



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

**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD AT 10.30AM ON 23 MARCH 2016 AT
TREASURY BUILDING, LOWER GRAND CANAL STREET, DUBLIN 2**

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

IN ATTENDANCE: Adrian O'Donovan, Secretary (except Item 9)
Ian Black, Chief Financial and Operating Officer (CFOO) (except Item 9)
Andrew O'Flanagan, Chief Legal Officer (CLO) (except Item 9)

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

For the purposes of Section 13A of the National Treasury Management Agency Act 1990 (as amended) and Section 17 of the Ethics in Public Office Act 1995, the members each declared that they had no interest in the business to be transacted at the meeting.

3. MINUTES AND MATTERS ARISING

The Chairperson noted that draft minutes of the meeting of 26 January 2016 had been circulated to the members in advance of the meeting. **IT WAS RESOLVED** that the minutes be approved and that they be signed by the Chairperson.

There were no matters arising from the minutes.

4. COMMITTEE REPORTS

4.1 Audit Committee

4.1.1 Audit Committee Report

The Audit Committee Chairperson, Martin Murphy, reported on the Committee meeting held on 16 March. He said the Committee had completed a detailed review of the draft financial statements. The financial statements would be presented to the Committee in May for final review and recommendation to the Agency.

The Audit Committee Chairperson said the Committee had reviewed and were satisfied as to the effectiveness of the systems of internal financial control and had reviewed the Statements of Internal Financial Control. These items would be reviewed by the Agency at its May meeting.

4.1.2 Approval of Format of Financial Statements (FRS 102)

The Audit Committee Chairperson said the Office of the Comptroller and Auditor General had recommended that State bodies prepare their 2015 financial statements in accordance with FRS102 (the new Irish GAAP accounting framework). This item had been considered by the Committee and the Committee was recommending the adoption of the FRS102 accounting framework for the financial statements of the NTMA Administration Account and the Ireland Strategic Investment Fund. The Audit Committee Chairperson noted that changes to the format of the financial statements require Ministerial consent. This would be sought prior to the Agency's May meeting.

IT WAS RESOLVED that the FRS102 financial reporting framework be adopted for the financial statements of the NTMA Administration Account and the Ireland Strategic Investment Fund for the year-ended 31 December 2015 and subsequent years.

4.2 Risk Committee

The Risk Committee Chairperson, Mary Walsh, reported on the Committee meeting held on 16 March. She noted the Committee had approved the NTMA Investment Risk Policy which applied particularly to the investment activities of the ISIF and, where applicable, to the NTMA in general. The Policy outlined the processes, controls and responsibilities which form the basis for the assessment, management, monitoring and reporting of investment related risks which may arise from the activities of various NTMA business units.

The Risk Committee Chairperson added that the Committee had agreed a process to review the draft risk disclosure notes in the 2015 financial statements related to the National Debt and the Ireland Strategic Investment Fund.

4.3 Investment Committee

The Investment Committee Chairperson, Brendan McDonagh, reported on the Committee meeting held that morning, 23 March, and on the meeting held on 25 February. He briefed the Agency on the investment proposals reviewed by the Committee. He noted the Committee had reviewed the ISIF Responsible Investment Policy and was recommending the policy to the Agency (this matter would be an agenda item for the Agency's May meeting).

Arising out of the ISIF discussion at the Agency strategy session the previous day, 22 March, the Agency discussed the ISIF investment strategy. It was noted that a formal review of the investment strategy was scheduled to take place in the second half of 2016. The Agency agreed that consideration of the wider investment mandate should form part of that review.

4.4 Remuneration Committee

The Remuneration Committee Chairperson, Brendan McDonagh, reported on the Committee meeting held on 22 March. He said the Committee had reviewed and approved a formal NTMA Remuneration Policy and outlined the main features of the policy. He advised the Agency of the total aggregate amount in performance related payments approved by the Committee for payment in 2016 in respect of performance in 2015 and the parameters for these payments as set out in the Remuneration Policy.

5. CHIEF EXECUTIVE'S REPORT

The Chief Executive presented his report. He briefed the Agency on the outcome of the February bond auction and the two recent credit rating upgrades. He also updated the Agency on the ISIF commitment to the Glanbia Milkflex Agriloan Fund, the significant volume of work NewERA continued to receive in relation to bodies not formally designated under the NewERA legislation, the Commercial Court hearing on the Grangegorman/DIT PPP Project and on recent developments in the State Claims Agency.

The Agency noted the Chief Executive's Report.

The Agency noted the Report on Delegated Matters Notifiable to the Agency.

6. NTMA CORPORATE STRATEGY 2016-2018

The Chief Executive noted that the draft Corporate Strategy had been considered in detail at the Agency strategy session the previous day. The purpose of formally tabling it on the meeting agenda was to provide an opportunity for the inclusion of any additional comments members may have and to ensure that the Agency was satisfied for the draft Strategy to be sent to the Minister for his views at this stage.

The Agency agreed that, subject to reflection of a number of comments and observations, it was satisfied for the submission of the draft Corporate Strategy to the Minister for Finance for his views.

7. GOVERNANCE ITEMS

7.1 Other Appointments Procedure

The Secretary said that – as requested by the Agency at its January meeting – he had sought the views of the external members of the Investment Committee on the draft Other Appointments Procedure. The draft procedure was reviewed by the Investment Committee at its meeting of 22 February. The Committee members were satisfied with the draft procedure as presented to the Committee and no amendments were proposed.

IT WAS RESOLVED that the Other Appointments Procedure as presented to the Agency be approved.

7.2 Investment Committee

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. The Investment Committee's terms of reference had been recently amended in September 2015. A limited number of additional amendments as recommended by the Investment Committee at its meeting of 26 January were proposed in the meeting paper.

IT WAS RESOLVED that the terms of reference of the Investment Committee be amended as presented to the Agency.

7.3 Training and Development

The Agency noted the guidance paper setting out the training and development supports available to members and the processes in relation to same.

7.4 Board and Committee Self Evaluation Process.

The Secretary updated the Agency on the Board and committee self-evaluation process. It was planned to carry out the Audit Committee, Risk Committee and Investment Committee self-evaluations in April and May. It was planned to carry out the Agency evaluation in June and July. The Agency was satisfied to proceed on this basis.

8. AOB

The Secretary noted that Damen Mulholland had joined the NTMA as Assistant Agency Secretary and would be part of the team providing secretariat services to the Agency and its Committees. The Chief Executive said that he was nominating Damien Mulholland as Secretary to the Audit Committee and Risk Committee. This was agreed by the Agency.

9. AGENCY PRIVATE SESSION

The Agency members met in private session without management or the Secretary present and discussed a number of sensitive medium-term HR issues.



Willie Walsh
Chairperson

24 May 2016