

GOVERNANCE STATEMENT AND AGENCY MEMBERS' REPORT

The Agency (Board) has over-arching responsibility for all of the NTMA's functions (excluding the National Asset Management Agency (NAMA), the Strategic Banking Corporation of Ireland (SBCI) and Home Building Finance Ireland (HBFI) which have their own separate boards) under the *National Treasury Management Agency Acts, 1990 to 2014*. The Agency is accountable to the Minister for Finance. In the performance of its duties, the Agency focuses on providing strategic direction and oversight to the organisation and ensuring that there are appropriate controls in place, while delegating operational matters to management. It seeks to support and challenge management in the achievement of the NTMA's goals and in fostering a corporate culture that will contribute to the delivery of these goals. The regular day-to-day management, control and direction of the NTMA are the responsibility of the Chief Executive and the Executive Management Team. The Chief Executive and the Executive Management Team must follow the broad strategic direction set by the Agency and must ensure that all Agency members have a clear understanding of the key activities and decisions related to the NTMA and of any significant risks likely to arise. The Chief Executive acts as a direct liaison between the Agency and management of the NTMA.

Agency Responsibilities

The NTMA's functions are vested in the Agency, which may delegate functions to the Chief Executive. There is a formal schedule of matters reserved for decision by the Agency. This schedule includes approval of the following:

- Annual Report and Financial Statements;
- Risk Management Policy and Framework;
- Corporate Strategy and Business Unit and Corporate Function Goals (including annual targets);
- Operating budget;
- Remuneration of Chief Executive (after consultation with the Minister);
- Overall remuneration policy;
- Exchequer Funding Plan;
- Interest rates and purchase limits applicable to State Savings products and any material changes to same;
- ISIF Investment Strategy;
- ISIF Irish Portfolio investments above €150m (investment decisions of up to €150m are delegated to the Investment Committee);
- Key terms of contracts for professional and operating services and NTMA capital expenditure over €5m, with a limited number of exceptions; and
- National Surplus (Exceptional Contingencies) Reserve Fund Annual Investment Plan and any amendments.

The Agency is required by the *National Treasury Management Agency Acts, 1990 to 2014* and the *Dormant Accounts Acts, 2001 to 2012* to prepare financial statements in respect of its operations for each financial year. In preparing these financial statements, the Agency:

- selects suitable accounting policies and applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- prepares the financial statements on a going concern basis unless it is inappropriate to do so; and
- discloses and explains any material departure from applicable accounting standards.

The Agency is responsible for keeping in such form as may be approved by the Minister for Finance all proper and usual accounts of all monies received or expended by it and for maintaining accounting records which disclose, with reasonable accuracy at any time, the financial position of the Agency, its funds and the National Debt.

The Agency is responsible for approving the NTMA expenditure budget and corporate strategy, including Business Unit and Corporate Function Goals. Emerging out-turns against budget and goals are reviewed by the Agency during the year and at year-end.

The Agency is also responsible for safeguarding assets under its control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Agency considers that the financial statements of the NTMA properly present the financial performance and the financial position of the NTMA as at 31 December 2023.

Agency Structure

The Agency consists of nine members. Six members, including the Chairperson, are appointed by the Minister for Finance. The Chief Executive of the NTMA and the Secretaries General of the Departments of Finance and Public Expenditure, NDP Delivery and Reform are ex officio members of the Agency. The term of office of an appointed member is five years. Details of the current members and their appointment periods are set out on pages 60-61.

The Agency has established a number of committees to assist it in discharging its responsibilities, each with a formal Terms of Reference. In 2023, the committees included:

- Audit and Risk Committee;
- Investment Committee;
- Remuneration Committee;
- State Claims Agency (SCA) Advisory Committee²³.

For further information on the activities of the Agency's Committees in 2023, see Committee Reports, pages 69-73.

The Agency conducted an internal self-assessment evaluation of its performance in respect of 2023. Arising from the evaluation process, a small number of actions were identified to be undertaken during the year.

The Agency is supported in its functions by the Agency Secretary who co-ordinates the operation of the various Agency Committees, each of which is supported by the Agency Secretariat team.

