

LEGAL AID BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Page No.**Contents**

1	Information
2 - 14	Governance Statement and Board Members' Report
15 - 18	Statement on Internal Control
19 - 20	Report of the Comptroller and Auditor General
21	Statement of income and expenditure and retained revenue reserves
22	Statement of other comprehensive income
23	Statement of financial position
24	Statement of cash flows
25 - 31	Notes to the financial statements

Board Members

Chairperson Nuala Jackson
Members Maurice Lawlor
Nuala Egan
Niamh O'Hanlon
Gordon Jeyes
Freda McKittrick
Catherine Keane
Tracy O'Keeffe
Michael Patrick Burke
Patrick Durcan
Marianne Nolan
Catherine Ryan
Liam Ryan

Office Address

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Co. Kerry

Board Secretary

Mary O'Connor

Banker

Allied Irish Banks
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Solicitor

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Auditor

Comptroller and Auditor General
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Dublin 1

Governance Statement and Board Members' Report 2021

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 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 2021 budget at its meeting on 21 January 2021. At the Board's meeting on 25 February 2021, a Statement of Strategy 2021 – 2023 was approved. At that same meeting, the Board also reviewed the Organisational Priorities for 2021. A mid-year review of the budget, Statement of Strategy and Organisational Priorities took place at the Board meeting on 22 July 2021, and a full-year review of these took place at the meeting on 20 January 2022.

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 2021.

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 tables below details the appointment period for the outgoing and current Board members who served during 2021:

Legal Aid Board 2016-2021		
Name	Date of first Appointment (and date of re-appointment where applicable)	Date on which term expired / Board member resigned
Philip O'Leary Chairperson 2011-2021	11/10/2011 (08/11/2016) re-appointed	01/11/2021
Nuala Jackson Senior Counsel	08/11/2016	01/11/2021
Tom Brennan Chartered Accountant	08/11/2016	01/11/2021
Betty Dinneen Civil Servant (Staff Member)	05/12/2019	01/11/2021
Eoin Dormer Department of Public Expenditure and Reform	05/12/2019	01/11/2021
Nuala Egan Barrister at Law	21/02/2017	01/11/2021
Catherine Keane	09/06/2020	01/11/2021

Solicitor, Cartoon Saloon		
Gordon Jeyes Former Chief Executive of Tusla, the Child and Family Agency	08/11/2016	01/11/2021
Maurice Lawlor Department of Social Protection	08/11/2016	01/11/2021
Freda McKittrick Assistant Director, Barnardos	08/11/2016	01/11/2021
Michael O'Connell Civil Servant (Staff Member)	08/11/2016	01/11/2021
Tracy O'Keeffe Department of Justice	22/07/2021	01/11/2021
Ellen O'Malley Dunlop Chairperson of the National Women's Council of Ireland	08/11/2016	01/11/2021
Rachel Woods Department of Justice	24/09/2019	30/04/2021

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 (10/11/2021) re-appointed	09/11/2026
Nuala Egan Barrister at Law	21/02/2017 (10/11/2021) re-appointed	09/11/2026
Catherine Keane Solicitor, Cartoon Saloon	09/06/2020 (10/11/2021) re-appointed	09/11/2026
Gordon Jeyes Former Chief Executive of Tusla, the Child and Family Agency	08/11/2016 (10/11/2021) re-appointed	09/11/2026
Maurice Lawlor Department of Social Protection	08/11/2016 (10/11/2021) re-appointed	09/11/2026
Freda McKittrick Assistant Director, Barnardos	08/11/2016 (10/11/2021) re-appointed	09/11/2026
Tracy O'Keeffe Department of Justice	22/07/2021 (10/11/2021) re-appointed	09/11/2026
Michael Patrick Bourke Solicitor (retired)	10/11/2021	09/11/2026
Patrick Durcan Retired District Court Judge	10/11/2021	09/11/2026
Marianne Nolan Department of Public Expenditure and Reform	10/11/2021	09/11/2026
Niamh O'Hanlon Civil Servant (staff member)	10/11/2021	09/11/2026
Catherine Ryan Civil Servant (staff member)	10/11/2021	09/11/2026
Liam Ryan Solicitor	10/11/2021	09/11/2026

The Board has established six committees, as follows:

Appeal Committee

The Appeal Committee is a statutory committee of the Board, which considers requests by legal aid applicants for decisions made by the executive in a particular case to be reversed. It comprised the following members in 2021:

Legal Aid Board 2016-2021

January to June 2021: Ms. Nuala Egan (Chair), Ms. Nuala Jackson, Mr. Gordon Jeyes, Ms. Catherine Keane and Ms. Ellen O'Malley-Dunlop. Additional members: Mr. Tom Brennan, Mr. Maurice Lawlor, Ms. Freda McKittrick, Mr. Philip O'Leary.

