

22 Accounts of the National Treasury Management Agency

- 22.1** Section 12 of the National Treasury Management Agency Act 1990 (as amended) (the 1990 Act) requires the National Treasury Management Agency (the NTMA) to keep accounts of all moneys it receives or expends in the form approved by the Minister for Finance (the Minister), and to submit the accounts annually for audit by the Comptroller and Auditor General.
- 22.2** Following completion of the audit, the NTMA must submit the accounts and the related audit reports of the Comptroller and Auditor General to the Minister, who in turn must present them to the Houses of the Oireachtas.
- 22.3** In addition, section 12 of the 1990 Act requires the Comptroller and Auditor General to report to Dáil Éireann with respect to the correctness of the sums brought to account by the NTMA each year. This is the report for 2023.

Accounts of the NTMA 2023

- 22.4** The accounts audited under section 12 of the 1990 Act are
- National debt of Ireland
 - NTMA administration account
 - Post Office Savings Bank Fund
 - State Claims Agency
 - Ireland Strategic Investment Fund (ISIF)
 - Ireland Apple escrow fund¹
 - National Surplus (Exceptional Contingencies) Reserve Fund.
- 22.5** Separately, the NTMA prepares the financial statements of the Dormant Accounts Fund (under the Dormant Accounts Act 2001) and of the Carbon Fund (under the Carbon Fund Act 2007). These are published by the NTMA together with the other (section 12) accounts it publishes.
- 22.6** The accounts for 2023 have been audited. My reports on the audits were issued on 30 April 2024.

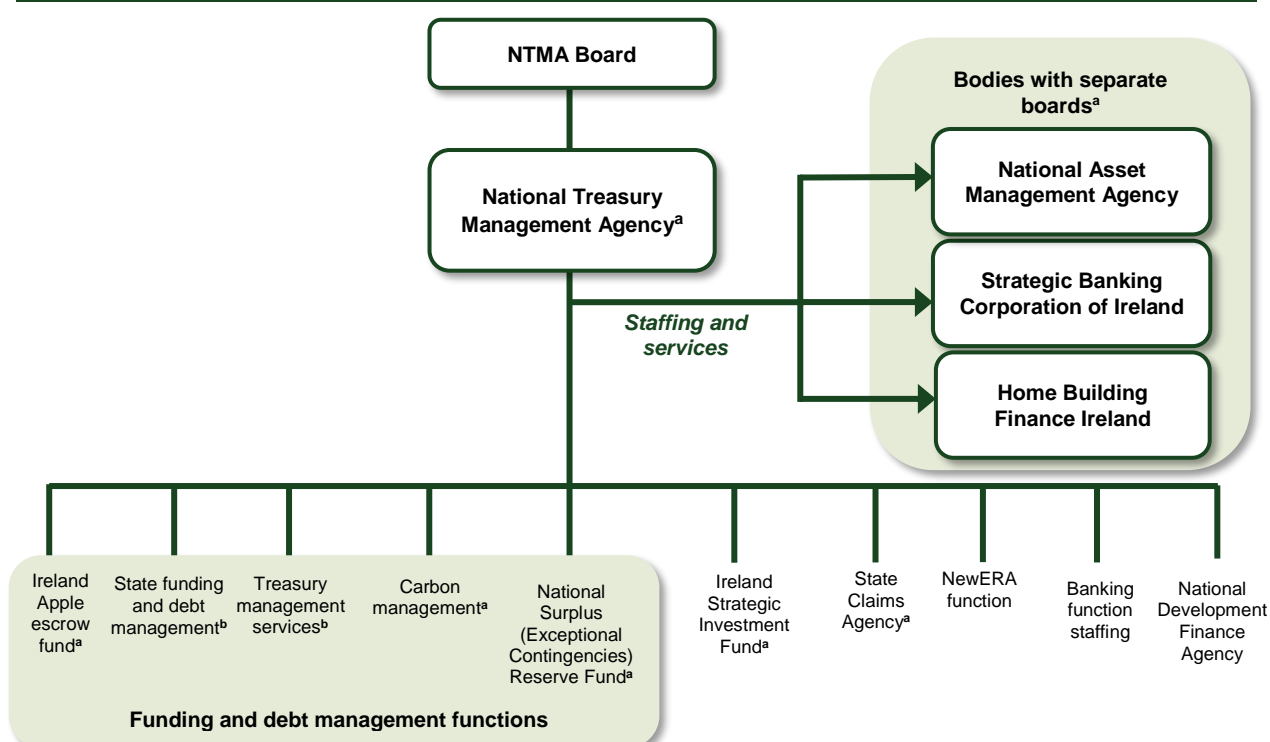
¹ See also *Report on the Accounts of the Public Services 2023*, chapter 23, Performance of the Ireland Apple escrow fund.

Structure, costs and staffing of the agency

22.7 Since the NTMA was set up in 1990, it has evolved into a complex organisation with multiple functions that extend beyond its original and core role in managing Ireland's national debt (see Figure 22.1). Figure 22.2 summarises the distribution of the NTMA's costs across the functions.

22.8 At the end of 2023, NTMA staff numbers totalled 801 on a whole time equivalent basis, across the various functions and activities (see Figure 22.3).

Figure 22.1 Functions of the National Treasury Management Agency



Source: National Treasury Management Agency

Notes: a Separate financial statements are prepared for the activities of each of these functions/entities.

b In the functional areas of State funding and debt management, and treasury management services, separate financial statements are prepared for the Dormant Accounts Fund, the Post Office Savings Bank Fund and the National Debt of Ireland.

