



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

**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD VIA VIDEO CONFERENCE AT 13.55PM ON 14 JULY 2020 AT
TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

PRESENT: Maeve Carton, Chairperson
Brian O'Kelly
Conor O'Kelly
Gerardine Jones
Martin Murphy
Rachael Ingle
Robert Watt
Susan Webb

APOLOGIES: Derek Moran

IN ATTENDANCE: Elaine Hudson, Secretary
Ian Black, Chief Financial and Operating Officer (CFOO)
Susan O' Halloran, Chief Legal Officer (CLO)
Sinéad Brennan, Chief People Officer (Item 4 only)
John O'Donovan, Head of ICT (Item 5 only)
Jim Deery, Senior Manager, Corporate Strategy, Planning and Development (Item 6 only)
Eugene O'Callaghan, Director, ISIF (Items 7 and 9.3 only)
Donal Murphy, Senior Investment Director, ISIF (Item 7 only)
Frank O'Connor, Director, FDM (Item 8 only)
David Purdue, Senior Economist, FDM (Item 8 only)
Ciarán Breen, Director, SCA (Item 9.2 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

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, there were no material interests declared by members 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 May 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.

The Agency noted the status of items arising from the minutes as circulated in the paper.

4. CHIEF EXECUTIVE'S REPORT

The Chief Executive presented his Report. He provided a brief update on the funding position noting that following the triple auction on 9 July, the NTMA had issued €20 billion of benchmark bonds in 2020 leaving it well placed in terms of the revised 2020 Funding target approved by the Board in April 2020. The Chief Executive noted that the General Court of the European Union was expected to give its judgment in the Apple case on 15 July and outlined the likely next steps. **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.** The Chief Executive briefed the Agency on, amongst other things, the ISIF's year to date investment performance, Brexit preparedness, and the implications for NTMA of the recently announced Programme for Government. The proposed retirement of the Head of Compliance was also noted.

This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.

4.1. H1 2020 Expenditure Outturn and Full Year Forecast 2020

The Agency noted the NTMA Administration Account and Ireland Strategic Investment Fund ("ISIF") 2020 expenditure out-turn for H1 2020 and full year forecast for 2020 versus budget.

5. ICT STRATEGY AND STRUCTURE REVIEW

The Head of ICT presented an overview of ICT's response to the Covid-19 crisis and support of continued business operations. He also briefed the Agency on the ICT Interim Strategy for 2020, which focussed on ICT adaptability and flexibility to support changing business needs, and the longer term ICT Strategy, including sub-strategies for Data and Analytics, Cloud and Cyber, to deliver innovative and secure technologies aligned to NTMA business objectives. He noted that the ICT Organisational structure as against EY recommendations in 2017 was addressed in the Appendix to the paper.

The Agency discussed the overview, noting, *inter alia*, that the Interim ICT Strategy set the foundation for the Strategy for the 2021 to 2024 period, with projects being prioritised in accordance with the EY Project Prioritisation process. In response to a question from the Agency, the Head of ICT noted that the key recommendations of the EY Review were substantially complete with some further follow up in respect of data analytics and customer actions in progress. In response to a query on the NTMA's response to incremental cyber threats arising from remote working, the Head of ICT noted that phishing was a constant threat and regular communications and training was provided to staff. The Agency requested further information in relation to systems hosted in the cloud versus on-premises and an overview of the key priority ICT projects over the coming years to be brought back to it [Action].

6. SHARED SERVICE PROVISION **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

The Chief Executive and Senior Manager, Corporate Strategy, Planning and Development presented the paper to the Agency which noted, *inter alia*, the Agency's over-arching responsibility for the NTMA's provision of business and support services and systems by the NTMA corporate functions (ICT, Finance, Facilities, HR, Legal, Audit and Compliance) to NTMA affiliate entities (NAMA, SBCI and HBFI). The Agency noted the significant interactions with and quantum of work undertaken by the corporate functions in relation to NTMA's sister organisations.

The Agency discussed the proposed approach and, in particular a proposal for a Memorandum of Understanding to supplement the existing Service Level Agreements. The Agency agreed that the time was appropriate to review and implement updated governance arrangements in relation to the NTMA shared services model as proposed in the paper.

7. INVESTMENT STRATEGY IN RELATION TO THE PANDEMIC STABILISATION AND RECOVERY FUND (PSRF)

The Director, ISIF and Senior Investment Director presented the draft Investment Strategy for the PSRF for review and approval. **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.** He advised that finalisation of the Strategy was subject to completion of the formal consultation process with the Minister for Finance and Minister for Public Expenditure and Reform.

The Investment Committee Chairperson noted that, as set out in the Investment Committee Report, the Committee had reviewed a number of iterations of the Strategy and was recommending it to the Agency.

