controls were identified in relation to 2022 that require disclosure in the financial statements.

  
\_\_\_\_\_  
Nuala Egan  
Interim Chairperson

Date: 15-12-23

  
\_\_\_\_\_  
Joan Crawford  
Chief Executive

Date: 18<sup>th</sup> December 2023

## **Report of the Comptroller and Auditor General**

## **Report of the Comptroller and Auditor General**

## STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

*For the year ended 31<sup>st</sup> December 2022*

	Note	2022		2021	
		€	€	€	€
<b>Income</b>					
State funding	2	45,212,000		44,575,000	
Net deferred funding for pensions	3c	10,837		(53,164)	
Contributions from aided persons		1,411,815		1,484,245	
Costs recovered		1,089,856		763,904	
Other income	4	<u>378,889</u>		<u>239,330</u>	
			48,103,397		47,009,315
<b>Expenditure</b>					
Salaries and related expenses	6a	25,260,987		23,143,877	
Pension Costs	3a	173,000		113,000	
Fees to board members		72,419		61,603	
Accommodation and establishment expenses	9	6,120,955		5,194,578	
Legal fees and expenses	10	13,309,007		11,111,075	
General administration	11	2,703,354		2,143,903	
Depreciation	12	1,351,326		1,197,218	
Audit fee		<u>24,750</u>		<u>24,750</u>	
<b>(Deficit)/Surplus for the year before appropriations</b>			<u>49,015,798</u> (912,401)	<u>42,990,004</u> 4,019,311	
Transfer to/(from) capital account	5		<u>501,811</u> (410,590)	<u>(1,158,082)</u> 2,861,229	
<b>(Deficit)/Surplus for the year after appropriations</b>					
Opening balance as at start of year			<u>(11,000,549)</u>	<u>(13,861,778)</u>	
Closing balance as at end of year			<u>(11,411,139)</u>	<u>(11,000,549)</u>	

All income and expenditure for the year 31 December 2022 relates to continuing activities at the statement of financial position date.

The statement of cash flows, together with Notes 1 to 21, form part of these financial statements.

  
\_\_\_\_\_  
NUALA EGAN

Interim Chairperson Date 18.12.25

  
\_\_\_\_\_  
JOAN CRAWFORD

Chief Executive Date 18<sup>th</sup> December 2023

## STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	2022 €	2021 €
Deficit before appropriations		(912,401)	4,019,311
Experience losses on retirement benefit obligations	3 d	2,373,000	(850,000)
Changes in assumptions underlying the present value of retirement benefit obligations			
<b>Actuarial gain / (loss) in the year</b>	<b>3 b</b>	<u>2,373,000</u>	<u>(850,000)</u>
<b>Adjustment to retirement benefits funding</b>		(2,373,000)	850,000
<b>Total comprehensive income for the year</b>		(912,401)	4,019,311

The statement of cash flows, together with Notes 1 to 21, form part of these financial statements.