Figure 22.2 Cost of operations, by business area, 2020 to 2023

	2020	2021	2022	2023
	€m	€m	€m	€m
NTMA business units				
Funding and debt management	12.6	12.4	13.4	13.5
Ireland Strategic Investment Fund	16.0	17.2	18.4	22.5
State Claims Agency	28.1	29.2	31.7	32.6
NewERA	5.8	6.1	6.8	7.5
Banking Unit (Shareholding and Financing Advisory Division, Department of Finance)	1.8	2.2	4.4	2.9
National Development Finance Agency	11.3	11.6	12.7	13.3
Supported bodies				
National Asset Management Agency	33.9	30.2	26.2	23.9
Strategic Banking Corporation of Ireland	6.2	6.5	7.8	8.9
Home Building Finance Ireland	5.0	6.0	6.2	7.3
Total payments	120.7	121.4	127.5	132.4

Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

Figure 22.3 NTMA staffing distribution at year-end, 2020 to 2023^a

	2020	2021	2022	2023
NTMA business units				
Funding and debt management	23	23	24	24
Ireland Strategic Investment Fund	53	59	66	80
State Claims Agency	166	170	170	170
NewERA	26	29	29	31
Banking Unit (Shareholding and Financing Advisory Division, Department of Finance)	9	8	11	12
National Development Finance Agency	67	67	66	71
NTMA corporate functions				
Finance, technology and operations	145	143	145	155
Legal, compliance, HR and internal audit	48	55	59	63
Risk	20	20	23	22
Other	1	1	2	1
Supported bodies				
National Asset Management Agency	174	145	110	92
Strategic Banking Corporation of Ireland	28	32	38	44
Home Building Finance Ireland	27	31	31	36
Total	787	783	773	801

Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

Note: a Numbers are based on whole time equivalents.

Performance-related pay

- 22.9** Provision for a discretionary performance-related payment is included in the majority of NTMA employee contracts. The Remuneration Committee of the NTMA is responsible for approval of the overall amount of performance-related pay in a year, and for the approval of individual proposed awards to members of the NTMA's executive management team (EMT). Performance-related payment awards to employees below EMT level are approved by the Chief Executive following review by a sub-committee of the EMT.
- 22.10** The EMT comprises the Chief Executive, the Chief Financial and Operating Officer, the Director of the State Claims Agency, the Chief People Officer, the Chief Legal Officer, the Director of ISIF, the Director of Funding and Debt Management, the Director of the National Development Finance Agency and NewERA, and the Head of Banking (who is seconded to the Department of Finance).
- 22.11** Performance-related payments of €2.2 million (2022: €2.2 million) were made to 262 employees for 2023 (2022: 239), of which €166,000 was paid to six members of the EMT (2022: €130,000 to five EMT members). The Chief Executive of the NTMA did not receive a performance-related payment in respect of 2023 or 2022.

Supported agencies

- 22.12** In addition to its own operations, the NTMA assigns staff to the National Asset Management Agency (NAMA), the Strategic Banking Corporation of Ireland (SBCI) and Home Building Finance Ireland (HBFI) and provides them with business and support services and systems on a cost recoupment basis. Each of the supported entities has its own board and is separately accountable to Dáil Éireann.
- 22.13** Performance-related payments of €602,000 were awarded to NTMA staff members assigned to other agencies for 2023, as follows
- NAMA €328,000 (2022: €341,000)
 - SBCI €151,000 (2022: €136,000)
 - HBFI €123,000 (2022: €88,000).

Banking system functions staffing

- 22.14** NTMA staff involved in the provision of banking system functions have been seconded to the Shareholding and Financial Advisory Division in the Department of Finance since August 2011. At the direction of the Minister, the related staff and professional advisor costs are met by the NTMA.
- 22.15** Costs incurred by the NTMA in 2023 in relation to the Shareholding and Financial Advisory Division totalled €3.0 million (2022: €4.4 million). Professional advisor costs of €0.9 million (2022: €2.7 million) were recovered in 2023 from the relevant financial institutions.

Key NTMA operations in 2023

22.16 Key developments in the NTMA's operations in 2023 include

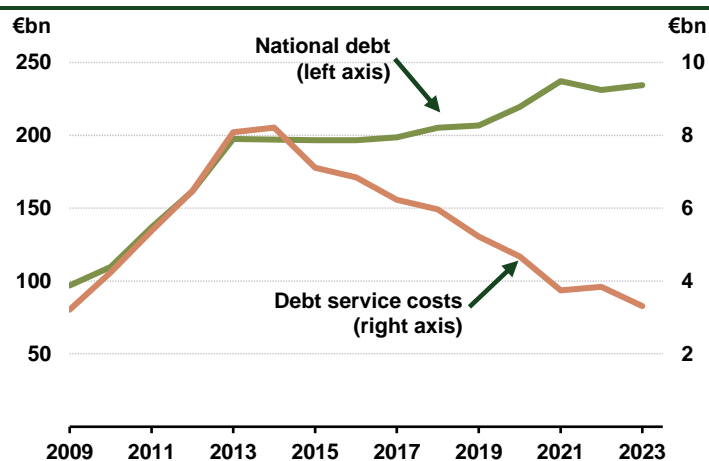
- a €3.3 billion (1.4%) increase in the level of the national debt
- debt service costs paid (€3.3 billion) were almost 14% lower than in 2022, driven by interest received on cash and other financial assets as a result of a return to a positive interest rate environment
- €825 million transferred to the Land Development Agency (LDA)¹
- a further reduction in the State's shareholding in AIB Group plc
- €4 billion transferred to the National Surplus (Exceptional Contingencies) Reserve Fund
- a continuation of the upward trend in the estimated contingent liability of the claims being managed by the State Claims Agency.

