



Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

# Central Bank of Ireland

Application of the Code of Practice  
for the Governance of State Bodies

April 2020

## Application of the Provisions of the Code of Practice for the Governance of State Bodies

Ref:	Description	Application of the provision by the Central Bank <sup>1</sup>	Comment
		Yes / N/A / Adapted	
<b>ROLE OF THE BOARD</b>			
1.	<i>The Board is collectively responsible for leading and directing the State body's activities. While the Board may delegate particular functions to management the exercise of the power of delegation does not absolve the Board from the duty to supervise the discharge of the delegated functions.</i>		
1.1	<b>Leadership:</b> The Board's role is to provide leadership and direction of the State body within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board should agree the body's strategic aims with the Minister and parent Department, to the extent relevant, and ensure optimal use of resources to meet its objectives.	Adapted	<p>The Commission, through effective and appropriate decision-making, empowers the executive; for example by ensuring they are adequately resourced. The Commission engages with management members on issues of strategic importance to the Bank (other than ESCB functions) and advises, supports and constructively challenges them as appropriate. It also approves the strategy to allow the Bank to achieve its statutory functions and it reviews the Bank's performance in relation to this strategy.</p> <p>Section 32B the Central Bank Act 1942 requires the Bank to prepare and submit a 3-year Strategic Plan to the Minister for Finance by 30 September, however, the 1942 Act does not provide that the Strategic Plan must be agreed with the Minister. The Minister arranges for the</p>

<sup>1</sup> Yes – the Bank is already applying the provision or intends to apply the provision (green)

Adapted – the Bank will adopt the provision, adapted to take account of the Bank's particular governance framework and its statutory requirements (amber)

Not relevant to the Bank – it is a matter for the Minister/Government Department (white)

N/A (Not Applicable)

			<p>Strategic Plan to be laid before each House of the Oireachtas, following that the Bank publishes the Strategic Plan. The Bank's Strategic Plan is approved by the Commission in advance of submission of the Plan to the Minister.</p> <p>Certain functions of the Bank are vested solely in the Governor e.g. ESCB related functions, resolution etc.</p> <p>Section 19A(5) of the 1942 Act provides that in carrying out or exercising the Governor's responsibilities or powers, the Governor shall, as far as reasonably practicable, ensure that the resources of the Bank allocated for carrying out those responsibilities or exercising powers are used effectively, efficiently and economically.</p>
1.2	<p><b>Ethical Standards:</b> The Board has a key role in setting the ethical tone of a State body, not only by its own actions but also in overseeing senior management and staff. High ethical standards are in the long term interests of the body and a key means to make it credible and trustworthy. It is important that the Board sets the correct 'tone from the top'. The Board should lead by example and ensure that good standards of governance and ethical behaviours permeate all levels of the organisation.</p>	Y	<p>A Code of Ethics is in place for staff; it is reviewed by the Commission annually.</p> <p>All staff are required to undertake mandatory training on the Staff Code of Ethics and Trading Rules by completing an eLearning Module provided on the Bank's intranet.</p> <p>An annual report is made to the Commission on the Code.</p> <p>The Code of Conduct and Ethics for Members of the Central Bank Commission is reviewed by the Commission annually and takes account of provisions set out in the Code.</p>
1.3	<p><b>Compliance:</b> The Board should review the controls and procedures adopted by the State body to provide itself with reasonable assurance that such controls and procedures are adequate to secure compliance by the State body with their statutory and governance obligations.</p>	Y	<p>A Statement on Internal Control is considered by the Commission on an annual basis and be published in the Annual Report as per last year.</p>

<p>1.4</p>	<p><b>Collective Responsibility:</b> The collective responsibility and authority of the Board should be safeguarded. All Board members should be afforded the opportunity to fully contribute to Board deliberations, and where necessary to provide constructive challenge, while excessive influence on Board decision-making by one or more individual members should be guarded against.</p>	<p>Y</p>	<p>The 1942 Act sets out the functions of the Commission including "responsibility for managing the affairs and activities of the Bank (other than ESCB functions). The Terms of Reference of the Commission notes that this function rests with the members of the Commission meeting together as the Commission or transacting together by written procedure of the Commission".</p> <p>The Terms of Reference go on to note that the role of members is to inform themselves of matters scheduled for discussion or decision at the Commission and to participate fully in meetings, written procedures and meetings of Committees of which they are members. Members may request an item to be placed on the agenda. All Commission and sub-committee meeting papers are circulated to the members one week in advance of each meeting.</p> <p>The Terms of Reference of the Commission was last approved in October 2017 and last reviewed in May 2019 as part of the Annual review of the Commission. No changes to the Terms of Reference were proposed as a result of this review.</p>
<p>1.5</p>	<p><b>Board Oversight Role:</b> The management of the State body has a duty to provide the Board with all necessary information to enable the Board perform their duties to a high standard. The Board of the State body should take all necessary steps to make themselves aware of any relevant information and access all information as necessary.</p> <p>While the Board of a State body may establish an Audit and Risk Committee to assist with its consideration of issues relating to audit, governance and risk management, the Board of the State body maintains responsibility for and makes the final decisions on all of these areas.</p>	<p>Y</p>	<p>The Terms of Reference of the Commission makes provision for members to inform themselves of matters scheduled for discussion or decision at the Commission and for participation in meetings. In practice, the management of the Bank provides updates on Strategic items by Directorate annually and as required on particular items. The Commission has established sub-committees including Audit and Risk Committees. While items may be considered by a sub-committee of the Commission, decisions are only made by the Commission.</p>

1.6	<p><b>Advice to Minister:</b> The Board should ensure that the Chairperson keeps the relevant Minister advised of matters arising in respect of the State body.</p>	Adapted	<p>The Bank facilitates this provision by way of the preparation of a report on its operations during the year; the Annual Report is presented to the Minister within six months of the end of the year. This requirement is set out in the 1942 Act. Additionally, under the Act, also not later than 30 April, the Bank prepares an Annual Performance Statement on the regulation of financial services. This is subject to the EU Treaty and ESCB Statute. The Governor, in line with the Bank’s role to provide independent economic advice, writes to the Minister for Finance in advance of the Budget each year, and this Pre-Budget Letter is published on the website in line with transparency objectives.</p> <p>Section 6 of the 1942 Act also provides that the Minister may, from time to time, request the Governor or the Commission to consult with the Minister as regards the performance by the Bank of any of its functions. However, the Minister may not consult with the Governor in relation to his ESCB functions.</p>
<b>Matters for decision of the Board</b>			
1.7	<p><b>Matters for Decision of the Board:</b> The Board should meet sufficiently regularly to discharge its duties effectively. The Board should have a formal schedule of matters specifically reserved for it for decision to ensure that the direction and control of the State body is firmly in its hands (some of these matters may require Ministerial approval).</p> <p>This schedule should include, at least, the following:</p> <ul style="list-style-type: none"> <li>• significant acquisitions, disposals and retirement of assets of the State body or its subsidiaries. The schedule should specify clear quantitative thresholds for contracts above which Board approval is required;</li> </ul>	Adapted	<p>The Commission meets at least 11 times a year - monthly with the exception of August. Commission meetings are also arranged at times outside of these regular meetings where required.</p> <p>The Commission receives on an annual basis, a schedule and report on all matters reserved to it, and on all matters delegated to management members. This forms part of the annual review of the Plan of Assignment of Responsibility.</p>

	<ul style="list-style-type: none"> <li>• major investments and capital projects;</li> <li>• delegated authority levels, treasury policy and risk management policies;</li> <li>• approval of terms of major contracts;</li> <li>• in commercial State bodies, policy on determination of senior management remuneration (with the exception of the CEO);</li> <li>• in non-commercial State bodies, assurances of compliance with statutory and administrative requirements in relation to the approval of the appointment, number, grading, and conditions of all staff, including remuneration and superannuation;</li> <li>• approval of annual budgets and corporate plans;</li> <li>• approval of annual reports and financial statements;</li> <li>• appointment, remuneration and assessment of the performance of, and succession planning for, the CEO; and</li> <li>• significant amendments to the pension benefits of the CEO and staff</li> </ul> <p>The Board should meet at least twice a year without executive Board members or management present to discuss any matters deemed relevant.</p>		
1.8	<p><b>Annual Confirmation:</b> The Board has responsibility for ensuring that effective systems of internal control are instituted and implemented. The Board is required to confirm annually to the relevant Minister that the State</p>	Adapted	<p>The Statement on Internal Control is considered annually by the Commission and then published in the Annual Report. The 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance including submission of the Annual Report and Annual</p>

	body has an appropriate system of internal and financial control in place.		Performance Statement, Financial Statements and Strategic Plan, taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.
1.9	<b>Expenditure and Performance:</b> Decision on major items of expenditure should be aligned with medium to long-term strategies so as to ensure that such expenditure is focused on clearly defined objectives and outcomes. A performance measurement system should be put in place to assess the effectiveness/outcome of such expenditure and this should be reported to the Board.	Y	Investment in major items of expenditure are included as part of the Bank's budgeting process, and considered by the Bank's Budget and Finance Committee. This consideration is focussed on projects set out in the Bank's strategic plan and reported on under the Bank's Strategy Implementation and Monitoring (SIM) Framework.  Separate reports on projects under the Strategy Implementation and Monitoring (SIM) Framework and on Project Management and Value Realisation are considered by the Commission.
1.10	<b>Post Resignation/Retirement:</b> The Board should, in a manner most effective to the State body, deal with the issue of post resignation/retirement employment, appointment and/or consultancy of its Board members and employees by the private sector and should ensure that any procedures that it may have put in place in this regard are monitored and enforced to guard against conflicts of interest or inappropriate disclosure of information that might otherwise arise. Such procedures could include the return of Board papers at the end of a Board members term.	Y	In place in the Code of Conduct and Ethics for Members of the Central Bank Commission and includes the return of board papers. A process has been put in place which provides for review for potential conflicts of interests of staff taking up roles outside the Bank.
1.11	<b>Conflict of Interest:</b> The Board should have procedures in place to monitor and manage potential conflicts of interest of Board members and management (See paragraph 5.5).	Y	The Commission has in place a Code of Conduct and Ethics for Members of the Central Bank Commission.  Commission members are required to disclose certain business/pecuniary interests which could give rise to a conflict with the proper performance of his/her duties in relation to the consideration of that matter. The Secretary records and, subject to Section 33AK of the Central Bank Act

			1942, makes the records available for inspection. Members are also expected to declare at the start of each Commission meeting any interests they may have in any items on that meeting's agenda that could give rise to any actual, potential or perceived conflict of interest.
1.12	<b>External Auditors:</b> The Board should establish procedures for maintaining an appropriate relationship with the external auditors.	Y	The Audit Committee's Terms of Reference includes this requirement as one of the Committee's responsibilities. An existing policy addresses the relationship with the auditors including rotation, dismissal of external auditors and procurement of non-audit services. This policy is considered by the Audit Committee.
1.13	<b>Written Charters:</b> The Audit and Risk Committee and other Board committees as well as the internal audit unit should each have written charters. The Board should agree the intervals within which the charters should be reviewed by the main Board and updated as appropriate.	Y	A Terms of Reference is in place for the Audit Committee (and for the other sub committees of the Commission) which encompasses much of the provisions set out in the Code. The Internal Audit Division has a written charter which is reviewed by the Audit Committee on an annual basis.  The Terms of Reference of all sub-committees are reviewed and approved by the Commission. It is noted that as part of the annual review of each sub-committee, the Terms of Reference were reviewed and approved by the Commission in late 2019.
1.14	<b>Protected Disclosures:</b> In line with the legal requirement under section 21 of the Protected Disclosures Act 2014, every public body shall establish and maintain procedures for the making of protected disclosures by workers who are or were employed by the public body and for dealing with such disclosures. The public body shall provide to workers employed by the body written information relating to the procedures as set out above.	Y	The Bank has established procedures for the making of protected disclosures by workers who are, or were, employed by the Bank, and for dealing with such disclosures. These are made available via the Bank's intranet and the Bank's website.



Statement of Strategy			
1.15	<p><b>Strategic Plan:</b> The preparation and adoption of a strategic plan is a primary responsibility of the Board of a State body. Such plans should set appropriate objectives and goals and identify relevant indicators and targets against which performance can be clearly measured. All State bodies, whether they are commercial, non-commercial or, for example, regulatory bodies, should have a formal process in place for setting strategy.</p>	Y	<p>Adherence to the 1942 Act ensures compliance with this requirement of the Code. Under the 1942 Act, the Bank prepares a Strategic Plan every three years. The current Plan covers the years 2019– 2021.</p> <p>The Bank is required to submit the Strategic Plan to the Minister.</p>
1.16	<p><b>Commercial State Body:</b> The Board of a commercial State body should within the first six months of each financial year approve the submission of a draft annual rolling five-year business and financial plan, encompassing strategy (taking account of general sectoral policy as determined by the relevant Minister), planned investment and appropriate financial targets to the relevant Minister and, where appropriate, the Minister for Public Expenditure and Reform and NewERA in accordance with paragraph 1.18.</p> <p>Plans should reflect shareholders’ objectives, as appropriate, and the strategic and legal mandate of the State body.</p>	N/A	<p>The Bank is not a Commercial State Body. (see also comment at 1.17 below)</p>
1.17	<p><b>Non-commercial State Body:</b> The Board of each non-commercial State body, including bodies funded by way of levies or fees, should adopt a statement of strategy for a period of 3-5 years ahead or as otherwise mandated by their governing legislation.</p> <p>The statement should be aligned to specific objectives in the parent Department’s Statement of Strategy, to the</p>	Adapted	<p>Adherence to the 1942 Act ensures compliance with this requirement of the Code. Under the 1942 Act, the Bank prepares a Strategic Plan every three years. The most recent Plan covers the years 2019– 2021.</p> <p>In accordance with section 32B of the 1942 Act, the Bank is obliged to prepare and publish a Strategic Plan every three years and submit the plan to the Minister. The 1942 Act does not provide that the Strategic Plan</p>