  
 \_\_\_\_\_  
 NUALA EGAN

Interim Chairperson Date 18-12-23

  
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 JOAN CRAWFORD

Chief Executive Date 18<sup>th</sup> December 2023

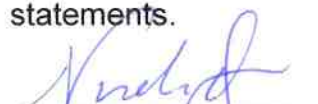


## STATEMENT OF FINANCIAL POSITION

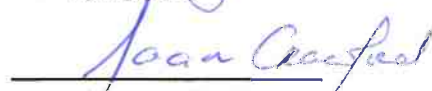
*as at 31 December 2022*

	Note	2022		2021	
		€	€	€	€
<b>Property, plant and equipment</b>	<b>12</b>		2,978,626		3,480,437
<b>Current assets</b>					
Cash at bank and on hand			9,720,666		9,570,809
Receivables	<b>13</b>		<u>1,097,657</u>		<u>969,406</u>
			10,818,323		10,540,215
<b>Current liabilities (amounts falling due within one year)</b>					
Payables	<b>14</b>		19,237,321		18,924,097
Clients' funds	<b>15</b>		<u>2,992,141</u>		<u>2,616,667</u>
			22,229,462		21,540,764
<b>Net current liabilities</b>			<u>(11,411,139)</u>		<u>(11,000,549)</u>
<b>Total assets less current liabilities before retirement benefit obligations</b>			(8,432,513)		(7,520,112)
Deferred retirement benefits funding	<b>3 c</b>		11,883,250		14,756,565
Retirement benefits obligations	<b>3 b</b>		<u>(11,883,250)</u>		<u>(14,756,565)</u>
<b>Total net liabilities</b>			<u>(8,432,513)</u>		<u>(7,520,112)</u>
<b>Represented by:</b>					
Retained revenue reserves			(11,411,139)		(11,000,549)
Capital account	<b>5</b>		<u>2,978,626</u>		<u>3,480,437</u>
			<u>(8,432,513)</u>		<u>(7,520,112)</u>

The statement of cash flows, together with Notes 1 to 21, form part of these financial statements.

  
 \_\_\_\_\_  
 NUALA EGAN

Interim Chairperson Date 18-12-23


  
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 JOAN CRAWFORD

Chief Executive Date 18<sup>th</sup> December 2023

**STATEMENT OF CASH FLOWS**  
*for the year ended 31 December 2022*

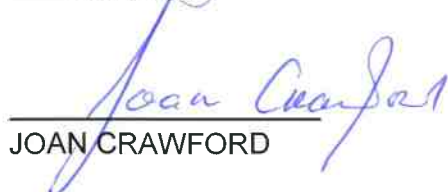
	Note	2022 €	2021 €
<b>Net cash flows from operating activities</b>			
Excess (expenditure over income) income over expenditure		(912,401)	4,019,311
Depreciation of property, plant and equipment		1,351,326	1,197,218
(increase)/decrease in debtors		(128,251)	18,639
Increase in creditors		313,224	352,438
Increase in Client Funds		375,474	752,322
<b>Net cash inflow / (outflow) from operating activities</b>		<u>999,372</u>	<u>6,339,928</u>
<b>Cash flows from investing activities</b>			
Payments to acquire fixed assets		(849,515)	(2,355,300)
Interest paid on client settlements		<u>(7,651)</u>	<u>(4,848)</u>
<b>Net cash flows from investing activities</b>		<u>(857,166)</u>	<u>(2,360,148)</u>
<b>Cash flows from financing activities</b>			
Bank Interest Received		<u>7,651</u>	-
<b>Net cash flows from financing activities</b>		<u>7,651</u>	-
<b>Increase in cash and cash Equivalents</b>		149,857	3,979,780
Cash and cash equivalents at 1 January		<u>9,570,809</u>	<u>5,591,029</u>
Cash and cash equivalents at 31 December		<u>9,720,666</u>	<u>9,570,809</u>

Notes 1 to 21 form part of these financial statements

  
 NUALA EGAN

Interim Chairperson

Date 18.12.23

  
 JOAN CRAWFORD

Chief Executive

Date 18<sup>th</sup> December 2023

## **NOTES TO THE FINANCIAL STATEMENTS** *for the year ended 31 December 2022*

### **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 2022, the Board operated out of 44 premises throughout the country.

#### **Basis of Preparation**

The financial statements of the Legal Aid Board for the year ended 31 December 2022 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 accruals 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 2022 shows an excess of liabilities over assets of €8,432,513. 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 accruals 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 2022 was approximately €183,182. There were no bad debts written off in 2022.

### **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 2022, 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 2022, there are 185 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 185 staff are remitted by the Board to the Department of Justice.

#### **b) Solicitor Staff**

As at 31 December 2022 there are 74 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 74 solicitor staff are retained by the Board and used to fund the payment of superannuation to solicitors who retired or left the Board prior to June 2014.

### **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 2022, there were 205 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 (DPER). 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 2022, there were 62 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.

#### **Solicitor Staff retired or resigned prior to June 2014**

The financial statements reflect the pension liability of solicitor staff who retired or resigned from the Board prior to June 2014. At that date, the Minister designated all Board solicitor staff as civil servants.