Gender Balance in the Board Membership

As at 31 December 2023, the Board had four (44%) female and five (56%) male members, with no positions vacant. Following expiry of the term of office of the female former Agency Chairperson and a male Agency member, and the new appointment of two female Agency members in December 2023, the Board meets the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

Key Personnel Changes

Rachael Ingle was appointed Agency Chairperson with effect from 22 December 2023, following the expiry of Susan Webb's term of appointment on 21 December 2023.

Martin Murphy's second term as a member of the Agency expired on 21 December 2023.

Myra Garrett and Fiona Ross were appointed as Agency members with effect from 22 December 2023.

Oonagh Kelly, former Head of HR in New Ireland Assurance, was appointed Chief People Officer with effect from 9 October 2023.

²³ Following a strategic review the SCA Strategy Committee was dissolved by the Agency with effect from 28 February 2023 – no meetings of this Committee were held in 2023. The SCA Advisory Committee was established with effect from 1 October 2023.

GOVERNANCE STATEMENT AND AGENCY MEMBERS' REPORT (CONTINUED)

Schedule of Attendance, Fees and Expenses

A schedule of attendance at Agency and Committee meetings during 2023 is set out below including the fees and expenses received by each member in their capacity as an Agency or Committee member.

	Agency	Investment Committee	Audit and Risk Committee	Remuneration Committee	SCA Strategy Committee	SCA Advisory Committee	Fees 2023 €	Expenses 2023 €
Number of Meetings	8	13	8	5	0	1		
Agency Members								
Susan Webb	8			5			43,767	-
John Hogan	7						-	
Rachael Ingle	8	13		5			30,411	
Gerardine Jones	8		8	5			30,000	
John McCormick	8	0/0(p)	8	0/0(p)			30,000	5,605
David Moloney	4						-	
Martin Murphy	8	13					29,178	
Brian O'Kelly	7		8			1	30,000	
Fiona Ross	0/0(p)	0/0(p)					822	
Myra Garrett	0/0(p)		0/0(p)			0/0(p)	822	
Frank O'Connor	8						-	
Total							195,000	5,605
Other Members								
Richard Leonard		12					20,000	7,350
Mark Ryan		13					20,000	
Julie Sinnamon		13					20,000	
Sabaratnam Arulkumaran					0/0(p)	1	5,208	218
John Eves						1	3,125	
Caroline Crowley						1	3,125	
Greg Dempsey						1	-	
Tom Beegan					0/0(p)		2,083	-
Ciarán Breen					0/0(p)		-	-
Donogh Crowley					0/0(p)		2,083	-
Kerry McConnell					0/0(p)		2,083	-
Julie O'Neill					0/0(p)		2,083	-
Total							79,790	7,568

(p) refers to the number of meetings it was possible to attend.

The Minister for Finance determines the level of remuneration of appointed members of the Agency. The remuneration attached to the position of Chairperson is €45,000 per annum and the remuneration of other appointed members is €30,000 per annum. The ex officio members (Frank O'Connor, John Hogan and David Moloney) do not receive any remuneration in respect of their membership of the Agency.

Remuneration of external members of the Investment Committee is determined by the Agency with the consent of the Minister for Finance. Remuneration of external members of the State Claims Agency Advisory Committee and State Claims Agency Strategy Committee was also determined by the Agency with the consent of the Minister for Finance. External members of the Investment Committee receive remuneration of €20,000 per annum and external members of the State Claims Agency Advisory Committee and State Claims Agency Strategy Committee received remuneration of €12,500 per annum. Greg Dempsey,

appointed to the State Claims Agency Advisory Committee, in his capacity as a public servant, did not receive any remuneration in respect of his Committee membership. Agency members and members of staff of the NTMA do not receive any additional remuneration in respect of membership of these committees.

Employees and Remuneration

The NTMA executes its mandates through five business units: Funding and Debt Management, Ireland Strategic Investment Fund, National Development Finance Agency, NewERA and the State Claims Agency. The NTMA's business units are supported by its corporate functions which provide services across Finance, Operations, Information and Communications Technology, Risk, HR, Legal, Compliance, Secretariat, Communications and Internal Audit.

