

MEETING OF THE COURTS SERVICE BOARD

3rd April, 2017

The Courts Service Board met on 3rd April, 2017.

Presentation on the Hammond Lane Complex

The Board received a presentation from Mr. Ciaran O'Connor, State Architect setting out an overview of the design of and facilities to be provided in the proposed new Family Law and Children Court Complex on the Hammond Lane site which will house the Dublin Family Law courts of all jurisdictions, the Children Court and the Supreme Court, support services and court and administrative offices. The underlying principle in creating this design was to promote architectural design that rises above utility, beyond basic construction, to combine all that is practical and necessary with courts that are culturally meaningful, humane and civic in nature while being both functional and economical. The building has been designed to be bio – dynamic with the lowest possible energy usage. The court and other accommodation have been situated in the building to ensure the capacity of the site is fully utilised and the requirements of all those using the complex are met in as far as is possible. The design for the Supreme Court takes full account of the position of the Court as the highest court in the land while reflecting this in a 21st century context, looking both at the importance of the court and also how it is seen and perceived by citizens.

A further presentation will be made to the Board at its meeting on 26th June.

The Hon. Mr. Justice Michael White, Chairperson of the Hammond Lane Project Board also attended the meeting and briefed the Board on the work of the Project Board in progressing the development of the complex. This is a much needed development and will provide family law and other litigants with the appropriate facilities and accommodation now and into the future. There has been full and positive engagement by all those who will be using the site and this has contributed greatly to the design process.

The Board thanked Mr. O'Connor and his team and the Hon. Mr. Justice Michael White for the work already carried out in progressing this project and for the interesting and informative presentation.

Minutes and Documentation from Committees of the Board

The Board noted minutes of meetings of Committees of the Board as follows

- Minutes of the Finance Committee Meeting, 30th January 2017
- Minutes of the Audit Committee 5th December 2016 and 20th February, 2017
- Minutes of Family Law Court Development Committee Meeting, 16th January, 2017.
2016

The Board considered and approved the following Reports:

Membership of the Family Law and Building Committee

- Membership of Ms. Geraldine Hurley, Head of Superior Courts Directorate on the Family Law Court Development Committee to replace Ms. Nuala McLoughlin, former Head of Superior Courts Directorate.
- Membership of Judge Marie Quirke, Judge of the District Court on the Building Committee to replace Judge Hugh O'Donnell as the nominee of the President of the District Court.

Audit Committee compliance with the Code of Practice for the Governance of State Bodies and revised Terms of Reference

The Report outlined the measures being taken by the Audit Committee to enhance its governance arrangements and bring about greater compliance with the Code of Practice for the Governance of State Bodies 2016. These measures were identified following a gap analysis which reviewed the governance arrangements in place in the context of compliance with the Code. The Gap Analysis found that the Committee already had strong governance arrangements in place and was substantially compliant with all the main provisions of the Code. The following additional measures were considered and approved by the Audit Committee at its meeting on 20th February:-

- a. the Work Plan 2017 which takes account of the requirements of the Code;
- b. a formal induction training process and ongoing training arrangements for Audit committee members,
- c. letters of appointment for new members;
- d. a Register of attendance to be maintained and reviewed annually and

- e. arrangements to be put in place for the appraisal of the Chairperson of the Committee.

A review of the Terms of Reference of the Audit Committee was also carried out and a number of amendments identified as set out in the Report which would enhance the effectiveness of the Committee and bring about increased compliance with the Code. The Audit Committee considered the amendments and agreed to recommend them to the Board for approval. In accordance with the Courts Service Act, 1998 the amendment of the terms of reference of committees of the Board is a matter for the Board.

The Board noted the measures put in place by the Committee and approved the revised terms of reference as set out in the Report.

Annual Report of the Audit Committee 2016

The Board considered the Report which set out the role and function of the Audit Committee; the activities undertaken by the Committee during the year; audit and other reports considered and key issues of concern to the Committee during the year.

During 2016 the Committee reviewed the Appropriation Account and the Financial Statements of the Accountants of the Courts of Justice and met with both the C&AG (auditors for the Appropriation Account) and Grant Thornton (auditors for the Financial Statements). The Committee also met with the Chief Executive during 2016.

The Committee noted that the general financial control environment operating within the Service is of a satisfactory standard and the C&AG issued an unqualified report in respect of the 2016 Appropriation Account. The Committee also noted that an unqualified audit report was provided by the external auditors for the 2015 Financial Statements of the Accountant of the Courts of Justice for the year ended.

In accordance with the Code of Practice for the Governance of State Bodies the Committee carried out an evaluation of its performance during 2016 which showed the Committee as operating effectively; fulfilling its terms of reference and substantially compliance with the new Code of Practice for the Governance of State Bodies 2016.

The Audit Committee takes a risk based approach and the audit plan is driven and informed by the Risk Register to ensure that it focuses on major risk areas. The report outlined the work of the Committee in relation to the Audit Plan 2017 and the priorities for the Committee in 2017. The Report also set out the role of the Committee in relation to reports on Protected Disclosures received by the organisation - there were no Protected Disclosures made to the Courts Service in 2016.

