

GOVERNANCE STATEMENT AND AGENCY MEMBERS' REPORT

The Agency (Board) has over-arching responsibility for all of the NTMA's functions (excluding the National Asset Management Agency (NAMA), the Strategic Banking Corporation of Ireland (SBCI) and Home Building Finance Ireland (HBFI) which have their own separate boards) under the *National Treasury Management Agency (Amendment) Act, 2014*. The Agency is accountable to the Minister for Finance. In the performance of its duties, the Agency focuses on providing strategic direction and oversight to the organisation and ensuring there are appropriate controls in place, while delegating operational matters to management. It seeks to support and challenge management in the achievement of the NTMA's goals and in fostering a corporate culture that will contribute to the delivery of these goals. The regular day-to-day management, control and direction of the NTMA 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 Agency, and must ensure that all Agency members have a clear understanding of the key activities and decisions related to the NTMA and of any significant risks likely to arise. The Chief Executive acts as a direct liaison between the Agency and management of the NTMA.

AGENCY RESPONSIBILITIES

The NTMA's functions are vested in the Agency, which may delegate functions to the Chief Executive. There is a formal schedule of matters reserved for decision by the Agency. This schedule includes approval of the following:

- Annual Report and Financial Statements;
- Risk Management Policy and Framework;
- Corporate Strategy and business unit and Corporate Function Goals (including annual targets);
- Operating budget;
- Remuneration of Chief Executive (after consultation with the Minister);
- Overall remuneration policy;
- Exchequer Funding Plan;
- ISIF Investment Strategy;
- ISIF Irish Portfolio investments above €150m (investment decisions of up to €150m are delegated to the Investment Committee);
- Key terms of contracts for professional and operating services and NTMA capital expenditure over €5m, with a limited number of exceptions; and
- National Surplus (Exceptional Contingencies) Reserve Fund Annual Investment Plan and any amendments.⁸

The Agency is required by the *National Treasury Management Agency Acts 1990 to 2014* and the *Dormant Accounts Act 2001* (as amended) to prepare financial statements in respect of its operations for each financial year. In preparing these financial statements, the Agency:

- selects suitable accounting policies and applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- prepares the financial statements on the going concern basis unless it is inappropriate to do so; and
- discloses and explains any material departure from applicable accounting standards.

The Agency is responsible for keeping in such form as may be approved by the Minister for Finance all proper and usual accounts of all moneys received or expended by it and for maintaining accounting records which disclose, with reasonable accuracy at any time, the financial position of the Agency, its funds and the National Debt.

The Agency is responsible for approving the NTMA expenditure budget and corporate strategy, including Business Unit and Corporate Function Goals. Emerging out-turns against budget and goals are reviewed by the Agency during the year and at year-end.

The Agency is also responsible for safeguarding assets under its control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Agency considers that the financial statements of the NTMA properly present the financial performance and the financial position of the NTMA at 31 December 2019.

⁸ *The National Surplus (Exceptional Contingencies) Reserve Fund (Rainy Day Fund) Annual Investment Plan in 2019 was approved by the Chief Executive prior to the Agency's decision at its 26 November 2019 meeting to include the approval of and amendments to the Rainy Day Fund Annual Investment Plan as a reserved matter.*

AGENCY STRUCTURE

The Agency consists of nine members. Six members, including the Chairperson, are appointed by the Minister for Finance. The Chief Executive of the NTMA and the Secretary Generals of the Departments of Finance and Public Expenditure and Reform are ex officio members of the Agency. The term of office of an appointed member is five years. Details of the current members and their appointment periods are set out on pages 60 to 61.

The Agency has established four committees to assist it in discharging its responsibilities, each with formal Terms of Reference:

- Audit and Risk Committee;
- Investment Committee;
- Remuneration Committee; and
- State Claims Agency Strategy Committee.

For further information on the Agency's Committees, see Committee Reports, pages 68 to 70.