A number of NTMA employees are on secondment to the Department of Finance. This has been in place since 2011 when delegation of banking system functions oversight at the NTMA ended and this activity moved directly back to the Department of Finance.

The NTMA assigns employees and provides business and support services and systems to NAMA, SBCI and HBFI. NAMA, SBCI and HBFI are independent entities with separate boards. NAMA, SBCI, and HBFI reimburse the NTMA on a cost recovery basis for these services (including employee costs).

The NTMA had 629²⁴ employees at end-2023, excluding employees assigned to NAMA, SBCI and HBFI. 92²⁵ employees were assigned to NAMA, 44²⁶ employees were assigned to the SBCI and 36 employees were assigned to HBFI.

The NTMA's remuneration model is based on confidential, individually negotiated employment contracts, with competitive, market-aligned remuneration. The typical remuneration package comprises a fixed base salary, pension entitlement and provision for discretionary performance-related pay. In a limited number of cases other allowances or benefits are paid.

The NTMA's objective is to ensure that its remuneration arrangements facilitate it in attracting, developing and retaining high performing and motivated employees, with appropriate skills and experience. This is to ensure that the NTMA can fully carry out its statutory functions in an effective and efficient manner, while complying with applicable law. It aims to operate a remuneration system which:

- allows the NTMA to compete effectively in the labour market and to recruit and retain high calibre employees;
- reflects the NTMA's objectives for good corporate governance;
- manages remuneration in an appropriate manner and encourages a high level of performance; and
- is consistent with and promotes sound and effective risk management.

Discretionary performance-related payments are intended to reward exceptional performance having regard to the employee's own performance, the performance of the employee's area of responsibility, and the overall performance of the NTMA. Performance-related payments are made in accordance with parameters approved by the Agency's non-executive Remuneration Committee. The overall amount of performance-related payments made in respect of any year is also subject to the approval of the Remuneration Committee.

The NTMA made performance-related payments to 262 employees in 2024 in respect of 2023. These payments, in aggregate, totalled €2,250,600. The highest individual payment was €30,000; the lowest individual payment was €1,000.

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €50,000 in relation to services rendered during 2023 are categorised into the following bands:

Range	No of Employees
€50,001 to €75,000	147
€75,001 to €100,000	138
€100,001 to €125,000	66
€125,001 to €150,000	39
€150,001 to €175,000	34
€175,001 to €200,000	23
€200,001 to €225,000	14
€225,001 to €250,000	2
€250,001 to €275,000	0
€275,001 to €300,000	2
€300,001 to €325,000	1
€325,001 to €350,000	2
€350,001 to €375,000	0
€375,001 to €400,000	2
€400,001 to €425,000	0
€425,001 to €450,000	0
€450,001 to €475,000	0
€475,001 to €500,000	1

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during 2023 include salary, other taxable benefits paid to employees and other payments made on behalf of employees (including performance-related payments) but exclude employer's PRSI.

24 On a whole time equivalent basis (rounded to nearest whole number).

25 On a whole time equivalent basis (rounded to nearest whole number).

26 On a whole time equivalent basis (rounded to nearest whole number).

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Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Agency is responsible for ensuring that the NTMA has complied with the requirements (as adapted) of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform²⁷ in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown

See Employees and Remuneration on page 65.

Consultancy Costs

Consultancy costs incurred by the NTMA in the performance of its mandates are set out in the Financial Statements: NTMA Administration Account, SCA Financial Statements and ISIF Financial Statements.

Legal Costs and Settlements

For the purposes of the Code disclosure requirement, there was no relevant expenditure incurred in 2023.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

Range	2023 €000	2022 €000
Domestic		
Board/Committee*	21	12
Employees	267	204
International		
Board/Committee	-	-
Employees	389	298
	677	514

*Includes travel and subsistence of €13,173 paid directly to Board/Committee members in 2023. The balance (€7,981) relates to Board and Investment Committee offsite meetings and hospitality.

