

## Corporate Governance

The Directors are committed to maintaining the highest standards of corporate governance and comply with the revised Code of Practice for the Governance of State Bodies (the Code), as published by the Department of Public Expenditure & Reform. The revised and updated Code is designed to ensure that both commercial and non-commercial State bodies meet the highest standards of corporate governance. It provides a framework for the application of best practice and is intended to take account of developments in respect of oversight, reporting requirements and the appointment of Board members. The Code is based on the underlying principles of good governance: accountability, transparency, probity and a focus on the sustainable success of the organisation over the longer term.

The Board reviewed its obligations under the Code which includes requirements on the Board regarding consistency and appropriateness of disclosure, as well as a separate section for the Audit & Risk Committee in the annual report. The Directors have prepared a 'Corporate Governance Statement,' which is set out in this section and which, for the purpose of Statutory Instrument 450/2009 European Community (Directive 2006/46) Regulations 2009, forms part of the Directors' Report. The HFA has complied with the Code of Practice for the Governance of State Bodies.

### Application of the Principles and Provisions of Corporate Governance

The following information explains how the HFA applies the principles and provisions of the Code of Practice for the Governance of State Bodies published by the Department of Public Expenditure and Reform.

### Board of Directors

The Board takes the major strategic decisions and retains full and effective control while allowing Management sufficient flexibility to run the business efficiently and effectively within a centralised reporting framework.

The Board has reserved to itself for decision a formal schedule of matters pertaining to the HFA and its future direction such as major acquisitions and disposals, appointment and removal of the Company Secretary, expenditure budgets and risk management policies. Each non-executive Director brings independent judgement to bear on all matters dealt with by the Board including those relating to strategy, performance, resources and standards of conduct. All Board members have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with. The HFA's professional advisors are available for consultation with Board members as required. Individual Directors may take independent professional advice, if necessary, at the HFA's expense.

At 31 December 2020, the Board of Directors comprised ten non-executive Directors and one Executive Director. The Directors are appointed by the Minister for Housing, Local Government & Heritage in consultation with the Minister for Public Expenditure & Reform for a period not to exceed five years, unless the Minister sees fit to reappoint a Director for a second or subsequent term. The roles of the Chairperson and Chief Executive Officer (CEO) are separate. The CEO is employed full time and does not have any other significant commitments. All Directors, except for the CEO, are independent non-Executive Directors. The Board met seven times in 2020 and is responsible for the proper management of the HFA.

## Corporate Governance (continued)

### Attendance at Board meetings during the year ended 31 December 2020 and length of service at 31 December 2020

Members	Meetings held	Directors attendance	Board service in years
Michelle Norris (Non-executive Chairperson)	7	7	8.81 years
Barry O' Leary (Chief Executive Officer)	7	7	5.67 years
Padraic Cafferty (Non-executive Director)	7	7	8.75 years
Emma Cunningham (Non-executive Director)	7	7	4.00 years
Clare Curley (Non-executive Director)	7	7	4.00 years
Brian Fitzpatrick (Non-executive Director)	7	7	3.82 years
Aideen Hayden (Non-executive Director)	7	7	3.82 years
William Johnston (Non-executive Director)	7	7	3.82 years
Lianne Patterson (Non-executive Director)	7	6	3.82 years
Derek Rafferty (Non-executive Director)	7	7	4.00 years
Jennifer Ward (Non-executive Director)	7	6	3.82 years

The Board of the HFA comprises individuals who bring a wide range and depth of experience to the activities of the HFA being drawn from experts from areas such as housing policy, legal services, construction, the Departments of Housing, Planning and Local Government and Finance, which should enable the HFA to address major future challenges.

### Directors' Remuneration

The Minister for Housing, Local Government & Heritage determines the level of remuneration for the Board of Directors. Remuneration of non-executive Directors is not linked to performance. The table below provides details of all fees paid to Directors during the year.

Members	Fees 2020 €	Fees 2019 €
Michelle Norris*	-	-
Padraic Cafferty	7,695	7,695
Emma Cunningham	-	-
Clare Curley	-	-
Brian Fitzpatrick	7,695	7,695
Aideen Hayden	7,695	7,695
William Johnston	7,695	7,695
Michael Murray	-	5,248
Lianne Patterson	7,695	7,695
Derek Rafferty	-	-
Jennifer Ward	7,695	7,695
<b>Total</b>	<b>46,170</b>	<b>51,418</b>

\* During 2020, a sum of €9,000 (2019: €9,000) was charged by University College Dublin as compensation for loss of hours worked by Professor Michelle Norris for time spent in her duties as Chairperson of the HFA in 2020.