	<p>extent relevant, and should also be consistent with any Government policies for the reform and modernisation of the Public Service as well as the statutory responsibilities of the body concerned.</p> <p>The Statement of Strategy should contain a mission statement, high level objectives and target outputs and outcomes in the key strategic areas of body activity, as well as a statement on the resources to be deployed to meet the targets.</p>		<p>must be agreed with the Minister. The requirement under Section 32B of the 1942 Act is only that it is submitted to the Minister.</p> <p>Section 19A(5) of the 1942 Act provides that in carrying out or exercising the Governor’s responsibilities or powers, the Governor shall, as far as reasonably practicable, ensure that the resources of the Bank allocated for carrying out those responsibilities or exercising powers are used effectively, efficiently and economically.</p>
1.18	<p><b>Ministerial Views:</b> A copy of the draft strategic plan (including, where relevant, plans for levy setting or own income generation) and the draft annual rolling five-year business and financial plan should be sent to the relevant Minister, and, where appropriate, the Minister for Public Expenditure and Reform and NewERA 13 before the plan(s) are/is finalised and adopted by the Board.</p> <p>Views which the Minister(s) wish to have reflected in the strategic plan and the annual rolling five-year business and financial plan should be made known to the State body within a maximum period of twelve weeks of submission.</p> <p>While final responsibility for the content of the plan rests with the Board in each case, the views of the Ministers and consideration of the public interest should be carefully weighed by the Board.</p>	Adapted	<p>The 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.</p> <p>The Bank provides the Minister with a copy of the Plan and the Minister has the ability to provide instructions to the Bank, but only as regards the form in which the plan is prepared.</p>
1.19	<p><b>Implementation:</b> Implementation of the strategy by the management of each State body should be supported through an annual planning and budgeting cycle. The Board of each State body should approve an annual plan and/or budget and should formally undertake an</p>	Y	<p>The Central Bank has an organisational process for implementing, monitoring and reporting on its progress against delivery of the Strategic Plan. The Strategy Implementation and Monitoring (SIM) Framework captures the actions underpinning each strategic objective, as well as the progress on the delivery of these actions.</p>

	evaluation of actual performance by reference to the plan and/or budget on an annual basis.		<p>The Bank has in place established Planning and Budgeting cycles reported annually to the Commission.</p> <p>Further, in accordance with section 32C of the 1942 Act, the Bank must prepare, and submit to the Minister, its proposed expenditure in relation to the performance of its functions (in the field of financial regulation) during the next financial year. In addition, the Bank must also prepare a regulatory performance statement which is to be provided to the Minister.</p>
1.20	<b>Annual Report and Financial Statements:</b> The Board should explain in the annual report their responsibility for the preparation of the annual report and financial statements and whether they consider the financial statements to be a true and fair view of the State body's financial performance and its financial position at the end of the year. There should be a statement by the external auditor in the external auditors' report about the Board's reporting responsibilities.	Y	<p>The Financial Statements are prepared in accordance with standards and the true and fair view principle. The Auditor's report includes a paragraph entitled 'Respective Responsibilities of Commission Members and Auditors'. Roles and responsibilities in relation to the preparation of the accounts are defined with key stakeholders. Review and update key policy and procedures are undertaken on an annual basis.</p> <p>The role of the Commission in relation to the preparation of financial accounts is expressly set out in the Statement of Commission Members' Responsibilities in the Annual Report. Requirement regarding true and fair view is not set out in CBA 1942 and Commission are not bound by Director's Responsibilities as set out in CA 2014.</p> <p>The External Auditor provides an opinion in the Annual Report:</p>
1.21	<b>Secretary of the Board:</b> The Board has a duty to ensure that the person appointed as Secretary of the Board has the skills necessary to discharge their statutory and legal duties and such other duties as may be delegated by the Board. Both the appointment and removal of the Secretary of the Board should be a matter for the Board as a whole.	Y	<p>The Secretary is appointed by the Commission as set out in the 1942 Act.</p> <p>The role of the Secretary is provided for in the Terms of Reference of the Commission, it is also described in the Central Bank's Responsibilities of Senior Leaders document.</p>
1.22	<b>Role of Secretary of the Board:</b> The role of the Secretary of the Board should be seen as a support to the Board. The	Y	The Secretary is appointed by the Commission as set out in the 1942 Act.

	<p>scale and scope of the role will depend on the size, nature and responsibilities of the State body.</p> <p>The Secretary of the Board may be assigned such functions and duties as may be delegated by the Board. The duties can be classified as follows:</p> <ul style="list-style-type: none"> <li>• statutory duties;</li> <li>• duty of disclosure;</li> <li>• duty to exercise due care, skill and diligence; and</li> <li>• administrative duties.</li> </ul>		<p>The role of the Secretary is provided for in the Terms of Reference of the Commission, it is also described in the Central Bank’s Responsibilities of Senior Leaders document.</p>
1.23	<p><b>Governance:</b> The Secretary of the Board should report to the Chairperson on all Board governance matters and should assist the Chairperson in ensuring relevant information is made available to the Board and its committees.</p> <p>The Secretary of the Board is responsible for advising the Board through the Chairperson on all governance matters. The Board should have a list of statutory obligations and regulations that are required to be complied with and the execution of which depends on the Secretary of the Board.</p>	Y	<p>The Secretary is appointed by the Commission for the effective performance and exercise of the functions and powers of the Bank. In that context, the Secretary provides whatever support and administrative facilities as is necessary to support the Governor in his capacity as Chair of the Commission. The Terms of Reference makes reference to this provision.</p> <p>A report on the pertinent statutory obligations, which includes a mapping of the applicable controls and procedures in place for each, is presented to, and considered by, the Commission annually.</p> <p>The role profile for the Secretary of the Commission is set out in the Central Bank’s Responsibilities of Senior Leaders document.</p>
<p><b>Division of Responsibilities</b></p>			

1.24	<b>Separation of Roles:</b> The role of Chairperson and CEO should not normally be combined. The division of responsibilities between the Chairperson and CEO should be clearly established, set out in writing and agreed by the Board.	Y	The role of the Governor as Chair of the Commission is set out in the 1942 Act.
<b>ROLE OF THE CHAIRPERSON</b>			
2.	<p><i>The Chairperson is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role.</i></p> <p><i>The Chairperson should display high standards of integrity and probity and set expectations regarding culture, values, and behaviours for the State body and for the tone of discussions at Board level.</i></p>		
2.1	<b>Board's Agenda:</b> The Chairperson and the CEO are responsible for the effective management of the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. The Chairperson and the CEO should meet in advance of the Board meeting to agree the agenda.	Adapted	The Governor, as Chair, is responsible for the management of the Commission agenda. This is facilitated through review of agenda and relevant items by the Governor's Committee. Additionally, a Financial Regulatory Oversight Committee, also chaired by the Governor, considers relevant regulatory items in advance of submission to the Commission.
2.2	<b>Openness and Debate:</b> Essential to the effective functioning of the Board is dialogue which is both constructive and challenging. The Chairperson should promote a culture of openness and debate by facilitating the effective contribution of key management and all Board members.	Y	The Commission Terms of Reference contains provisions regarding constructive and challenging dialogue and the role of the Chairperson in promoting a culture of openness and debate. The Commission also has access to management of the Bank on all relevant matters as required.
2.3	<b>Timely Information:</b> The Chairperson is responsible for ensuring that the Board receive accurate, timely and clear information. The Chairperson should ensure effective communication with all relevant stakeholders.	Y	All material, save for items where it may be necessary to circulate close to the meeting for reasons of timeliness, is provided to members five working days in advance of each meeting.

2.4	<p><b>Board Skills:</b> Where a Chairperson is of the view that specific skills are required on the Board, he/she should advise the relevant Minister of this view for his/her consideration sufficiently in advance of a time when Board vacancies are due to arise. This is in order to seek to ensure that the process undertaken under the Guidelines for Appointments to State Boards identifies candidates with those skills and so that the Minister may take the Chairperson's views into consideration when making appointments from qualified candidates from the stateboards.ie process.</p>	Y	<p>The Secretary prepares a matrix of skills and experience which assists in this, and which is updated annually. The Governor informs the Minister with regard to any specific requirements as required.</p> <p>Further, it is the function of the Minister to appoint non-executive Members of the Commission. Section 24 of the 1942 Act exhaustively lists the areas of relevant knowledge that a member must have.</p>
2.5	<p><b>Information Flows:</b> Under the direction of the Chairperson, the responsibilities of the Secretary of the Board include ensuring good information flows within the Board and its committees and between senior management and non-executive Board members, as well as facilitating induction, mentoring and assisting with ongoing professional development as required.</p>	Y	<p>The Secretary currently performs this function. The role of the Secretary in this regard is set out in the Terms of Reference of the Commission.</p>
2.6	<p><b>Comprehensive Report to the Minister:</b> The Chairperson of each State body should furnish to the relevant Minister and, where appropriate, NewERA in conjunction with the annual report and financial statements of the State body, a comprehensive report to the relevant Minister covering the State body. (See paragraph 1.9 – Business and Financial Reporting Requirements).</p>	Adapted	<p>The 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance including submission of the Annual Report and Annual Performance Statement, Financial Statements and Strategic Plan, taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.</p>
2.7	<p><b>Statement on Internal Control:</b> The Chairperson's report to the relevant Minister regarding the system of internal control should be included in the annual report of the State body. This statement should be reviewed by the external auditors to confirm that it reflects the audited</p>	Y	<p>A report and the Statement on Internal Control is considered by the Commission and be published in the Annual Report.</p>

	body's compliance with the requirements of paragraph 1.9(iv) and is consistent with the information of which they are aware from their audit of the financial statements. The external auditor should include their report on this matter in their audit report on the financial statements.		
2.8	<b>Oireachtas Committee:</b> Persons being proposed by Ministers for appointment as Chairpersons of State bodies are required to make themselves available to the appropriate Oireachtas Committee to discuss the approach they will take to their role as Chairperson and their views about the future contribution of the body or Board in question.	Adapted	This is a matter for the Minister/Oireachtas.
<b>ROLE OF BOARD MEMBERS</b>			
3.	<i>Each State body should be headed by an effective Board which is collectively responsible for the long-term sustainability of the body.</i> <i>Non-executive Board members should bring an independent judgement to bear on issues of strategy, performance, resources, key appointments, and standards of conduct.</i>		
3.1	<b>Fiduciary Duty:</b> All Board members have a fiduciary duty to the State body in the first instance (i.e. the duty to act in good faith and in the best interests of the State body).  The principle fiduciary duties are:  1. to act in good faith in what the Board member considers to be the interest of the company;  2. to act honestly and responsibly in relation to the conduct of the affairs of the company;	Adapted	The Commission Code of Conduct and Ethics includes reference to fiduciary duties in the context of the statutory framework under which the Central Bank is required to operate.

	<p>3. to act in accordance with the company's constitution and exercise his or her powers only for the purposes allowed by law;</p> <p>4. not to benefit from or use the company's property, information or opportunities for his or her own or anyone else's benefit unless the company's constitution permits it or a resolution is passed in a general meeting;</p> <p>5. not to agree to restrict the Board member's power to exercise an independent judgment unless this is expressly permitted by the company's constitution;</p> <p>6. to avoid any conflict between the Board member's duties to the company and the Board member's other interests unless the Board member is released from his or her duty to the company in relation to the matter concerned;</p> <p>7. to exercise the care, skill and diligence which would be reasonably expected of a person in the same position with similar knowledge and experience as a Board member. A Board member may be held liable for any loss resulting from their negligent behaviour; and</p> <p>8. to have regard to interests of the company's members.</p> <p>The powers of governance and management of a company are delegated by the members of the company to the Board and the Board owe their duties, first and foremost, to the company.</p>		
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3.2	<p><b>Companies Act 2014:</b> The Board of State bodies incorporated under the Companies Act, 2014 or the Companies Acts, 1963-2013 have duties under the Companies Act, 2014 and related law, and it is the responsibility of each Board member to act in conformity with applicable provisions.</p> <p>A Board member, as a company director, shall comply with the notification requirement to the Registrar of Companies upon becoming a Board member with a signed statement in the following terms:</p> <p><i>"I acknowledge that, as a director, I have legal duties and obligations imposed by the Companies Act, other statutes and common law".</i></p> <p>Part 5 of the Companies Act 2014 consolidates the duties and responsibilities of directors in one unified code for clarity and transparency. The Companies Act, 2014 applies to all company directors, incorporated under the provisions of the Companies Act, 2014 or under any former company law enactment including those directors that have been formally appointed and to de facto directors.</p> <p>The Companies Act 2014 also includes a number of general duties for directors:</p> <ul style="list-style-type: none"> <li>• Directors must ensure compliance with the Companies Act and the various tax acts.</li> <li>• Directors must ensure that the company secretary is suitably qualified.</li> </ul>	Adapted	<p>The Central Bank is not incorporated under the Companies Act. It is established under the 1942 Act.</p> <p>The Commission Terms of Reference, includes a provision covering the duties and responsibilities of members .</p>
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	<ul style="list-style-type: none"> <li>• Directors must acknowledge the existence of their duties by signing a declaration to that effect.</li> <li>• Directors must take into account the interests of the members of the company and have regard to the interests of the employees.</li> <li>• Restrictions on loans, quasi loans, credit transactions and certain guarantees and security exist for directors, but will be subject to the new summary approval procedure.</li> <li>• Directors must disclose any interests in contracts made by the company.</li> <li>• Directors must notify the company of any interests in shares in the company, its parent or subsidiary but no obligation arises if the shares held represent less than 1% of the share capital of the company or the shares do not have voting rights.</li> </ul> <p>Directors who are found to be in breach of their duties will be liable to account for any gains accrued and must indemnify companies for losses resulting from any breaches of duties. A court may grant relief from liability where it is satisfied that a director acted honestly and reasonably at all times.</p>		
3.3	<p><b>Non-compliance:</b> If a Board member/Director finds evidence that there is non-compliance with any statutory obligations that apply to the State body, he/she should immediately bring this to the attention of their fellow</p>	Adapted	<p>This provision is provided for in the Commission Code of Conduct and Ethics. A report on the pertinent statutory obligations, which includes a mapping of the applicable controls and procedures in place for each, is considered by the Commission annually.</p>