July to October: Ms. Nuala Egan (Chair), Ms. Nuala Jackson, Mr. Gordon Jeyes, Ms. Catherine Keane and Ms. Ellen O'Malley-Dunlop. Additional members: Mr. Tom Brennan, Mr. Maurice Lawlor, Ms. Freda McKittrick, Mr. Philip O'Leary.

The Appeal Committee of the 2016-2021 Board met on eleven occasions in 2021.

Legal Aid Board 2021-2026

November to December 2021: Ms. Nuala Egan (Chair), Mr. Michael Bourke, Mr. Maurice Lawlor, Ms. Marianne Nolan, Mr. Liam Ryan.

The Appeal Committee of the 2021-2026 Board met on three occasions in 2021.

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 2021 were as follows:

Legal Aid Board 2016-2021

January to April 2021: Ms. Rachel Woods (Chair), Ms. Betty Dinneen, Ms. Catherine Keane, Mr. Eoin Dormer - Mr. Michael Flynn (external member of Committee).

May to October 2021: Mr. Gordon Jeyes (Chair), Ms. Betty Dinneen, Ms. Catherine Keane, Mr. Eoin Dormer. Mr. Michael Flynn (external member of Committee).

The Audit and Risk Committee of the 2016-2021 Board met on four occasions in 2021.

Legal Aid Board 2021-2026

November to December 2021: 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 Audit and Risk Committee of the 2021-2026 Board did not meet in 2021.

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 2021 was as follows:

Legal Aid Board 2016-2021

January to October 2021: Mr. Tom Brennan (Chair), Mr. Eoin Dormer, Ms. Nuala Jackson, Mr. Maurice Lawlor, Mr. Michael O'Connell and Mr. Philip O'Leary.

The Finance and Effectiveness Committee of the 2016-2021 Board met on five occasions during 2021.

Legal Aid Board 2021-2026

November to December 2021: Ms. Catherine Keane (Chair), Ms. Marianne Nolan, Mr. Patrick Durcan, Ms. Nuala Jackson, Mr. Gordon Jeyes, Mr. Michael Flynn (external member of Committee).

The Finance and Effectiveness Committee of the 2021-2026 Board held one meeting in 2021.

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 2021 were as follows:

Legal Aid Board 2016-2021

January to October 2021: Ms. Freda McKittrick (Chair), Ms. Nuala Egan, Mr. Gordon Jeyes, Mr. Philip O'Leary, Mr. Michael O'Connell.

The Strategy and Opportunity Committee of the 2016-2021 Board met on four occasions in 2021.

Legal Aid Board 2021-2026

November to December 2021: Ms. Catherine Ryan (Chair), Mr. Michael Bourke, Mr. Patrick Durcan, Ms. Nuala Egan, , Ms. Niamh O'Hanlon, Ms. Tracy O'Keeffe.

The Strategy and Opportunity Committee of the 2021-2026 Board did not meet in 2021.

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. Its members in 2021 were as follows:

Legal Aid Board 2016-2021

January to October 2021: Mr. Philip O'Leary (Chair), Mr. Tom Brennan, Ms. Freda McKittrick, Ms. Ellen O'Malley Dunlop. The Committee was chaired by the Board Chairperson.

The Performance Committee of the 2016-2021 Board held two meetings in 2021.

Legal Aid Board 2021-2026

November to December 2021: Mr. Gordon Jeyes (Chair), Ms. Nuala Jackson Ms. Freda McKittrick.

The Performance Committee of the 2021-2026 Board held one meeting in 2021.

