



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

**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD AT 2.00PM ON 24 NOVEMBER 2015 AT
TREASURY BUILDING, LOWER GRAND CANAL STREET, DUBLIN 2**

PRESENT: Maeve Carton
Brendan McDonagh
Martin Murphy
Conor O'Kelly
Mary Walsh
Robert Watt
Susan Webb

APOLOGIES Willie Walsh, Chairperson
Derek Moran

IN ATTENDANCE: *Internal*
Adrian O'Donovan, Secretary
Ian Black, Chief Financial and Operating Officer (CFOO)
Andrew O'Flanagan, Chief Legal Officer (CLO)
Deirdre Hannigan, Chief Risk Officer (CRO) (Items 1 to 4.1 only)
Frank O'Connor, Director, Funding and Debt Management (Item 6 only)
Jim Deery, Senior Manager, Corporate Development (Item 7 only)
Brian Murphy, Director, NDFA (Item 7 only)
Breda Macnamara, Head of Compliance (Item 8 only)

External
Andy Harkness, Secretary and Director of Audit, Office of the C&AG (Item 4.2 only)
Orla Duane, Deputy Director, Office of the C&AG (Item 4.2 only)

1. MEETING CHAIRPERSON, NOTICE AND QUORUM

In the absence of the Chairperson, the members present agreed that Brendan McDonagh would be chairperson of the meeting.

The meeting 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

The minutes of the meeting of 29 September were agreed and signed by the meeting chairperson.

4. COMMITTEE REPORTS

4.1 Risk Committee

The Risk Committee Chairperson, Mary Walsh, reported on the Committee meeting held on 17 November. She said that the Committee had reviewed the Risk Appetite Framework and recommended its adoption by the Agency.

The Chief Risk Officer presented the Risk Appetite Framework, as recommended by the Risk Committee, to the Agency. The Committee discussed the Framework and agreed that it presented a clear approach to defining the levels of risk the NTMA is willing to accept to deliver its strategic objectives and stakeholder mandates

IT WAS RESOLVED that the Risk Appetite Framework, as recommended by the Risk Committee, be adopted.

4.2 Audit Committee

The Audit Committee Chairperson, Martin Murphy, reported on the Committee meeting held on 17 November. He also said he had asked Andy Harkness (Secretary and Director of Audit at the Office of the C&AG) to make a presentation to the Agency on the C&AG's role and mandate.

Andy Harkness and Orla Duane of the Office of the C&AG joined the meeting. They presented on the C&AG's mission, role under the Constitution, the public audit cycle and their relationship with the Public Accounts Committee. They also elaborated on their role in relation to the NTMA and the conduct of the NTMA audit.

4.3 Investment Committee

The Committee Chairperson, Brendan McDonagh, reported on the Committee meeting held that morning, 24 November.

Arising out of the Committee Chairperson's report, the Agency discussed progress to date in the implementation of the ISIF Investment Strategy. It agreed that it would be useful if the ISIF team presented to the Agency 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.

5. CHIEF EXECUTIVE'S REPORT

The Chief Executive presented his report. He updated the Agency on a range of issues including the improving trend in the debt profile, investor and stakeholder relations initiatives, and the implications for the costs of claims arising from the Court of Appeal judgment in the real rate of return case.

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

6. FUNDING PLAN 2016

The Director, Funding and Debt Management presented the 2016 Funding Plan. The Agency reviewed the Plan and, in particular, the maturities and types of instrument it was planned to issue in 2016, the implications of the Plan for longer-term funding strategy and the appropriate level of prudential cash balances.

IT WAS RESOLVED that the 2016 Funding Plan be approved – management are required to revert to the Agency in the event of any material deviation from the Plan.

7. UPDATE ON THE TRANSFER OF NDFA'S PROCUREMENT AND PROJECT MANAGEMENT FUNCTIONS TO TRANSPORT INFRASTRUCTURE IRELAND

The Senior Manager, Corporate Strategy and Development updated the Agency on the transfer of the NDFA's PPP procurement and project management functions to Transport Infrastructure Ireland. He noted that the NTMA was represented on an Inter-Departmental Implementation Group established to progress and oversee the transfer. Management would continue to keep the Agency informed as the work of the Implementation Group progressed.

8. CODE OF PRACTICE FOR THE GOVERNANCE OF STATE BODIES

The Secretary presented the paper on the Code of Practice for the Governance of State Bodies (the Code). The Code allowed for suitable adaptation of its application in certain circumstances. It was proposed that the Agency adapt the application of the Code as set out in the draft letter to the Department of Finance which it was proposed to issue on behalf of the Agency.

The Agency discussed the Code and reviewed its proposed adaptation. It noted that a number of measures had already been put in place since the reconstitution of the Agency to ensure compliance with the provisions of the Code and that the proposed adaptation was in a limited number of circumstances only.

The Secretary presented additional procedures related to the Code on (i) keeping the Minister for Finance advised of matters arising in respect of the Agency; (ii) seeking of independent professional advice by members, and (iii) disclosure of interests, in respect of which Agency approval was required.

IT WAS RESOLVED that:

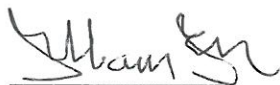
- (i) the Code of Practice for the Governance of State Bodies (adapted to the NTMA's circumstances as set out in the draft letter to the Department of Finance presented to the Agency) be adopted, and the issue of the letter to the Department of Finance be approved; and
- (ii) the procedures for:
 - (a) keeping the Minister advised of matters arising in respect of the Agency;
 - (b) the seeking of independent professional advice by members; and
 - (c) disclosure of interests;as presented to the Agency be approved.

With regard to Disclosure of Interests requirements, the Head of Compliance noted that under the Ethics Acts, members' annual statements of interests were furnished to the Standards Commission and to the Agency Chairperson. The Agency Chairperson was the designated officer of the NTMA for the purpose of the Ethics Acts. However, in the case of the Chairperson, the annual statement of interests was furnished to the nominated member of the Agency. It was a matter for the Agency to decide who this nominated member should be. **IT WAS RESOLVED** that the Chairperson of the Audit Committee be the nominated member for this purpose.

The Chief Legal Officer said that management had previously undertaken to revert to the Agency on the level of cover under the NTMA's Directors' and Officers' (D&O) liability Insurance policy and the requirement for the policy in the context of the indemnification provisions of the NTMA (Amendment) Act 2014. It was proposed to retain D&O insurance cover at the current level provided that the cover can be renewed at an acceptable cost (as approved by the Chief Executive). The Agency approved this approach.

9. AOB

There were no items under AOB.



Willie Walsh
Chairperson

26 January 2016