	<p>Board members/Directors with a view to having the matter rectified.</p> <p>The matter should also be brought to the attention of the relevant Minister by the Chairperson indicating (i) the consequences of such non-compliance and (ii) the steps that have been or will be taken to rectify the position. It is the Chairpersons responsibility to make such issues known to the Minister.</p>		
3.4	<p><b>Civil Servants:</b> Non-commercial State bodies operate in a context where public policy objectives (either economic or social) are central to its mission. Where there is a significant public policy issue at stake or a disagreement within the Board on a major public policy issue, the civil servant should request the Chairman to notify the relevant Minister or, failing that, notify the Minister himself/herself.</p> <p>Department of Finance Circular 12/2010: Protocol for Civil Servants Nominated to the Boards of Non-commercial State Bodies outlines the steps to be taken when a civil servant nominee to the Board of non-commercial State bodies has an unanswered concern where there is a significant public policy issue at stake. As per the Circular 12/2010, the Minister must be notified without delay where:</p> <p>i) there are serious weakness in controls that have not been addressed despite being drawn to the attention of the Board or the Chairperson;</p>	N/A	<p>The 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.</p>

	<p>ii) there is a significant strategic or reputational risk to the State body that is not being addressed; and/or</p> <p>iii) there are serious concerns about possible illegality or fraud occurring in a State body. A Board member may have obligations under company law (if it applies) in situations where a State body is not being conducted in accordance with law - this may require that action be taken in addition to reporting matters to the Minister.</p>		
3.5	<p><b>Professional Advice:</b> The Board should, in a Board resolution, lay down formal procedures whereby Board members, in the furtherance of their duties, may take independent professional advice, if necessary, at the reasonable expense of the State body where they judge it necessary to discharge their responsibilities as Board members. The Board should have in place a procedure for recording the concerns of Board members that cannot be resolved.</p>	Y	The Terms of Reference and the Commission Handbook make reference to this provision.
3.6	<p><b>Letter of Appointment:</b> A formal standard letter of appointment should be issued to new Board members from the relevant Minister. The letter of appointment should include the following:</p> <ul style="list-style-type: none"> <li>• role of the Board and that of a Board member;</li> <li>• the Board’s terms of reference;</li> <li>• duration of appointment and renewal provisions;</li> <li>• support and training to be provided;</li> <li>• the time commitment involved;</li> </ul>	N/A	This is not relevant to the Bank. It is a matter for the Minister/Government Department. The executive members of the Commission hold their position ex-officio and remain members for as long as they hold the office in question. The Minister for Finance may appoint at least six, but no more than eight, other members of the Commission who typically hold office for a term of five years.

	<ul style="list-style-type: none"> <li>• level of remuneration;</li> <li>• conflict of interest rules;</li> <li>• termination arrangements; and</li> <li>• rules on confidentiality.</li> </ul>		
<b>Briefing for New Board Members</b>			
3.7	<p>On the appointment of new Board members, the Secretary of the Board should provide them with the following information:</p> <ul style="list-style-type: none"> <li>• a formal schedule of matters reserved to the Board for decision (see paragraph 1.7);</li> <li>• procedures for obtaining information on relevant new laws and regulations;</li> <li>• procedures to be followed when, exceptionally, decisions are required between Board meetings;</li> <li>• a schedule detailing the composition of all Board committees and their terms of reference;</li> <li>• a statement explaining the Board members' responsibilities in relation to the preparation of the financial statements, the State body's system of internal control and audit and for reporting on the business as a going concern with supporting assumptions or qualifications as necessary;</li> <li>• a statement informing Board members that they have access to the advice and services of the Secretary of the Board, who is responsible to the Board for ensuring that Board procedures are followed and that</li> </ul>	Y	<p>Relevant items are provided for in the induction pack and Handbook for new Commission members. A report on the pertinent statutory obligations, which includes a mapping of the applicable controls and procedures in place for each, is considered annually by the Commission. The report and mapping is presented to the Commission on an annual basis and is included in the Commission Handbook.</p>

	<p>these procedures comply with the applicable rules and regulations;</p> <ul style="list-style-type: none"> <li>• a copy of the code of ethics/conduct for Board members, including requirements for disclosure of Board members' interests and procedures for dealing with conflict of interest situations;</li> <li>• specific information on the role and responsibilities of the State body;</li> <li>• a copy of relevant legislation (or excerpts thereof) together with the most up to date version of this Code and any relevant circulars and/or guidance notes; and</li> <li>• a listing of the statutory requirements relating to the State body.</li> </ul>		
3.8	<p><b>Independent judgement:</b> Non-executive Board members should bring an independent judgement to bear on issues of strategy, performance, resources, key appointments, and standards of conduct. Section 3 of this Code sets out the approach to dealing with any business or other interests of a Board member that could affect the Board members' independence.</p>	Y	The Commission Code of Conduct and Ethics reflects this provision.
3.9	<p><b>Attendance Requirement:</b> Board members are appointed as they bring specific knowledge, skills, experiences and expertise to the deliberations of the Board and its committees and this is only possible if members attend all Board meetings and contribute as appropriate. The Board should clarify an expectation of 100% attendance at all Board meetings and as part of the assignment of a new</p>	Y	The expectation of attendance is noted in the Terms of Reference of the Commission.

	Board member evaluate attendance when the member is due to be re-appointed.		
3.10	<b>Access to Secretary of the Board:</b> All Board members should have access to the advice and services of the Secretary of the Board, who is responsible to the Board for ensuring that Board procedures are complied with. The Secretary of the Board is also responsible for the formal induction of new Board members and organising mentoring for Board members where required.	Y	Members are advised that the Secretary is available to provide whatever assistance and support is necessary. The Secretary has in place an induction process for new members.  The role of the Secretary is set out in the Terms of Reference of the Commission.
<b>BOARD EFFECTIVENESS</b>			
4.	<p><i>The Board and its committees should have the appropriate balance of skills and knowledge to enable them discharge their respective roles and responsibilities effectively.</i></p> <p><i>Board members should receive formal induction on joining the Board and should regularly update and refresh their skills and knowledge.</i></p> <p><i>The Board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.</i></p> <p><i>Board members need to be able to allocate sufficient time to discharge their responsibilities effectively.</i></p> <p><i>The Board should undertake a self-assessment annual evaluation of its own performance and that of its Board committees. Evaluation of the Board should consider the balance of skills, experience, independence and knowledge of the State body on the Board, its diversity, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.</i></p> <p><i>The Chairperson should act on the results of the performance evaluation by addressing any weaknesses identified through the Board self-assessment evaluation.</i></p>		
4.1	<b>Board Appointments:</b> Board appointments must be made in compliance with the Public Appointments Service process set down in the Guidelines on Appointments to State Boards published by the Department of Public Expenditure and Reform, except where the manner of such appointment is otherwise prescribed in the specific statutory provisions relating to the State body.	N/A	This is a matter for the Minister. However, the Bank liaises closely with the Department of Finance in relation to Commission appointments. In that respect, the Bank also liaises with the Public Appointment Service.

4.2	<p><b>Skills and Knowledge:</b> Board members should have the appropriate skills and knowledge, updated as required, appropriate to the activities of the State body, to enable them to discharge their respective duties and responsibilities effectively. This should include the identification by the Board of any gaps in competencies and ways these gaps could be addressed through future appointments.</p> <p>Skill gaps present on the Board should be brought to the attention of the relevant Minister by the Chairperson of the Board sufficiently in advance of a time when Board vacancies are due to arise, as outlined in paragraph 2.4.</p>	Y	<p>The Secretary has prepared and maintains a matrix of skills and knowledge for the purpose of ensuring appropriate skills and knowledge to allow the Commission to discharge its responsibilities. This process allows for gaps in competencies to be identified. Relevant skills and knowledge are set out in the 1942 Act. Where necessary, vacancies on the Commission are brought to the attention of the Minister along with an identification of the relevant skills and knowledge.</p> <p>Procedures are in place with regard to board vacancies and around notification to the Minister.</p>
4.3	<p><b>Specific Skills:</b> In compliance with the Guidelines on Appointments to State Boards, in preparing a specification for a role on a State Board the relevant Minister will consult with the Chairperson of the Board to seek his or her view on the specific skills that are required on the Board.</p>	N/A	<p>While non-executive members of the Commission are appointed by the Minister; in practice there is consultation between the Department of Finance and the Central Bank on identifying relevant skills.</p>
4.4	<p><b>Diversity:</b> Appointments to State Boards should be made against objective criteria with due regard for the benefits of diversity on the Board. The Chairperson of the Board, in assisting the Department in drawing up the specification for the Board appointment should have due regard for the benefits of diversity on the Board including gender.</p> <p>Chairpersons should maintain a focus on those Boards on which either women or men are significantly under-represented and should actively seek to appoint candidates of the under-represented gender from the Public Appointments Service short list where possible.</p>	Y	<p>Although this is primarily a matter for the Minister, the Bank liaises closely with the Department of Finance in relation to vacancies that arise.</p>



4.5	<p><b>Terms of Appointment:</b> Consistent with best corporate governance practice it is recommended that no member of a State Board should serve more than two full terms of appointment on that Board, or should hold appointments to more than two State Boards, at the same time, unless the specific statutory provisions relating to the particular State body enable such service. In this context, a full term is regarded as five years. It is recommended that the first appointment be for a period of five years, which can be renewed for up to five years, to a maximum of ten years in total. If exceptionally it is decided that a Board member should serve a further additional Board term, this requires Ministerial approval.</p> <p>State bodies should vary the length of terms of appointment to ensure that the Board does not have to be replaced en-masse and to ensure that the Board has the necessary experience to discharge their responsibilities effectively.</p>	Y	<p>Provision is made in the 1942 Act (section 24B) for members to serve no more than two terms. A term is defined as five years.</p> <p>This is provided for in the 1942 Act (section 24B). The terms of current members will expire at different times and therefore will provide for overlap and continuity.</p> <p>The term and date of appointment for current members of the Commission have been set out in the Annual Report.</p>
4.6	<p><b>Performance Review:</b> Monitoring of effective corporate governance by the Board includes continuous review of the internal structure of the State body to ensure that there are clear lines of accountability for management throughout the organisation. In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, the Board should undertake an annual self-assessment evaluation of its own performance and that of its committees. An external evaluation proportionate to the size and requirements of the State body should be carried out at least every 3 years.</p>	Y	<p>The Bank includes a report/statement on Governance in the Annual Report. In addition, the Commission undertakes an annual self-assessment of its own effectiveness and an external evaluation is scheduled every three years.</p>

4.7	<b>Statement of How the Board Operates:</b> The annual report should include a statement of how the Board operates, including a high level statement of which types of decisions are to be taken by the Board and which are to be delegated to management.	Y	This is included in the Central Bank Annual Report.
4.8	<b>Appointment of CEO as Chairperson:</b> In general, the CEO should not go on to be the Chairperson of the same State body. Any exception to this requires Ministerial approval.	Adapted	The role of the Governor as Chair of the Commission is set out in the 1942 Act.
4.9	<b>Frequency of Board Meetings:</b> The frequency of meetings of the Board and its committees and the attendance of each Board member at Board meetings should be reported in the annual report. The Board should meet at least twice a year without executive Board members or management present to discuss any matters deemed relevant.	Y	The frequency of Commission meetings along with attendance by members is set out in the annual report. The Commission meets monthly, at least 11 times a year (there is no meeting in August). The Commission meets quarterly without the executive present.
<b>CODES OF CONDUCT, ETHICS IN PUBLIC OFFICE, ADDITIONAL DISCLOSURE OF INTERESTS BY BOARD MEMBERS AND PROTECTED DISCLOSURES</b>			
5.	<p><i>To ensure continued integrity and transparency, and to avoid public concern or loss of confidence, the Board should ensure that appropriate policies are in place so that members and staff take decisions objectively and steps are taken to avoid or deal with any potential conflicts of interest, whether actual or perceived.</i></p> <p><i>These policies should ensure that any potential or actual conflicts of interest arising in the case of decision-making by Board members and employees of the State body are addressed.</i></p> <p><i>The Ethics in Public Office Acts 1995 to 2001 set out statutory obligations which apply to Board members and employees separately from the provisions of this Code.</i></p>		
5.1	<b>Codes of Conduct:</b> All State bodies should have published Codes of Conduct for their Board and employees. The Code of Conduct should be approved by the Board. Up-to-date Codes of Conduct should be available on the State body's website and brought to the attention of all Board members, management and employees.	Y	The Bank has a Code of Ethics for staff which incorporates the principles for ethical conduct expected of its staff. The Code is reviewed and approved annually by the Commission. The Code is publically available via the Bank's website. Staff are formally made aware of their obligations under this Code of Ethics at least on an annual basis via an annual familiarisation and attestation process, the results of which are reported to

			<p>senior management and the Commission. The Code of Ethics for Staff is reviewed annually by the Commission.</p> <p>The Code of Conduct and Ethics for Members of the Central Bank Commission outlines procedures with respect to conflict of interests and disclosure of interests. The Code is reviewed by the Commission annually.</p> <p>Both codes are available on the Bank's website.</p>
5.2	<p><b>Scope of Application:</b> The Code of Conduct should contain a description of nature, intent and scope of application of the Code and a statement of the guiding principles and obligations.</p>	Y	<p>The Bank's Code of Ethics clearly describes its purpose and the scope of its application and includes the guiding principles and obligations.</p>
5.3	<p><b>Compliance Requirements:</b> The Code of Conduct should refer to the need for the Board and staff to comply with the requirements of the Companies Act 2014, if applicable, and any other relevant legislative and regulatory requirements. It should identify the relevant provisions regarding conduct/conflicts of interest in the governing legislation of the body.</p>	Y	<p>The Bank's Code of Ethics references the relevant legal and regulatory obligations with which staff are required to comply including provisions for the avoidance of conflicts of interest.</p>
5.4	<p><b>Ethics in Public Office:</b> The Code of Conduct should refer to the need for each member of the Board of a State body holding a Designated Board membership and each person occupying a Designated Position of employment with a State body to ensure his/her compliance with relevant provisions of the Ethics in Public Office Acts 1995 and 2001.</p> <p>Each Board member, whether he/she holds a designated directorship under the Ethics in Public Office Acts 1995 and 2001 or not, is required to follow the obligations set out in Appendix B regarding disclosure of interests.</p>	Y	<p>The Code of Ethics makes explicit reference to such obligations set out.</p> <p>The Commission is set out in the Ethics in Public Office Acts as a designated body, and therefore all members of the Commission are designated as holding designated directorships and therefore, completes the relevant disclosure of interests.</p>