Hospitality Expenditure

The Statement of Income and Expenditure and Other Comprehensive Income includes €130,940 (2022: €125,432) in respect of staff hospitality expenditure.

Statement of Compliance

The NTMA has complied in all material respects with the Code with a number of specific adaptations/variations/non-applications which have been agreed with the Minister for Finance as summarised below. These adaptations primarily reflect the fact that the NTMA, the expenses of which are a charge on the Central Fund²⁸, performs a range of market facing functions and was deliberately structured to have the operational flexibility to act commercially in performing these functions.

Approval of Contracts

The Code recommends that the Schedule of Matters Reserved for Decision by the Agency should specify clear quantitative thresholds for contracts above which Agency approval is required. It also recommends that "approval of terms of major contracts" be a reserved matter.

Given the range of the NTMA's business mandates and the fact that entry into financial contracts of significant value constitutes a core part of the NTMA's business activities, the NTMA has established separate criteria for approval of investments and entry into contracts depending on the business area as follows:

- The acquisition or disposal of ISIF investments from its Irish Portfolio is reserved to the Agency/Investment Committee. Investment decisions up to €150m are made by the statutory non-executive Investment Committee. Where a proposed investment is in excess of €150m, the decision is made by the Agency on the recommendation of the Investment Committee. Investments from ISIF's Global Portfolio which are within the terms of the Global Portfolio Implementation Strategy are delegated to management. Actions involving the acquisition or disposal of ISIF assets that are subject to Ministerial direction are also delegated to management.
- Debt contracts are delegated to management – within the parameters of the Annual Exchequer Funding Plan which is a Reserved Matter.
- Approval to enter into new Public Private Partnership (PPP) contracts and any new contract to procure as agent for the Minister for Education, the Minister for Further and Higher Education, Research, Innovation and Science or for a local authority any public investment project in relation to building or other infrastructure, including the financing, management, design and construction of such building or infrastructure, as the relevant Minister or local authority may designate, is delegated to management. A Management Infrastructure Committee, comprised of relevant members of the Executive Management Team, was formed in 2015 for the purposes of approving infrastructure projects. Projects reviewed by the Management Infrastructure Committee, and the outcomes, are included as matters for noting by the Agency.

²⁷ Now the Department of Public Expenditure, National Development Plan (NDP) Delivery and Reform.

²⁸ Other than expenses which are incurred in respect of ISIF and the National Surplus (Exceptional Contingencies) Reserve Fund which are funded from the respective Funds.

- Contracts for professional and operating services and NTMA capital expenditure which are not reserved to the Agency are delegated to management. Approval of the key terms of contracts for professional and/or operating services and NTMA capital expenditure entered into by the NTMA with an estimated value of €5m or greater, to be charged to the NTMA or ISIF expenditure budgets are reserved for the Agency, other than:
 - framework contracts²⁹;
 - contracts relating to the implementation of ISIF's Global Portfolio Implementation Strategy, as delegated to management; and
 - contracts in connection with the fund established for the recovery by the State from Apple of alleged State aid.

Delegated Authority Levels

The Code recommends that “Delegated Authority Levels” be a reserved matter. In view of the wide range of mandates carried out by the NTMA and the need to preserve flexibility with regard to the various delegated authorities in respect of these mandates, the setting of Delegated Authority Levels has been delegated to the Chief Executive. To ensure Agency oversight of delegated authorities, a schedule of the NTMA's Consolidated Delegated Authorities are reviewed by the Audit and Risk Committee on an annual basis.

Strategy

The Code sets out different requirements with regard to the preparation and adoption of a strategic plan for commercial and non-commercial State bodies. Commercial bodies should approve annual rolling five-year business plans while non-commercial bodies should adopt statements of strategy for a period of three to five years ahead.

The NTMA Corporate Strategy³⁰ covers a five-year horizon and comprises two parts:

- Part 1: The NTMA Corporate Strategy; and*
- Part 2: Business Unit and Corporate Function Goals.*

The NTMA Corporate Strategy is reviewed annually and updated on a rolling five-year basis. Part 1 is submitted to the Minister for Finance if there are any changes to the overarching goal and three enabling pillars set out therein. Part 2 is updated annually and submitted to the Minister for Finance for his/her views prior to finalisation.