The remuneration of the Chief Executive Officer is detailed in Note 8 to the financial statements.

# Corporate Governance (continued)

## Ethics in Public Office

The HFA is included in Statutory Instrument no. 699 of 2004 for the purposes of the Ethics in Public Office Acts, 1995 and 2001. The Members of the HFA and relevant staff have fulfilled their obligation under this legislation.

## Protected Disclosure

In accordance with Section 21 of the Protected Disclosures Act, 2014, the HFA has established and maintains procedures for current or former employees to make protected disclosures in relation to the HFA and its work and for dealing with such disclosures.

Written information in relation to these procedures has been provided to all employees. The HFA's policy can be found on its website at: <http://www.hfa.ie/hfa/Live/Release/WebSite/HomePage/ProtectedDisclosuresReport.html>. The HFA confirms that it did not have any protected disclosures reported to it in 2020.

## Human Rights and Equality

In accordance with Section 42 of the Irish Human Rights and Equality Commission Act, 2014 the HFA has established and maintains procedures to eliminate discrimination, promote equality and protect the human rights of people that use the Agency's services, people affected by its policies and people employed by the Agency. In respect of 2020 no disclosures were made to the Agency under the Irish Human Rights and Equality Commission Act, 2014.

## Administrative Expenses

In line with Appendix B.7 of the Code of Practice for the Governance of State Bodies, the total number of employees whose short- term benefits exceeded €60,000 p.a. (excluding employer pension costs) is as follows:

€	No.
120,001-130,000	1
110,001-120,000	-
100,001-110,000	1
90,001-100,000	-
80,001-90,000	1
70,001-80,000	1
60,001-70,000	1

Also, as required under Appendix B.5 of the Code, expenditure on external consultancy/advisory services for 2020 was as follows:

*Legal fees:* €1,761,916 (2019: €1,899,632). Legal fees are directly related to the increasing number of conveyances which are being completed. This is due to higher levels of loan requests for housing purposes from approved housing bodies.

*Management consultancy fees:* €5,669 (2019: €7,246).

*Total expenses reimbursed to Directors for travel and subsistence:* €2,588 (2019: €3,615) and international travel (in relation to the UK and the EU): €677 (2019: €nil).

*Travel and subsistence for employees:* €4,000 (2019: €11,609) and international travel (in relation to the UK and the EU): €nil (2019: €550).

Hospitality expenditure: €601 (2019: €2,280).

## Diversity

The Board believes that diversity is important for effectiveness and has been following the debate regarding gender, age, culture, educational background and professional experience. While the Board does not think specific quotas on such criteria as gender are appropriate and believes that the opportunities should be made on merit, it does believe that a diverse mix of skills, experience, and knowledge background is important, of which gender is a significant element.

As at 31 December 2020 there were six female Directors on the Board out of eleven members. Looking beyond the Board, the HFA also recognises the importance of diversity including gender diversity and the benefits this could bring to the organisation. The CEO and employees are subject to a Code of Conduct and must comply with all statutory requirements, namely Equal Status Act (2000), Equality Act (2004), Disability Act (2005) Part 5 and Civil Law (Miscellaneous Provisions) Act (2008) to ensure that the work environment is free of discrimination based on membership of the Traveller Community, race, nationality, colour or ethnic origin, religion or belief, age, disability, sexual orientation, civil status, family status or gender in relation to employment and occupational or vocational training.

## Corporate Governance (continued)

### Board Committees

The Board has an effective committee structure to assist in the discharge of its responsibilities. Please see the terms of reference for each Board Committee available on the HFA website, [www.hfa.ie](http://www.hfa.ie).

### Audit & Risk Committee

Please see Audit & Risk Committee Report on pages 37 to 43.

### Finance Committee

As at 31 December 2020, the following Directors are members of the Finance Committee:

Professor Michelle Norris (Chairperson), Clare Curley, William Johnston and Derek Rafferty.