Following the Agency's 2018 externally conducted performance evaluation, which concluded in early 2019, the Agency members contributed to an internal self-assessment evaluation of the Agency's performance in respect of 2019. Arising from the evaluation process, a small number of actions to be undertaken during the year have been identified. A skills matrix reviewing Agency member skills by reference to Section 3(A)(2) of the National Treasury Management Agency Act, 1990 (as amended) was also prepared.

The Agency is supported in its functions by the Agency Secretary who also co-ordinates the operation of the various Agency Committees: each of the Committees is supported by the Agency Secretary or the Assistant Agency Secretary.

KEY PERSONNEL CHANGES

Brian O'Kelly, Agency Member, was appointed to the Agency for a five-year term on 17 June 2019, to fill the vacancy arising from the resignation of Willie Walsh with effect from 1 January 2019.

Rachael Ingle, Agency Member, was appointed to the Agency for a five-year term on 22 December 2019, following the expiration of Mary Walsh's term of appointment on 21 December 2019.

Following her departure Eileen Fitzpatrick, Director NewERA ceased employment with the Agency on 10 May 2019.

Cathy Bryce, Director NDFA (also for a period Director of NewERA) ceased employment with the Agency on 5 July 2019.

Andrew O'Flanagan (former Chief Legal Officer) was appointed as Director of NewERA and NDFA with effect from 2 July 2019 and Susan O'Halloran (formerly Head of Legal) was appointed as Chief Legal Officer on the same date.

Governance and Corporate Information

GOVERNANCE STATEMENT AND AGENCY MEMBERS' REPORT (CONTINUED)

SCHEDULE OF ATTENDANCE, FEES AND EXPENSES

A schedule of attendance at Agency and Committee meetings is set out below including the fees and expenses received by each member in their capacity as an Agency or Committee member.

	Agency	Investment Committee	Audit and Risk Committee	Remuneration Committee	SCA Strategy Committee	Fees 2019 €	Expenses 2019 €
Number of Meetings	8	10	7	2	6		
Agency Members							
Maeve Carton	8			2		45,000	-
Rachael Ingle ⁹	0 (p)					795	-
Gerardine Jones	8	10				30,000	-
Derek Moran	6				4	-	-
Martin Murphy	8		7	2		30,000	-
Brian O'Kelly ¹⁰	3 (p)					16,250	-
Conor O'Kelly ¹¹	7 (p)					-	-
Mary Walsh	8		7		6	29,205	-
Robert Watt	6			2		-	-
Susan Webb	8	10	7			30,000	-
Total						181,250	-
Other Members							
Richard Leonard		10				20,000	9,076
Mark Ryan		10				20,000	-
Julie Sinnamon		7				-	-
Sabaratham Arulkumaran					6	12,500	2,092
Tom Beegan					5	12,500	823
Ciarán Breen					6	-	-
Donogh Crowley					6	12,500	-
David Moloney					6	-	-
Total						77,500	11,991

(p) refers to the number of meetings it was possible to attend.

The Minister for Finance determines the level of remuneration of appointed members of the Agency. The remuneration attached to the position of Chairperson is €45,000 per annum and the remuneration of other appointed members is €30,000 per annum. The ex officio members (Conor O'Kelly, Derek Moran and Robert Watt) do not receive any remuneration in respect of their membership of the Agency.

Remuneration of external members of the Investment Committee and State Claims Agency Strategy Committee is determined by the Agency with the consent of the Minister for Finance. External members of the Investment Committee receive remuneration of €20,000 per annum and external members of the State Claims Agency Strategy Committee receive remuneration of €12,500 per annum. Julie Sinnamon and David Moloney, appointed to the Investment Committee

and State Claims Agency Strategy Committee respectively, in their capacity as public servants do not receive any remuneration in respect of their membership. Agency members and employees of the NTMA do not receive any additional remuneration in respect of membership of these committees.