Culture Committee (ad-hoc)

Legal Aid Board 2016-2021

The Culture Committee was established on a temporary basis to examine the culture of the organisation and to make recommendations to the Board in this regard. Its members were Mr. Maurice Lawlor (Chair), Mr. Tom Brennan, Ms. Betty Dinneen, Mr. Philip O'Leary. In addition the following staff representatives were co-opted to the Culture Committee for the duration of its deliberations: Ms. Jacqui Lacey, Ms. Stella O'Rourke, Ms. Pauline Eustace.

This Committee held its final meeting in January 2021.

Legal Aid Board 2021-2026

Not applicable.

Key Personnel Changes

The details of the Board appointments in November 2021 are set out above.

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 2021, the Board held 11 Board meetings. The meetings took place in a combination of videoconference and in-person formats, depending on the level of COVID-19 restrictions in place at the time. A schedule of attendance at the Board and Committee meetings for 2021 is set out below.

Name	Number of 2016-2021 Board meetings attended	Number of 2021-2026 Board meetings attended	Fees 2021 €	Expenses 2021 €
Philip O'Leary (Chair)	9	N/A	9,975	1,061
Tom Brennan	9	N/A	5,771	271
Betty Dinneen	8	N/A		66
Eoin Dormer	7	N/A		
Michael O'Connell	9	N/A		273
Ellen O'Malley Dunlop	9	N/A	5,771	499
Rachel Woods	3	N/A		
Nuala Egan	9	2	7,695	
Nuala Jackson (Chair Nov 2021)	8	2	8,408	
Gordon Jeyes	9	2	7,695	131
Catherine Keane	8	2	7,695	237
Maurice Lawlor	8	2		213
Freda McKittrick	9	2	7,695	
Tracy O'Keeffe	2	2		
Michael Bourke	N/A	2		
Patrick Durcan	N/A	2		
Marianne Nolan	N/A	2		
Niamh O'Hanlon	N/A	2		
Catherine Ryan	N/A	2		
Liam Ryan	N/A	2		
Michael Flynn (External member of Audit and Risk Committee**)			898	

Note: Betty Dinneen, Eoin Dormer, Michael O'Connell, Rachel Woods, 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.

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 2021.

Key Management Personnel

Key management personnel in the Legal Aid Board are the Chief Executive, the Director of Internal Service Delivery (Civil), the Director of Human Resources, Learning and Development, and Strategy, the Director of Decision Making and External Services (Civil), the Director of Family Mediation Services, the Director of Criminal Legal Aid, and the Director of Corporate Services.

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

	2021 €	2020 €
Pay	700,213	661,154

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

	2021 €	2020 €
Legal Advice – Property	344,939	288,528
Human Resources / IT	90,843	96,973
Total	435,782	385,501

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.

	2021 €	2020 €
Professional Negligence Liabilities	167,600	89,180
Legal Fees – Legal proceedings	92,036	(31,895)
Total	259,636	57,285

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

		2021 €	2020 €
Domestic			
	Board*	14,879	5,758
	Employees	199,024	265,291
International			
	Board*	0	0
	Employees	0	351
Total		213,903	271,400

*Includes travel and subsistence of € 2,527 paid directly to Board members in 2021 (2020: €2,229). The balance of €12,352 relates to expenditure paid by the Legal Aid Board on behalf of the Board members.

Hospitality Expenditure

Hospitality expenditure of €0 was incurred by the Board during 2021 and the attendance of Board solicitors at Judges' dinners (€0).

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.

Internal Review

In line with Section 4.6 of the Code of Practice for the Governance of State Bodies 2016, an internal review of the Board and its Committees was carried out in 2021. 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 2021.

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 2021.

A section-by-section review of the Board's compliance with the Code was carried out in November 2020. The following matters in relation to the Board's compliance with the Code were identified:

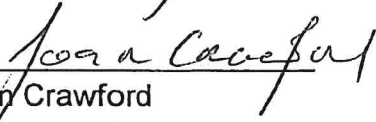
- The development of a system of performance measurement for major expenditure items. This remains to be addressed and will receive further attention during 2022.
- The publication of a new Customer Action Plan. This process of preparing this plan was substantially advanced during 2021 and is approaching completion. Also the publication of the Board's codes of conduct for Board members and staff on the Board's website, and the Protected Disclosures report for 2019. These updates are in the process of publication.
- Putting in place a procedure to allow for a Board member (who is not a public servant already foregoing their fee under the One Person One Salary Rule) to waive their fee, and minor amendments to the arrangements for a Board meeting in the event of a conflict of interest. This process is now in place.
- The resourcing of the Board's Internal Audit function, and minor updates to the terms of reference for the Audit and Risk Committee. These matters have been since addressed.
- The requirement to submit unaudited accounts to the Department of Justice within two months of year-end. A revised Department of Public Expenditure and Reform Circular 24/2021, issued in November 2021 requires State bodies to submit their Financial Statements to the

Comptroller and Auditor General within three months of the end of the financial period. This deadline will be met and a copy of the unaudited Financial Statements will be provided to the Department of Justice.



Nuala Jackson SC
Chairperson

Date: 1st December 2022



Joan Crawford
Acting Chief Executive

Date: 1st December 2022

Legal Aid Board
Statement on the System of Internal Controls 2021

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 the effectiveness of control was carried out in March 2022..

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 March 2022 and was considered by the Audit and Risk Committee at its meeting on 25 March 2022, and was approved by the Board at its meeting on 22 April 2022.

There was no incident or breach of internal control in 2021 involving a loss to the Board. There were no material losses or frauds incurred by the Board in 2021.

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 majority of the current Board was appointed in November 2016 and was briefed on Board roles and responsibilities. A similar briefing was provided to Board members who have been appointed subsequently.

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 four occasions in 2021.

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 six occasions during 2021. In addition to the monthly financial reports, the Committee also considered a mid year review of finances.

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.

In 2020, due to concerns about the level of resourcing in the Board's Internal Audit function, the three-year Internal Audit Plan, for the period beginning in 2020, was not approved by the Audit and Risk Committee. There was an on-going dialogue between the Committee and the executive in 2020 regarding this issue. The Committee specifically requested that the resourcing of the Internal Audit function be added to the Risk Register. The resourcing of the Internal Audit function was addressed, and the Audit and Risk Committee approved an updated three-year audit plan in February 2021.

Confirmation of Board's oversight role

We confirm that during the year ended 31 December 2021, 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 2021 a total of five supply arrangements (2020: eight) were identified with a total value of €446,761 (2020: €1,019,639) which were procured without a competitive process. These are broken down as follows:

- 1 procurement with a value of €187,432 which is non-competitive and non-compliant, and concerns an expired fixed-line telephony services contract. This was managed by another public body but included the Board within its scope. It was replaced during 2021 by a new contract procured following a competitive process.
- 1 procurement with a value of €30,150 relating to emergency repairs to an air-conditioning system, which is regarded as non-competitive but compliant.
- 1 contract with a value of €41,959 is considered non-competitive but compliant as concerns the direct procurement of a renewal of a support contract for a key IT system, due to extreme urgency, as provided for under Regulation 32(2) (c) of S.I.

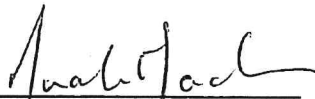
No. 284/2016 – European Union (Award of Public Authority Contracts) Regulations 2016 (referenced in the Department of Public Expenditure and Reform OGP) Covid Information Note).

- 2 procurements with a value of €187,220 are considered non-competitive and non-compliant as these involved the continuation of procurements where previous contracts had expired, as an interim measure while the Board is engaging with the International Protection Office on the development of the International Protection Support Service, which will include an overhaul of the current system of interpretation and translation and its replacement with a fully accredited system.

The Legal Aid Board is working to replace remaining non-compliant procurement arrangements during 2022. The expired telephony item does not arise in 2022. Also, the Board is engaged with the Department of Justice on the establishment of a framework contract for interpreting services.

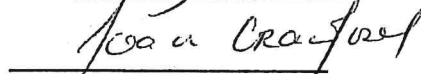
Confirmation that Statement has been reviewed

The Board reviewed this Statement on 22nd June 2022 and approved it as being an accurate reflection of the control system in operation during the reporting period.



Nuala Jackson SC
Chairperson

Date: 1st December 2022



Joan Crawford
Acting Chief Executive

Date: 1st Dec 2022



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Legal Aid Board

Opinion on the financial statements

I have audited the financial statements of the Legal Aid Board for the year ended 31 December 2021 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 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 2021 and of its income and expenditure for 2021 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.