The Committee is empowered on behalf of the HFA to borrow and raise money and to implement, utilise and operate any approved facilities. The Committee operates under formal terms of reference approved by the Directors.

No circumstances arose during 2020 which necessitated the convening of a meeting of the Finance Committee.

### Remuneration Committee

As at 31 December 2020, the following Directors are members of the Remuneration Committee: Professor Michelle Norris (Chairperson), Clare Curley and Derek Rafferty.

The Remuneration Committee's terms of reference entitle it to make recommendations in relation to the remuneration of the Chief Executive Officer for consideration by the Board, subject to the approval of the Minister for Housing, Local Government & Heritage. Details of emoluments are set out in Note 8 to the financial statements in accordance with the requirements of Section 155 of the Companies Act 2014.

No circumstances arose during 2020 which necessitated the convening of a meeting of the Remuneration Committee.

### Credit Committee

The HFA's Credit Committee comprises Board members and Management. The Committee was established in 2009 to maintain credit risk within Board policy, to review the creditworthiness of AHBs and approve credit risk limits before proceeding to advance such monies to AHBs. The Committee operates under formal terms of reference approved by the Board.

### Attendance at meetings during the year ended 31 December 2020

Members	Meetings held	Members Attendance
Michelle Norris	11	9
Barry O' Leary	11	11
Padraic Cafferty	11	11
Tom Conroy	11	8
Seán Cremen	11	11
Brian Fitzpatrick	11	11
Aideen Hayden	11	10
William Johnston	11	10
Maria O'Reilly*	2	2
Jennifer Ward	11	7

*\*Maria O' Reilly was appointed as a member of the Committee on 22 October 2020.*

### Induction and Professional Development

There is an induction process for new Directors. Its content varies between Executive and non-executive Directors. In respect of the latter, the induction is designed to familiarise non-executive Directors with the HFA and its operations and comprises the provision of relevant briefing material including details of the HFA's strategic and operational plans, and a programme of meetings with the Chief Executive Officer and Management.

## Corporate Governance (continued)

### Relations with stakeholders

The Directors and Management maintain an ongoing dialogue with the HFA's stakeholders on strategic issues. Certain specified matters require the approval of the Minister for Housing, Local Government & Heritage and/or the Minister for Public Expenditure & Reform, in respect of which, ongoing communication with the Ministers, through their Departments, is maintained.

### Dedicated email address for Oireachtas members

The HFA has a dedicated email address for Oireachtas members to provide enquiries - oireachtas.enquiries@hfa.ie. The HFA received one enquiry in 2020 (2019: two). This was acknowledged and responded to within the required timelines.

### Accountability and Audit

#### Accounts and Directors' responsibilities

The Directors have reviewed the 2020 Annual Report and believe that it presents a fair, balanced and understandable assessment of the HFA's position and prospects.

#### Viability statement

The Directors have assessed the viability of the HFA taking into account its current position and the principal risks facing the HFA over the next two years to 31 December 2022. The Directors have assumed that a two-year time span is an appropriate period for the annual assessment given that this is the key period of focus within the HFA's strategic planning process.

The assessment considered current financial performance, funding and liquidity management of the HFA, and the governance and organisation framework by which the HFA manages and seeks, where possible, to mitigate risk, as described in Note 18. An assessment of the principal risks facing the HFA including those that affect the operations, governance and internal control systems was also undertaken and considered, the details of which are included in Note 18. The Directors have a reasonable expectation, taking into account the HFA's current position, and subject to the identified risks, that the HFA will continue in operation and meet its liabilities as they fall due over the two-year period of assessment.

### Corporate Governance Compliance

#### Internal audit

Due to the size and nature of the HFA, the Internal Audit function is not free from operating responsibility. However, the Directors are satisfied that a sufficient level of independence is afforded to the internal audit function to allow it to carry out its duties in an objective and sufficiently independent manner.

#### Defined benefit scheme disclosure for Directors

The Directors have complied with the disclosure guidelines set out in the Code of Practice for the Governance of State Bodies.

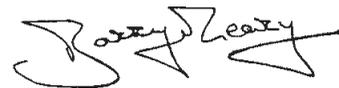
On behalf of the Board,



**Michelle Norris**

Chairperson

25 March 2021



**Barry O'Leary**

Chief Executive Officer

25 March 2021