National debt

22.17 The NTMA's primary function is to borrow on behalf of the Minister and to manage Ireland's national debt, defined as the total debt outstanding for the time being of the Exchequer.²

22.18 At 31 December 2023, the national debt stood at €234,537 million, up from €231,236 million at the end of 2022 (Figure 22.4) — an increase of €3,301 million (or 1.4%).

Figure 22.4 National debt and debt service costs, 2009 to 2023



¹ See also *Report on the Accounts of the Public Services 2023*, chapter 1, Exchequer financial outturn for 2023.

² See section 1 of the 1990 Act.

Source: National Treasury Management Agency

22.19 The NTMA also engages in lending operations, including of Exchequer cash balances. In 2023, this included

- Investments in treasury bills of €4.8 billion at year-end (2022: €25 million) — the practice of purchasing treasury bills ceased from 2016 when interest rates fell to zero and below. With interest rates increasing from 2022, the NTMA recommenced purchasing of treasury bills to avail of the positive interest returns.
- Cash deposits of €1 billion at year-end (2022: nil) — the practice of placing amounts on deposit with other EU debt offices — last used around 2012 — recommenced in 2023.¹
- An increase of €1.12 billion in Housing Finance Agency guaranteed notes from €3 billion in 2022 to €4.1 billion in 2023.

Debt service costs

22.20 Debt service costs paid in 2023 were €3,309 million (including net interest paid, transaction fees and operating expenses), down from €3,841 million in 2022. The decrease of €532 million (or almost 14%) was mainly due to the offset of €660 million interest received on cash balances and other financial assets in 2023.

Short-term paper

22.21 Central Government bodies and funds and local authorities routinely purchase 'short-term paper' (Exchequer notes or central treasury notes) from the NTMA, as a means of managing cash balances on hand that are not immediately required. This constitutes a significant part of the NTMA's short-term borrowing.

22.22 Short-term paper held at the end of 2023 totalled €17.4 billion (up from €9.9 billion at end-2022) (see Figure 22.5). This comprised Exchequer notes to the value of €15.2 billion and central treasury notes to the value of €2.2 billion. The majority of the notes (€17.2 billion, or 99%) were issued to public bodies and funds.

22.23 The main drivers of the increase in the value of short-term paper in 2023 were increases in borrowing of €4 billion from the National Surplus Reserve Fund; and of €3.4 billion from the Social Insurance Fund.

Figure 22.5 Composition of short-term paper issued to public bodies at year-end, 2019 to 2023

	2019	2020	2021	2022	2023
	€m	€m	€m	€m	€m
Central Government bodies and funds	7,177	4,553	4,166	7,841	15,490
Local authorities	—	—	—	1,359	1,290
Other public sector bodies	162	556	376	523	450
Total short-term paper issued to public bodies	7,339	5,109	4,542	9,724	17,230
Short-term paper issued to non-public bodies	2,659	8,918	5,224	186	128
Total short-term paper	9,998	14,027	9,766	9,910	17,358
Percentage of total short-term paper issued to public bodies	73%	36%	47%	98%	99%

¹ EU debt offices can request short-term deposits from other EU countries to enable them meet short-term liquidity needs.

Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

Irish sovereign green bonds

- 22.24** Medium and long-term debt at the end of 2023 accounted for 81% (€191 billion) of the national debt, mainly in the form of Government bonds. This includes some debt that is designated as Irish sovereign green bonds (ISGBs). These are designed to enable Ireland to raise funds for projects that generate positive environmental benefits.
- 22.25** Between 2018 and 2023, the NTMA issued two fixed rate ISGBs with a nominal value totalling €10,348 million — €6,848 million due to mature in 2031 and €3,500 million due to mature in 2043 (see Figure 22.6).
- 22.26** The funds raised from ISGBs are paid into the Central Fund but are not ring-fenced. They are subsequently allocated to expenditure already incurred by Government departments for eligible green projects in accordance with the ISGB framework.¹ By the end of 2023, all of the proceeds raised had been fully allocated to eligible green projects.

Figure 22.6 ISGB proceeds and allocations, 2018 to 2023

	2018	2019	2020	2021	2022	2023
	€m	€m	€m	€m	€m	€m
Starting balance	—	1,034	1,318	198	—	—
Proceeds from sales of ISGBs ^a	2,984	2,252	1,269	839	—	3,444
Total proceeds for allocation	2,984	3,287	2,587	1,036	—	3,444
Allocations to eligible green projects ^b	1,950	1,969	2,389	2,501	1,979	—
End-year balance	1,034	1,318	198	—	—	—

Source: Irish Sovereign Green Bond Allocation report 2022

- Notes: a Irish Sovereign Green bonds are sold at market prices. Since they were launched in 2018, the market prices have averaged slightly above the nominal amount of bonds issued. Therefore, the proceeds (€10,788 million) or cash amount raised and allocated to eligible expenditure, exceeds the nominal value (€10,348 million).
- b Proceeds can be allocated to prior years.