The Board considered the Report and noted the issues raised. The Chairperson thanked Mr. Browne and the members of the Audit Committee for the critical work carried out by them on behalf of the Courts Service.

Internal Audit Charter

A review of the Internal Audit Charter identified a number of amendments which would reflect changes in the organisation and developments in governance and audit guidance. A revised Charter has been drafted which puts greater emphasis on risk management and governance and provides comprehensive terms of reference for the internal audit function of the Courts Service in relation to the authority, independence, reporting and responsibility of the Internal Audit Unit. In accordance with the Code of Practice for the Governance of State Bodies 2016, it is a function of the Board to approve the Internal Audit Charter.

The Board considered and approved the Internal Audit Charter as circulated.

Report on Expenditure and Budget 2017

The Chief Executive Officer briefed the Board on the key issues in the report including:

- **Financial position to end February, 2017** – the Chief Executive outlined the financial position as set out in the Report which showed a gross underspend of €2.114m. At this early stage in the year the variances are mainly timing related and there are no issues of concern.
- **Spending Review** – As part of the publication of the Expenditure report 2017, the Minister for Public Expenditure and Reform announced a Spending Review to take place in advance of the Budget 2018. The Spending Review will operate in parallel with the 2018 Estimates process which has been brought forward by a number of months. The Spending Review includes a) Funding Requirements for 2018 and b) a Courts Service Reform Review.
 - **Funding Requirements** – the early submission of funding requirements for 2018 ensures that new policy proposals are identified as early as possible. Additional funding has been identified and submitted to the Department. This process will to a large extent replace the Estimates Submission which is usually scheduled for July
 - **Courts Service Reform** – The Terms of Reference for the Review are currently being finalised with DPER and the Department of Justice and Equality and the focus will be on efficiency improvements.
- **Mid Term Review of the Capital Plan 2017** – The Department of Public Expenditure and Reform has launched a mid term review of the Government’s Capital Plan 2016 –

2021 to assist the Government at Budget time in allocating additional capital investment across Departments/sectors for the remaining period of the Plan. The Courts Service submission which addresses both capital and ICT investment requirements was submitted to the Department of Justice on 16th February

- **Financial Statements of the Office of the Accountants of the Courts of Justice for the year ended 30th September, 2016** – the annual report and financial statements have been audited by Grant Thornton and an unqualified audit report was received. They will now be forwarded to the Minister for Justice & Equality and the Minister for Public Expenditure and Reform.
- **Appropriation Account 2016** - the Appropriation Account for 2016 was signed by the Chief Executive, was submitted to the C&AG. The Account was also considered by the Audit Committee at its March meeting.
- **Circular 40/02** – annual return on procurement compliance for 2016 has been submitted to the C&AG

The Board considered and approved the Report.

Chief Executive Officer's Report

The Chief Executive presented his report and briefed the meeting on some of the major issues outlined in his report including

- **Funding** – Under the current Estimates Process the Courts Service submits its funding requirements to the Department who then negotiate with the Department of Public Expenditure and Reform. Following a letter from the Chief Justice, the Minister for Public Expenditure and Reform has agreed to the involvement of the Courts Service directly in this process and, subject to the agreement of the Tánaiste, officials from his Department, the Department of Justice and Equality and the Courts Service would meet to work out a suitable pre Budget process. Initial contacts have been made in this matter. This is a significant step forward and will enable the Courts Service to be directly involved in the Estimates process.
- **Learning and Development Annual Report 2016** – this Report sets out the very significant progress that has been made in 2016 in providing Learning and Development for Courts Service staff. There has been a renewed focus and increased investment in Learning and Development which is critical to the future of the organisation given that 35% of staff are 55 or over and by 2019, 24% of the current staff will have retired or be eligible for retirement. The Learning and Development Strategy is working to ensure that the necessary skills and knowledge base is maintained.

- **ICT** – significant progress continues to be made across a range of ICT initiatives including the new Citrix Desktop system, migration to the Government Cloud Network, outdated equipment replaced in the CCJ. The managed service arrangement with ATOS Fujitsu and Version 1 continues to operate successfully and a new contract for a managed service to support CSOL was approved by the Finance Committee at its meeting on 27th March, 2017. The contract is being awarded to Version 1. The recycling of old PCs is currently underway and is being carried out on our behalf by the Prisons Service at a significant saving to the organisation in the region of €40,000 per year, which is greatly appreciated.

Measures to address the recommendations of the recent Audit on ICT security are also being put in place through ATOS. The Judges' Library system upgrade is being carried out and will provide web based access to the system.

A project to refresh the DAR technology in courtrooms is also underway, phase 1 (CCJ and Four Courts) went live on 11th January, 2017 and Phase 2 which will conclude installations across the Dublin campus has commenced. This will include, for the first time, the addition of DAR clocks to District Court courtrooms. Phase 3 will commence in the 3rd Quarter of 2017 which will include all court venues in the Southern Region.

