



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

**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD ON 26 MAY 2015 AT
TREASURY BUILDING, LOWER GRAND CANAL STREET, DUBLIN 2**

PRESENT: Willie Walsh (Chairperson)
Maeve Carton
Brendan McDonagh
Martin Murphy
Conor O’Kelly
Mary Walsh
Robert Watt
Susan Webb

APOLOGIES: Derek Moran

IN ATTENDANCE: Jim Deery, Secretary
Adrian O’Donovan, Head of Office of the Chief Executive
Andrew O’Flanagan, Chief Legal Officer (CLO)
Ian Black, Chief Financial and Operating Officer (CFOO) (Items 1 to 5 and Item 7 only)
Deirdre Hannigan, Chief Risk Officer (CRO) (Item 4.1 to 4.2 only)
Frank O’Connor, Director FDM (Item 6 only)
Eugene O’Callaghan, Director ISIF (Item 7 only)
Emma Jane Joyce, Senior Manager, ISIF (Item 7 only)
Brian Murphy, Director NDFA (Item 8 only)
Gerard Cahillane, Deputy Director, Head of Operations and Finance, NDFA (Item 8 only)
Steven Burgess, Head of Project Management, NDFA (Item 8 only)

1. NOTICE AND QUORUM

The Secretary confirmed 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 other than the general disclosures previously made by members.

3. MINUTES AND MATTER ARISING

The minutes of the meeting of 24 March 2015 were agreed.

4. COMMITTEE REPORTS

4.1 Audit Committee

4.1.1 The Audit Committee Chairperson, Martin Murphy, reported on the Committee meeting held that morning 26 May.

4.1.2 The Agency reviewed the effectiveness of the systems of internal financial control and, on the advice of the Audit Committee, concluded that they were satisfied as to the effectiveness of these systems.

4.1.3 The Audit Committee Chairperson said that the Committee had recommended the following for approval to the Agency:

- (a) the draft 2014 Financial Statements;
- (b) the draft Statements of Internal Financial Control; and
- (c) draft letters of representation.

4.1.4 **IT WAS RESOLVED** that the above documents (a) – (c) be approved by the Agency noting that minor changes arising as part of the audit completion process would be agreed by the Audit Committee at its meeting on 15 June.

4.1.7 The Audit Committee also recommended the Anti-Fraud Policy and the Protected Disclosures Policy to the Agency for approval. **IT WAS RESOLVED** that the Anti-Fraud Policy and the Protected Disclosures Policy be adopted.

4.2 Risk Committee

4.2.1 The Risk Committee Chairperson, Mary Walsh, reported on the Committee's inaugural meeting held on 19 May.

4.2.2 She said that the Committee had recommended the NTMA Liquidity Policy to the Agency for approval. **IT WAS RESOLVED** that the NTMA Liquidity Policy be adopted.

4.3 Remuneration Committee

4.3.1 The Remuneration Committee Chairperson, Brendan McDonagh, reported on the Committee's inaugural meeting held on 25 May where a number of key remuneration principles were endorsed.

4.3.2 The Agency Chairperson requested that a presentation on the FEMPI legislation as it applied to the NTMA be made to the Agency at a future meeting.

5 CHIEF EXECUTIVE'S REPORT

- 5.1 The Chief Executive presented his report. In relation to debt management he noted that there had been a lot of volatility in the markets in recent weeks leading to illiquidity in the secondary bond market. Irish 10 year yields had doubled in the past 3 weeks. He informed the Agency that BAM PPP PGGM Infrastructure Cooperatie UA had initiated legal proceedings in the High Court against the NTMA and the Minister for Education and Skills in relation to the procurement process for a Public Private Partnership conducted by the NDFA (acting as agent for the Minister). The Chief Legal Officer briefed the Agency on the background to the issue.
- 5.2 The Head of the Office of the Chief Executive said that the Department of Public Expenditure and Reform was preparing guidelines to promote the publication of information held by FOI bodies that might otherwise be the subject of FOI requests. In advance of the publication of these guidelines, it was, subject to Agency agreement, proposed to publish Committee Terms of Reference (Audit Committee, Risk Committee, Remuneration Committee, Investment Committee), Agency Minutes and Chief Executive, Agency and Committee member expenses. The Agency agreed to the publication of these items.
- 5.3 The CFOO presented the NTMA expenditure forecast 2015 to the Agency. The Agency noted the forecast. The CFOO also updated the Agency on the NTMA premises options under consideration.

6. FUNDING AND DEBT MANAGEMENT STRATEGY UPDATE

- 6.1 The Director FDM presented the Debt Strategy Update including the debt profile, approaches to debt management, the short and medium term debt management considerations, and prudential liquidity management including associated cost of carry. The Agency discussed the issues arising in the short and medium term.

7. ISIF INVESTMENT STRATEGY / BUSINESS PLAN

- 7.1 The Director ISIF presented the draft ISIF investment strategy / business plan suite of documents (ISIF Executive Summary, ISIF Overview – Powerpoint Presentation and ISIF Business Plan) to the Agency for approval. He said that the Investment Committee had recommended the strategy for approval to the Agency at its meeting on 1 May 2015. In addition, formal confirmation had been received from the Minister for Finance and Minister for Public Expenditure and Reform that the consultation process, as required by section 40 of the NTMA (Amendment) Act 2014, had been completed.
- 7.2 The Investment Committee Chairperson confirmed that the Investment Committee had recommended the strategy for approval to the Agency at its meeting on 1 May 2015.
- 7.3 **IT WAS RESOLVED** that:
- (a) the ISIF Investment Strategy / Business Plan documentation, as required by section 40 of the NTMA (Amendment) Act, 2014, be adopted; and
 - (b) the ISIF Strategy Executive Summary Document be approved for external publication.

8. NATIONAL DEVELOPMENT FINANCE AGENCY OVERVIEW

- 8.1 The Director NDFA and his team presented an overview of the NDFA's work, including the role and value of public private partnerships (PPPs) within the State's procurement strategy and the NDFA's integrated (finance and project management) model within the NTMA.
- 8.2 The Agency discussed a number of aspects of the presentation including the NDFA's integrated model approach and the extent to which PPPs were likely to be included in the forthcoming Public Capital Programme

9. NTMA ANNUAL REPORTS

- 9.1 The Head of the Office of the Chief Executive briefed the Agency on the proposed process for the review and approval of the NTMA Annual Report 2014, the NDFA Report 1 January 2014 to 26 January 2015 and the Carbon Fund Report 2014. He noted that the Carbon Fund had not engaged in any purchasing of carbon credits since 2009.
- 9.2 **IT WAS RESOLVED** that the following process be adopted for the review and approval of the annual reports:
- (a) Members will review the draft reports (circulated separately from these papers) and revert to the Secretary with any comments, amendments or queries by close of business on Friday 5 June.
 - (b) Any material amendments proposed will be circulated to members of the Agency by Tuesday 9 June.
 - (c) Subject to no further material amendments being proposed by Agency members, the reports will be considered finalised on close of business on Friday 12 June – other than minor drafting amendments, updating of figures, correction of errors and any necessary changes for post-balance sheet events.
 - (d) Any further material amendments received by the Secretary before close of business on 12 June will be circulated to Agency members for agreement as soon as possible with the aim of finalising the reports by close of business on Tuesday 16 June at the latest.

10 A.O.B

The Agency agreed to hold a meeting by conference call on 14 July at 2.00pm.

Willie Walsh
Chairperson

14 July 2015