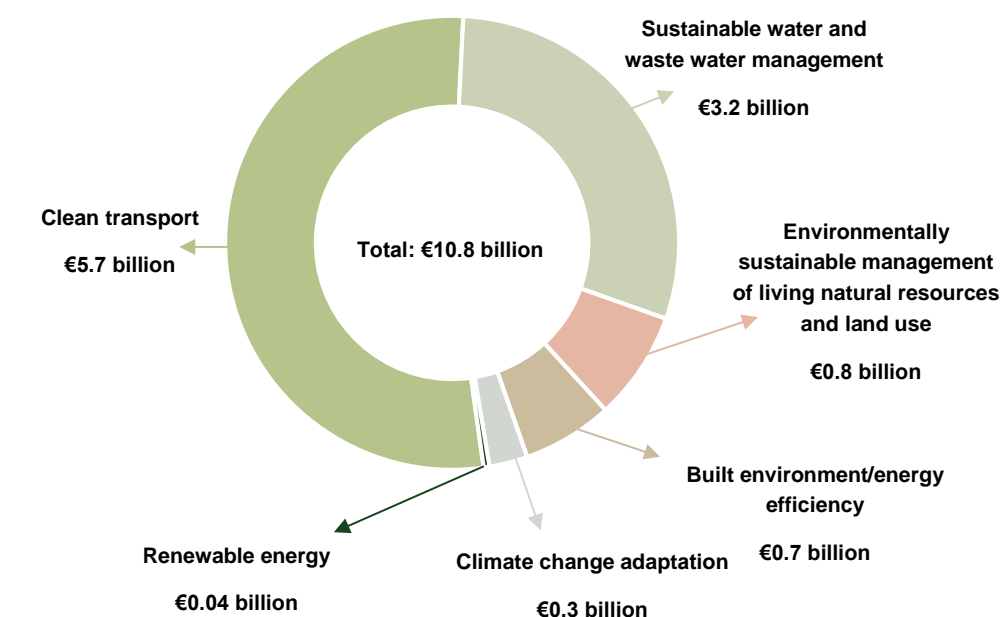
- 22.27** An ISGB working group oversees the implementation of the ISGB framework comprising representatives from the NTMA, the Department of Public Expenditure, National Development Plan Delivery and Reform, the Department of the Environment, Climate and Communications and the Department of Finance. It is also assisted by the Department of Transport, Department of Agriculture, Food and the Marine, Department of Housing, Local Government and Heritage and the Office of Public Works.
- 22.28** The working group, in consultation with relevant other Government departments and State bodies, identifies eligible green projects to finance or refinance
- which promote, in whole or in part and whether directly or indirectly, Ireland's transition to a low carbon, climate-resilient and environmentally sustainable economy
 - which are funded, in whole or in part and whether directly or indirectly, through Exchequer funded expenditures, subsidies or tax foregone; and
 - where the relevant Exchequer expenditure has been provided within the 24-month period preceding the issue date of the relevant ISGB to refinance an existing project; and which otherwise qualify under the ISGB framework.

¹ The ISGB framework enables Ireland allocate proceeds to eligible 'green' projects through the issuance of ISGBs. The framework was approved by Government, pursuant to a cabinet decision in July 2018.

22.29 The *Revised Estimates for Public Services* sets out the Government expenditures which are climate and environment related. This guides the allocation process which is agreed across the Government departments that are represented on the ISGB working group.

22.30 Allocation of the bond receipts occurs after the project expenditure has been incurred. Figure 22.7 indicates the way in which ISGB receipts have been allocated to eligible green projects over the period 2018 to 2022.

Figure 22.7 Total allocation of ISGB proceeds by eligible green category, 2018 to 2022



Source: Irish Sovereign Green Bond Allocation Reports 2018 to 2022. Any apparent differences in totals are due to rounding.

22.31 Between September 2018 and October 2023, the NTMA engaged consultants in environmental, social and governance (ESG) investing, to conduct second-party opinion reviews of ISGB projects funded between 2019 and 2022. The consultants found that the projects, to which funds have been allocated, are aligned with the green bond framework. On-site visits to projects were not undertaken as part of the reviews, and the expenditure itself was not audited by the consultants.

22.32 Based on the limited assurance procedures conducted, the consultants concluded that they had identified nothing that would suggest that in all material respects the projects funded with proceeds from the ISGBs are not in conformance with the use of proceeds and the reporting criteria outlined in the ISGB framework.

Capitalisation of the banks

22.33 Between 2009 and 2010, the State invested €30.85 billion in the form of promissory notes in the banks as part of the recapitalisation of domestic banks — one of a range of measures used to stabilise the banking system following the onset of the financial crisis in 2008.

22.34 In February 2013, following the appointment of special liquidators to Irish Bank Resolution Corporation (IBRC), the promissory notes were replaced with eight floating rate Government bonds with a nominal value of €25.034 billion with maturities ranging from 25 to 40 years. In addition, €3.5 billion of the existing 5.4% fixed rate treasury bond was also acquired by the Central Bank. The first of the eight floating rate bonds was due to mature in 2038 with the remaining floating rate bonds due to mature every two years thereafter between 2041 and 2053.

22.35 As can be seen from Figure 22.8, the bonds were fully redeemed over the period 2014 to 2023 at a total premium of €12.6 billion with interest paid totalling €4.14 billion. The interest and premium formed part of the Central Bank of Ireland's surpluses, some of which were remitted to the Exchequer over the same period.

Figure 22.8 Floating rate bonds issued and redeemed 2013 to 2023

Year		Nominal amount issued	Nominal amount redeemed	Paid upon redemption	Premium paid	Interest paid ^a
		€m	€m	€m	€m	€m
2013	Starting balance	25,034	—	—	—	638
2014	Floating Rate Treasury Bond 2038	2,000	500	680	180	755
2015			1,500	2,053	553	669
	Floating Rate Treasury Bond 2041	2,000	500	705	205	
2016			1,500	2,138	638	557
	Floating Rate Treasury Bond 2043	2,000	1,500	2,221	721	
2017			500	694	194	435
	Floating Rate Treasury Bond 2045	3,000	3,000	4,473	1,473	
	Floating Rate Treasury Bond 2047	3,000	500	787	287	
2018			2,500	3,912	1,412	335
	Floating Rate Treasury Bond 2049	3,000	1,500	2,340	840	
2019			1,500	2,330	830	
	Floating Rate Treasury Bond 2051	5,000	1,500	2,407	907	249
2020			1,000	1,650	650	194
2021			2,000	3,273	1,273	144
2022			500	784	284	106
	Floating Rate Treasury Bond 2053	5,034	2,500	3,687	1,187	
2023			2,534	3,535	1,001	58
	Balance at year-end	—				
Total			25,034	37,669	12,635	4,140

Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

Note: a The bonds paid interest every six months (June and December) based on the six-month Euribor interest rate plus a fixed interest margin which ranged from 2.50% to 2.68%.