I have nothing to report in that regard.

Paul Southern
For and on behalf of the
Comptroller and Auditor General

15 December 2022

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.

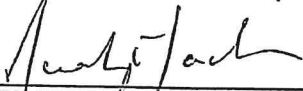
LEGAL AID FUND

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
for the year ended 31 December 2021

	Note	2021		2020	
		€	€	€	€
Income					
State funding	2	44,575,000		42,207,000	
Net deferred funding for pensions	3c	(53,164)		(62,389)	
Contributions from aided persons		1,484,245		1,335,982	
Costs recovered		763,904		516,851	
Other income	4	<u>239,330</u>		<u>177,050</u>	
			47,009,315		44,174,494
Expenditure					
Salaries and related expenses	6a	23,143,877		22,273,183	
Pension Costs	3a	113,000		146,000	
Fees to board members		61,603		63,650	
Accommodation and establishment expenses	9	5,194,578		4,695,974	
Legal fees and expenses	10	11,111,075		12,030,317	
General administration	11	2,143,903		2,072,805	
Depreciation	12	1,197,218		982,188	
Audit fee		<u>24,750</u>		<u>24,750</u>	
			42,990,004		42,288,867
Surplus/Deficit for the year before appropriations			<u>4,019,311</u>		<u>1,885,627</u>
Transfer to capital account	5		<u>(1,158,082)</u>		<u>(59,635)</u>
Surplus/Deficit for the year after appropriations			<u>2,861,229</u>		<u>1,825,992</u>
Opening balance as at start of year			<u>(13,861,778)</u>		<u>(15,687,770)</u>
Closing balance as at end of year			<u><u>(11,000,549)</u></u>		<u><u>(13,861,778)</u></u>

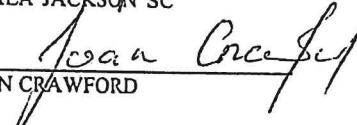
All income and expenditure for the year 31 December 2021 relates to continuing activities at the statement of financial position date.

The statement of cash flows, together with Notes 1 to 19, form part of these financial statements.


NUALA JACKSON SC

Chairperson

Date 1st December 2022


JOAN CRAWFORD

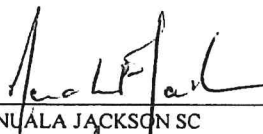
Acting Chief Executive

Date 1st Dec 2022

STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2021

		2021 €	2020 €
Deficit before appropriations		4,019,311	1,885,627
Experience (gains) / losses on retirement benefit obligations	3 d	(850,000)	26,000
Changes in assumptions underlying the present value of retirement benefit obligations		-	-
Actuarial (gain) / loss in the year	3 b	(850,000)	26,000
Adjustment to retirement benefits funding		850,000	(26,000)
Total comprehensive income for the year		4,019,311	1,885,627

The statement of cash flows, together with Notes 1 to 19, form part of these financial statements.


 Chairperson
 NU'ALA JACKSON SC

Date: 1st December 2021

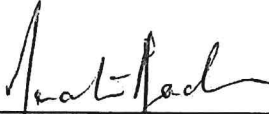

 Acting Chief Executive
 JOAN CRAWFORD

Date: 1st Dec 2021

STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Note	2021		2020	
		€	€	€	€
Property, plant and equipment	12		3,480,437		2,322,355
Current assets					
Cash at bank and on hand		9,570,809		5,591,029	
Receivables	13	969,406		988,045	
		<u>10,540,215</u>		<u>6,579,074</u>	
Current liabilities (amounts falling due within one year)					
Payables	14	18,924,097		18,575,042	
Clients' funds	15	2,616,667		1,865,810	
		<u>21,540,764</u>		<u>20,440,852</u>	
Net current liabilities			<u>(11,000,549)</u>		<u>(13,861,778)</u>
Total assets less current liabilities before retirement benefit obligations			<u>(7,520,112)</u>		<u>(11,539,423)</u>
Deferred retirement benefits funding	3 c		14,756,565		14,433,577
Retirement benefits obligations	3 b		<u>(14,756,565)</u>		<u>(14,433,577)</u>
			-		-
Total net liabilities			<u><u>(7,520,112)</u></u>		<u><u>(11,539,423)</u></u>
Represented by:					
Retained revenue reserves			(11,000,549)		(13,861,778)
Capital account	5		<u>3,480,437</u>		<u>2,322,355</u>
			<u><u>(7,520,112)</u></u>		<u><u>(11,539,423)</u></u>

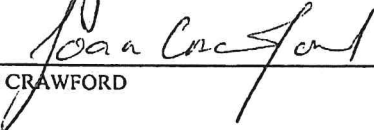
The statement of cash flows, together with Notes 1 to 19, form part of these financial statements.



