

Your Ref: PAC32-I-1034

02 August 2018

Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2.

Dear Ms. Falsey

I refer to your letter of 23 July 2018 and request for a note in relation to the General Indemnity Scheme.

Turning firstly to the matter of the inclusion of local authorities under the General Indemnity Scheme as operated by the State Claims Agency, I am advised by the Department of Housing, Planning and Local Government that local authorities are insured with Irish Public Bodies (IPB). IPB are a mutual insurance company, owned by their members, who are essentially local authorities and education/training boards. IPB were established by the Local Authorities (Mutual Assurance) Act 1926 and are governed by the Corporate Governance Code for insurance-related companies as issued by the Central Bank. The Central Bank are the regulators and oversee the Corporate Governance requirements.

IPB has a Board made up of 3 executive directors, 3 independent non-executive directors who must apply to the Central Bank and are approved by them for appointment, and 4 non-executive member-based directors who are appointed at AGM by the members in a typical nomination and election process. The Minister for Housing, Planning and Local Government has no role or function in relation to this independent, commercial mutual insurance company.

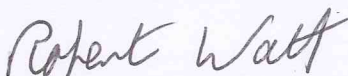
As the Committee will be aware, it is a matter for the relevant Minister to consider whether bodies under his/her aegis should be included in the General Insurance Scheme as operated by the State Claims Agency. As the Minister for Housing, Planning and Local Government has responsibility for policy, legislation, Oireachtas accountability and, at a broad level, oversight, in respect of the local government system, consideration as to whether local authorities should be included in the General Insurance Scheme would be a matter for that Minister in the first instance.

However, the value for money provided by the IPB has been examined. In April 2015 a Value for Money Steering Group was established with representatives of the County and City Management Association (CCMA), the Education and Training Boards (ETBs), and the Office of Government Procurement (OGP). The objective of the Steering Group was to oversee a value for money review of IPB and it concluded that at "an aggregate level, IPB is providing an insurance service that represents value for money for its members and is operated efficiently".

Secondly, and in relation to the consideration of "*other large public organisations*" as referenced in your letter, as detailed above, it is a matter for the relevant Minister to consider whether bodies under his/her aegis should be included in the General Insurance Scheme and request the Government to delegate the management of claims against that body to the State Claims Agency by Government order.

I hope the above is of some assistance to the Committee.

Yours sincerely



Robert Watt
Secretary General