Carbon Fund

- 22.36** The Carbon Fund was established under the Carbon Fund Act 2007, in order to purchase carbon credits to meet Ireland's commitments under the Kyoto Protocol — an international climate change agreement. Under the 2007 Act, the NTMA has responsibility for the purchase, through the Carbon Fund, of carbon credits required to meet Ireland's climate change obligations.
- 22.37** The assets held in the Carbon Fund are not held for trading purposes but to be submitted as part of Ireland's compliance under the Kyoto Protocol and its obligations under European legislation.
- 22.38** At the end of December 2023, there are 701,795 units remaining in the fund. These holdings have no monetary value.
- 22.39** There were no purchases of carbon credits by the NTMA in 2022 or 2023, and at the end of December 2023, the Carbon Fund had a nil net asset value. Under current EU rules, it is not anticipated that further carbon credits will be purchased and the future of the fund will be decided once the remaining carbon credits are disposed of.

Purchase of annual emission allocation units

- 22.40** In May 2018, the European Union adopted the Effort Sharing Regulation which sets binding annual maximum emissions targets for the period 2021 to 2030. Under this regulation, the purchase of carbon credits in the carbon markets is no longer an option for Ireland to meet its emission targets. However, the use of surplus annual emission allocation (AEA) units, purchased from other member states, can be used to achieve compliance with emissions targets.
- 22.41** In early 2023, the Department of the Environment, Climate and Communications signed an agreement with Slovakia to purchase around 4.1 million AEA units at €0.7 per unit (total cost of €2.9 million). This was to ensure Ireland met its obligations under the EU Effort Sharing Decision which set Ireland's emissions targets for the period 2013 to 2020.¹ The purchase of the units was charged to Vote 29 Environment, Climate and Communications in 2023.

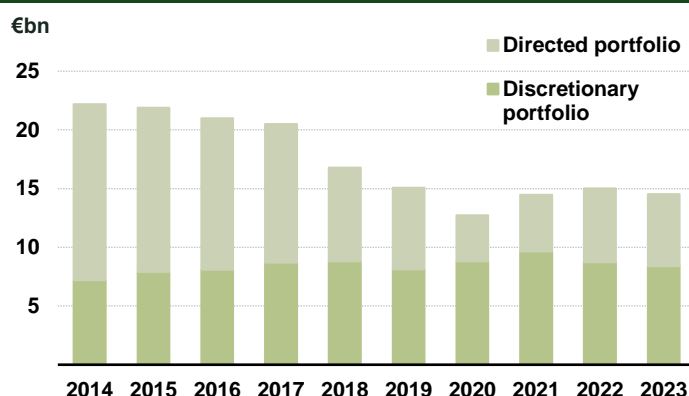
¹ Under the [EU Effort Sharing Decision](#), member states were required to limit their greenhouse gas emissions in the 'effort sharing' sectors each year from 2013 to 2020. They were also required by 2020 to collectively deliver a reduction of around 10% in total EU emissions from the sectors covered, compared to 2005 levels.

² The ISIF was established in December 2014, pursuant to the National Treasury Management Agency (Amendment) Act 2014 (2014 Act). On its establishment, the assets and liabilities of the former National Pension Reserve Fund (NPRF) became assets and liabilities of the ISIF.

³ Section 43 of the 2014 Act provides that the Minister may give direction to the NTMA in relation to the holding and management of a directed investment, the exercise of any voting rights attaching to a directed investment, or the disposal of a directed investment.

Ireland Strategic Investment Fund

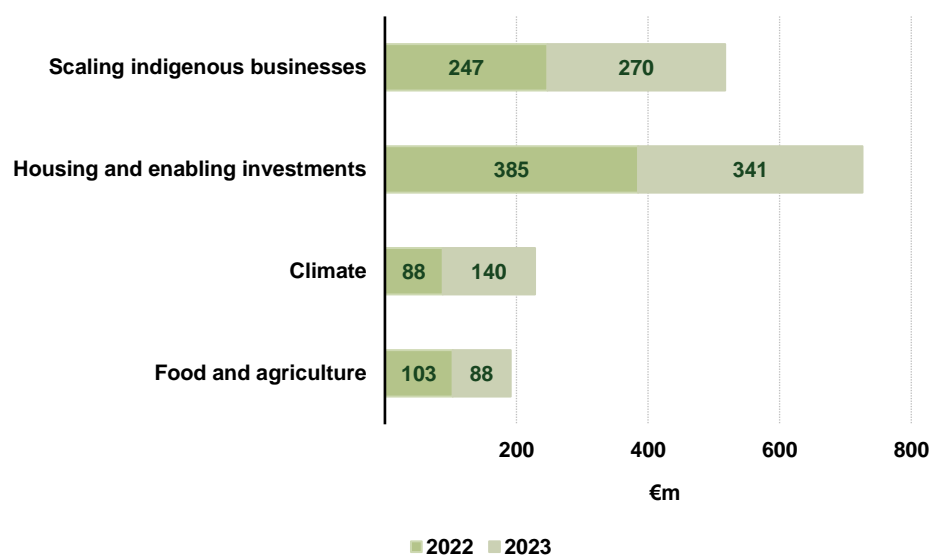
- 22.42** The Ireland Strategic Investment Fund (ISIF) is a sovereign development fund with a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in Ireland.²
- 22.43** The assets of the ISIF are held in two portfolios
- the **directed investment portfolio** is subject to directions given by the Minister for Finance³
 - the **discretionary investment portfolio** consists of investments made in accordance with the relevant sections of the 2014 Act, where the NTMA holds or invests ISIF's assets (other than directed investments) on a commercial basis.
- 22.44** As illustrated in Figure 22.9, the net assets held by the ISIF have fallen by almost 35% from €22.2 billion in 2014 to just over €14.5 billion at the end of 2023.