NUALA JACKSON SC

Chairperson

Date 18th December 2022



JOAN CRAWFORD

Acting Chief Executive

Date 1st Dec 2022

STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

	Note	2021 €	2020 €
Net cash flows from operating activities			
Excess income over expenditure (expenditure over income)		4,019,311	1,885,627
Depreciation of property, plant and equipment		1,197,218	982,188
Decrease in debtors		18,639	66,192
Increase in creditors		352,438	274,830
Increase in Client Funds		752,322	626,412
Net cash inflow / (outflow) from operating activities		<u>6,339,928</u>	<u>3,835,249</u>
Cash flows from investing activities			
Payments to acquire fixed assets		(2,355,300)	(1,041,823)
Interest paid on client settlements		(4,848)	(1,582)
Net cash flows from investing activities		<u>(2,360,148)</u>	<u>(1,043,405)</u>
Cash flows from financing activities			
Bank Interest Received		0	0
Net cash flows from financing activities		<u>0</u>	<u>0</u>
Increase in cash and cash Equivalents		3,979,780	2,791,844
Cash and cash equivalents at 1 January		5,591,029	2,799,185
Cash and cash equivalents at 31 December		<u>9,570,809</u>	<u>5,591,029</u>

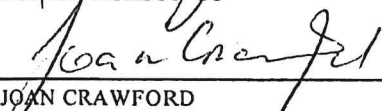
Notes 1 to 19 form part of these financial statements



NUALA JACKSON SC

Chairperson

Date 18th December 2022



JOAN CRAWFORD

Acting Chief Executive

Date 1st Dec 2022

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

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 2021, 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 2021 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 the Minister for Justice with the consent of the Minister for the Department of Public Expenditure 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 2021 shows an excess of liabilities over assets of € 7,520,112. 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 2021 was approximately € 204,407. There were no bad debts written off in 2021.

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 2021, on foot of awards or settlements made in favour of clients represented by the Board. The Board may recover therefrom 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 2021, there are 223 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 223 staff are remitted by the Board to the Department of Justice.

b) Solicitor Staff

As at 31 December 2021, there are 49 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 49 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 2021, there were 165 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 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 2021, there were 46 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.

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 Subhead 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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

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2 State funding

State Funding was received from Vote 24 - Office of the Minister for Justice as follows:

Subhead:	2021 €	2020 €
B.11 Grant	44,575,000	42,207,000

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 Department of Public Expenditure and Reform Superannuation Vote.

(a) Analysis of total retirement benefits charged to Expenditure	2021 €	2020 €
Interest on retirement benefit obligations	113,000	146,000
Employee contributions	(473,848)	(464,884)
	<u>(360,848)</u>	<u>(318,884)</u>

(b) Movement in net retirement benefits liability during the financial year	2021 €	2020 €
Net liability at 1 January	14,433,577	14,986,849
Interest Costs	113,000	146,000
Actuarial Gain/Loss	850,000	(26,000)
Retirement benefits paid in the year	(640,012)	(673,272)
Net liability at 31 December	<u>14,756,565</u>	<u>14,433,577</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. While there is no formal agreement regarding these specific amounts with the Department of Justice, the Board has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

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

	2021 €	2020 €
Funding recoverable in respect of current year retirement benefits	113,000	146,000
State grant applied to pay retirement benefits	(640,012)	(673,272)
Refundable contributions retained to meet current costs	<u>473,848</u>	<u>464,884</u>
	<u>(53,164)</u>	<u>(62,388)</u>

The deferred funding asset for retirement benefits as at 31 December 2021 amounted to € 14.76 million (€14.4 million in 2020).