The Courts and Civil Law (Miscellaneous) Act 2023 was enacted on 31st July 2023. Section 122 of this Act designated solicitors of the Board, who retired or ceased to be employed by the Board prior to 1 June 2014, as civil servants for pension purposes. Accordingly, the pension liability on the Board for these retired and former solicitor staff of the Board ceased from the enactment of this legislation and their pensions fall due to be paid from the main superannuation vote.

#### **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. In July 2023 the Department of Justice published the General Scheme (Heads) of a Criminal Legal Aid Bill. It is expected that a Bill based on the General Scheme will follow that once enacted would give effect to the transfer of certain elements of the main scheme of criminal legal aid to the Board.

#### **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.



Arising from the Management Letter 2021 the Board were required to review the statistical model used to calculate the year end legal fees accrual for solicitors and barrister panels.

Regarding unbilled cases, following an analysis of the crystallisation times of a group of payments received in the preceding calendar year, it was estimated in the case of each panel that a percentage of payments was likely to crystallise within 1 year, a further percentage were likely to crystallise in 1 – 3 years and the remainder of payments were likely to crystallise in over 3 years.

The accrual methodology was updated and presented to the Finance & Effectiveness Committee and Board in May 2023.

## 2 State Funding

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

Subhead:	2022 €	2021 €
B.11 Grant	45,212,000	44,575,000

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

Retirement benefit obligations are 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.

(a) Analysis of total retirement benefits charged to Expenditure	2022 €	2021 €
Interest on retirement benefit obligations	173,000	113,000
Employee contributions	(511,152)	(473,848)
	(338,152)	(360,848)

<b>(b) Movement in net retirement benefits Liability during the financial year</b>	<b>2022 €</b>	<b>2021 €</b>
Net liability at 1 January	14,756,565	14,433,577
Interest Costs	173,000	113,000
Actuarial (Gain)/Loss	(2,373,000)	850,000
Retirement benefits paid in the year	<u>(673,315)</u>	<u>(640,012)</u>
Net liability at 31 December	<u>11,883,250</u>	<u>14,756,565</u>

**(c) Deferred Funding Asset for retirement benefits**

The Legal Aid Board recognises these amounts as an asset corresponding to the unfunded deferred liability for retirement benefits on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the superannuation scheme, and the policy and practice currently in place in relation to funding public service retirement benefits including contributions by employees and the annual estimate process. In 2022, there was no formal agreement regarding these specific amounts with the Department of Justice, the Board had no evidence that this funding policy would not continue to meet such sums in accordance with current practice.

The Courts and Civil Law (Miscellaneous) Act 2023 was enacted on 31st July 2023. Section 122 of this Act designated solicitors of the Board, who retired or ceased to be employed by the Board prior to 1 June 2014, as civil servants for pension purposes. Accordingly, the pension liability on the Board for these retired and former solicitor staff of the Board ceased from the enactment of this legislation and their pensions fall due to be paid from the main superannuation vote.

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

	<b>2022 €</b>	<b>2021 €</b>
Funding recoverable in respect of current year retirement benefits	173,000	113,000
State grant applied to pay retirement benefits	(673,315)	(640,012)
Refundable contributions retained to meet current costs	<u>511,152</u>	<u>473,848</u>
	<u>10,837</u>	<u>(53,164)</u>

The deferred funding asset for retirement benefits as at 31 December 2022 amounted to €11.88 million (€14.76 million in 2021).



**(d) History of defined benefit obligations**

	2022 €	2021 €	2020 €
Defined benefit obligations	11,883,250	14,756,565	14,427,000
Experience (losses)/gains on scheme liabilities amount	2,373,000	(850,000)	26,000
Percentage of the present value of the scheme liabilities	2%	6%	0%

**(e) 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 65<sup>th</sup> 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 17 (Revised) disclosures has been based on a full actuarial valuation (2023) by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2022.