Figure 22.9 Value of ISIF net assets, 2014 to 2023

Source: Financial Statements of the Ireland Strategic Investment Fund, 2014 to 2023

Discretionary investment portfolio

- 22.45** The discretionary portfolio has grown modestly in value, from €7.2 billion at the end of 2014 to almost €8.4 billion by the end of 2023. This is due primarily to investment gains of approximately €2.3 billion and cash injections, partially offset by the net transfer of capital to other Government initiatives, including to the National Surplus (Exceptional Contingencies) Reserve Fund.
- 22.46** In June 2022, a revised ISIF investment strategy was launched, with a focus on four key investment themes: climate, housing and enabling investments, scaling indigenous businesses, and food and agriculture.¹ As illustrated in Figure 22.10, ISIF has committed a total of around €1.66 billion to the four investment themes — €823 million in 2022 and a further €839 million in 2023.

Figure 22.10 ISIF's investment by theme between 2022 and 2023

¹ The new strategy has flexibility for the ISIF to invest outside of the four themes and to respond to unforeseen macroeconomic events, such as Covid-19.

Source: National Treasury Management Agency

Directed investment portfolio

- 22.47** Since 2014, the net asset value held in the directed portfolio has decreased by 59%. The decrease in value — from €15 billion in 2014 to €6.2 billion in 2023 — was due primarily to transfers to the Land Development Agency and the sale of shares in AIB Group plc (AIB) and Bank of Ireland Group plc (BOI).

Funding of Home Building Finance Ireland

- 22.48** On 8 April 2019, the Minister for Finance directed the NTMA to execute a loan facility agreement with Home Building Finance Ireland (Lending) DAC, and to make available a loan facility of up to €730 million from ISIF to the company. The loan balance outstanding at the end of December 2023 was €325 million.

Funding of the Land Development Agency DAC

- 22.49** On 22 October 2018, the NTMA was notified by the Minister for Finance of a decision to allocate a reserve of up to €1.25 billion from the directed portfolio assets to support the Land Development Agency DAC (LDA).
- 22.50** In 2022, €100 million was transferred to the LDA out of the assets of the ISIF. During 2023, the NTMA was directed by the Minister for Finance to transfer a further €825 million out of the assets of ISIF to the LDA. This was for the purpose of discharging the liability arising as a result of the Minister for Public Expenditure, National Development Plan Delivery and Reform's subscription for shares in the LDA, in accordance with the Land Development Agency Act 2021.

AIB Group plc divestment

- 22.51** The ISIF continued to dispose of AIB shares in 2023, disposing of a total of 453 million AIB shares, and generating net proceeds of €1,748 million. This reduced the State's shareholding in AIB from 56.8% at 31 December 2022 to 40.8% at the year-end 2023. A total of €503 million raised from the share disposals in AIB was transferred to the Exchequer in 2023.

National Surplus (Exceptional Contingencies) Reserve Fund

- 22.52** The National Surplus (Exceptional Contingencies) Reserve Fund (NSRF) was established on 31 October 2019 on commencement of the National Surplus (Reserve Fund for Exceptional Contingencies) Act 2019 (the NSRF Act).
- 22.53** Under the NSRF Act, the Minister for Finance is required to pay a prescribed amount of €500 million from the Central Fund of the Exchequer into the NSRF in each of the years 2019 to 2023 inclusive, unless otherwise resolved by the Oireachtas.¹ A contribution greater than the prescribed amount is permitted by a resolution of Dáil Éireann.
- 22.54** On 15 November 2019, €1.5 billion was transferred to the NSRF from the ISIF.
- 22.55** On 28 October 2020, the full €1.5 billion was withdrawn to aid the Government's Covid-19 pandemic response. Pursuant to resolutions passed by the Oireachtas, the prescribed amount was not paid into the NSRF in either 2020 or 2021, due to the exceptional circumstances caused by Brexit and Covid-19. As a result, the fund balance was nil throughout the remainder of 2020 and 2021.

¹ The Oireachtas may, on a proposal brought by the Minister for Finance on or after 1 November in a particular year, pass a resolution authorising the Minister not to pay the prescribed amount into the Fund that year.

22.56 Arising from a further Dáil resolution on 27 September 2022, €2 billion in aggregate was transferred to the NSRF from the Central Fund on 1 November 2022 and €4 billion in aggregate on 7 February 2023. At the end of 2023, the NSRF had net assets of €6.179 billion — €6.139 billion invested in Exchequer notes, and interest income of €40 million.

