

RAIDIÓ TEILIFÍS ÉIREANN

Minutes of the Meeting of the Board of RTÉ
held on Thursday 25 May 2023 Hybrid at 10am, RTÉ and via Teams

Present:

In Person Siún Ní Raghallaigh (Chair)
Aideen Howard
Robert Shortt
Ian Kehoe
Susan Ahern
Connor Murphy
Dee Forbes (Director General)

Teams: Anne O'Leary
PJ Matthews
David Harvey
Daire Hickey
Jonathan Ruane

In Attendance: Paula Mullooly, Group Secretary
Richard Collins, Chief Financial Officer
Peadar Faherty, Head of Internal Audit
Geraldine O'Leary, Group Head of Commercial
Rory Coveney, Director of Strategy
Grace Berkery, Head of Corporate Strategy
Richard Waghorn, Chief Technology Officer
Jim Jennings, Director, Content
Adrian Lynch, Director of Audiences, Channels & Marketing
Eimear Cusack, Director, HR
Richard Collins, Chief Financial Officer
Deirdre McCarthy, Managing Director, News & Current Affairs
██████████, Truepoint

Introductory Matters

The Chair reminded Board members of the importance of confidentiality at Board meetings.

1. **Minutes of Meeting of 27 April 2023**
The Minutes were approved.
2. **Matters Arising from the Minutes**
None.

3. **Declarations of Interest**

None.

4. **DG Report**

Marketplace

The DG noted that volatility continues although numbers have improved and it is not yet clear how the year will end. [REDACTED]. The commercial review is ongoing and is currently in the standstill period after selection of a vendor.

The Chair asked about the timeline and the DG noted that it will be a 6 month process but broken into chunks.

Content

Overall share is down but Player is continuing to increase both in streams and time spent. Drama is an important part of that viewing. The JNLRs show modest gains but they would generally be looked at on an annual basis. A number of recordings are due to begin for the Autumn such as Moneylist which is a quiz plus entertainment show. The Today show will pause for the summer and Cork is starting work on a summer show. Women's world cup and GAA will be on over the summer. There is a new host for LLS who is articulate, funny and well rounded. The LLS team is working away and all will be kept under wraps until September.

People

50 interns started working in business for the next number of months. There is ongoing concern about abuse to staff. There are Supporting our People guidelines to help people elevate concerns. The intention is to convert the guidelines to policy. HR and H&S working on this to give support to people. It is a phenomenon which is happening across all media.

SA noted that there should be messaging from the Board supportive of staff who find themselves in this situation. CM asked about garda involvement and the DG noted that the Gardaí had proved helpful with issues and incidents.

RS stated that there should be some monitoring about misinformation in relation to RTÉ affairs on social media and corrections provided. The DG stated that the idea would be considered.

IK asked if the interns are paid and the DG confirmed that they are paid. The Board discussed the publicity around GAAGO. JR stated that he would be interested in the data side of GAAGO.

5. Finance (Richard Collins & Geraldine O'Leary)

April 2023 Management Accounts

RC brought the Board through the management accounts. He noted that the position was 800k adverse to budget but there are a number of phasing and timing issues which will correct themselves in later months. While there is an overall shortfall in commercial income the ytd figures are 300k better than budget. RC noted that May and June are looking good for commercial income but these are small months. July is also looking up. LF income was behind in April but is overall on budget. The deficit in income has been offset in savings in energy and procs.

Forecast

RC brought the Board through the forecast. He noted the big change is the reduction in commercial income but this is mitigated by cost savings and deferrals. RC noted that he is concerned about LF income but that energy costs have been locked in for the rest of the year. Procs savings will slow as the year progresses. There has been a phasing of Commissioned and Acquired programmes and outside broadcasts. Ultimately there is no change to the bottom line with the forecast. RC went through the assumptions in relation to commercial income in the forecast. The Board discussed the decline in commercial income. GOL noted that spend is down and is distributed over more platforms. GOL also noted that one third of budgets are decided from the UK but there is some signs of improvement in the market. RC went through, TV sponsorship, Radio Spot, VOD, Branded Content, Facilities Income and PIC. RC also outlined the operating costs assumptions and the risks attached to the forecast.

[REDACTED]. RC outlined the contingencies levers that could be utilised if the forecast was to deteriorate including a hiring freeze. The Board noted that they had previously discussed a hiring freeze and stated that there should be no hiring without a return on investment until the finalization of the Strategy Report.

IK noted that there are 80 open roles and RC pointed out that a lot of these roles are being filled with casuals and overtime. David Harvey suggested that there be emergency backfills until the strategy process concludes. The Chair indicated that this should come back to the next meeting and the DG indicated that they would put together a list of roles.

Daire Hickey asked about the possibility of reaching break even through cutting programmes and activating a hiring freeze. The DG noted that content is needed for audiences and commercial income and there is no way to break even without damaging the business.

Project Orion

Anne O'Leary noted that the ARC had received a presentation on Project Orion and the Committee was happy to recommend approval of the project to the Board.

Proposed: Anne O'Leary
Seconded: Siún Ní Raghallaigh

6. Strategy

The DG introduced the team noting that a lot of work had been done in this process.

SQ talked through context and diagnosis of issues. AL discussed the strategy response to platform/habit shift. JJ discussed the strategy response to relevance to 18-34 year olds. RW went through future state infrastructure based on strategy. RC went through the financials. SQ discussed risks. PJM updated the Board on the view of the Strategy Committee.

The Board discussed the various options. The Chair proposed a deeper look into option 2. The Board agreed to proceed on that basis.

