



**Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency**

**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD AT 2.00PM ON 26 JANUARY 2016 AT
TREASURY BUILDING, LOWER GRAND CANAL STREET, DUBLIN 2**

PRESENT: Willie Walsh, Chairperson
Brendan McDonagh
Derek Moran
Martin Murphy
Conor O’Kelly
Mary Walsh
Robert Watt
Susan Webb

APOLOGIES Maeve Carton

IN ATTENDANCE: *Internal*
Adrian O’Donovan, Secretary
Ian Black, Chief Financial and Operating Officer (CFOO)
Andrew O’Flanagan, Chief Legal Officer (CLO)
Ciaran Breen, Director, State Claims Agency (Item 6 only)
Sinead Brennan, Head of HR (Item 7 only)
Breda Macnamara, Head of Compliance (Item 8.3 only)
Alison Hodge, Senior Legal Advisor (Item 8.3 only)

1. NOTICE AND QUORUM

The Chairperson noted that notice of the meeting and of the nature of the business to be conducted had been given to all members entitled to attend the meeting and a quorum was present.

2. DISCLOSURES OF INTEREST

There were no disclosures of interest.

3. MINUTES AND MATTERS ARISING

The minutes of the meeting of 29 November were agreed and signed by the Chairperson.

The Secretary said that the letter on the adoption of the Code of Practice for the Governance of State Bodies had been forwarded to the Department of Finance on 15 December. The other matter arising from the minutes – a presentation by the ISIF team at a meeting in early 2016 to discuss progress to date in more detail given practical experience over the ISIF's first full year of operation – would be an item for the Agency's March strategy session.

4. COMMITTEE REPORTS

4.1 Risk Committee

The Risk Committee Chairperson, Mary Walsh, reported on the Committee meeting held on 19 January. She noted the Committee had reviewed its terms of reference for recommendation to the Agency (this matter would be taken later in the meeting under Agenda Item 8.1).

4.2 Audit Committee

The Audit Committee Chairperson, Martin Murphy, reported on the Committee meeting held on 19 January. He noted the Committee had reviewed its terms of reference for recommendation to the Agency (this matter would be taken later in the meeting under Agenda Item 8.1).

4.3 Investment Committee

The Investment Committee Chairperson, Brendan McDonagh, reported on the Committee meeting held that morning, 26 January and on the meeting held on 2 December 2015 and briefed the Agency on the investment proposals reviewed by the Committee at these meetings. He noted the Committee had reviewed its terms of reference for recommendation to the Agency (this matter would be an agenda item for the Agency's March meeting).

5. CHIEF EXECUTIVE'S REPORT

The Chief Executive presented his report. He updated the Agency on a range of matters including the recent 10 year syndicated bond issuance and developments in the sovereign debt markets generally, NewERA's Portfolio Report on the commercial semi-State bodies within its remit and NewERA stakeholder engagement, the organisational review of the SCA being undertaken in view of the significant expansion of its mandate in recent years and HR developments.

The Agency noted the Chief Executive's Report.

The Agency noted the Report on Delegated Matters Notifiable to the Agency. The Secretary briefed the Agency on two matters that had taken place since the circulation of the Report: the NDFA had provided a Final Value for Money Opinion in respect of the N25 and had also entered into a contract on behalf of the Minister for Education and Skills for advance works in relation to Schools Bundle 5.

6. STATE CLAIMS AGENCY (SCA) UPDATE

The Director, SCA updated the Agency on current issues and activity in the State Claims Agency. He noted that obstetrics remained a key risk focus. He also briefed the Agency on the management of mass actions, the implications for the costs of claims arising from the Court of Appeal judgment in the real rate of return case, the savings accruing to the State from the work of the Legal Costs Unit, particularly in relation to third party costs by persons who attended before tribunals and the key SCA projects for 2016.

The Agency reviewed the issues arising in clinical risk management. The Director, SCA said the SCA was closely engaged with the HSE in this area. He also briefed the Agency on the Legal Services Regulation Act 2015 which made provision for pre-action protocols. The introduction of such protocols should assist in the earlier resolution of clinical cases and a reduction in the number of cases going to court.

7. FEMPI UPDATE

The Chief Legal Officer and the Head of HR presented a paper on the application of FEMPI in the NTMA for noting by the Agency.

The Agency reviewed the meeting paper and following discussion it requested that management update it in due course on the key points therein.

8. GOVERNANCE ITEMS

8.1 Terms of Reference Review (Risk and Audit Committees)

The Secretary said that Agency Committees were required to review their terms of reference at least annually and to recommend any changes they consider necessary to the Agency. A limited number of amendments to the Risk and Audit Committees terms of reference as recommended by the respective Committees at their meetings of 19 January last were proposed in the meeting paper. The Risk Committee may have further recommendations following the completion of its performance review process.

IT WAS RESOLVED that:

- (i) The terms of reference of the Risk Committee be amended as set out at Appendix 1 to the meeting paper;
- (ii) The terms of reference of the Audit Committee be amended as set out at Appendix 2 to the meeting paper; and
- (iii) the Risk Management Policy and Framework be amended to transfer responsibility for the Anti-Fraud Policy from the Audit Committee to the Risk Committee.

8.2 Other Appointments Procedure

The Secretary said that in the paper on the adoption of the Code of Practice for the Governance of State Bodies submitted to the November 2015 meeting, it had been noted that management would revert to the Agency during the first quarter of 2016 on the issue of whether any additional procedures should be put in place to underpin the provision in the Agency's Code of Conduct relating to the consideration of the acceptance of third party roles by current and former Agency or Committee members. A draft procedure in this regard had been circulated with the meeting papers for consideration by the Agency.

The Agency requested that the draft procedure be amended so that it apply to current Agency or Committee members in all cases – rather than only in cases where they believed a potential conflict might arise. The Agency also requested that the views of the external members of the Investment Committee on the draft procedure be sought before it was brought back to the Agency for approval.

8.3 Statutory Obligations Applicable to the NTMA

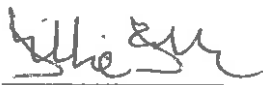
The Head of Compliance noted that one of the requirements of the Code of Practice for the Governance of State Bodies (Section 2.3) was that the Agency should satisfy itself that the statutory obligations applicable to the State Body, i.e. the NTMA, were identified and made known to it. In this regard the NTMA Compliance and Legal Units had prepared a summary of the statutory obligations that applied to the NTMA as had been circulated with the meeting papers.

The Senior Legal Advisor made a presentation to the Agency on these statutory obligations. The Head of Compliance noted that the summary circulated with the meeting papers along with further more detailed information would be made available to the Agency on BoardPad for easy reference.

The Head of Compliance also advised that a compliance assurance framework was being developed to assist the Agency in meeting its obligations under Section 2.3 of the Code of Practice for the Governance of State Bodies.

9. AOB

The Chief Executive updated the members on arrangements for the Agency strategy session on 22/23 March.



Willie Walsh
Chairperson

23 March 2016