EMPLOYEES AND REMUNERATION

The NTMA executes its mandates through five business units: the Funding and Debt Management Unit, the Ireland Strategic Investment Fund Unit, the National Development Finance Agency, NewERA and the State Claims Agency. The NTMA's business units are supported by its corporate functions which provide services across Finance, Operations, Information Technology, Risk, HR, Legal, Compliance, Communications and Internal Audit.

⁹ Rachael Ingle was appointed on 22 December 2019.

¹⁰ Brian O'Kelly attended 3/3 meetings as his appointment as an Agency member commenced on 17th June 2019.

¹¹ Conor O'Kelly attended 7/7 meetings. He did not attend a non-executive meeting in June 2019.

A number of NTMA employees are on secondment to the Department of Finance following the revocation of the delegation of banking system functions of the Minister for Finance to the NTMA from August 2011.

The NTMA assigns employees and provides business and support services and systems to NAMA, SBCI and HBFI. NAMA, SBCI and HBFI are independent entities with separate boards. NAMA, SBCI, and HBFI reimburse the NTMA on a cost recovery basis for these services (including employee costs).

Other than employees assigned to NAMA, SBCI and HBFI, the NTMA had 525¹² employees at end-2019. 210¹² employees were assigned to NAMA, 23 employees were assigned to the SBCI and 21 employees were assigned to HBFI.

The NTMA's remuneration model is based on confidential, individually-negotiated employment contracts, with competitive, market-aligned remuneration. The typical remuneration package comprises a fixed base salary, pension entitlement and provision for discretionary performance-related pay. In a limited number of cases other allowances or benefits are paid.

The NTMA's objective is to ensure that its remuneration arrangements facilitate it in attracting, developing and retaining high performing and motivated employees, with appropriate skills and experience, so as to ensure that the NTMA can discharge fully its statutory functions in an effective and efficient manner, while complying with applicable law. It aims to operate a remuneration system which:

- allows the NTMA to compete effectively in the labour market and to recruit and retain high calibre employees;
- reflects the NTMA's objectives for good corporate governance;
- manages remuneration in an appropriate manner and encourages a high level of performance; and
- is consistent with and promotes sound and effective risk management.

Discretionary performance-related payments are intended to reward exceptional performance having regard to the employee's own performance, the performance of the employee's area of responsibility, and the overall performance of the NTMA. Performance-related payments are made in accordance with parameters approved by the Agency's non-executive Remuneration Committee. The overall amount of performance related payments made in respect of any year is also subject to the approval of the Remuneration Committee.

The NTMA made performance-related payments to 200 employees in 2020 in respect of 2019. These payments, in aggregate, totalled €2,054,000. The highest individual payment was €50,000; the lowest individual payment was €1,000.

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €50,000 in relation to services rendered during 2019 are categorised into the following bands:

Range	No of Employees
€50,001 to €75,000	116
€75,001 to €100,000	108
€100,001 to €125,000	51
€125,001 to €150,000	34
€150,001 to €175,000	19
€175,001 to €200,000	16
€200,001 to €225,000	7
€225,001 to €250,000	7
€250,001 to €275,000	1
€275,001 to €300,000	0
€300,001 to €325,000	1
€325,001 to €350,000	0
€350,001 to €375,000	3
€375,001 to €400,000	1
€400,001 to €425,000	0
€425,001 to €450,000	0
€450,001 to €475,000	0
€475,001 to €500,000	1

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during 2019 include salary, other taxable benefits paid to employees (including performance-related payments) and other payments made on behalf of employees, but exclude employer's PRSI.

DISCLOSURES REQUIRED BY CODE OF PRACTICE FOR THE GOVERNANCE OF STATE BODIES (2016)

The Agency is responsible for ensuring that the NTMA has complied with the requirements (as adapted) 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:

Employee Short-Term Benefits Breakdown

See Employees and Remuneration section on previous page.

