

Report to the Audit and Risk Committee - Phase 3

Dated: 21 January 2024

Private & Confidential

Private & Confidential
Ms. Anne O'Leary, Chair
Audit and Risk Committee
RTÉ Board
Raidió Teilifís Éireann
Donnybrook
Dublin 4

21 January 2024

**Grant Thornton
Corporate Finance Limited**
13-18 City Quay
Dublin 2
D02 ED70
Ireland

T +353 (0)1 6805 805
F +353 (0)1 6805 806
E info@ie.gt.com
www.grantthornton.ie

Ref: PJ/RLS/AF

Dear Ms. O'Leary

REPORT TO THE AUDIT AND RISK COMMITTEE – PHASE 3

Please find attached my Report in relation to my review under Phase 3.

Yours sincerely



Paul Jacobs

Partner

1. Introduction

BACKGROUND

Terms of reference

- 1.1 I am appointed by the Audit and Risk Committee of Raidió Teilifís Éireann (“**RTÉ**”) as the External Reviewer under the Terms of Reference (provided to me on 25 July 2023) (**Exhibit 1**) which states:

“The Audit and Risk Committee of RTÉ (the “**Committee**”) has directed that a fact-finding review be conducted in relation to:

- 1.1 RTÉ's risk assessment and approval processes in relation to the Toy Show The Musical Project (including at Executive and Board level (including the Committee));
- The provision of the income and expenditure figures reported to and/or provided to the Committee and / or the Board.

The purpose of this review is to ascertain the full circumstances and facts surrounding the approval of this project by RTÉ (the “**Review**”).”

- 1.2 The Terms of Reference for my review also states, amongst other things:

- (a) “The Review is supplemental to the Report of Paul Jacobs dated 16 June 2023 (the “**First Report**”) and an ongoing review by Grant Thornton pursuant to terms of reference dated 26 June 2023 (the “**Second Report**”)” (paragraph 3)
- (b) “The Review will consider all relevant available documentation, including without limitation commercial contracts, books of account, details of any relevant ‘barter’ accounts, electronic documents and information and accounting systems, where relevant, and Grant Thornton will meet with relevant personnel, as necessary.” (paragraph 4).
- (c) “The Review will be conducted in accordance with the principles of natural justice.” (paragraph 9).
- (d) “On completion of the Review, Grant Thornton shall produce a Report for Arthur Cox and RTÉ (the “**Third Report**”). In advance of completing the Third Report, where appropriate to respect the principles of fair procedures, a draft of the Third Report and/or relevant extracts will be provided to individuals to afford them an opportunity to comment on its content prior to its finalisation. Having considered such comments (if any), Grant Thornton will finalise and submit the Third Report.” (paragraph 11).
- (e) “The Third Report shall include details of the methodology adopted, relevant evidence gathered and Grant Thornton's findings of fact based on Grant Thornton's analysis of same.” (paragraph 12).
- (f) “Refusal or failure to co-operate with the Review by any party will not prevent the Reviewers proceeding and issuing the Third Report based on the information available.” (paragraph 13).

- (g) “For the avoidance of doubt the Review and Third Report shall be limited to findings of fact. Facts shall be determined on the balance of probabilities. Grant Thornton shall not offer any views on the culpability (or otherwise) of any individual or the gravity of any such culpability. Grant Thornton shall not make any observations or recommendations as regards the potential application of RTÉ's disciplinary proceedings or otherwise, such decisions shall be for RTÉ alone.” (paragraph 15).

1.3 It is outside of the Terms of Reference for me to consider the question as to whether or not Toy Show the Musical (“TSTM”) would have proceeded if the risk and approval processes had been different to what actually occurred. It is also outside of the Terms of Reference for me to perform an audit of the figures included in the provision of:

- (a) the figures included in presentations (and the detailed spreadsheet workbook / model related to these figures) made to the Executive and to Members of the RTÉ Board (and any other individuals) in relation to TSTM; and
- (b) the income and expenditure figures reported to the Committee and/or RTÉ Board.

METHODOLOGY AND PROCESS

1.4 I address in Appendix 2 of my Report my methodology and process. In summary:

- (a) I have held meetings with 25 individuals and interacted with one individual through written correspondence;
- (b) I have received full co-operation from all individuals met, the individual with whom I interacted through correspondence, the Audit and Risk Committee (“ARC”), the RTÉ Board, and other personnel in RTÉ (including the IT Department);
- (c) I was unable to meet one individual which is a limitation on my review;
- (d) searches of RTÉ's email system were undertaken by the RTÉ IT Department at my behest based on parameters devised by me;
- (e) I have interacted with the Third Party Ticketing Platform provider, who provided me with assistance on foot of requests that I made;
- (f) Anonymisation. In compiling, preparing and producing this Report, I made the decision to anonymise individuals' names having considered, amongst other things, the requirements of natural justice referred to in the Terms of Reference (para 9, Exhibit 1) and also that Grant Thornton shall not offer any views on the culpability (or otherwise) of any individual or the gravity of such culpability referred to in the Terms of Reference (para 15, Exhibit 1). As a result, I have explained to individuals who I met and interacted with, that my report would be anonymised. Furthermore, for reasons set out in my Report, it has not been possible to meet with all individuals pertinent to my review. I have considered the implications of this aspect in the context of firstly, that they may possess evidence relevant to my review, and secondly, against the above-mentioned backdrop of the requirements of natural justice;

- (g) I reserve the right to amend my report; and
- (h) I do not offer any views on the culpability (or otherwise) of any individual or the gravity of any such culpability. In accordance with such terms of reference, my findings are limited to fact which I have determined on the balance of probabilities.