The principal actuarial assumptions were as follows:

	2022	2021
Rate of increase in salaries	4.0%	3.5%
Rate of increase in pensions in payment	3.5%	3.0%
Discount Rate	3.5%	1.2%
Inflation Rate	2.5%	2.0%

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

	2022	2021
Male aged 65	21.9	21.8
Female aged 65	24.3	24.2

#### 4 Other Income

	2022 €	2021 €
Interest received and receivable	8,609	8,315
Sundry receipts	<u>370,280</u>	<u>231,015</u>
	<u>378,889</u>	<u>239,330</u>

#### 5 Capital Account

	€	€
Balance as at 1 January 2022		3,480,437
Transfer from Income and Expenditure Account		
- Income used to purchase fixed assets	849,515	
- Income amortised in year in line with depreciation of assets	<u>(1,351,326)</u>	<u>(501,811)</u>
Balance as at 31 December 2022		<u>2,978,626</u>

#### 6 a) Employee Numbers and Costs

As at 31 December 2022, 492 (2021:438) whole time equivalents were employed in the Board. The average number of employees in the Board during the year was 459 (2021 – 425).

Employees and related costs were as follows:

	2022 €	2021 €
Salaries	23,087,314	21,205,164
Employer PRSI	<u>2,173,673</u>	<u>1,938,713</u>
	<u>25,260,987</u>	<u>23,143,877</u>

€597,000 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 2022	Number of Employees 2021
€60,000 to €69,999	21	34
€70,000 to €79,999	62	46
€80,000 to €89,999	22	15
€90,000 to €99,999	13	13
€100,000 to €109,999	9	7
€110,000 to €119,999	7	-
€120,000 to €129,999	-	-
€130,000 to €139,999	-	-
Above €140,000	1	1

## 7 Chief Executive Officer Salary and Expenses

	2022 €	2021 €
CEO Salary	161,746	154,597
CEO Expenses	-	402
	<u>161,746</u>	<u>154,999</u>

The CEO is a member of an unfunded defined benefit public sector scheme and his pension entitlements do not extend beyond the standard entitlements for such schemes. In the absence of the CEO, an Acting CEO was appointed for a short period on 18 October 2022 until 30 November 2022. No acting up allowance was paid.

## 8 Board Members Fees and Expenses

	2022 €	2021 €
Board Members Fees	72,419	61,603
Board Members Expenses	17,323	14,878
	<u>89,742</u>	<u>76,481</u>

Board Members	Fees	Board Members	Fees
Nuala Jackson	11,970	Michael Burke	8,336
Patrick Durcan	8,978	Liam Ryan	8,978
Catherine Keane	7,695	Freda McKittrick	7,695
Gordon Jeyes	7,695	Michael Flynn*	3,377
Nuala Egan	7,695		

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

## 9 Accommodation and Establishment Expenses

	<b>2022</b> €	<b>2021</b> €
Rents	3,041,375	2,846,757
Cleaning	322,221	305,155
Lighting and heating	526,639	294,185
Maintenance – Premises	971,186	786,134
Maintenance – Equipment and computers	<u>1,259,534</u>	<u>962,347</u>
	<u><b>6,120,955</b></u>	<u><b>5,194,578</b></u>

## 10 Legal Fees and Expenses

	<b>2022</b> €	<b>2021</b> €
Counsel fees	3,163,598	3,401,195
Witness/Ancillary fees (incl. expert witness fees)	1,533,076	1,452,017
Private Practitioner Schemes (includes International Protection)	7,134,735	3,110,079
Abhaile Scheme	244,501	1,914,870
Professional Negligence*	54,565	259,636
Other Professional fees	505,639	435,782
Other Expenses (includes training)	<u>672,893</u>	<u>537,496</u>
	<u><b>13,309,007</b></u>	<u><b>11,111,075</b></u>

\*At December 31<sup>st</sup> 2022, the Board was subject to a number of claims in respect of Professional Negligence. As at year end, the Board has accrued €363,379 (2021 – €406,500) in respect of these matters.