Consultancy Costs

Consultancy costs incurred by the NTMA in the performance of its mandates are set out in the Financial Statements: NTMA Administration Account, SCA Financial Statements and ISIF Financial Statements.

¹² On a whole time equivalent basis (rounded to nearest whole number).

Governance and Corporate Information

GOVERNANCE STATEMENT AND AGENCY MEMBERS' REPORT (CONTINUED)

Legal Costs and Settlements

For the purposes of the Code disclosure requirement, there was no relevant expenditure incurred in 2019.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2019 €000	2018 €000
Domestic		
Board/Committee	12	6
Employees	343	443
International		
Board/Committee		
Employees	344	491
	699	940

Hospitality Expenditure

The Statement of Income and Expenditure and Other Comprehensive Income includes €119,391 (2018: €77,098) in respect of employee hospitality expenditure of which €30,439 relates to an employee event marking the move to new premises.

STATEMENT OF COMPLIANCE

The NTMA has complied in all material respects with the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform with a number of specific adaptations/ variations/ non-applications which have been agreed with the Minister for Finance as summarised below. These adaptations primarily reflect the fact that the NTMA, the expenses of which are a charge on the Central Fund¹³, performs a range of market facing functions and was deliberately structured to have the operational flexibility to act commercially in performing these functions.

Approval of Contracts

The Code recommends that the Schedule of Matters Reserved for Decision by the Agency should specify clear quantitative thresholds for contracts above which Agency approval is required. It also recommends that "approval of terms of major contracts" be a reserved matter.

Given the range of the NTMA's business mandates and the fact that entry into financial contracts of significant value constitutes a core part of the NTMA's business activities, the NTMA has established separate criteria for approval of investments and entry into contracts depending on the business area as follows:

- The acquisition or disposal of ISIF investments in Ireland is reserved to the Agency/Investment Committee. Investment decisions up to €150m are made by the statutory non-executive Investment Committee. Where a proposed investment is in excess of €150m, the decision is made by the Agency on the recommendation of the Investment Committee. Investments within the terms of the Global Portfolio Transition Strategy are delegated to management. Actions involving the acquisition or disposal of ISIF assets that are subject to Ministerial direction are delegated to management.
- Debt contracts are delegated to management – within the parameters of the Annual Exchequer Funding Plan which is a Reserved Matter.
- Approval to enter into new Public Private Partnership (PPP) contracts and any new contract to procure as agent for the Minister for Education and Skills any public investment project in relation to an educational facility is delegated to management. A Management Infrastructure Committee has been formed for the purposes of approving infrastructure projects. Projects reviewed by the Management Infrastructure Committee, and the outcome, are included as matters for noting by the Agency.
- Contracts for professional and operating services and NTMA capital expenditure which are not reserved to the Agency are delegated to management. Approval of the key terms of contracts for professional and/or operating services and NTMA capital expenditure entered into by the NTMA with an estimated value of €5m or greater, to be charged to the NTMA or ISIF expenditure budgets are reserved for the Agency, other than:
 - framework contracts¹⁴;
 - contracts relating to the implementation of the ISIF Global Portfolio Transition Strategy, as delegated to management; and
 - contracts in connection with the fund established for the recovery by the State from Apple of alleged State aid.¹⁵

Delegated Authority Levels

The Code recommends that "Delegated Authority Levels" be a reserved matter. In view of the wide range of mandates carried out by the NTMA and the need to preserve flexibility with regard to the various delegated authorities in respect of these mandates, the setting of Delegated Authority Levels has been delegated to the Chief Executive. To ensure Agency oversight of delegated authorities, the NTMA's Consolidated Delegated Authorities are reviewed by the Audit and Risk Committee on an annual basis.

¹³ Other than expenses which are incurred in respect of the ISIF and the Rainy Day Fund which are funded from the respective Funds.

¹⁴ The provision applies in respect of the estimated value of individual contracts awarded from framework panels.