1.5 I would like to thank everyone who I have met and interacted with, who have provided me with information using their best endeavours their recollection of events.

EXECUTIVE SUMMARY OF FINDINGS

1.6 Based on my review of the information and documentation available to me, I set out, based on the balance of probabilities, my findings below. I reserve the right to amend my Report should additional information or documentation be provided to me or should any of the circumstances described as limitations above change.

1.7 I define Toy Show the Musical as “TSTM” throughout my Report.

Risk assessment and approval process in relation to TSTM

1.8 In November 2019, RTÉ set out as part of its Revised Strategy 2020 – 2024 (“Revised Strategy”), an ambition to develop new live events to complement its broadcasting and online services. Included in the RTÉ Revised Strategy were specific initiatives to develop new revenue streams and grow revenue from digital platforms. The Revised Strategy identified Event Revenue in 2020 of €0.5 million rising to €3.4 million in 2024.

Risk assessment

1.9 Having considered all of the available evidence, I find that amongst others the following risks were identified by RTÉ, albeit I have found that they were identified and considered to various degrees:

- (a) musicals are notoriously difficult and are dependent on delivery of a product that exceeds significant expectations (the Quality of the Musical);
- (b) the Christmas period is well served with many well-established events occupying prime calendar dates;
- (c) RTÉ's expertise is predominantly in broadcast output rather than events (particularly commercial events);
- (d) RTÉ's dedicated public events team is small and stretched in delivering the current slate;
- (e) significant upfront funding to develop production was required;

- (f) depending on the chosen business model, events carry financial risk;
 - (g) a negative experience at an event could severely damage a well-established brand (e.g. the Toy Show Brand);
 - (h) appropriate positioning of the event within the market; and
 - (i) vulnerability around the status of Covid.
- 1.10 I have identified that primary concerns which were discussed at various meetings, centred on The Toy Show brand; that the quality of the musical that would be additive to the brand, the risk of covid and how this could affect the Musical, amongst other things.
- 1.11 Two individuals commented that there was little interrogation of the financials and audience numbers. Some Directors have identified to me two factors which led to limited questioning by individuals:
- (a) they did not receive documentation in advance of meetings; and
 - (b) the oral presentation of TSTM in various meetings was presented as a “fait accompli” or as a “briefing”.
- 1.12 Further, some Directors have identified to me that insufficient information was provided to attendees of various meetings (Combo meeting and Board Meetings) to enable them to fully identify and assess the risks of TSTM.
- 1.13 As stated above, I find that risks were identified and considered to various degrees. My review has established (from meetings and interactions with individuals) the following issues with the RTÉ risk assessment of TSTM and in that regard I make the following findings on the balance of probabilities:
- (a) Not all of the Directors were requested to convene together at the relevant times to formally discuss TSTM. I note:
 - (i) In respect of the Combo meeting on 29 March 2022 where a selection of Directors (five RTÉ Board Members of which two of these individuals sat on the ARC) plus External Consultants and some members of the Executive attended, and where TSTM was discussed, I find that:
 - the Combo meeting was not a meeting of the Board of Directors of RTÉ; and
 - the Combo meeting was not a meeting of the ARC.
 - (ii) It has been suggested to me that there was implicit approval of TSTM at the Board of RTÉ meeting on 28 April 2022. However, I further note that:

- the Board of RTÉ meeting on 28 April 2022, was after the contract with the Convention Centre Dublin was signed i.e. 19 April 2022; and
- up until 28 April 2022, some of the Directors had not attended, nor had they been invited to, any meetings where TSTM had been discussed.

(b) The ARC, under its Terms of Reference has the following duty, amongst others,

“To support the Board in carrying out its responsibilities for ensuring that risks are properly identified, assessed, reported and controlled including advising the board in its consideration of the organisation's overall risk appetite, risk tolerance and risk strategy”

Nothing was referred to, or taken by, the ARC for consideration in relation to TSTM, in the sense that the first time that the TSTM is mentioned in the minutes of the ARC is October 2022.

1.14 Some of the Members of the RTÉ Board I met acknowledged that with hindsight, more questions should have been asked about TSTM.

Approval process

1.15 Based on the documentation and information provided to me, I find that approval from the Board of RTÉ was required for TSTM. (See paragraphs 2.68 to 2.75)

1.16 Based on documentary evidence provided to me, I have found no evidence in the minutes of meetings of the Board of RTÉ recording the approval (whether that is by way of the outcome of a vote, or a consensus reached) for TSTM (paragraph 2.77).

