



Board Terms of Reference

1. Introduction

The Housing Finance Agency (“HFA”) is a non-commercial semi-State company under the aegis of the Minister for the Housing, Local Government and Heritage (the “Minister”). It was established by the Housing Finance Agency Act, 1981 and incorporated in 1982.

The HFA’s main remit is to lend to local authorities, approved housing bodies, higher education institutions and technological universities for housing and related purposes, and to borrow or raise funds to enable such lending.

The purpose of this document is to set out the terms of reference of the Board of the HFA (‘the Board’). These terms of reference were approved by the Board on 23 February 2023 and are effective from that date.

2. The composition of the Board

The HFA’s Board is appointed by the Minister for Housing , Local Government and Heritage, with the consent of the Minister for Public Expenditure, NDP Delivery and Reform. It has twelve members and is normally composed of eleven non- executive Directors and the Chief Executive Officer(“CEO”).

Only members of the Board have the right to attend Board meetings. However, other individuals such as the CEO (to the extent not a member of the Board), the Heads of Lending, Risk and Compliance, Finance and other staff members and external advisers may be invited to attend for all or part of any meeting, as and when appropriate or necessary.

The Chairperson of the Board is appointed for a five-year term by the Minister and may be 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. Other members of the Board are appointed for a five-year term or such other term as the Minister sees fit.

The Chairperson is responsible for leadership of the Board and ensuring its effectiveness in all aspects of its role. The Chairperson should display high standards of integrity and probity and set expectations regarding culture, values and behaviours for the HFA and for the tone of discussions at Board level. The Chairperson should promote a culture of openness and debate by facilitating the effective contribution of key management and all Board members.

The Chairperson of the Board shall bring skill gaps present on the Board to the attention of the Minister in advance of a time when Board vacancies are due to arise. In this regard, the Chairperson of the Board shall have due regard for the benefits of diversity on the Board including gender.



The current gender composition of the Board should be highlighted when making submissions to the Minister on Board appointments and re-appointments.

In the absence of the Chairperson at a Board meeting, the remaining members present shall elect one of their number to chair that Board meeting.

The Board may, from time to time, establish such Committees of the Board as are necessary to assist it in the performance of its duties.

Where a Committee is put in place, the Board:

- has regard to the range of qualifications and experience necessary for the proper and effective discharge of the functions of the Committee;
- approves the Terms of Reference, which are specified in writing and reviewed annually;
- appoints the Committee members on the nomination of the Committee Chairperson; and
- receives regular reports from the Committee.

Where a Committee is put in place, the Board may:

- appoint a person to be Chairperson;
- remove a member of a Committee at any time; and/or
- at any time dissolve a Committee established.

Protocols concerning the operation of the Board shall apply to all Committees. Once approved, the minutes of Committee meetings shall be circulated to the Board with the information pack for next Board meeting.

3. Secretary of the Board

The Secretary of the Board will ensure that the Board receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

The secretary of the Board is also responsible for the formal induction of new members of the Board and for organising training and mentoring for Board members where required.

All Board members shall have access to the advice of the Secretary, who is responsible for ensuring that Board procedures are complied with.

Both the appointment and removal of the Secretary are matters for the Board as a whole.

4. Quorum

The quorum necessary for the transaction of business shall be three members. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board.



5. Frequency of meetings

The Board shall hold as many meetings as may be necessary for the performance of its duties. The Board may decide to hold meetings incorporeally, remotely via Microsoft Teams or in a manner which it deems appropriate for that meeting.

6. Notice of meetings

Meetings of the Board shall be summoned by the Secretary of the Board at the request of the Chairperson of the Board.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of the Board and any other person required to attend no later than one week before the date of the meeting. Supporting papers shall be sent to Board members and to other attendees as appropriate at the same time.

7. Minutes of meetings

The Secretary of the Board shall ensure that proper minutes are kept of the proceedings and resolutions of all meetings of the Board, including recording the names of those present and in attendance.