- **PPP Courthouse Bundle** – construction is underway on all 7 PPP courthouse sites and significant progress is being made with all projects. There have been some delays in the Drogheda project but it is still hoped that it will be completed this month with a formal opening in June. The Chief Justice and the Hon. Mr. Justice McCarthy, Chairperson of the Building Committee recently visited the new courthouse being built in Cork which is a very significant, well designed and impressive building.
- **Hammond Lane** - Work on the Hammond Lane project is also continuing and good progress is being made. A further report and presentation will be made to the June meeting of the Board with the final design and layout, preparatory to going for Part 9 Planning Permission. A realistic and detailed costing has also been carried out which will now be discussed with the Department of Justice and Equality.
- **Clonakilty Court Office accommodation** – the Court Office accommodation in Clonakilty is not satisfactory and this has been a cause of ongoing concern. A number of efforts have been made in recent years to find alternative accommodation but without success. These efforts are continuing with a view to finding alternative accommodation for the Office in the town.
- **Assisted Decision Making Bill** – a working group has been established to progress the arrangements for the new Assisted Decision Making Regime. In response to a query, Mr. McKenna indicated that the advertisement has issued for the head of the new body.

The funding and premises are in place and it is expected that the commencement will be in early 2018.

The Board considered and approved the Report and noted the issues raised.

Risk Management

The Report was presented by Mr. Sean Quigley, Senior Risk Officer. He informed the Board that risk management is very important in providing the necessary assurances to the SMT, the Audit Committee and the Board. The SMT and Audit Committee recently considered the report on Risk Management which sets out the major risks for the organisation. The additional funding provided to the Courts Service in 2017 across two of the high risk categories, People and ICT is enabling the organisation to deal better with the risks. The strategic priorities of the organisation are closely aligned and correlated with the Risk categories. The Risk Overview for 2017 sets out the High Rated Risks and associated mitigating actions as set out in the Report - 3 ICT Risks, 2 HR Risks– filling of vacancies and age profile of staff and 1 Financial - Court Funds (rated High due to the size and scale of funds being managed in the context of the risk appetite of the organisation and level of public scrutiny). The Risk Action Log has been developed to report on risk and to track and monitor risk actions, due dates and owners. Good progress is being made across all actionable items for Q1 as set out in the Report. The management of risk continues to be closely monitored.

The Board considered the Report and noted the progress being made.

Procurement on Cleaning and Caretaking Services (Report no. 14/2017)

Disclosure of Conflict of Interest

As a procurement proposal was on the agenda for consideration, the Chairperson requested as a matter of good governance that any member who considered that they had an interest which might represent a conflict in their consideration of any of the proposal should absent themselves from discussion on these items. The minutes would record any such declarations. No member of the Board absented themselves from the meeting.

The procurement for Cleaning, Caretaking and Related services for court offices and courthouses nationwide had been carried out. The Procurement was split into 5 Lots – i.e. the 5 Courts Service Regions. The duration of the contract to be awarded is 3 years with provision to extend the arrangement, at the discretion of the Courts Service, for two further

12 month periods. The procurement has been carried out in compliance with EU Directives and national procurement guidelines.

As the overall value of both contracts exceeds €5m. it is a function of the Board to approve the award of the contracts and it is a function of the Finance Committee to recommend or otherwise that the Board approve the contracts. The Finance Committee considered the proposed contracts at its meeting on 27th March and agreed to recommend to the Board, the award of the contracts as set out in the Report as follows:

- the contract for Lot 1 to be awarded to Accent Facilities Solutions for a period of three years with an option to renew for two further one year periods
- the contract for Lots 2, 3, 4, and 5 to be awarded to be awarded to ISS Facility Services for a period of three years with an option to renew for two further one year periods

The Board considered the Report and approved the award of the contracts as set out in the Report and recommended by the Finance Committee

9. Any Other Business

It was agreed that the dates October meetings of the Board and Finance Committee would be amended as follows:

- Finance Committee – Tuesday 3rd September
- Board – Monday 9th September.

10. Date for Next Meeting

The next meeting of the Board is scheduled for 26th June, 2017.

Attendance

Present:	The Hon. Mrs. Justice Susan Denham, Chief Justice and Chairperson
	The Hon Mr. Justice Peter Kelly
	The Hon. Mr. Justice Michael Peart
	The Hon. Mr. Justice Patrick McCarthy
	The Hon. Mr. Justice Ray Groarke
	Her Honour Judge Doirbhile Flanagan
	Her Honour Judge Rosemary Horgan
	Mr. Brendan Ryan
	Mr. James McCourt
	Mr. Paul McGarry S.C.
	Mr. Stephen Bracken
	Mr. Conan McKenna
	Mr. Liam Berney
	Mr. Pat Doyle
Apologies:	The Hon. Mr. Justice Sean Ryan
	The Hon. Mr. Justice Liam McKechnie
	Judge Gerard Haughton
Officials:	Mr. Sean Quigley, Head of Resource Management
	Ms. Marie Ryan, Secretary
	Ms. Miriam O'Flanagan, Office of the CEO