5.5	<p><b>Conflicts of Interest:</b> The Code of Conduct should set out procedures for addressing conflicts of interest. In particular, the Code of Conduct should recommend that the acceptance of further employment where the potential of conflict of interest arises should be restricted during a reasonable period of time after the exercise of a function in the State body has ceased. This should be brought to the attention of Board members on their appointment to the Boards.</p>	Y	<p>The Code of Conduct and Ethics for the Commission makes such provisions and is included in the induction pack for new members.</p>
5.6	<p><b>Non-disclosure of Information:</b> The Code of Conduct should make clear that obligations of the Board and employees regarding the non-disclosure of privileged or confidential information do not cease when Board membership or employment in the State body has ended. This should be brought to the attention of employees and of Board members on their appointment to the Board. Former Board members should treat commercial information received while acting in that capacity as confidential.</p>	Y	<p>The Code of Conduct and Ethics for Commission members makes such provisions and is included in the induction pack for new members.</p> <p>Section 33AL(1) of the Central Bank Act 1942 provides for the Commission to inform the Governor, Commission members, staff and consultant or auditor of the obligation imposed on them by section 33AK. Section 33AK covers non-disclosure of confidential information governed by specific legislation and concerning (a) the business of any person or body whether corporate or incorporate that has come to the person's knowledge through the person's office or employment with the Bank, or (b) any matter arising in connection with the performance of the functions of the Bank or the exercise of its powers.</p>
5.7	<p><b>Document Retention:</b> Board members should not retain documentation obtained during their terms as a Board member and should return such documentation to the Secretary of the Board or otherwise indicate to the Secretary of the Board that all such documentation in their possession has been disposed of in an appropriate manner. In the event that former Board members require access to Board papers from the time of their term on the Board, this can be facilitated by the Secretary of the Board.</p>	Y	<p>These provisions are set out in the Code of Conduct and Ethics for Commission Members and in their Handbook.</p>

Additional Disclosure of Interests by Board Members			
5.8	<p><b>Disclosure of Interests by Board Members</b></p> <p>i) <b>Periodic Disclosure of Interests:</b> On appointment and annually thereafter, each Board member should furnish to the Secretary of the Board or other nominated person a statement in writing of:</p> <p>(a) the interests of the Board member;</p> <p>(b) the interests, of which the Board member has actual knowledge, of his or her spouse or civil partner, child, or child of his/her spouse or civil partner;</p> <p>which could materially influence the Board member in, or in relation to, the performance of his/her official functions by reason of the fact that such performance could so affect those interests as to confer on, or withhold from, the Board member, or the spouse or civil partner or child, a substantial benefit.</p> <p>For the purposes of this disclosure, interests has the same meaning as that contained in the Ethics in Public Office Act 1995. The statement of interests form used for annual statements under the 1995 Act could be utilised for this purpose on an administrative basis. Where the Board member is also a designated director for the purposes of the Ethics Acts, the annual statement of interests furnished in January each year under section 17 of the Ethics in Public Office Act 1995 will suffice for the</p>	Y	<p>These provisions are set out in the Code of Conduct and Ethics for Commission Members.</p>

purposes of the annual disclosure of interests under this Code.

ii) **Disclosure of interest relevant to a matter which arises:** In addition to the periodic statements of interest required under (i) above, Board members are required to furnish a statement of interest at the time where an official function falls to be performed by the Board member and he/she has actual knowledge that he/she, or a connected person as defined in the Ethics Acts, has a material interest in a matter to which the function relates. For the purposes of this disclosure, material interests has the same meaning as that contained in the Ethics in Public Office Act 1995.

iii) **Doubt:** If a Board member has a doubt as to whether an interest should be disclosed pursuant to this Code, he/she should consult with the Chairperson of the Board and/or the nominated person in the State body for dealing with such queries.

iv) **Confidential Register:** Details of interests disclosed under this Code should be kept by the Secretary of the Board or other nominated person in a special confidential register. Access to the register should be restricted to the Chairperson and Secretary of the Board and other members of the State body on a strictly need to know basis.

v) **Chairperson's Interests:** Where a matter relating to the interests of the Chairperson arises, the other members attending the meeting shall choose one of the members present at the meeting to chair the meeting. The Chairperson should absent himself/herself when the

Board is deliberating or deciding on a matter in which the Chairperson or his/her connected person has an interest.

vi) **Documents withheld:** Board or State body documents on any deliberations regarding any matter in which a member of the Board has disclosed a material interest should not be made available to the Board member concerned.

vii) **Early return of documents:** As it is recognised that the interests of a Board member and persons connected with him/her can change at short notice, a Board member should, in cases where he/she receives documents relating to his/her interests or of those connected with him/her, return the documents to the Secretary of the Board at the earliest opportunity.

viii) **Absent:** A Board member should absent himself/herself when the Board is deliberating or deciding on matters in which that Board member (other than in his/her capacity as a member of the Board) has declared a material interest. In such cases consideration should be given as to whether a separate record (to which the Board member would not have access) should be maintained. (NB. Board members who are designated directors should note the separate requirements under the Ethics in Public Office Acts 1995 and 2001 regarding a 'material interest').

ix) **Uncertainty:** Where a question arises as to whether or not an interest declared by a Board member is a material

Schedule 1, paragraph 6 of the 1942 Act concerning disclosure of members' pecuniary interests states:

If

- (a) A member of the Commission has a direct or indirect pecuniary interest in a matter being considered or about to be considered at a meeting of the Commission, and
- (b) The interest appears to raise a conflict with the proper performance of the member's duties in relation to the consideration of the matter,

The member shall, as soon as possible after the relevant facts have come to his or her knowledge, disclose the nature of the interest at a meeting of the Commission or to the Secretary of the Commission.

The Revised Commission Code of Conduct and Ethics for Commission members was updated to reflect this provision.

	<p>interest, the Chairperson of the Board should determine the question as to whether the provisions of this Code apply. Where a Board member is in doubt as to whether he or she has an obligation under the Ethics in Public Office Acts 1995 and 2001, he or she should seek advice from the Standards in Public Office Commission under section 25 of the Ethics in Public Office Act 1995.</p>		
<p><b>Protected Disclosures</b></p>			
5.9	<p><b>Protected Disclosures Act 2014:</b> Section 21 of the Protected Disclosures Act 2014 requires that every public body shall establish and maintain procedures for the making of protected disclosures by workers who are or were employed by the public body and for dealing with such disclosures. Written information in relation to those procedures must be provided to workers employed by the public body.</p>	Y	<p>The Bank has established an Internal Whistleblowing Policy, which reflects the relevant provisions of the Protected Disclosures Act 2014. The policy is available on the Bank's intranet and training on the Bank's Code of Ethics is mandatory for all staff. In addition, staff are now provided with a copy on induction to the Bank.</p>
5.10	<p><b>Guidance:</b> The Minister for Public Expenditure and Reform has published Guidance for the purpose of assisting public bodies in the performance of their functions under section 21(1) of Protected Disclosures Act 2014 (available on the Department of Public Expenditure and Reform website). Public bodies shall have regard to this Guidance when establishing and maintaining their own protected disclosures procedures under the Act.</p>	Y	<p>The Bank had regard to the Public Expenditure and Reform Guidance when drafting the Internal Whistleblowing Policy. The Bank received legal advice when drafting the Internal Whistleblowing Policy to ensure (a) that the Bank's obligations were met in this regard and (b) that the provisions of the Bank's Policy, generally, are as robust as possible. The provisions of the Bank's policy reflect the provisions of the legislation. The guidance of DPER is reflected in the Bank's policy.</p>
5.11	<p><b>Annual Report:</b> Public bodies shall publish a report on protected disclosures in accordance with section 22 of the Protected Disclosures Act 2014 not later than 30 June in each year.</p>	Y	<p>A Protected Disclosures Report is published on the Bank's website annually and reference made in the Annual Report.</p>



<b>BUSINESS AND FINANCIAL REPORTING</b>			
6.	<p><i>Taking account of public accountability and the special considerations which attach to State bodies in relation to their management and operation, the annual report and financial statements, taken as a whole, should be fair, balanced and understandable and provide the information necessary for an assessment of the State body's financial performance, financial position, business model and strategy.</i></p> <p><i>A fundamental duty of the Board is to ensure that a balanced, true and fair view of the State body's financial performance and financial position is made when preparing the annual report and financial statements of the State body and when submitting these to the relevant Minister.</i></p> <p><i>The Board should ensure that timely and accurate disclosure is made to the relevant Minister on all material matters regarding the State body, including the business context, financial performance and position, and governance of the State body.</i></p>		
	<p>The publication of an annual report and audited financial statements is a primary expression of public accountability for State bodies. The objective of financial statements is to provide information about the financial performance, position and cash flows of the State body that is useful for economic decision-making for a broad range of stakeholders.</p> <p>The Board of a State body is required to arrange for the preparation of the financial statements in respect of each financial year. The annual financial statements are prepared from the information contained in the State bodies accounting records and other relevant information and in accordance with the accounting standards applicable to the State body.</p> <p>The Board must present financial statements of a State body that give a true and fair view of the income, expenditure (financial performance), assets, liabilities and</p>	Adapted	<p>Within six months after the end of each financial year, the Bank prepares a report of its operations during the year and submits this report to the Minister. The annual accounts of the Bank are subject to an annual external audit undertaken by both the C&amp;AG and Mazars, the Bank's external auditors.</p> <p>This provision is currently being met and accounts are prepared in accordance with accounting principles applicable to the Bank.</p> <p>In accordance with section 32K(3) of the 1942 Act, the Minister arranges for a copy of the report to be laid before each house of the Oireachtas.</p> <p>A review of relevant document against provisions set out in the Code has highlighted no issues.</p>

capital (financial position) of the State body as at the financial year end.

Reference to financial statements giving a “*true and fair view*” means in the case of an entity and group financial statements, that the financial statements present fairly the income and expenses (financial performance), assets, liabilities and capital (financial position), and cash flows of the State body or group concerned.

In order for a set of financial statements to give a true and fair view they should:

- comply with the accounting standards applicable to the State body;
- incorporate judgment as to valuation, disclosure, and materiality that aim to give a true and fair view;
- be prudent in the consideration of matters of judgment in the financial statements, especially where there is uncertainty; and
- ensure that the financial statements reflect the commercial substance of transactions, and not just their legal form.

The Board is required to arrange for the financial statements to be audited by an independent auditor. The external audit of non-commercial State bodies is carried out by the Comptroller and Auditor General.

An audit is an independent examination of the financial statements. The purpose of an audit is to enhance the degree of confidence of intended users in the financial

statements. Having conducted an examination of the financial statements, the auditor is required to report to the Board of the State body. In that report, the auditor is required to form an opinion on a number of matters including, for example whether the financial statements give a true and fair view and whether the financial statements are in agreement with the underlying accounting records.

The annual report, comprising the financial statements and commentary thereon, is a comprehensive report of the State body's activities throughout the preceding year. Annual reports are intended to give stakeholders information regarding the State body's activities and financial performance.

Each Government Department should lay the annual report and audited financial statements of State bodies under its aegis before the Houses of the Oireachtas within two months of such accounts being received by the Department, together with any report of the Comptroller and Auditor General on the financial statements.

Where a Department must first present the annual report and financial statements to the Government, this should be done at the earliest opportunity. In such cases Departments must in any event lay the financial statements of the State body before the Houses of the Oireachtas within three months of being received by the Department, as set out in the Department of Public Expenditure and Reform Circular 7/2015 - Timely Production and Submission of Accounts of Bodies and Funds audited by the Comptroller and Auditor General

	<p>and the Laying before the Houses of the Oireachtas Special Reports of the Comptroller and Auditor General.</p> <p>The Chairperson of a State body is required to submit a comprehensive report to the relevant Minister in accordance with the specific reporting requirements set out in paragraph 1.9 of <i>Code of Practice for the Governance of State Bodies – Business and Financial Reporting Requirements</i>. The Chairpersons comprehensive report to the Minister is a confidential letter from the Chairperson of the Board to the Minister of the parent Department. It includes items such as affirmation that Government policy is being complied with, significant post balance sheet events, a statement on the system of internal control and an outline of all commercially significant developments affecting the State body in the preceding year.</p>	<p>N/A</p>	<p>The 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.</p>
	<p>The Business and Financial Reporting Requirements associated with this Code are contained in the Code of Practice for the Governance of State Bodies – Business and Financial Reporting Requirements available in the separate tab below.</p>	<p>Adapted</p>	<p>These requirements are incorporated in the Annual Report in line with guidance provided by DPER.</p>
<p><b>RISK MANAGEMENT, INTERNAL CONTROL, INTERNAL AUDIT AND AUDIT AND RISK COMMITTEES</b></p>			
<p>7.</p>	<p><i>The Board should have formal and transparent arrangements for governance, risk management and internal control and for maintaining an appropriate relationship with the State body's auditors.</i></p> <p><i>Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving an entity's outcomes.</i></p> <p><i>Advising on key risk is a matter for the Board. The Audit and Risk Committee should support the Board in this role.</i></p>		
<p>7.1</p>	<p><b>Risk Management Policy:</b> Each State body should develop a Risk Management Policy and the Board should approve</p>	<p>Y</p>	<p>The Bank has developed a suite of Risk Management Policies which are approved by the Commission. The key policies in this regard include an</p>