(d) History of defined benefit obligations

	2021 €	2020 €	2019 €
Defined benefit obligations	14,756,565	14,433,577	14,986,849
Experience (losses)/gains on scheme liabilities amount	(850,000)	26,000	(1,375,000)
Percentage of the present value of the scheme liabilities	6%	0%	9%

(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 service), 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 17 (Revised) disclosures has been based on a full actuarial valuation (2022) by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2021.

The principal actuarial assumptions were as follows:

	2021	2020
Rate of increase in salaries	3.5%	0.0%
Rate of increase in pensions in payment	3.0%	2.0%
Discount Rate	1.2%	1.0%
Inflation Rate	2.0%	1.8%

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

	2021	2020
Male aged 65	21.8	21.7
Female aged 65	24.2	24.1

4 Other income

	2021	2020
	€	€
Interest received and receivable	8,315	(6,698)
Sundry receipts	231,015	183,748
	<u>239,330</u>	<u>177,050</u>

5 Capital Account

	€	€
Balance as at 1 January 2021		2,322,355
Transfer from Income and Expenditure Account		
- Income used to purchase fixed assets	2,355,300	
- Income amortised in year in line with depreciation of assets	<u>(1,197,218)</u>	
		<u>1,158,082</u>
Balance as at 31 December 2021		<u>3,480,437</u>

6 a) Employee numbers and costs

As at 31 December, 2021, 438 (2020:421) whole time equivalents were employed in the Board.

The average number of employees in the Board during the year was 425 (2020 - 415).

Employees and related costs were as follows:

	2021	2020
	€	€
Salaries	21,205,164	20,339,629
Employer PRSI	<u>1,938,713</u>	<u>1,933,554</u>
	<u>23,143,877</u>	<u>22,273,183</u>

€ 534,479 was deducted from staff by way of additional superannuation contribution and was paid over to the Department of Justice and Equality.

b) Employee Numbers by Salary Category

Salary Category	Number of Employees 2021	Number of Employees 2020
€60,000 to €69,999	34	36
€70,000 to €79,999	46	50
€80,000 to €89,999	15	10
€90,000 to €99,999	13	11
€100,000 to €109,999	7	8
€110,000 to €119,999	-	-
€120,000 to €129,999	-	-
€130,000 to €139,999	-	-
Above €140,000	1	1

7 Chief Executive Officer Salary and Expenses

	2021 €	2020 €
CEO salary	154,597	154,775
CEO expenses	402	351
	<u>154,999</u>	<u>155,126</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.

8 Board members Fees and Expenses

	2021 €	2020 €
Board members fees	61,603	63,650
Board members expenses	14,878	5,833
	<u>76,481</u>	<u>69,483</u>

Board Members	Fees	Board Members	Fees
Philip O'Leary	9,975	Ellen O'Malley Dunlop	5,771
Nuala Jackson	8,408	Tom Brennan	5,771
Catherine Keane	7,695	Freda McKittrick	7,695
Gordon Jeyes	7,695	Michael Flynn*	898
Nuala Egan	7,695		

* External member of audit committee

9 Accommodation and establishment expenses

	2021 €	2020 €
Rents	2,846,757	2,786,359
Cleaning	305,155	255,277
Lighting and heating	294,185	263,144
Maintenance - Premises	786,134	765,739
Maintenance - Equipment & Computers	962,347	625,455
	<u>5,194,578</u>	<u>4,695,974</u>

10 Legal fees and expenses

	2021 €	2020 €
Counsel fees	3,401,195	3,487,174
Witness/Ancillary fees (incl. expert witness fees)	1,452,017	1,189,193
Private Practitioner Schemes (includes International Protection)	3,110,079	3,957,765
Abhaile Scheme	1,914,870	2,421,573
Professional Negligence*	259,636	57,285
Other professional fees	435,782	385,501
Other expenses (includes training)	537,496	531,827
	<u>11,111,075</u>	<u>12,030,318</u>

*At December 31st 2021, the Board was subject to a number of claims in respect of Professional Negligence. As at year end, the Board has accrued € 406,500 (2020 - €335,000) in respect of these matters.