¹⁵ This change reflects the change in the Reserved Matters approved by the Agency on 26 November 2019.

Strategy

The Code sets out different requirements with regard to the preparation and adoption of a strategic plan for commercial and non-commercial State bodies. Commercial bodies should approve annual rolling five-year business plans while non-commercial bodies should adopt statements of strategy for a period of three to five years ahead.

The NTMA Corporate Strategy¹⁶ covers a five-year horizon and comprises two parts:

Part 1: The NTMA Corporate Strategy; and

Part 2: Business Unit and Corporate Function Goals.

The NTMA Corporate Strategy is reviewed annually and updated on a rolling five-year basis. Part 1 is submitted to the Minister for Finance if there are any changes to the overarching goal and three enabling pillars set out therein. Part 2 is updated annually and submitted to the Minister for Finance for his/her views prior to finalisation.

The procedure for Ministerial consultation in determining and reviewing the ISIF Investment Strategy is set out in Section 40(3) of the *National Treasury Management Agency (Amendment) Act 2014*.

Non-Compliance with Statutory Obligations

In view of the wide range of relevant statutory obligations to which the NTMA is subject, it is proposed to address the requirement that the Chairperson bring incidences of non-compliance with any statutory obligations to the attention of the Minister for Finance by applying it to material instances of non-compliance only.

Acquisition or Disposal of Assets etc.

The ISIF investment activities are managed in the context of the statutory framework for the making of ISIF investments as set out in the *National Treasury Management Agency (Amendment) Act 2014*, the ISIF Investment Strategy and the ISIF investment process. Those provisions of Section 8 of the Code dealing with the acquisition or disposal of assets, capital investment appraisal, establishment or acquisition of subsidiaries, participation in joint ventures and the acquisition of shares do not apply to the investment activities of the ISIF. Trading of Government bonds or other assets in the normal course of NTMA business operations is not regarded as falling within Section 8 of the Code.

ICT Circular

As provided for under Section 3 of Department of Public Expenditure and Reform's Circular 02/16 on Arrangements for Digital and ICT-related Expenditure in the Civil and Public Service, it has been agreed by the Department of Finance that the NTMA has been exempted from the approval framework for digital and ICT-related expenditure.

Public Spending Code

The Public Spending Code is not applicable to the NTMA as the NTMA is not engaged in capital projects (other than in respect of its ISIF and NDFAs roles) or new current expenditure programmes. The NTMA's functions are set out in statute – either in primary legislation or are delegated to the NTMA by Ministerial Order. The NTMA's operational budget relates to the staffing, systems, facilities and other costs associated with the performance of these functions. With regard to significant new expenditure items within its operational budget, the NTMA utilises the standard appraisal process set out in section 2.1 of the Public Spending Code in its project appraisal process.

Remuneration

In complying with the Code's provisions in respect of remuneration, the NTMA has adopted the provisions applying to commercial State bodies, adapted in light of its particular governance and reporting structures and remuneration model. Consistent with this approach, the NTMA publishes details of employee short-term benefits in bands of €25,000.

Travel Circulars

The NTMA's travel policy is based on the Framework for a Travel Policy for State Bodies contained in the Code. Revenue approved civil service mileage rates (reflecting Circular 07/2017) are applied. The NTMA does not pay subsistence rates in respect of travel, but operates a vouched expense process for the re-imbursment of travel expenses and Department of Public Expenditure and Reform circulars and office notices regarding subsistence are, therefore, not applied.

Customer Charter

The NTMA does not generally provide services directly to the public. State Savings products are offered to personal savers by the NTMA through its agents. An Post has a customer charter which covers the services it provides to the public, including those services it provides on behalf of the NTMA. A separate customer charter has not been put in place for the NTMA.

¹⁶ The NTMA Corporate Strategy is subject to review by the Agency and the Minister.