	<p>the risk management framework and monitor its effectiveness. The Board should review material risk incidents and note or approve management’s actions, as appropriate.</p>		<p>Operational Risk Incident Management and Business Continuity Management, and Fraud Risk Management Policies. The Commission Risk Committee reviews and approves the risk management framework and monitors its effectiveness via regular reporting on risk management activities and exposures. The Commission also reviews reports on material risk incidents and notes or approves management’s actions, as appropriate.</p>
7.2	<p><b>Risk Management:</b> Key elements of the Board’s oversight of risk management include:</p> <ul style="list-style-type: none"> <li>• establishing an Audit and Risk Committee to give an independent view in relation to risks and risk management systems;</li> <li>• making risk management a standing item on the Board meeting agenda;</li> <li>• advising the relevant Minister of the need to include risk management experience/expertise in the competencies of at least one Board member. Where composition of the Board does not allow for this, expert advice should be sought externally;</li> <li>• appoint a Chief Risk Officer or empower a suitable management alternative, and provide for a direct reporting line to the Board to identify, measure and manage risk and promote a risk management culture in the organisation;</li> <li>• approve the risk management policy, set the State body’s risk appetite, and approve the risk management plan and risk register at least annually;</li> </ul>	Y	<p>The Commission has established both an Audit and a Risk Committee.</p> <p>The Bank has undertaken a review of the skills and experience of current members of the Commission.</p> <p>The Head of Organisational Risk has a direct reporting line on relevant matters to the Commission, via the Risk Committee, and acts as the Bank’s designated Risk Officer as stipulated under the Code.</p> <p>The Commission Risk Committee endorses the risk management policies, and the Bank’s Risk Appetite Framework, and material risk management frameworks and policies are approved by the Commission.</p> <p>The Commission Risk Committee reviews management reporting on risk management, providing challenge as appropriate.</p> <p>The Commission Risk Committee oversees an external review of the effectiveness of elements of specific components of the Bank’s risk management framework and policies as required.</p> <p>The Commission confirms within the annual report that it has carried out an assessment of the Bank’s principal risks, including a description of these risks, where appropriate, and associated mitigation measures or strategies.</p> <p>A review of the Risk Committee is undertaken annually.</p>

	<ul style="list-style-type: none"> <li>• review management reporting on risk management and note/approve actions as appropriate;</li> <li>• require external review of effectiveness of risk management framework on a periodic basis; and</li> <li>• confirmation in the annual report that the Board has carried out an assessment of the State body’s principal risks, including a description of these risks, where appropriate, and associated mitigation measures or strategies.</li> </ul>		
<b>Internal Control</b>			
7.3	<p><b>Internal Control:</b> The Board is responsible for ensuring that effective systems of internal control are instituted and implemented in the State body including financial, operational and compliance controls and risk management and the Board should review the effectiveness of these systems annually.</p> <p>The following are the key internal control procedures designed to provide effective internal control including:</p> <ul style="list-style-type: none"> <li>i) the steps taken to ensure an appropriate control environment (such as clearly defined management responsibilities and evidence of reaction to control failures);</li> <li>ii) processes used to identify business risks and to evaluate their financial implications;</li> <li>iii) details of the major information systems in place such as budgets, and means of comparing actual results with budgets during the year;</li> </ul>	Y	The Statement on Internal Control is considered by the Commission in annually and published in the Annual Report.

	<p>iv) the procedures for addressing the financial implications of major business risks (such as financial instructions and notes of procedures, delegation practices such as authorisation limits, segregation of duties and methods of preventing and detecting fraud); and</p> <p>v) the procedures for monitoring the effectiveness of the internal control system which may include: Audit and Risk Committees, management reviews, consultancy, inspection and review studies, the work of internal audit, quality audit reviews and statements from the heads of internal audit.</p> <p>vi) Confirmation in the annual report that there has been a review of the effectiveness of the system of internal control.</p>		
<b>Review of Effectiveness of Internal Control</b>			
7.4	<p><b>Effectiveness of Internal Control:</b> The existence of risk management policies and internal control systems do not on their own constitute effective risk management. Effective and on-going monitoring and review are essential elements of sound systems of risk management and internal control. Reviewing the effectiveness of internal control is an essential part of the Board’s responsibilities. The Board is required to form its own view on effectiveness of internal control systems based on the information and assurances provided.</p>	Y	The Statement on Internal Control is considered by the Commission in annually and published in the Annual Report.
7.5	<p><b>Annual Review of Effectiveness of Internal Control:</b> The Board should undertake an annual review of the effectiveness of internal control systems to ensure that it has considered all aspects of risk management and internal</p>	Y	The Statement on Internal Control is considered by the Commission in annually and published in the Annual Report.

control for the year under review and up to the date of approval of the annual report and financial statements.

The annual review of effectiveness should consider the following:

- changes since the last review in the nature and extent of significant risks and the ability of the State body to respond effectively to changes in its business and external environment;
- the scope and quality of management's ongoing monitoring of risks and the system of internal control and, where applicable, the work of its internal audit unit and other providers of assurance;
- the extent and frequency of the communication of the results of the monitoring to the Board, or Board committees, which enables it to build up a cumulative assessment of the state of control in the State body and the effectiveness with which risk is being managed;
- the incidence of significant control failings or weaknesses that have been identified at any time during the period and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the company's financial performance or condition; and
- the effectiveness of the State body's public reporting process.



7.6	<b>Timely Completion of Review:</b> Timely completion of the annual review is critical if it is to fulfil its objectives of providing assurance in relation to the operation of controls in the reporting period. The annual review should be conducted close to the end of the period under review or as soon as possible after the end of the financial period under review, and no later than three months after the period end.	Y	The Statement on Internal Control is considered by the Commission in annually and published in the Annual Report.
<b>INTERNAL AUDIT</b>			
<i>Internal auditing is an independent, objective, assurance and consulting activity designed to add value and improve the organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</i>			
7.7	<b>Internal Audit Unit:</b> Each State body should have a properly constituted independent internal audit unit or engage appropriate external expertise which should operate in accordance with the provisions set out below. Where the size or the risk to the State body does not warrant a separate internal audit unit, access to such a unit should be put in place through a joint venture or client arrangement with another State body, or some other appropriate arrangement.	Y	The Internal Audit Division's (IAD) charter states "It is the policy of the Central Bank of Ireland (CBI) to have and support a quality Internal Audit Function that adheres to the Mission of Internal Audit and the mandatory elements of the IIA's International Professional Practices Framework".
7.8	<b>Independence:</b> The internal audit unit shall be independent of the activities it audits. This is to provide it with an environment in which it can make unbiased judgements and provide impartial advice to management.	Y	Written Charter in place which states "the objective of Internal Audit is to act as the third, independent line of defence within the CBI's governance framework". The charter further states "Internal Audit will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair internal audit's judgement. Without prejudice to this

			objective, it may selectively review systems under development and advise Management generally on standards of control before implementation."
7.9	<p><b>Internal Audit Universe:</b> The internal audit unit should have the right to review all the management and control systems both financial and operational. The internal audit unit shall have unrestricted access to all functional areas, records (both manual and electronic), property, and personnel in the performance of its audits.</p> <p>Specifically, the internal audit unit shall be responsible for the effective review of both internal control and risk management.</p>	Y	Written Charter in place which states that "IAD have full, free and unrestricted access to all of the CBI records, physical properties and personnel pertinent to carrying out any engagement. IAD also have free and unrestricted access to the Governor and members of the Commission".
7.10	<p><b>Annual Programme of Audits:</b> The head of the internal audit unit shall be responsible for drawing up an annual programme of audits having regard to the organisation's Statement of Strategy and Risk Management policy in consultation with the Audit and Risk Committee.</p> <p>The internal audit unit shall demonstrate objectivity, comprehensiveness and relevance to management, the Audit and Risk Committee and the Board in respect of the areas to be audited and the respective priorities for these audits within the programme.</p> <p>The existence of the internal audit unit does not relieve line management of its responsibility for effective control of the activities for which it is responsible.</p>	Y	<p>IAD also confirms to the Audit Committee (quarterly) and the Internal Audit Committee of the ESCB that there has been no impairment to the independence of the internal audit function.</p> <p>Written Charter states "On an annual basis the Head of Internal Audit will submit to the Audit Committee, a sub-committee of the Commission, an Internal Audit Plan for review and approval based on a prioritisation of the audit universe using a risk-based methodology"</p>
7.11	The internal audit unit shall function professionally, adhering to the <i>Code of Ethics</i> and <i>International Standards</i> of the Institute of Internal Auditors or equivalent professional standards.	Y	Internal Audit Charter: "...the Head of Internal Audit will communicate to Senior Management and the Commission on the internal audit activity's quality assurance and improvement programme, including results of on-

<p>The operation of the internal audit unit should follow the principles below:</p> <p><b>i) Charter:</b> The internal audit unit should have a formal charter, including terms of reference, which has been approved by the Board. The reporting structure for internal audit should be clear and formally documented.</p> <p><b>ii) Head of Internal Audit:</b> The head of the internal audit unit should have considerable seniority within the organisation and the content of all internal audit reports should be entirely at his/her discretion. The head of internal audit should report directly to the Audit and Risk Committee and should also have access to the Chairperson of the Board and the Chairperson of the Audit and Risk Committee. Functionally, the head of internal audit should report within the State body to such person as the Board decides and to the CEO.</p> <p><b>iii) Compliance Tests:</b> In carrying out its on-going work, the internal audit unit should assess, using a risk based approach, the areas within its terms of reference (as set out in the audit charter), and report its findings to the Audit and Risk Committee.</p> <p><b>iv) Resources:</b> The internal audit unit should be appropriately resourced consistent with its responsibilities under this Code with the necessary skills including the ability to deal with non-financial aspects.</p> <p><b>v) External Auditors and Internal Audit:</b> The internal audit unit should liaise with the external auditors so that the potential for co-operation between the two is maximised. The work carried out by these two entities can</p>		<p>going internal assessments and external assessment conducted at least every five years."</p>
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	<p>frequently be complementary and effectiveness can be increased through regular consultation.</p> <p><b>vi) Value for Money Auditing:</b> In planning, executing and reporting its work, the internal audit unit should ensure that value-for-money auditing receives adequate attention based on the principles and provisions of the Public Spending Code, where relevant.</p> <p><b>vii) Procurement and Disposal:</b> The internal audit unit in each State body should review compliance with procurement and disposal procedures as required by the Audit and Risk Committee, from time to time, and report to the Audit and Risk Committee on these matters.</p>		<p>Operations within the Bank are broadly aligned to the principles and spirit of the Code.</p> <p>Value for Money auditing is assessed as part of the rolling three -year risk based audit plan and included where deemed relevant.</p>
7.12	<p><b>Audit and Risk Committee:</b> The Board of a State body should establish an Audit and Risk Committee of at least three independent non-executive Board members, or in the case of smaller bodies (less than 20 employees) two independent non-executive Board members, with written terms of reference which deal clearly with its authority and duties. Where a Board is constituted with only executive Board members other arrangements should be made to constitute an Audit and Risk Committee including the use of independent external personnel.</p> <p>It is recommended for an Audit and Risk Committee to have members drawn from outside the Board. An Audit and Risk Committee is more likely to have the broad range of skills and experience necessary where its membership is not restricted to the Board. The Audit and Risk Committee should be empowered to co-opt members to provide specialist skills at a particular time and to procure specialist advice at reasonable and approved expense to</p>	Y	<p>Audit and Risk Committees are established separately in the Bank. The Audit Committee is comprised of three independent non-executive Commission members. The Risk Committee is comprised of two non-executive and two executives.</p> <p>The Terms of Reference for both the Audit and Risk Committees are reviewed annually. The terms of reference of these committees are set out in the Appendix to the Commission Handbook. While the Bank has not made appointments to its Audit and Risk Committee from candidates drawn from outside the Commission, the Committees have the ability to co-opt members, drawn from outside the Commission, to provide specialist skills at a particular time and to procure specialist advice under section 18D (2) (a) of the Central Bank 1942 Act (as amended by the Central Bank (Supervision and Enforcement) Act 2013) (the Act).</p>

	<p>the organisation to assist the committee with specific areas of committee business.</p> <p>In general, the Audit and Risk Committees should be combined, however, in some larger entities there may be a requirement for separate Audit and Risk Committees.</p>		<p>Separate Audit and Risk Committees are established, but for matters relating to the Financial Accounts, they meet jointly at least once a year.</p>
	<p>The Audit and Risk Committee Guidance associated with this Code is contained in the Code of Practice for the Governance of State Bodies – Audit and Risk Committee Guidance.</p>		
<b>DEPARTMENT OVERSIGHT ROLE (SEE PAGE 38 OF THE CODE)</b>			
	<p>The relevant Minister/parent Departments should have written oversight arrangements with State bodies under their aegis appropriate to the scale, nature, responsibilities and functions of the State body.</p> <p>For commercial State bodies the oversight agreement is the Shareholder Letter of Expectation. For all other State bodies the oversight agreement is a written statement between the relevant Minister/parent Department and the State body under its aegis which clearly defines the terms of the relevant Minister’s/parent Department’s relationship with the State body.</p>	<p>N/A</p>	<p>This is not relevant to the Bank. It is a matter for the Minister/Government Department.</p>

<b>RELATIONS WITH THE OIREACHTAS, MINISTER AND PARENT DEPARTMENT</b>			
8.	<p>Good governance in the public sector is to ensure that entities achieve their intended outcomes as defined in their governing legislation and Statements of Strategy while acting in the public interest. This requires effective arrangements for defining outcomes in terms of sustainable economic, social, and environmental benefits which should be included in the State body's oversight agreement with their relevant Minister/parent Department.</p> <p>Good governance requires effective procedures for the definition of responsibility and accountability, allocation of budgets, defining expected outputs and outcomes and clear procedures for monitoring performance.</p> <p>Government Departments should have written oversight agreements with State bodies under their aegis. Any bodies having derogations from provisions of this Code should have such explanatory notes written into their oversight agreements. Reasons for exemptions should be clearly explained in the oversight agreement with the relevant Minister/parent Department.</p>	N/A	This is not relevant to the Bank. It is a matter for the Minister/Government Department.