22.57 The Future Ireland Fund and Infrastructure, Climate, and Nature Fund Act 2024, which was enacted on 18 June 2024, provides for the dissolution of the NSRF. It also provides that the balance of the NSRF is to be transferred to two new funds — the Infrastructure, Climate and Nature Fund, and the Future Ireland Fund. The relevant provisions of the Future Ireland Fund and Infrastructure, Climate and Nature Fund Act 2024 are expected to be commenced and the transfer of the balance of the NSRF to the two new funds is expected to be completed by the end of 2024.

State Claims Agency

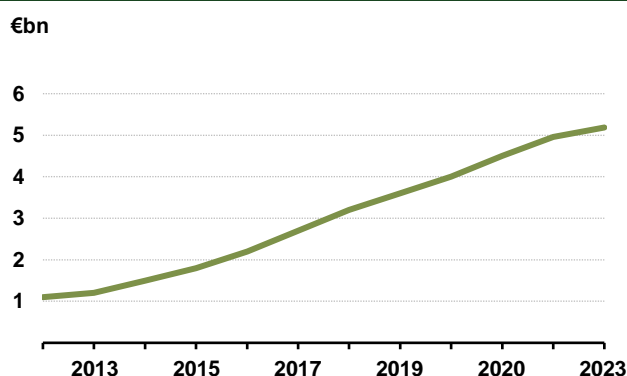
22.58 The NTMA manages personal injury, including clinical negligence, and third-party property damage claims on behalf of the State and delegated State authorities. In addition, it has a risk management role, advising and assisting those State authorities in minimising their claims exposure. It also considers and manages third party cost claims against the State and delegated State authorities, arising from all categories of claims. When performing these functions, the NTMA is known as the State Claims Agency (SCA).

Claim settlement in 2023

22.59 In 2023, the SCA paid settlements, awards and expenses totalling €574 million — an increase of 4% on the prior year (2022: €551 million).¹ These amounts are recoverable by the SCA from the relevant State authorities who are liable in respect of claims managed on their behalf by the SCA.²

22.60 The estimated cost of settling outstanding claims has been rising at a steady rate (see Figure 22.11). The outstanding liability at the end of 2023 has been estimated by the SCA at €5.185 billion.³

Figure 22.11 Estimated outstanding claims liability at year-end, 2012 – 2023



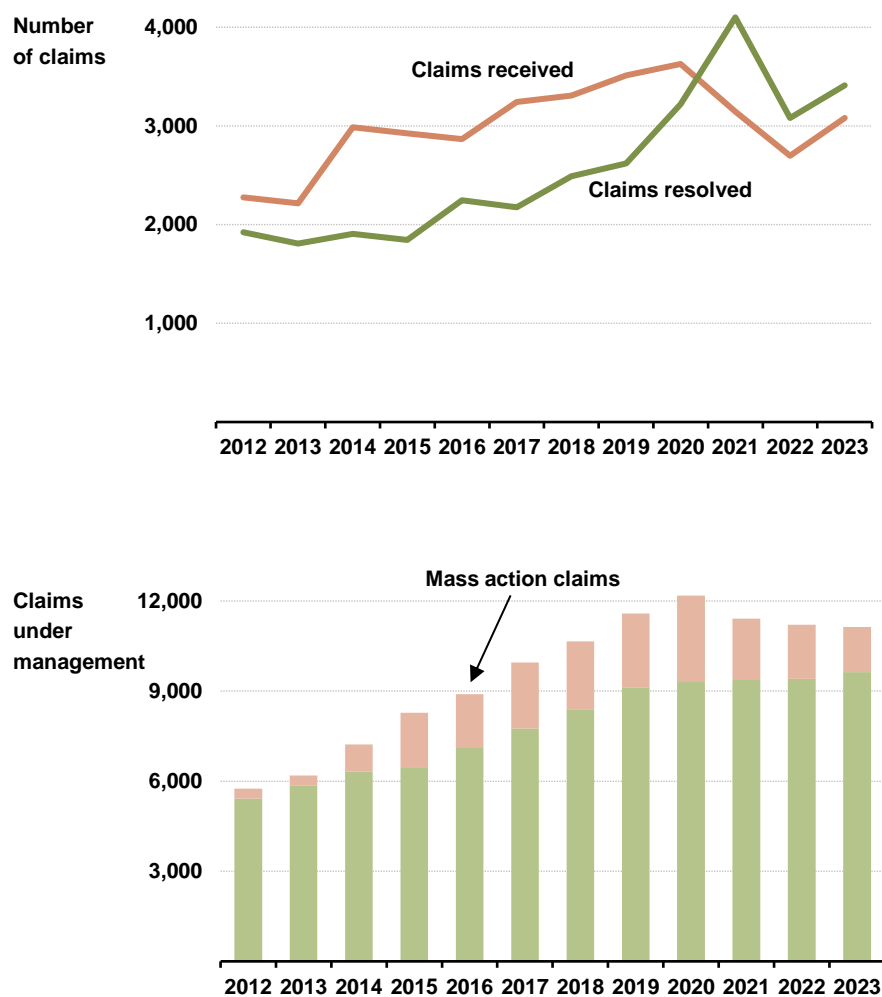
¹ Includes all awards and costs paid under the general and clinical indemnity schemes and all other costs paid by the Legal Costs Unit — including Tribunal costs.

² The SCA's own administrative costs (€32 million in 2023) are not recovered from delegated State authorities.

³ €840 million of the estimated outstanding liability at year-end relates to interim and 'periodic payment' orders.