The procedure for Ministerial consultation in determining and reviewing ISIF's Investment Strategy is set out in Section 40(3) of the *National Treasury Management Agency (Amendment) Act 2014*.

Non-Compliance with Statutory Obligations

In view of the wide range of relevant statutory obligations to which the NTMA is subject, the Chairperson will only bring material incidences of non-compliance with the most significant statutory obligations to the attention of the Minister for Finance.

Acquisition or Disposal of Assets etc.

ISIF's investment activities are managed in the context of the statutory framework for the making of ISIF investments as set out in the *National Treasury Management Agency (Amendment) Act 2014*, ISIF's Impact Investment Strategy and ISIF's investment process. The provisions of Section 8 of the Code dealing with the acquisition or disposal of assets, capital investment appraisal, establishment or acquisition of subsidiaries, participation in joint ventures and the acquisition of shares do not apply to the investment activities of ISIF. Trading of government bonds or other assets in the normal course of NTMA business operations is not regarded as falling within Section 8 of the Code.

ICT Circular

As provided for under Section 3 of the Department of Public Expenditure and Reform's²⁷ Circular 14/2021 on Arrangements for Digital and ICT-related Expenditure in the Civil and Public Service, the Department of Finance agreed that the NTMA be exempted from the approval framework for digital and ICT-related expenditure.

Public Spending Code

The Public Spending Code is not applicable to the NTMA as the NTMA is not engaged in capital projects (other than in respect of its ISIF and NDFA roles) or new current expenditure programmes. The NTMA's functions are set out in statute – either in primary legislation or are delegated to the NTMA by Ministerial Order. The NTMA's operational budget relates to the staffing, systems, facilities and other costs associated with the performance of these functions. With regard to significant new expenditure items within its operational budget, the NTMA utilises the standard appraisal process as set out in Section 2.1 of the Public Spending Code in its project appraisal process. The Public Spending Code was replaced by the new Infrastructure Guidelines on 21 December 2023.

Remuneration

In complying with the Code's provisions in respect of remuneration, the NTMA has adopted the provisions applying to commercial State bodies, adapted in light of its particular governance and reporting structures and remuneration model. Consistent with this approach, the NTMA publishes details of employee short-term benefits in bands of €25,000.

²⁹ The provision applies in respect of the estimated value of individual contracts awarded from framework panels.

³⁰ The NTMA Corporate Strategy is subject to review by the Agency and the Minister.

GOVERNANCE STATEMENT AND AGENCY MEMBERS' REPORT (CONTINUED)

Travel Circulars

The NTMA's travel policy is based on the Framework for a Travel Policy for State Bodies contained in the Code. Revenue approved civil service mileage rates reflecting the Department of Public Expenditure and Reform's²⁷ Circular 16/2022 are applied. The NTMA does not pay subsistence rates in respect of travel, but operates a vouched expense process for the re-imbursement of travel expenses and Department of Public Expenditure and Reform Circulars and office notices regarding subsistence are, therefore, not applied.

Terms of Appointment

Under Schedule A of the *National Treasury Management Agency Act, 1990*, the term of office of the current appointed members of the Agency is five years. An appointed member whose term of office expires by the passage of time is eligible for re-appointment as an appointed member subject to not serving for more than two consecutive terms.

Customer Charter

The NTMA does not generally provide services directly to the public. State Savings products are offered to personal savers by the NTMA through its agents. An Post has a customer charter which covers the services it provides to the public, including those services it provides on behalf of the NTMA. A separate customer charter has not been put in place for the NTMA.

Official Languages Act

The NTMA is a public body for the purposes of the *Official Languages Act 2003*, as amended ('the Act'). Pursuant to Section 4B of the legislation as amended, a senior staff member has been appointed to oversee the performance of and report to the Chief Executive in relation to, the obligations of the Agency under the Act. This annual report to the Chief Executive sets out how the NTMA addresses compliance with the relevant sections of the Act applicable to the Agency and its work, together with the planned approach to monitoring new obligations as they are commenced.