<p>There should be an ongoing dialogue between Government Departments and State bodies under their aegis based on a common understanding of the objectives of the State body and the actions through which it seeks to achieve those objectives.</p> <p>The statutory basis for each State body set out in its governing legislation defines the parameters for the level of operational autonomy and independence under which each State body operates in pursuit of its objectives. Irrespective of the degree of autonomy and independence applying to any State body, the body must be subject to sufficient oversight and accountability to ensure that it is performing effectively and delivering its objectives to ensure that public resources are used efficiently and effectively.</p> <p>The functions of some State bodies require that they operate entirely independently of their parent Department. However, functional independence can be achieved and is fully compatible with statutory and financial oversight by the relevant Minister/parent Department and with proper and effective accountability. Effective accountability is strongly dependent on establishing clearly defined roles and responsibilities in accordance with the State bodies governing legislation which are clearly understood and observed in practice by both parties.</p>		
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	<p>The principles and provisions contained within this Code have been formed cognisant of the fact that some State bodies operate in commercial environments competing against organisations which are not subject to the same detailed requirements. A balance has been sought to ensure that State bodies are subject to sufficient oversight and accountability but not at the expense of compromising their commercial competitiveness.</p>		
<p><b>PARENT DEPARTMENT OVERSIGHT ROLE</b></p>			
<p>8.1</p>	<p><b>Governance Arrangements:</b> Parent Departments must ensure that there are robust and effective governance arrangements in place in State bodies under their aegis. This requirement is in accordance with the Governance Framework requirements for Government Departments and Offices regarding bodies under their aegis set out in the Corporate Governance Standard for the Civil Service.</p>	<p>N/A</p>	<p>This is not relevant to the Bank. It is a matter for the Minister/Government Department.</p>
<p>8.2</p>	<p><b>Comply or Explain:</b> State bodies and their subsidiaries are required to confirm to their relevant Minister/parent Government Department that they comply with this Code in their governance practices and procedures.</p> <p>This Code makes provision for certain requirements to be applied proportionately, subject to the written agreement of the relevant Minister/parent Department. In such cases, the relevant State body should reach agreement with the relevant Minister/parent Department on the extent to which the compliance requirement might be suitably</p>	<p>Adapted</p>	<p>The Governor has written to the Minister in the past to refer to areas where the Bank does not fully apply the provisions of the Code. This practice will continue.</p> <p>This is documented in the Annual Report and set out herein.</p>



	adapted in their case. The State body should then note the agreement reached in its annual report and explain whether the requirements are to be phased-in over a longer period of time, or otherwise varied in some way.		
8.3	<b>Oversight Role:</b> The oversight role in relation to a State body under the aegis of a Government Department should not be the responsibility of the same individual (civil servant) that may be nominated to the Board of a State body by the relevant Minister.	N/A	Not relevant to the Bank. It is a matter for the Minister/Government Department.
<b>OVERSIGHT AGREEMENTS</b>			
8.4	<p><b>Oversight Agreements:</b> Government Departments should ensure that they have written oversight agreements with State bodies under their aegis which clearly define the terms of the State body's relationship with the relevant Minister/parent Department.</p> <p>Oversight agreements should reflect the:</p> <ul style="list-style-type: none"> <li>• legal framework of the State body;</li> <li>• environment in which it operates (e.g. commercial, non-commercial, regulatory body);</li> <li>• purpose and responsibilities of the State body;</li> <li>• State bodies level of compliance with Code;</li> <li>• details of the Performance Delivery Agreement; and</li> <li>• arrangements for oversight, monitoring and reporting on conformity with the oversight agreement including those actions and areas of expenditure where prior sanction from the relevant Minister/parent</li> </ul>	N/A	This is not relevant to the Bank. It is a matter for the Minister/Government Department.

	<p>Department and/or the Department of Public Expenditure and Reform is required. Absent clear authority to make payments, an entity should seek prior sanction from its parent Department.</p> <p>Given the policy underlying the Freedom of Information Acts, in concluding settlements a State body should not enter into confidentiality agreements which preclude it from disclosing details of the settlement reached in the financial statements, save in exceptional circumstances and on foot of legal advice that they are necessary in the circumstances of the case. When, in those circumstances, confidentiality agreements are entered into, parties to the agreements should be given prior notice that they may be subject to disclosure in any case where an overriding public interest is identified or when required by law.</p> <p>The oversight agreement should be a dynamic document insofar as it should be modified in light of changing circumstances. The oversight agreement should be reviewed annually and updated as required.</p>		
<b>ROLES AND RESPONSIBILITIES</b>			
8.5	<p><b>Roles:</b> It is recommended that each Department/Office set out in writing the respective roles and responsibilities of its Accounting Officer, as well as the Chairperson and the CEO of each State body under its aegis.</p>	N/A	Not relevant to the Bank. It is a matter for the Minister/Government Department.
8.6	<p><b>Accounting Officer:</b> The Accounting Officer of the Government Department under whose aegis the State body lies should satisfy him/herself that the requirements of this Code are being properly implemented and observed. In support of this role, the Accounting Officer or</p>	N/A	Not relevant to the Bank. It is a matter for the Minister/Government Department.

	<p>his/her Department may also request further information/evidence that the entity is in compliance with the Code and the State body should comply with all such reasonable requests.</p> <p>If information available to the Department indicates to the Accounting Officer that problems or difficulties exist, the Accounting Officer should ensure that appropriate action is taken as soon as possible.</p>		
8.7	<p><b>Accountable Person:</b> A small number of State bodies may have an Accounting Officer within the meaning of the <i>Comptroller and Auditor General Amendment Act, 1993</i> with responsibility for Voted funds; others have an “Accountable Person” as defined in the governing legislation establishing the State body. In such cases the accountability of the Accounting Officer/Accountable Person to the Oireachtas should be differentiated from that of the Board’s general responsibilities.</p> <p>State bodies with their own Vote and Accounting Officer fall within the scope of and are required to prepare a Governance Framework in accordance with the Corporate Governance Standard for the Civil Service.</p>	N/A	The Bank does not have a Vote and Accounting Officer.

PERFORMANCE DELIVERY AGREEMENTS			
<p><i>Non-commercial State bodies should agree Performance Delivery Agreements with the relevant Minister/parent Department and report to the Minister on progress against targets. These agreements will act as a performance contract between the parent Department and the State body in which an agreed level of performance / service is formalised and which will ultimately result in improved efficiency and effectiveness in the delivery of public services.</i></p> <p><i>The agreements allow for the adoption of both annual and multi-annual targets, and the development of output and outcome indicators, including milestones to measure performance against targets.</i></p> <p><i>A Department’s Statement of Strategy is the anchor document to the content and objectives of the Performance Delivery Agreement taking account of the State body’s legal framework. The agreement should be aligned to specific objectives in the parent Department’s Statement of Strategy, to the extent relevant, and consistent with the State body’s legal mandate, and with any Government policies for the reform and modernisation of the Public Service.</i></p> <p><i>The Board of the State body should ensure that the Performance Delivery Agreement and the State body’s Statement of Strategy are communicated to all employees and that they have a clear understanding of their role in achieving these objectives.</i></p>			
8.8	<p><b>Performance Delivery Agreements:</b> Each Department is required to agree a Performance Delivery Agreement (reviewed annually) with all State bodies under its aegis including those State bodies who generate their own income and are not funded directly by the Exchequer.</p> <p>The Performance Delivery Agreement should include:</p> <ul style="list-style-type: none"> <li>• high level goals and objectives;</li> <li>• identify the key programmes of activity for the State body including for each individual expenditure programme;</li> <li>• set out the key outputs specified in quantitative, measurable terms;</li> <li>• identify the targets for that output in annual and multi annual targets with clear milestones;</li> </ul>	N/A	<p>This is a primarily a matter for the Minister/Government Department. However, the following is of note:</p> <ul style="list-style-type: none"> <li>• Section 32L of the 1942 Act provides that the Bank must publish a Performance Statement on an annual basis relating to the Bank’s performance in regulating financial services. This statement must be in three parts i.e. details of planned regulatory action for the following year (“Regulatory Performance Plan”); a review of the Bank’s performance in the previous year having regard to that year’s Regulatory Performance Plan; and a report of any international peer review report carried out during the year under s.32M of the 1942 Act. The Performance Statement is to be in such form and relate to such matters as the Minister determines, but shall not relate to the performance by the Governor of his ESCB related functions. Within one month of receiving the Performance Statement, the Minister must lay the report before the Houses of the Oireachtas.</li> </ul>

	<ul style="list-style-type: none"> <li>identify the cost of delivery of that programme; and</li> <li>set out the process for the formal review of the performance agreement.</li> </ul>		<ul style="list-style-type: none"> <li>In addition, in accordance with section 32B of the 1942, the Bank is obliged to prepare and publish a Strategic Plan every three years and submit the plan to the Minister.</li> </ul>
8.9	<p><b>High Level Goals and Objectives:</b> In stating High Level Goals and Objectives, the Performance Delivery Agreement will:</p> <ul style="list-style-type: none"> <li>set out relevant, quantitative metrics of impacts and/or results that will support examination of the effectiveness of the programme; and</li> <li>include annual and multi-annual targets that set out clear milestones to measure progress toward a goal.</li> </ul>	N/A	Please see comment at 8.8 above.
8.10	<p><b>Key Outputs:</b> In stating Key Outputs, the Performance Delivery Agreement will:</p> <ul style="list-style-type: none"> <li>set out relevant, quantitative metrics of outputs that will support examination of the efficiency of the programme; and</li> <li>include annual and multi-annual targets that set out clear milestones to measure delivery.</li> </ul>	N/A	Please see comment at 8.8 above.
8.11	<p><b>Review of Performance Delivery Agreement:</b> There should be at least one formal meeting per annum between senior Department officials and representatives of the Board and top management of the State body to review the Performance Delivery Agreement and to strengthen the relationship between the two organisations.</p>	N/A	Please see comment at 8.8 above.
8.12	<p><b>Existing Service Level Agreements:</b> Where State bodies already have existing service level agreements and/or performance frameworks (which include specific</p>	N/A	Please see comment at 8.8 above.

	performance targets and indicators) in place with their relevant Minister/parent Departments these should be adapted to conform to the requirements of a Performance Delivery Agreement as set out in this Guidance.		
<b>COMMERCIAL STATE BODIES</b>			
8.13	<b>Commercial State Bodies:</b> As alternative arrangements are already in place in commercial State bodies in the form of a Shareholder Expectation Letter it is not intended that Performance Delivery Agreements will apply to commercial State bodies.	N/A	The Bank is not a commercial state body.
<b>PERIODIC CRITICAL REVIEW</b>			
8.14	<b>Periodic Critical Review:</b> Non-commercial State bodies shall be subject to Periodic Critical Review (PCR) no later than every 5 years. This provision is to ensure that the ongoing business case for State bodies, including those newly established, will be subject to periodic scrutiny and assessment. The overarching objective of the review process is primarily to secure improvements in accountability, efficiency and effectiveness but also to scrutinise objectively the case for rationalisation and consolidation of public bodies in light of changing requirements, demands and priorities. The review process should also assess the extent to which the governance structure of each public body and the Department's oversight of that body (if appropriate) is consistent with its	Adapted	With reference to Sections 32L and 32M of the 1942 Act, the Bank prepares an Annual Performance Statement no later than 30 April each year, to include a review of the Bank's regulatory performance Plan. Every four years the Bank arranges peer reviews of the performance of its regulatory functions. The review is carried out by either another central bank, person or body certified by the Governor after consultation with the Minister.

	<p>legislative underpinning and is strongly aligned to the business needs of the body.</p> <p>The review should include the external environment (economic, political, legislative, stakeholder, and technological), organisational capacity (governance, financial management, process management, other organisational linkages, HR management) and organisational performance (relevance, financial viability, economy, efficiency, effectiveness). The review should be evidence based and where possible compare actual performance against targets and/or external benchmarks.</p>		
8.15	<p><b>Conduct of Review:</b> The relevant Government Department should establish a Working Group comprised of officials from the parent Department, the State body and the relevant Vote Sections of the Department of Public Expenditure and Reform, to conduct the Periodic Critical Review (PCR) and report to the relevant Minister. A representative from the Board of the State body should also be considered. The final composition of the group is a matter for the parent Department. The Working Group should be chaired by an official at Principal Officer Level in the parent Department.</p> <p>The Working Group in their deliberations should have due regard to the guiding principles which inform the Government's approach in this area.</p>	N/A	This is not relevant to the Bank. It is a matter for the Minister/Government Department.

	<p>The periodic critical reviews themselves should be:</p> <ul style="list-style-type: none"> <li>• Proportionate. Reviews must not be overly bureaucratic, administratively burdensome and should be appropriate for the size and nature of the State body in question.</li> <li>• Timely. Reviews should be completed quickly in order to minimise disruption and reduce uncertainty about the State body’s future.</li> <li>• Challenging. Reviews should be robust and rigorous and examine and evaluate as wide a range as possible of delivery options.</li> <li>• Open and Inclusive. Key stakeholders should have the opportunity to contribute to reviews.</li> <li>• Transparent. Reviews should be routinely published.</li> </ul>	<p>Adapted</p>	<p>Please see comment at 8.14 above.</p>
<p><b>PROCEDURES FOR PROCUREMENT</b></p>			
<p>8.16</p>	<p><b>Public Procurement:</b> It is the responsibility of the Board to satisfy itself that the requirements for public procurement are adhered to and to be fully conversant with the current value thresholds for the application of EU and national procurement rules.</p> <p>The Board should satisfy itself that procurement policies and procedures have been developed and published to all staff. It should also ensure that procedures are in place to detect non-compliance with procurement procedures.</p>	<p>Adapted</p>	<p>Provisions explicit in Corporate Procurement Policy. The Commission approves the Bank’s Procurement Policy which makes reference to public procurement requirements.</p> <p>The Audit Committee receive half yearly updates providing details on the Bank’s compliance with public procurement legislative requirements and with the Corporate Procurement Policy. This includes details of contracts awarded without recourse to a tender process ("direct awards").</p>



	Entities should have a contracts database/listing for all contracts/payments in excess of €25,000 with monitoring systems in place to flag non-competitive procurement. Non-competitive procurement should be reported in the Chairperson’s comprehensive report to the Minister.		In October 2013, the Audit Committee noted a change in the Bank’s policy to increase the national tendering threshold from €25,000 to €50,000. This threshold still applies.
8.17	<b>Procedures:</b> Similarly, the Board should ensure that competitive tendering should be standard procedure in the procurement process of State bodies. Management, and ultimately the Board, should ensure that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with procurement policy and guidelines.	Y	Regular Audit Committee reporting in place.  The requirement for competitive tendering is included in the Bank’s Procurement Policy. The policy is approved by the Commission.  A review of the Policy and procedures highlighted no issues.
8.18	<b>Legal Obligations:</b> EU Directives and national regulations impose legal obligations on public bodies in regard to advertising and the use of objective tendering procedures for awarding contracts above certain value thresholds. Even in the case of procurement which might not be subject to the full scope of EU Directives, such as certain ‘non-priority’ services or service concessions, the EU Commission and European Court of Justice have ruled that EU Treaty principles must be observed.	Y	A review of procedures and sample e-tenders highlighted no issues.
8.19	<b>EU Treaty Principles:</b> The essential Treaty principles include non-discrimination, equal treatment, transparency, mutual recognition, proportionality, freedom to provide service and freedom of establishment. There is a strongly implied requirement to publicise contracts of significant value to a degree which allows parties in other Member States the opportunity to express an interest or to submit tenders.	Y	A review of procedures and sample e-tenders highlighted no issues.