7. Internal Audit

Review of the Effectiveness of the System of Internal Control

PF noted that the purpose of this session is to provide recap on Code of Practice and to outline the obligation on board members. The Board is required to carry out an annual review of the effectiveness of the internal control system. The Board delegates the detailed aspects of its review to the Audit and Risk Committee. The members of the Audit and Risk Committee considered internal control at two recent meetings and made a recommendation to the Board at this meeting. Code of Practice for the Governance of State Bodies Compliance with the Code of Practice is mandatory for RTÉ and each of its subsidiaries. RTÉ is required to submit a comprehensive 'Code of Practice Checklist' to DTCAGSM with the Annual Report, which is completed by Internal Audit as part of its audit work. A review of the effectiveness of the system of internal control is a requirement of the Code of Practice. The Audit and Risk Committee reviewed the effectiveness of the system of internal control as part of its broader review of year end reporting. A number of documents were presented to the Committee – over the course of two meetings – to assist the review process. PF outlined the actions including the Procurement review. In accordance with Paragraph 2.6 of the Code of Practice, the Chair is required to submit a “comprehensive report to the relevant Minister covering the State body” outlining compliance with the various aspects of the Code of Practice, including a statement on the system of internal control. In advance of the Chair signing the report, specific internal audit work has been carried out in order to check compliance with the Code of Practice. At the Audit and Risk Committee meeting of 25 May 2023 Internal Audit reported that, based on its programme of work, it is appropriate to:

- Confirm to the Board of RTÉ that the Committee has reviewed the effectiveness of the internal control system in RTÉ.
- Include a statement to that effect in the Corporate Governance section of the Annual Report for the year-ended 31 December 2021.
- Include a paragraph in the Board Members' Report in the RTÉ Group Annual Report confirming that actions have been implemented in subsidiary companies to meet the requirements for Directors' Compliance Statements.

Internal Audit carried out an audit of RTÉ's compliance with the Code of Practice for the Governance of State Bodies. The report highlighted that RTÉ is broadly compliant with the Code of Practice.

A resolution was put to the Board approving the system of Review of Internal Control:

Proposed: Anne O'Leary
Seconded: Susan Ahern

A resolution was put to the Board to sign the Chair's letter to the Minister:

Proposed: Anne O'Leary
Seconded: Susan Ahern

Treasury Mandate

At the Audit and Risk Committee meeting of 22 May 2023 Internal Audit reported on the work it carried out to confirm that appropriate treasury procedures are in place. It is in order for the Board to certify that:

- Treasury policies are in place as mandated under the Department of Finance Requirements and Conditions document (dated 14 December 2020); and RTÉ has acted fully in accordance with the Department of Finance Requirements and Conditions document and in compliance with the RTÉ Treasury policies. RTÉ has also complied with the Financial Transactions of Certain Companies and Other Bodies Act, 1992

Proposed: Anne O'Leary
Seconded: Aideen Howard

AOL stated that she would like it noted that PF has done extraordinary work in relation to procurement in the past seven years.

Approval of Annual Report and Letter of Representation

PF discussed the role of internal audit and the review of systems of internal control. AOL noted that the ARC had reviewed the Annual Report and

Letter of Representation and were happy to recommend them for signature. JR and CM raised concerns regarding signing off on the annual accounts given a Grant Thornton investigation was outstanding in relation to payments. RC and the Chair noted that the accounts had met the standards of the auditors. It was agreed that the AR submission to DTCAGSM would be postponed until after the imminent GT report was furnished to the Board.

8. Committees

Audit and Risk (Anne O'Leary)

AOL updated the Committee noting that much of the Committee's discussion were before the Board in relation to Finances and Internal Audit. She noted that the Committee had also received a legal update.

Programme (Aideen Howard)

AH noted that the Committee had met on 15 May and were joined by Rory Coveney and Grace Berkery to discuss the Performance Commitments. The Committee discussed overall metrics and the approach and also discussed the desirability of new targets. AH noted that the Commitments were before the Board for approval.

The Board unanimously agreed to approve RTÉ's 2023 Performance Commitments.

AH noted that two commission projects had come to the Committee for review before being brought to the Board for approval. The plan is to commission another series of DWTS and [REDACTED] Tommy Tiernan. AH noted that the Committee had discussed audience and value for money and there is a strong recommendation for the approval of both of these projects.

It was resolved that the Board should approve the commissioning of these two projects.

Proposed: Siún Ní Raghallaigh
Seconded: Aideen Howard

Digital Committee (Jonathan Ruane)

JR noted that Player is showing fantastic growth which is driven by certain content and the Committee is seeing that split out and where it is being consumed. It is expected that it will continue to grow. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED].

[REDACTED]
[REDACTED]
[REDACTED].

In relation to the commercials the Committee is looking to understand why the growth in consumption on the Player is not delivering growth in revenue. The Committee has asked for a further review in future and it will look to understand the numbers.

In relation to Talent JR noted that there are 65 in the team with 13 programmers and this realistically needs to grow to 100.

Audience Council (Susan Ahern)

SA noted that there would be a presentation from the Audience Council in the afternoon and asked that the Board members provide feedback.

9. Any Other Business

It was noted that the intention is to move the next Board meeting to 13 July with the consequence that this would be the DG's last meeting.

The Chair thanked the DG stating that she was impressed by all of the work done during her 7 year tenure which would allow the Board to build on that. She noted particularly the handling of Covid and the credit she could take for RTÉ's performance during that time. Each of the Board members expressed their thanks to DG.

The DG thanked the Board for their support and input over the years.

There being no further business the meeting ended.



Signed: _____
Chair

Next Meeting: 19 June 2023