The Agency discussed the flexibility inherent in the Strategy and the safeguards in respect of potential risks arising from same. **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.** The Agency discussed a number of aspects of the Strategy including, amongst other things, the most likely sectors for investment, ISIF's expected position in the capital structure of investee companies and indirect investment through funds. It was noted that the viability criterion would be applied rigorously in relation to Stabilisation and Recovery phases. The Agency discussed the enhanced governance arrangements and the processes and procedures in place to ensure consistency of both acceptance and decline of proposals.

On the recommendation of the Investment Committee, **it was resolved** by the Agency that the Investment Strategy in respect of the Pandemic Stabilisation & Recovery Fund (PSRF) (as set out in Section 2 of the Framework document) be approved, subject to completion of the formal consultation process with the Minister for Finance and Minister for Public Expenditure and Reform as required by Section 40 of the National Treasury Management Agency (Amendment) Act 2014.

8. MARKET UPDATE

The Agency noted the report as presented. The Senior Economist outlined his outlook for the economy noting that nascent signs of recovery were welcome, **This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.**

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9. COMMITTEE REPORTS

9.1. Audit & Risk Committee Report

The Audit & Risk Committee Chairperson, Gerardine Jones, presented the report of the Committee meeting held on 2 July. She noted that the Committee was briefed on the proposed approach to integrated assurance and monitoring which would inform the various 2021 work plans for the Risk, Compliance and Internal Audit functions and serve to identify any current duplications or gaps.

This is redacted in part pursuant to Section 30(1)(b) of the FOI Act 2014.

9.2. SCA Strategy Committee Report

The SCA Strategy Committee Chairperson, Martin Murphy, presented the report of the Committee meeting held on 17 June. He advised that the Committee had been briefed on the estimated Incurred But Not Reported (IBNR) liabilities (end 2019) and draft cash flow projections for 2020 by the SCA's actuaries. The Committee Chairperson informed the Agency that the Committee received updates in relation to Covid 19 impacts and on progress with respect to the National Neonatal Encephalopathy Action Group (NNEAG) recommendations. The Director, SCA provided a brief update on the BreastCheck litigation and on work in relation to a draft Heads of Bill to establish the SCA as a separate statutory body. The Agency discussed the merits of the introduction of the Pre-Action Protocol, in respect of clinical negligence cases, and the current impediments to its immediate implementation.

9.3. Investment Committee Report

The Investment Committee Chairperson, Susan Webb, presented the report of the Committee meetings held on 4, 11, 18, 25 June and 6 July. She noted that the Committee had discussed the Investment Strategy in respect of the PSRF, and the PSRF Framework document at numerous meetings, providing feedback in relation to PSRF Investment Principles and Process and the PSRF Clearing Committee Terms of Reference.

10. GOVERNANCE ITEMS

10.1. SCA Committee Membership

The SCA Strategy Committee Chairperson presented a paper to the Agency proposing the reappointment of existing external members of the SCA Strategy Committee whose current appointments expired in 2020; the delegation to the Remuneration Committee of the authority to approve the appointment of up to two additional external members to the Committee to add additional, complementary skills and improve its gender balance and to approve the fee for same which was unchanged (as previously agreed with the Minister for Finance pursuant to section 5B(6) of the NTMA Act 1990 (as amended)).

It was **resolved by the Agency**:

- i. that the following re-appointments be made to the SCA Strategy Committee:
 - a) Derek Moran be re-appointed for a period of 3 years with effect from 1 August 2020, or until he is no longer an Agency member (whichever was the earlier);
 - b) Sabaratnam Arulkumaran, Tom Beegan and Donogh Crowley be re-appointed for a period of 3 years with effect from 1 August 2020; and
 - c) David Moloney be re-appointed for a period of 3 years with effect from 1 December 2020;
- ii. that an annual fee of €12,500 be paid to the external Committee members who were not Agency members or employees of the Agency (with the exception of David Moloney who, as a public servant, was not to be remunerated for his Committee membership);
- iii. that the authority to approve the appointment of one or two additional external members to the SCA Strategy Committee be delegated to the Remuneration Committee.

For the avoidance of doubt, the (re)appointments referred to in (i) and (iii) above to remain in place until the expiry of the respective terms of appointment or the date of dissolution of the Committee (whichever was earlier).

10.2. Other Appointments Procedure

The Agency noted the procedure including the small number of non-material changes tracked therein. **It was resolved** by the Agency that the updated *Other Appointments Procedure* as presented to the Agency be approved.

10.3. Agency Work Programme 2020 – Mid Year Review

The Agency noted progress to date against the approved Agency work programme for 2020 noting that progress versus the full year work programme would be presented at the November meeting.

11. DELEGATED MATTERS NOTIFIABLE TO THE AGENCY

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

12. AOB

There being no other items under AOB, the Chairperson brought the meeting to a close.