8.20	<p><b>Corporate Procurement Plan:</b> The Office of Government Procurement Policy framework requires that all non-commercial State bodies complete a Corporate Procurement Plan. This plan is underpinned by analysis of expenditure on procurement and the procurement and purchasing structures in the organisation. The plan should set practical and strategic aims, objectives for improved procurement outcomes and appropriate measures to achieve these aims should be implemented.</p> <p>The Chairperson should affirm adherence to the relevant procurement policy and procedures and the development and implementation of the Corporate Procurement Plan in the comprehensive report to the Minister.</p>	<p>Y</p> <p>N/A</p>	<p>The Bank's Procurement Plan is consistent with the provision.</p> <p>The 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.</p>
8.21	<p><b>Procurement Information:</b> Information on procurement policy and general guidance on procurement matters is published by the Office of Government Procurement. This can be viewed or downloaded from the Office of Government Procurement website.</p>	Y	<p>As part of its procurement strategy, the Bank has a co-operative relationship with the Office of Government Procurement (OGP) and made direct use of OGP services where appropriate and beneficial.</p>
<b>PROPERTY ACQUISITION AND DISPOSAL OF SURPLUS PROPERTY</b>			
8.22	<p><b>Acquisition or Disposal of Assets:</b> The Chairperson of the Board should seek the approval of the relevant Minister and the Minister for Public Expenditure and Reform in advance of any material acquisition or disposal of land, buildings or other material assets proposed by a State body. This also includes long term leases or purchase of right to use (rather than own) an asset.</p>	N/A	<p>Section 5B(a) of the 1942 Act provides that the power of the Bank includes the power to acquire, hold or dispose of or otherwise deal in all kinds of property (including real property, securities, coins, gold or silver bullion and other precious metals, and any kinds of currency or currency units).</p>
8.23	<p><b>Circulars and Guidelines:</b> In addition to any specific guidelines which apply to a State body, all acquisitions, disposals or proposals to share property should be</p>	Adapted	<p>The European Treaties (Article 130 of the EU Treaty and Article 7 of the ESCB Statute, which provisions are also reflected in the 1942 Act provide that the Bank shall not seek or take instructions from the Government and</p>

	<p>conducted in accordance with current Department of Public Expenditure and Reform circulars and guidelines as follows:</p> <ul style="list-style-type: none"> <li>• 11/2015 – Protocols for the Transfer and Sharing of State Property Assets;</li> <li>• 17/2016 – Policy for Property Acquisition and for Disposal of Surplus Property; and</li> <li>• 02/2016 – Arrangements for Digital and ICT-related Expenditure in the Civil and Public Service.</li> </ul> <p>Department of Public Expenditure and Reform Circular 02/2016 must be complied with by State bodies considering expenditure on IT and telecommunications projects, systems and infrastructures:</p>		<p>so Government decisions, codes of practice, circulars and Guidelines do not apply directly to the Bank.</p> <p>However, the Bank considers the application of government circulars when reviewing Bank policies and to ensure consistency with the statutory framework under which the Bank is required to operate.</p>
<b>ACQUISITION OF LAND, BUILDINGS OR OTHER MATERIAL ASSETS</b>			
8.24	<p><b>Procedures:</b> In addition, the requirements set out in Department of Public Expenditure and Reform circulars, as amended from time to time, the following procedures should apply:</p> <p><b>(i) Independent Valuation:</b> Where land or property is being considered for acquisition an independent valuation must be obtained. These valuations should be obtained before any decision is taken by the Board to purchase or sell lands. The valuations should be obtained from professional property valuation surveyors.</p> <p><b>(ii) Listing of Parties to Transaction:</b> All parties to land and property transactions should be clearly reported to the</p>	<b>Adapted</b>	<p>The power to acquire, hold or dispose of or otherwise deal in all kinds of property (including real property, securities, coins, gold or silver bullion and other precious metals, and any kinds of currency or currency units) is set out in Section 5B(a) of the 1942 Act.</p> <p>The Bank’s Fixed Asset Disposal and Write Off Policy and Write-off Policy (Operating and Financial Costs) are based on the relevant part of the “Code of Practice for the Governance of State Bodies”.</p> <p>The Bank’s assessment and review of related documentation has shown that the minimum standards set out in the Code, for example: independent valuations, transparency, value for money and general approach to such transactions, have been exceeded by the Commission.</p>

	<p>Board when transactions are being considered. Any Board resolution related to the purchase of land or property should state the party or parties the asset is being purchased from.</p> <p><b>(iii) Options by Others to Purchase:</b> Where a third party developer has obtained an option to purchase land and is selling this option to a State body, any profit margin, where it can be determined, being charged by the developer should be reported to the Board.</p> <p><b>(iv) Board Resolutions:</b> Any Board resolutions regarding the purchase or sale of an asset should state the price the asset has been purchased or sold for.</p> <p><b>(v) Transparency:</b> Purchase of land or property should be conducted in as transparent a manner as possible without compromising the negotiating position of the State body.</p> <p><b>(vi) Due diligence:</b> A full due diligence report should be prepared for land or property that are being considered for acquisition.</p> <p><b>(vii) Nominated Staff Member:</b> A staff member should be nominated to have responsibility for the acquisition, management and sale of land or property. This staff member should report directly to the CEO regarding property issues.</p> <p><b>(viii) Legal Matters:</b> When dealing with the acquisition or sale of land or property there should be an active engagement with the solicitors involved and the nominated staff member shall ensure that the commercial</p>		
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	<p>and technical aspects of the transaction are fully addressed.</p> <p><b>(ix) Title Registration:</b> There should be a planned follow up with the solicitors involved to ensure that the title to any land or property acquired are properly registered with the Property Registration Authority.</p> <p><b>(x) Legal Obligations:</b> There should be a planned follow up to ensure that any undertakings, obligations and other matters are completed following the acquisition or sale of land or property. State bodies should instigate periodic (depending on the size of the property portfolio) reviews with their solicitors, and any internal staff dealing with property management, to audit the current status of title registration, way leave agreements, leases, bonds, planning permissions and any other matters which affect their property portfolios.</p> <p><b>(xi) Recording on State Property Register:</b> All land and property should be recorded on the online State Property Register managed by the Office of Public Works.</p>		
<b>CAPITAL INVESTMENT APPRAISAL</b>			
<p><b><i>The Public Spending Code:</i></b> <i>The Public Spending Code is the comprehensive set of expenditure appraisal and value for money requirements and related guidance covering all public expenditure.</i></p>			
8.25	<p>The Board should ensure that robust and effective systems and procedures are in place in the State body concerned to ensure compliance as appropriate, with the relevant principles, requirements and guidelines of the Public Spending Code. The Chairperson of each State body should confirm in the annual report that the organisation</p>	Y	<p>The Bank has a structured process in place to appraise all capital investment. Such projects are considered by the Bank's Budget and Finance Committee, unless the committed cost exceeds €5m, in which case it is considered by the Commission.</p>

	is adhering to the relevant aspects of the Public Spending Code.		The Bank has reviewed the Public Spending Code (PSC) and only a small number of elements of the PSC are directly applicable to the Bank. However, we would note in respect of those provisions that are applicable to the Bank, the Bank's policies and procedures for the management and appraisal of projects/programmes comply and often exceed the relevant requirements and principles of the PSC.
8.26	<b>Investment Appraisal:</b> In addition, the Board should ensure that the State body concerned should have regard to appropriate models for investment appraisal in their sectors and seek to apply the best practice financial and economic appraisal principles contained in the Public Spending Code for the appraisal and management of all investment proposals.	Y	<p>All projects considered by the Bank's Budget and Finance Committee are fully appraised, and a detailed business case for each is prepared and considered. The Commission receives reports on major investment projects and on value realisation.</p> <p>The Bank has reviewed the Public Spending Code (PSC) and only a small number of elements of the PSC are directly applicable to the Bank. However, we would note in respect of those provisions that are applicable to the Bank, the Bank's policies and procedures for the management and appraisal of projects/programmes comply and often exceed the relevant requirements and principles of the PSC.</p>
<b>DIVERSIFICATION, ESTABLISHMENT OF SUBSIDIARIES AND ACQUISITIONS BY STATE BODIES</b>			
8.27	<b>Ministerial Approval:</b> The Chairperson should seek the approval of the relevant Minister, together with the consent of the Minister for Public Expenditure and Reform for any intended action which would extend or change significantly the nature, scope or scale of the activities in which it (or any subsidiary) engages (including through any joint venture). This provision requires Ministerial consent for any significant change in the (agreed) scope or function of a State body. Any intended action covers anything that a State body may be contemplating doing that would involve it straying (significantly) into a new area which it had never	N/A	The 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.

	<p>envisaged that it would be involved in or significantly changing the scale of its operations.</p> <p>The financial consequences of such actions, notably on the debt, profitability or capacity of the State body to pay dividends (where relevant) and their consistency with the existing remit of the State body (if any), notably its statutory remit, should be clearly set out by the Board.</p>		
8.28	<p><b>Subsidiaries:</b> The establishment or acquisition of subsidiaries, participation in joint ventures and the acquisition of shares by any State body, by its subsidiaries or by joint ventures in which either a State body or its subsidiaries participate (“State body joint ventures”) is subject to the legal capacity to do so and, in respect of a State body and its subsidiaries, to the prior written approval of the relevant Minister, given with the consent of the Minister for Public Expenditure and Reform. If a State body or its subsidiaries plans a shareholding offering or to acquire shares the offer/application must refer expressly to such legal capacity and approval requirements.</p> <p>The Ministerial consent requirements applicable to a State body joint venture should be considered and determined in the context and at the time of consideration and approval of the formation of the joint venture in the first instance.</p>	Adapted	<p>Section 23 of the Central Bank Act 1997 provides:</p> <p>Subject to subsection (4), the Bank may promote and take part in the formation or establishment of one or more than one company.</p> <p>The Bank may acquire, hold and dispose of shares or other interests in one or more than one company and become a member of a company.</p> <p>The Bank may exercise total or partial control of the composition of the board of directors that controls or manages a company promoted, formed or established by it.</p> <p>The exercise by the Bank of any power conferred by this section shall be subject to the consent of the Minister, given after consultation with any other Minister of the Government who, in the opinion of the Minister, having regard to the functions of that Minister of the Government, ought to be consulted.</p> <p>The consent of the Minister shall be required for the drawing up of or amending of the Memorandum and Articles of Association of any company formed or acquired by the Bank.</p> <p>The functions and powers of any subsidiary of the Bank shall be limited to those conferred on the Bank.</p>

			<p>Subsection (6) shall not apply where the Bank becomes a member of, or is a party to the establishment or operation of a payment system.</p> <p>Section 5B(b) of the 1942 Act provides that the powers of the Bank include the power to acquire, hold or dispose of shares in a bank or other institution formed wholly or mainly by banks that are the principal currency authority in their respective countries, but only with the approval of the Minister.</p>
8.29	<p><b>Approval Process:</b> When seeking such approval, the Chairperson should supply the relevant Minister with complete details of such proposed subsidiaries, joint ventures or acquisitions and should do so at the earliest opportunity in order to avoid delays. The relevant Minister should respond to the Chairperson in a timely manner.</p>	N/A	<p>The 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.</p>
8.30	<p><b>Details:</b> Such details should include, the following (which is not an exhaustive list) together with such other information as may be requested:</p> <ul style="list-style-type: none"> <li>• the full business case for the proposal;</li> <li>• cash flows and projections;</li> <li>• risk analysis of proposal;</li> <li>• the amount of share capital proposed to be acquired compared with the entire issued share capital of the company concerned;</li> <li>• details of any shares held in such company by any other State body, its subsidiaries or State body joint ventures;</li> </ul>	N/A	<p>Please see comment above at 8.29.</p>



	<ul style="list-style-type: none"> <li>• data on the financial commitment and exposure of the parent body, whether by way of equity, loans, guarantee or otherwise;</li> <li>• other potential liabilities that may have a negative impact on the company;</li> <li>• outstanding borrowings of such company from all sources, whether guaranteed or not, and any commitments by them which could involve financial exposure for a State body; and</li> <li>• in seeking approval for the establishment or acquisition of subsidiaries, the proposed approach to the remuneration and conditions of employment of the CEO/Managing Director and, where appropriate, other employees of the subsidiaries should be outlined.</li> </ul>		
8.31	<b>Shareholdings (30%+):</b> Where State bodies, their subsidiaries and/or any State body joint ventures have a combined holding in any company exceeding 30% of the entire issued share capital of such company, the State bodies concerned should notify the relevant Minister and the Minister for Public Expenditure and Reform of such shareholdings.	N/A	Please see comment above at 8.29.
8.32	<b>Borrowing Limits:</b> Where a State body is subject to a limit on its borrowings, the combined borrowings of both the parent body and all its subsidiaries (the “Group”) are covered by that limit, subject to the specific provisions of the parent legislation. Cash balances are not to be taken	N/A	Please see comment above at 8.29.  The Bank is not subject to borrowing limits and is self-financing.

	into account in calculating borrowings for the purposes of borrowing limits.		
8.33	<b>State Guarantees:</b> State guarantees cannot be given without explicit statutory authority and may only be given by the relevant Minister with the consent of the Minister for Finance and the Minister for Public Expenditure and Reform. State guarantees may also be subject to approval by the EU Commission under the Treaty rules on State Aid. As a general rule, current policy is not to issue new State guarantees to State bodies due to the potential impact on the State's Balance Sheet and to allow outstanding guarantees to expire as the relevant borrowings are repaid.	N/A	Section 5B of the 1942 Act provides that the powers of the Bank include the power to:  “(e) give guarantees and make payments under them;”  The 1942 Act, the EU Treaty and the Statute of the ECB guarantee the independence of the Governor in carrying out his ESCB related functions. Therefore, if the giving of guarantees is related to ESCB functions it is a matter for the Governor. The Bank, as a member of the ESCB, is prohibited from providing loans or other types of funding to the State or other public sector entities. The prohibition on monetary financing is set out at Article 123 of the EU Treaty. The objectives of the prohibition on monetary financing include the protection of central bank independence, as well as price stability and fiscal discipline.
<b>DISPOSAL OF STATE ASSETS, ACCESS TO ASSETS BY THIRD PARTIES AND PLEDGING OF ASSETS AS CONTINGENT ASSETS IN PENSION SCHEME FUNDING PROPOSALS</b>			
8.34	<b>Disposal:</b> The Board should ensure that arrangements are in place such that the disposal of assets of State bodies or the granting of access to property or infrastructure for commercial arrangements, e.g. joint ventures with third parties, are at a fair market-related price. Disposals or grants of access with an anticipated value at or above a threshold level of €150,000 should be by auction or competitive tendering process, other than in exceptional circumstances. The method used should be both transparent and likely to achieve a fair market-related price. The anticipated value may be determined either by a reserve price recorded in advance in the State body's records or by a formal sign-off by the Board on the advice	Y	The Bank's Fixed Asset Disposal and Write-off policy is aligned with the Code.