Minutes of Board meetings shall be circulated to all members of the Board as soon as practicable after the Board Meeting in question.

8. Duties of the Board

The Board shall delegate operational responsibility for the day-to-day running of the state body to the CEO and the HFA's management team.

The Board should fulfil key functions, including:

- reviewing and guiding strategic direction and major plans of action, risk management policies and procedures,
- approving annual budgets and business plans,
- setting performance objectives,
- monitoring of organisational performance, and
- overseeing major capital expenditure and investment decisions.

The Board is authorised to consider any activity within its terms of reference. The detailed duties of the Board are set out below.

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 HFA is firmly in its hands. Some of these matters may require Ministerial approval.

This schedule should include, at least, the following:

- the preparation and adoption of a strategic plan is a primary responsibility of the Board of the HFA. Such plans should set appropriate objectives and



goals and identify relevant indicators and targets against which performance can be clearly measured;

- approval on an annual basis of a five-year Corporate Plan;
- approval of terms of major contracts;
- appointment, remuneration and assessment of the performance of, and succession planning for, the CEO;
- significant amendments to the pension benefits of the CEO and staff;
- 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;
- approval of annual budgets;
- approval of annual reports and financial statements;
- approval of significant acquisitions, disposals and retirement of assets of the HFA or its subsidiaries. The schedule should specify clear quantitative thresholds for contracts above which Board approval is required;
- approval of major investments and capital projects; and
- delegation of authority levels, treasury policy and risk management policies.

The Board should meet at least twice a year without executive Board members or management present to discuss any matters deemed relevant.

The Board shall keep under review corporate governance developments, (including ethics-related matters), that might affect the HFA with the aim of ensuring that the HFA's corporate governance policies and practices continue to be in line with best practice. The Board shall ensure that the principles and provisions set out in the Code of Practice for the Governance of State Bodies, as amended, (and any other corporate governance codes that apply to the Housing Finance Agency), are adhered to.

9. Reporting responsibilities

The Board through the Chairperson shall keep the Minister of the parent government department informed of matters arising within the HFA.

10. Self-evaluation

The Board shall at least once a year review its own performance, to ensure it is operating at maximum effectiveness and to implement any changes it considers necessary. An external Board review shall be conducted at least every three years.

11. Authority

The Board is authorised to seek the information it requires from the HFA executive in order to perform its duties.

The Board is authorised to obtain, at the HFA's expense, outside legal or other professional advice where it judges it necessary to discharge its responsibilities. Where outside advice is required, this should be approved by a resolution of the Board.



The Board or any individual member can obtain outside independent professional advice and secure the attendance of consultants with relevant experience and expertise if it considers this to be necessary. Prior to doing so, they must seek the Chairperson's approval.

Individual members of the Board must pay particular attention to the avoidance of conflicts (or potential conflicts) of interests in approving or recommending loans. Should potential conflict arise, the Board should be informed.

Decisions by the Board can be made by a majority of members present.

The Board is collectively responsible for leading and directing the HFA'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.

The management of the HFA has a duty to provide the Board with all necessary information to enable the Board to perform their duties to a high standard. The Board of the HFA should take all necessary steps to make themselves aware of any relevant information and access all information as necessary.

While the Board of the HFA 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 HFA maintains responsibility for and makes the final decisions on all of these areas.

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 body has an appropriate system of internal and financial control in place.

The Board of the HFA should adopt a statement of strategy for a period of three to five years ahead or as otherwise mandated by their governing legislation.

The statement should be aligned to specific objectives in the parent Department's Statement of Strategy, to the 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.



A copy of the draft strategic plan (including, own income generation) and five-year business and financial plan should be sent to the relevant Minister, and, where appropriate, the Minister for Public Expenditure, NDP Delivery and Reform before the plan(s) are/is finalised and adopted by the Board.

Approved by HFA Board,

25 April 2024