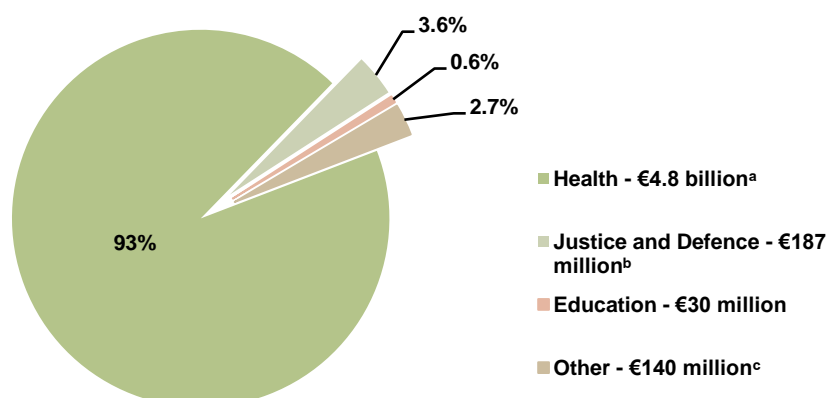
22.61 Around 3,410 claims were resolved in 2023 — up from 3,082 in 2022. However the number of claims under management by the SCA at the year-end still remains high (see Figure 22.12). At the end of 2023, there were 11,137 claims under management, including 1,503 claims in mass actions (general and clinical).

Figure 22.12 Claims received and resolved annually, and claims under management, at the year-end, 2012 – 2023



Source: National Treasury Management Agency

22.62 Health sector bodies (including the HSE and the Department of Health) accounted for 93% of the estimated outstanding liability at the end of 2023, while two other sectors (Justice and Defence, and Education) accounted for a further 4.2% (see Figure 22.13).

Figure 22.13 Proportion of estimated outstanding liability for each State authority sector, at end 2023

Source: National Treasury Management Agency

- Notes:
- a The health sector includes the HSE, Department of Health and bodies under its aegis, and private and voluntary community organisations.
 - b Justice and Defence includes the Irish Prison Service, An Garda Síochána, Defence Forces and certain others.
 - c Tusla claims are included within Other, as Tusla falls under the aegis of the Minister for Children, Equality, Disability, Integration and Youth.

CervicalCheck litigation

- 22.63** By end-2023, the SCA had received notification of 393 claims related to the HSE's CervicalCheck programme (end-2022: 379 claims).¹ This includes 80 psychological injury claims from family members of women who had availed of the programme.
- 22.64** During 2023, 61 CervicalCheck claims concluded, bringing the total number of claims concluded by end-2023 to 244. Total costs are unknown because most of the claims have been settled by the laboratories involved in the individual claims, and the NTMA stated that it would not, in most instances, have details of settlement payments made by those laboratories. Mediation is offered where possible to resolve claims in a non-adversarial manner, although this may not always be under the control of the SCA.
- 22.65** The CervicalCheck Tribunal, in operation since December 2020, provided an alternative system to the courts for processing claims arising. The Tribunal closed the receipt of applications on 26 July 2022, with a total of 25 cases accepted. All cases have now concluded, some of which have been settled. The Tribunal finished hearing cases at the end of July 2023. It was a matter for the plaintiffs in each case as to whether they wished to bring claims to the Tribunal or to pursue them through the courts. Plaintiffs who submitted claims to the Tribunal retain a right of appeal to the High Court.

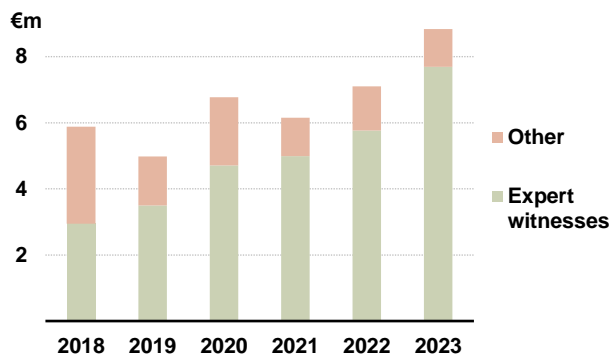
Procurement exceptions and expert witnesses

- 22.66** During 2023, the NTMA made payments totalling €8.8 million (ex VAT) (2022: €7.1 million, ex VAT) in respect of goods/services that were subject of procurement exceptions approved in accordance with the NTMA's *Procurement Policy and Procurement Procedure*.

¹ The 393 claims include Tribunal cases.

- 22.67** The overall level of non-competitive procurement by the NTMA has remained at a relatively consistent level over the last six years. However, the proportion of expenditure associated with expert witnesses retained by the SCA has increased year-on-year over the same period (see Figure 22.14). Non-competitively procured expert witness costs have increased from 50% of total procurement exceptions in 2018, to 87% in 2023. The SCA's claims portfolio has also increased in size and complexity over that time. The SCA resolved 2,623 claims in 2018 and 3,410 claims in 2023, an increase of 30%.
- 22.68** The SCA categorises its expert witnesses in two broad categories — witnesses as to 'causation and liability' (e.g. medical and engineer witnesses), and witnesses as to 'quantum and fact' (e.g. actuarial witnesses). The SCA does not competitively procure witnesses as to causation and liability because it considers that such a procurement process would be likely to give rise to an added level of litigation risk in relation to the independence of such witnesses.
- 22.69** Expert witness costs of €7.69 million were incurred by the SCA in 2023 (2022: €5.76 million) for services procured non-competitively in the context of claims management.
- 22.70** A multi-party framework panel for the provision of architectural expert witness's services and separately, three multi-party framework panels (split by geographic location) for private investigator services, relating to witnesses as to quantum and fact, were put in place on foot of competitive tender processes, in March 2023.

Figure 22.14 NTMA procurement exceptions, 2018 – 2023



Source: Financial Statements of the National Treasury Management Agency, 2018 to 2023. Analysis by the Office of the Comptroller and Auditor General.