	of the Chief Financial Officer or, if delegated by the Board, sign-off by the CFO, that, in its view, the anticipated value is likely to be less or greater than €150,000. Valuations should be carried out by a qualified unconnected valuer.		
8.35	<p><b>Use of Assets as Contingent Assets in Pension Scheme Funding Proposals:</b> A decision by the Board that the assets of the State body are to be used as contingent assets, in the context of a Pension Scheme Funding Proposal designed to address a Minimum Funding Standard Reserve deficit or to meet the requirements of the Funding Standard Reserve, must only be done as a last resort and where a real and unavoidable obligation on the sponsoring body exists to help the relevant scheme to meet the Minimum Funding Standard (MFS) or other funding deficit.</p> <p>The Guidance Note issued by the Department of Public Expenditure and Reform Circular 12/2014 – Assessment of Pension Scheme Funding Proposals must be complied with in such circumstances.</p>	N/A	<p>The application of the circular is not currently applicable to the Bank as the Bank’s pension scheme is currently well funded.</p> <p>If in the future it was necessary, the Bank would consider the application of the Circular referenced.</p>
8.36	<p><b>Board Approval - Use of Competitive Process:</b> If an auction or competitive tendering process takes place and the highest bid is not the bid accepted, then specific Board approval is required before the disposal of the asset or granting of access to property or infrastructure for commercial arrangements with third parties can be completed. The Board must ensure that the provisions of the EU Commission Communication on State Aid elements in sales of land and buildings by public authorities are complied with fully. Any such approvals together with the</p>	Y	See 8.34 above.

	reason why a lower bid was permitted to be accepted should be noted in the minutes of the Board.		
8.37	<b>State Aid:</b> A measure constituting State aid shall not be implemented before it has been approved by the EU Commission. The EU Commission <i>Guidance Paper on State aid-compliant financing, restructuring and privatisation of State-owned enterprises</i> sets out EU State aid rules, which must be complied with when carrying out or financing, restructuring and/or privatisation of State-owned enterprises and provides clarifications on the way the Commission applies the main State aid principles.	Y	See 8.34 above.
8.38	<b>Board Approval – Non-Use of Competitive Process:</b> Where an auction or competitive tendering process is not used and the agreed price is €150,000 or more, then specific Board approval is required before negotiations start and also before the disposal of the asset or granting of access to property or infrastructure for commercial joint venture arrangements with third parties can be completed.	Y	This has been provided for in the updated Fixed Asset Disposal and Write-off Policy approved by the Commission.
8.39	<b>Formal Certification:</b> No disposal of an asset or grant of access to property or infrastructure for commercial arrangements with third parties should be completed until the officer authorising the disposal or grant of access has certified formally that (i) Board approval is not necessary, with the reasons, or (ii) Board approval, where necessary, has been obtained.	Y	Authorisation levels are set out in the Fixed Asset Disposal and Write-off Policy approved by the Commission.
8.40	<b>Disposal of Assets to Board Members, Employees or their Families:</b> Disposal of assets to Board members, employees or their families or connected persons should, as with all disposals, be at a fair market-related price.	Y	The Bank's Fixed Asset Disposal and Write-off policy is aligned with the Code.

	Where the Board is considering a proposal for any such disposal, the Board member connected to the potential purchase should absent him or herself from the Board deliberations on the issue. A record of all such disposals to such persons (to include details of the asset disposed of, price paid and name of the buyer) should be noted in a register kept for this purpose (minor disposals below €5,000, may be omitted from the register). This register should be available for inspection, if requested, by the Board or by any Board member. The Board may specify that any disposal above an approved threshold should be formally endorsed by the Board who may impose specific restrictions with regard to any such disposal.		
8.41	<b>Reporting Disposals to the Board:</b> Details of all disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties (save for connected third parties which is dealt with in paragraph 8.40) below the threshold value of €150,000 without auction or competitive tendering process should be formally reported to the Board, including the paid price and the name of the buyer, on an annual basis.	Y	The Bank's Fixed Asset Disposal and Write-off policy is aligned with the Code.
8.42	<b>Reporting Disposals to the Minister:</b> Details of and explanations for the disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties above the threshold of €150,000 which have not been subject to auction or competitive tendering process should be included in the Chairperson's comprehensive report to the relevant Minister (see paragraph 1.9 of the Business and Financial Reporting Requirements document).	N/A	The Bank's Fixed Asset Disposal and Write-off policy is aligned with the Code, however the 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.

8.43	<b>Compliance:</b> The Chairperson, in the comprehensive report to the relevant Minister, should affirm that the disposal procedures, as outlined, have been complied with.	N/A	The Bank's Fixed Asset Disposal and Write-off policy is aligned with the Code, however the 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.
<b>TAX COMPLIANCE</b>			
8.44	<b>Tax Clearance:</b> It is the responsibility of the Board of the State body to satisfy itself that any Tax Clearance requirements regarding the payment of grants, subsidies and similar type payments, and regarding Public Sector Contracts, are fully adhered to. Any individual or body must have a valid tax clearance certificate when a contract is entered into and should maintain a valid tax clearance certificate or, where the contract is a relevant contract, demonstrate satisfactory subcontractor tax compliance at the time of each payment.	Y	Payments are only made to suppliers who have an up to date tax clearance provided by Revenue. Procedures and processes are in place as set out in this provision.
8.45	<b>Taxation:</b> State bodies should be exemplary in their compliance with taxation laws and should ensure that all tax liabilities are paid on or before the relevant due dates. Boards of State bodies must take cognisance of any proposed corporate restructuring plans submitted for their approval and should ensure that they are being undertaken for bona fide commercial reasons and not as part of any tax avoidance scheme.	Y	The provisions of the code are applied in this regard.
8.46	<b>Tax Avoidance:</b> State bodies, while availing of all legitimate taxation arrangements, should not engage in unacceptable tax avoidance transactions. In broad terms, tax avoidance is offensive if it involves the use of the tax code for a purpose other than that intended by the Oireachtas (including an unintended use of a tax incentive)	Y	The Central Bank does not engage in any unacceptable tax avoidance.

	<p>with a view to reducing the amount of tax to be paid by the State body or some other party to a transaction in which the State body participates. Where a doubt arises in a particular instance, the State body concerned should consult the Revenue Commissioners.</p> <p>Where the approval of a Minister with the consent of the Minister for Public Expenditure and Reform is required under legislation for any financial transaction, the Chairperson should provide confirmation from the Revenue Commissioners that the tax treatment of the financial transaction is compliant with Irish tax law.</p>		
8.47	<p><b>Report to Department:</b> A report on the State body’s compliance with tax laws should be furnished each year to its relevant parent Department. The report should confirm that the State body has complied with its obligations under tax law.</p>	Adapted	<p>The 1942 Act provides the statutory regime for how the Bank is to interact with the Minister for Finance taking into account the Bank's independence requirements and, as such, the statutory framework in the 1942 Acts overrides the requirements in the Code on this matter.</p> <p>The tax clearance provisions of the Standards in Public Office Act 2001 apply to persons appointed to "senior office", i.e. to a designated position of employment or to designated directorship in a public body under the 1995 Ethics Act, in relation to which the remuneration is not less than the lowest remuneration of a Deputy Secretary General in the civil service.</p> <p>All persons appointed to “senior office” must provide to the Standards in Public Office Commission, confirmation that they are tax compliant and that their tax affairs are up to date, not more than nine months after the date on which he or she is appointed.</p>
<b>LEGAL DISPUTES INVOLVING OTHER STATE BODIES</b>			
8.48	<p><b>Legal Disputes:</b> Where a legal dispute involves another State body, unless otherwise required by statute, every effort should be made to mediate, arbitrate or otherwise</p>	Adapted	<p>In the event of a legal dispute with another State Body, the Bank would apply part (i) of Provision 8.48. In the main, this is the Bank’s approach,</p>

	<p>resolve before expensive legal costs are incurred. State bodies should pursue the most cost effective course of action in relation to legal disputes.</p> <p>In addition to the annual reporting requirement concerning details of legal disputes with other State bodies, State bodies are required to provide details of such legal disputes involving expenditure of €25,000 or over to the parent Department and to the relevant Vote section of the Department of Public Expenditure and Reform, once a year by 30th June of each year including an estimate of the legal costs incurred up to the date of such information.</p>		<p>however, any approach would need to ensure that it does not undermine the Bank's independence or other legal objectives.</p> <p>With respect to part (ii) of Provision 8.48, given the statutory framework under which the Bank operates (for example, in respect of its funding and its budget), it is not appropriate for the Bank to send estimates of our legal costs to the Department of Public Expenditure and Reform. As such, it is considered that the Bank should not apply part (ii) of Provision 8.48.</p>
<b>REMUNERATION AND SUPERANNUATION</b>			
<p>9.</p>	<p><i>Chairpersons and Boards of all State bodies are required to implement Government policy in relation to the total remuneration package (including basic salary, allowances, and all other benefits in cash or in kind), and in relation to other provisions for superannuation and termination benefits, of the CEOs/Managing Directors of the State bodies.</i></p> <p><i>Chairpersons and Boards of State bodies are also required to implement any relevant Government policy, as expressed from time to time, with regard to remuneration of the Board and other staff. This role is essential to maintaining public trust in as well as the credibility and reputation of the public body concerned.</i></p> <p><i>The Board should adhere to Government policy on the payment arrangements for CEOs and, where applicable other staff in commercial State bodies as well as any conditions of sanction issued by the Department of Public Expenditure &amp; Reform and/or the relevant parent Department.</i></p>	<p>Adapted</p>	<p>Under the 1942 Act, the Treaty on the Functioning of the European Union and the Statute of the ECB, the Government has no role in the setting of terms and conditions of employment in the Bank. The 1942 Act, the Treaty and the Statute guarantee the independence of the Governor in carrying out his ESCB related functions and control over pay and conditions is part of that independence. As such, the employment of staff at the Bank and their terms and conditions are a matter for the Commission. However, the Bank must abide by the FEMPI Acts which it is subject to. The Bank does and will continue to engage with and inform DPER of any plans in relation to pay.</p>



	<p><i>State bodies are required to publish in their annual report details of non-salary-related fees paid in respect of the Board, analysed by category, and the salary of the CEO.</i></p>		<p>Details of non-salary payments to Commission members are set out in the Annual Report.</p>
<b>TRAVEL AND OFFICIAL ENTERTAINMENT</b>			
	<p>Commercial and non-commercial State bodies should be cognisant of the need to achieve economy and efficiency in relation to expenditure on travel and official entertainment.</p> <p>Non-commercial State bodies should adopt, and comply in all respects with, the Department of Public Expenditure and Reform Office circulars and office notices, as amended from time to time, regarding travel and subsistence and official entertainment.</p>	Y	<p>The Bank's Travel Policy reflects these provisions and considers and applies relevant circulars as appropriate.</p>
	<p>Guidance for Remuneration and Superannuation is noted separately.</p>	Adapted	<p>The Bank complies with provisions set out for Funded Pension Schemes and broadly in relation to Travel and Official Entertainment.</p> <p>Under the 1942 Act, the Treaty on the Functioning of the European Union and the Statute of the ECB, the Government has no role in the setting of terms and conditions of employment in the Bank. The 1942 Act, the Treaty and the Statute guarantee the independence of the Governor in carrying out his ESCB related functions and control over pay and conditions is part of that independence. As such, the employment of staff at the Bank and their terms and conditions are a matter for the Commission. However, the Bank must abide by the FEMPI Acts which it is subject to. The Bank does and will continue to engage with and inform DPER of any plans in relation to pay.</p>

QUALITY CUSTOMER SERVICE			
10.	<i>In their dealings with the public, State bodies should publish a customer charter which outlines the nature and quality of service which customers can expect.</i>	Y	A Customer Charter has been approved and is published on the Bank's website.
10.1	<b>Customer Charter:</b> All State bodies should have a customer charter setting out the level of service a customer can expect.		See comment above.
10.2	<b>Customer Charter Cycle:</b> The 4 step cycle of the customer charter involves: <ul style="list-style-type: none"> <li>• Consultation with customers / stakeholders;</li> <li>• Commitment to service standards;</li> <li>• Evaluation of performance; and</li> <li>• Reporting on results.</li> </ul>		See comment above.
10.3	<b>Display and Content:</b> Customer charters should be displayed prominently (on websites and at the points of service). The charter should state the State body's commitment to providing services to its customers in accordance with the twelve Principles of Quality Customer Service for Customers and Clients of the Public Service. The customer charter should define service standards in clear terms and simple language and should inform customers of contact and feedback mechanisms.		See comment above.
10.4	<b>Customer Action Plan:</b> The customer charter should be supported by a customer action plan, which describes in detail how the commitments and standards set out in the customer charter, and other customer service		While individual action plans for relevant customer facing areas exist, GSD is coordinating the development of a single Customer Action Plan, which is due for completion at end-Q1 2020.

	<p>improvements, will be delivered and evaluated by the State body.</p>		
<p>10.5</p>	<p><b>Customer Charters and Customer Action Plans:</b>          Customer charters and customer action plans should be produced as part of the same process and have separate but complementary roles. While the customer charter is a short, easy to read, accessible document which acts as a public commitment to the customer on the level of service they can expect to receive when dealing with a State body, the customer action plan is a more detailed document which describes how the customer charter commitments will be delivered and evaluated by the State body. Both documents should share the same timeframe (ideally 3 years).</p>		<p>See comments above.</p>