## 11 General Administration

	<b>2022</b> €	<b>2021</b> €
Stationery and office expenses	694,587	578,119
Books and printing	49,752	59,468
Postage and telephone	1,186,182	1,124,619
Insurance	360,323	167,794
Travel and subsistence	<u>412,510</u>	<u>213,903</u>
	<u><b>2,703,354</b></u>	<u><b>2,143,903</b></u>

## 12 Property, Plant and Equipment

	Leases €	Office Furniture €	Equipment & Computers €	Premises Fit Out €	Total €
<b>Cost</b>					
Balance at start of year	1,420,359	790,624	5,395,785	7,938,287	15,545,055
Acquisitions	-	-	35,425	814,090	849,515
Disposals	<u>(56,025)</u>	<u>(30,250)</u>	<u>(17,577)</u>	<u>(111,063)</u>	<u>(214,915)</u>
Balance at end of year	<u>1,364,334</u>	<u>760,374</u>	<u>5,413,633</u>	<u>8,641,314</u>	<u>16,179,655</u>
<b>Depreciation of Fixed Assets</b>					
Balance at start of year	1,420,359	782,362	4,631,301	5,230,596	12,064,618
Charge in year	-	3,313	432,982	915,031	1,351,326
Disposals	<u>(56,025)</u>	<u>(30,250)</u>	<u>(17,577)</u>	<u>(111,063)</u>	<u>(214,915)</u>
Balance at end of year	<u>1,364,334</u>	<u>755,425</u>	<u>5,046,706</u>	<u>6,034,564</u>	<u>13,201,029</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>
Net book value at 31 December 2021	<u>-</u>	<u>8,262</u>	<u>764,484</u>	<u>2,707,691</u>	<u>3,480,437</u>

## 13 Receivables

	2022 €	2021 €
Prepayments		
- Rent	187,419	145,130
- Maintenance – Premises		
Computers & Equipment	272,744	211,624
- Salaries	170,031	175,296
- Other	130,578	122,211
- Practising Certificates	<u>336,885</u>	<u>315,145</u>
	<u>1,097,657</u>	<u>969,406</u>

## 14 Payables

	2022 €	2021 €
Amounts falling due within one year:		
Creditors	707,749	598,558
Accruals	<u>18,529,572</u>	<u>18,325,539</u>
	<u>19,237,321</u>	<u>18,924,097</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 2022, the amount provided for, in relation to unbilled cases was €16,176,319 (2021 – €15,888,605). 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

	2022 €	2021 €
Client funds held at 1 January (Gross)	2,616,667	1,865,810
Interest	<u>540</u>	<u>(2,843)</u>
Client funds held at 1 January (Net of Interest)	2,617,207	1,862,967
<i>Add Awards/settlements received during 2022</i>	14,387,984	11,245,462
<i>Less Settlements paid out, including interest allowed and costs recovered</i>	<u>(14,011,553)</u>	<u>(10,491,222)</u>
	2,993,638	2,617,207
Client funds held at 31 December	(1,497)	(540)
Interest accruing on client funds held		
Total due to clients	<u><u>2,992,141</u></u>	<u><u>2,616,667</u></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 €18,473,631 in future years as at 31 December 2022 in respect of leases expiring as follows:

	€
2023	2,730,455
2024 – 2029	6,129,223
2030 onwards	<u>9,613,953</u>
	<u>18,473,631</u>

### (b) Commitments in respect of Legal Fees

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

	2022 €	2021 €
Open cases certified at 1 January	22,484,479	22,959,036
Additional fees certified	23,359,540	8,777,642
Payments	<u>(11,257,980)</u>	<u>(9,254,199)</u>
	34,586,039	22,482,479
Provided for at 31 December	<u>(16,176,319)</u>	<u>(15,888,605)</u>
Outstanding commitments at 31 December	<u>18,409,720</u>	<u>6,593,874</u>

At 31 December 2022, 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 2022, the Legal Aid Board had provided for legal fees of €16,176,319 and had outstanding commitments in the amount of €18,409,720, of which €13,161,343 is due between >1<3 years and €5,248,377 is due >3 years.

### 17 Movement of Cash

	2022 €	2021 €
Balance at 1 January	9,570,809	5,591,029
Net cash inflow	149,857	3,979,780
Balance at 31 December	<u>9,720,666</u>	<u>9,570,809</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 impact of this change was the need to accrue a further €726,869 in holiday pay at 31 December 2021. The accrual for holiday pay as at 31 December 2022 is €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 2022, the then Chairperson of the Board, Nuala Jackson received €1,699.50 as a result of work carried out in her capacity as a Barrister on the Legal Aid Board Barristers Panel. In addition, Liam Ryan received €5,105 in 2022 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 12 December 2023.