Governance and Corporate Information

COMMITTEE REPORTS

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee assists the Agency in:

- the oversight of the quality and integrity of the financial statements, the review and monitoring of the effectiveness of the systems of internal control, the internal audit process and the compliance function, and the review and consideration of the outputs from the statutory auditor; and
- the oversight of the Agency's risk management framework including setting risk appetite, monitoring adherence to risk governance and ensuring risks are properly identified, assessed, managed and reported.

In addition, the Committee oversees the internal audit and risk management functions, which are managed on a day to day basis by the Head of Internal Audit and the Head of Risk (Financial, Investment and Enterprise) respectively.

Under its Terms of Reference the Committee is to comprise four members appointed by the Agency from among its members (excluding the Agency Chairperson).

The current members of the Committee are:

- Gerardine Jones (Chairperson)
- Susan Webb
- Rachael Ingle
- Brian O'Kelly

The membership of the Committee in 2019 was:

- Martin Murphy (Chairperson)
- Mary Walsh¹⁷
- Susan Webb

The Committee met formally on seven occasions in 2019. It also held an additional working session to review the financial statements.

Financial Reporting

The Committee reviewed the draft 2019 financial statements and recommended them to the Agency for approval. The review focused on the consistency of approaches across the financial statements, appropriate estimates and judgements, the clarity and completeness of disclosures in line with applicable accounting standards, and relevant provisions of the Code of Practice for the Governance of State Bodies (2016). The Committee also reviewed the Governance Statement and Agency Members' Report, and statements on risk management for inclusion in the Annual Report. As part of its review of the financial statements, the Committee met with representatives of the Office of the Comptroller and Auditor General (the statutory auditor) to discuss its Audit Findings Report.

Internal Control

The Committee reviewed the effectiveness of the system of internal control. It also reviewed the Statement on Internal Control to be included in the 2019 financial statements and recommended it to the Agency. The review was informed by a report from management in relation to the assertions contained in the Statement and also the Committee's detailed work programme, including regular reports from Internal Audit, Risk, Compliance and the Data Protection Officer (DPO).

Internal Audit

The Committee received regular reports from the Head of Internal Audit (the Head of Internal Audit is supported by an external firm, currently KPMG). It reviewed the key findings from the individual internal audit reviews completed under the 2019 risk-based internal audit plan and monitored the implementation of audit recommendations. It approved the 2020 risk-based internal audit plan and updates to the Internal Audit Charter. It also reviewed the effectiveness of the Internal Audit function.

The Committee reviewed and recommended the re-appointment of KPMG as internal audit service provider, arising from the relevant public procurement process for these services. The Agency approved the re-appointment of KPMG at its 9 July meeting.

The Committee met with the Head of Internal Audit without management at least annually.

Statutory Audit

The NTMA's statutory auditor is the Comptroller and Auditor General. The Committee reviewed the external audit plan, the key areas of focus and the audit terms of engagement. It also monitored management's responses to the external auditor's findings arising from the audit of the 2019 financial statements. The Committee meets with the external auditor without management at least annually.

Risk

The Committee reviewed and recommended to the Agency updates to the Risk Management Policy and Framework and to the Risk Appetite Framework. It also approved updates to a number of specific risk policies as provided for under the Risk Management Policy and Framework. It monitored the NTMA's position against its defined risk appetite and approved updates to the suite of key risk indicators. It also approved the annual Risk Management Plan and Terms of Reference of the Enterprise Risk Management Committee.

The Committee reviewed the principal risks faced by the NTMA based on a strategic risk assessment performed twice yearly prior to the review by the Agency. It also reviewed the principal risks of the underlying risk registers and a report under the NTMA's stress testing framework.

¹⁷ Mary Walsh's term expired on 21 December 2019.

The Committee reviewed regular reports from the NTMA's Risk function in relation to financial, investment and enterprise risks. It also reviewed the effectiveness of the Risk function.