11 General administration

	2021 €	2020 €
Stationery and office expenses	578,119	453,464
Books and printing	59,468	79,529
Postage and telephone	1,124,619	1,195,051
Insurance	167,794	73,451
Travel and subsistence	213,903	271,310
	<u>2,143,903</u>	<u>2,072,805</u>

12 Property, plant and equipment

	Leases €	Office Furniture €	Equipment & Computers €	Premises Fit Out €	Total €
Cost					
Balance at start of year	1,458,551	1,599,910	5,466,649	6,416,661	14,941,770
Acquisitions	-	0	351,635	2,003,665	2,355,300
Disposals	(38,192)	(809,286)	(422,499)	(482,039)	(1,752,016)
Balance at end of year	<u>1,420,359</u>	<u>790,624</u>	<u>5,395,785</u>	<u>7,938,287</u>	<u>15,545,055</u>
Depreciation of fixed assets					
Balance at start of year	1,458,551	1,588,224	4,584,603	4,988,038	12,619,416
Charge in year	0	3,424	469,197	724,597	1,197,218
Disposals	(38,192)	(809,286)	(422,499)	(482,039)	(1,752,016)
Balance at end of year	<u>1,420,359</u>	<u>782,362</u>	<u>4,631,301</u>	<u>5,230,596</u>	<u>12,064,618</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>
Net book value at 31 December 2020	<u>-</u>	<u>11,686</u>	<u>882,046</u>	<u>1,428,623</u>	<u>2,322,355</u>

13 Receivables

	2021 €	2020 €
Prepayments		
- Rent	145,130	147,330
- Maintenance - Premises, Computers & Equipment	211,624	269,815
- Salaries	175,296	147,607
- Other	122,211	137,448
- Practising Certificates	315,145	285,845
	<u>969,406</u>	<u>988,045</u>

14 Payables

	2021 €	2020 €
Amounts falling due within one year:		
Creditors	598,558	480,152
Accruals	18,325,539	18,094,890
	<u>18,924,097</u>	<u>18,575,042</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 2021, the amount provided for in relation to unbilled cases was €15,888,605 (2020 - €16,823,946). 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 in progress is nearing completion. It is anticipated that the outcome of the review will reduce the accrual in future years as a consequence of amendments made to the model resulting from the analysis of recent claims data. 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

	2021 €	2020 €
Client funds held at 1 January (Gross)	1,865,810	1,238,613
Interest	(2,843)	(5,210)
Client funds held at 1 January (Net of Interest)	<u>1,862,967</u>	<u>1,233,403</u>
<i>Add</i> Awards/settlements received during 2021	11,245,462	8,219,315
<i>Less</i> Settlements paid out, including interest allowed and costs recovered	(10,491,222)	(7,589,751)
Client funds held at 31 December	<u>2,617,207</u>	<u>1,862,967</u>
Interest accruing on client funds held	(540)	2,843
Total due to clients	<u>2,616,667</u>	<u>1,865,810</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 € 17,281,126 in future years as at 31 December 2021 in respect of leases expiring as follows:

	€
2022	2,675,719
2023-2025	7,968,765
2026 onwards	<u>6,636,642</u>
	<u>17,281,126</u>

(b) Commitments in respect of Legal Fees

Commitments in respect of Legal Fees

Counsel Fees and Private Practitioner Schemes

	2021 €	2020 €
Open cases certified at 1 January	22,959,036	22,214,732
Additional fees certified	8,777,642	10,444,945
Payments	<u>(9,254,199)</u>	<u>(9,700,641)</u>
	22,482,479	22,959,036
Provided for at 31 December	<u>(15,888,605)</u>	<u>(16,823,946)</u>
Outstanding commitments at 31 December	<u>6,593,874</u>	<u>6,135,090</u>

At 31 December 2021, 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 2021, the Legal Aid Board had provided for legal fees of €15,888,605 and had outstanding commitments in the amount of € 6,593,874.

17 Movement of cash

	2021 €	2020 €
Balance at 1 January	5,591,029	2,799,185
Net cash inflow	3,979,780	2,791,844
Balance at 31 December	<u>9,570,809</u>	<u>5,591,029</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 €445,800 in holiday pay at 31 December 2020. The accrual for holiday pay as at 31 December 2021 is €726,869

19 Approval of Financial Statements

The Financial Statements were approved by the Board on June 22nd 2022.



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