The Committee monitored the ongoing implementation of recommendations arising from the 2017/2018 review of the NTMA Risk function which was conducted by an independent third-party. A 2020 independent review of these recommendations was undertaken in Q1 2020.

The Committee carried out a number of other activities including consideration of a number of specific business issues from a risk perspective.

The Committee met with the (Interim) Head of Risk without management at least annually.

Compliance and Protected Disclosures

The Committee reviewed and approved updates to the Reporting of "Relevant Wrongdoing" and Protected Disclosures Policy and other compliance policies as provided for in the Compliance and DPO Framework. It monitored progress against the 2019 Compliance Plan. It also approved a combined 2020 Compliance and DPO Plan and the Compliance and DPO Framework, and received regular reports from the Head of Compliance. The Committee reviewed the effectiveness of the Compliance function.

Other

The Committee reviewed its Terms of Reference and was satisfied that no amendments were required. It conducted an annual self-assessment review and a skills matrix questionnaire in respect of 2019. The Committee members were satisfied that the Committee was working well and identified a small number of minor actions to be undertaken.

The Committee's priorities in respect of 2020 were approved as part of its Work Programme 2020.

INVESTMENT COMMITTEE REPORT

The Investment Committee is a statutory committee provided for by the *National Treasury Management Agency Act, 1990* (as amended).

The Committee assists the Agency in the control and management of the Ireland Strategic Investment Fund by making decisions about the acquisition and disposal of assets within such parameters as may be set by the Agency, advising the Agency on the investment strategy for the Fund and overseeing the implementation of the investment strategy.

The Committee is required to comprise of two appointed members of the Agency and not more than five persons who are not members of the Agency but who have acquired substantial relevant expertise and experience and who are appointed by the Agency with the consent of the Minister for Finance (external members). The Agency has decided that the Committee should have three external members.

The current members of the Committee are:

- Susan Webb, Chairperson (Agency member)

- Martin Murphy (Agency member)
- Richard Leonard (external member) *Company Director and former Partner, Grant Thornton Ireland*
- Mark Ryan (external member) *Company Director and former Managing Director, Accenture Ireland*
- Julie Sinnamon (external member) *CEO, Enterprise Ireland*

Gerardine Jones stepped down as a Committee member on 27 February 2020 having served on the Committee since 29 March 2017. Martin Murphy was appointed to the Committee with effect from 28 January 2020.

The Committee met on 10 occasions in 2019. Its main activities consisted of reviewing and approving investment sub-strategies, considering detailed investment proposals from ISIF management and oversight and monitoring of the ISIF Portfolio. Decisions on investment proposals for Irish Portfolio investments of up to €150m have been delegated to the Committee by the Agency. Where the Committee supports an investment proposal in excess of €150m, it makes a recommendation on the matter to the Agency. Matters considered at Committee meetings in 2019 include:

- Review and approval of a number of Priority Theme sub-strategies in accordance with the Committee's monitoring role of the implementation of the ISIF Investment Strategy 2.0 including (i) Housing; (ii) Indigenous Business; (iii) Regional Development; and (iv) Climate Change.
- The Committee approved 15 investments across the regional, indigenous business, housing and climate change Priority Themes.
- The Committee also actively monitored the near-term investment pipeline in order to provide timely feedback to management on potential investment opportunities.
- On a quarterly basis the Committee formally reviewed and monitored the ISIF's Irish Portfolio; the Portfolio Diversification Framework; the ISIF Global Portfolio Strategy; and the Sustainability and Responsible Investment Strategy.
- Overall ISIF performance, deployment and activity were reviewed at each scheduled Committee meeting.

Information on the ISIF Priority Theme sub strategies and the Fund's investments, performance and economic impact in 2019 is set out in the ISIF Section of this Report.

The Committee reviewed its Terms of Reference and was satisfied that no amendments were required. It also conducted its annual self-assessment evaluation in respect of 2019. The Committee members were satisfied that the Committee was working well and agreed a number of minor enhancements to the process.

The Committee's priorities in respect of 2020 were approved as part of its Work Programme 2020.

Governance and Corporate Information

COMMITTEE REPORTS (CONTINUED)

REMUNERATION COMMITTEE REPORT

The Remuneration Committee assists the Agency through review and approval of the NTMA's overall remuneration policy, review and approval of any performance-related pay schemes operated by the NTMA and approval of the total annual payments to be made under any such schemes. It also makes recommendations to the Agency on the remuneration of the Chief Executive.

Under its Terms of Reference the Committee is to comprise four members appointed by the Agency from among its members including the Agency Chairperson.

The current members of the Committee are:

- Martin Murphy (Chairperson)
- Maeve Carton
- Robert Watt
- Rachael Ingle

Martin Murphy, a member of the Committee was appointed as Chairperson with effect from 28 January 2020. In addition Rachael Ingle was appointed as a Committee member with effect from 28 January 2020.

The Committee met on two occasions in 2019. It reviewed and approved the total amount in performance related payments to be made in respect of 2018.

The Committee reviewed its Terms of Reference and recommended minor amendments to the Agency.

SCA STRATEGY COMMITTEE REPORT

The State Claims Agency Strategy Committee assists the Agency in the performance of its State Claims Agency ("SCA") functions by providing advice and guidance on strategic, policy and certain operational issues. The Committee comprises seven members: two members of the Agency, the Director, SCA and four persons who are not members of the Agency but who have acquired substantial relevant expertise and experience and who are appointed by the Agency with the consent of the Minister for Finance (external members).

The current members of the Committee are:

- Martin Murphy, Chairperson (Agency member)¹⁸
- Derek Moran (Agency member)
- Ciarán Breen (Director, SCA)
- Professor Sir Sabaratnam Arulkumaran (external member) *Professor Emeritus of Obstetrics and Gynaecology at St. George's University of London*
- Tom Beegan (external member) *Risk Consultant and former CEO of the Health and Safety Authority*
- Donogh Crowley (external member) *Former Partner, Arthur Cox Solicitors*
- David Moloney (external member) *Assistant Secretary, Department of Public Expenditure and Reform*

Mary Walsh, who served as the Committee Chairperson since the Committee's establishment in 2017 to end-2019, was replaced by Martin Murphy with effect from 28 January 2020.

During 2019, the Committee's Terms of Reference were reviewed and updated to provide for an enhanced level of oversight by the Committee. These enhanced duties include advice and guidance on certain operational matters such as the SCA component of the NTMA operating budget.

The Committee met six times in 2019. It also held an additional working session to review the SCA operating budget and business unit goals.

At each meeting, the Committee reviewed detailed reports from management on active claims, mass actions, sensitive claims, significant cases or judgments and other current issues. Other matters considered at Committee meetings included:

- The Committee reviewed the cash flow projections for the SCA's indemnity schemes for 2019 and 2020 and an updated projection for 2019, prepared by the SCA's actuaries, LCP.
- The Committee reviewed the strategic approach being taken by the SCA in respect of a number of significant mass actions against the State.
- The Committee discussed the *Patient Safety Bill*, which provides for the use of the NIMS system for mandatory reporting of certain incidents by both the public and private healthcare sectors.
- The Committee received a number of external expert briefings to keep itself in abreast of recent developments and best practice in a number of areas.
- The Committee discussed the SCA's support and sponsorship of the Neonatal Encephalopathy Action Group (NEAG) which was set up to drive an integrated system-wide effort to reduce the risk of the occurrence of cerebral palsy.

It conducted a self-assessment review and a skills matrix questionnaire in respect of 2019. The Committee members were satisfied that the Committee was working well and identified a small number of minor actions to be undertaken.

The Committee's priorities in respect of 2020 were approved as part of its Work Programme 2020.

¹⁸ Appointed as Committee Chairperson with effect from 28 January 2020.