1.17 I find that it is common ground from the individuals that I met and interacted with that no formal vote was taken by the Board approving TSTM (paragraph 2.78).

1.18 One question that I asked was “Was approval sought and provided by the Board of RTÉ for TSTM?”. I obtained responses from the Board Members that I met and/or interacted with (noting that the only Director that I did not interact with was the former Director General).¹ I find that there is a diversity of views about whether approval was provided by the RTÉ Board, which is evidenced by the information provided to me as illustrated (paragraph 2.79).

1.19 I am informed that, as a matter of standard practice, where there is discussion and approval is sought at a RTÉ Board meeting that the outcome is minuted. My review of the minutes of Board meetings shows no evidence that approval was provided (whether by vote or consensus) by the Board of RTÉ for TSTM.

1.20 Having noted that Members of the Board of RTÉ considered that approval was required for TSTM, I have considered whether concerns were raised about the approval process at the Board meetings after it became apparent that RTÉ was proceeding with TSTM. I have

¹ Refer to paragraphs A2.9 and A2.12 in Appendix 2.

found no evidence that at the relevant time Members of the RTÉ Board raised this issue of approval (see paragraphs 2.62 and 2.81).

The Provision of the income and expenditure figures reported to and/or provided to the Committee and or the Board of RTÉ

- 1.21 The presentation at the Executive Board meeting held on 1 March 2022 showed 44 shows (80% breakeven), whilst the presentation to the Combo meeting on 29 March 2022 showed 54 shows (70% breakeven). In respect of tickets sales, my analysis identifies that at no point in time were there more than 35 shows on sale to the public. I find that the actual levels of ticket sales and this reduced number of shows represented a significant risk that TSTM would not breakeven.
- 1.22 On 30 January 2023 there was a meeting of the ARC. A 15-page Report (the “Report to the ARC – January 2023”) on TSTM was provided to the ARC (see Appendix 1). The Report states, in words, that there was Event Sponsorship of €120,000; and there was a two-page schedule entitled “Estimated Income and Expenditure 31 December 2022”, which showed Sponsorship of €120,000 (expected outturn).
- 1.23 On 2 February 2023, there was a meeting of the RTÉ Board. A 13 page Report the “Report to the RTÉ Board – February 2023”) on TSTM was provided to the Board. The 13 pages represents the first 13 pages of the 15 page Report provided to the ARC (Item 34 of Appendix 1) i.e. the Report to the Board did not include the two page Schedule 1. However, the Report states, in words, that there was Event Sponsorship of €120,000.
- 1.24 On 4 July 2023, RTÉ amended the sponsorship income figure to €45,000 i.e., a reduction of €75,000 (see Appendix 1), as directed by the ARC.
- 1.25 From a review of documentation available to me, I find that (see Section 3, paragraphs 3.22 to 3.31):
- (a) there were three sponsors of TSTM, and that each of these sponsors were invoiced €15,000 (excluding VAT) by RTÉ;
 - (b) a journal in the books and records of RTÉ CEL was posted to Event Sponsorship for TSTM on 11 January 2023 for €75,000, with an effective period date of December 2022;
 - (c) there is no invoice to a third party to support this sponsorship income of €75,000;
 - (d) I find that a commercial value had been attributed within RTÉ of €120,000 for Sponsorship of TSTM;
 - (e) I find that this value of €120,000 did not reflect the value of contracts between RTÉ and third parties;
 - (f) I find that there was no objective justification for the posting of this additional amount of €75,000 to TSTM Event Sponsorship;

- (g) I find that at the time of the posting the value of the loss in relation to TSTM was known (e.g. that costs incurred were significantly higher than revenue achieved). I find that the posting of the €75,000 journal did not materially affect the overall scale of the loss for TSTM. Therefore, I also find that on the balance of probabilities that it was known, or would have been known, that the transfer of €75,000 to TSTM sponsorship revenue would not have significantly improved the reported loss in respect of TSTM;
- (h) I find that there was no monetary gain/loss caused to RTÉ arising from the posting of this journal.
- (i) I have found no evidence that this third-party customer was aware of the subsequent journal by RTÉ to transfer €75,000 of spot revenue to TSTM sponsorship income. On this basis I find that the third-party customer was not involved in the RTÉ journal.
- (j) On a combined basis, there was no change to the total revenues recorded and reported by RTÉ and subject to external audit. I find that this does not take away from the fact that TSTM Sponsorship Revenue was overstated by €75,000 and Spot Revenue was understated by €75,000 in the books and records for the year ending 31 December 2022.

1.26 I have been informed that in the consolidated RTÉ accounts the €75,000 is included correctly in commercial income of €152,053,000. In the consolidated accounts the €75,000 is transferred from Spot income of €109,571,000 to Sponsorship income of €11,370,000. I find that the adjustment of €75,000 on Spot Revenue and Sponsorship Income in RTÉ and RTÉ CEL respectively, would not have been material to the Financial Statements for each of those entities. From the group consolidated accounts perspective this is also not a material difference, also noting that they offset on consolidation.

1.27 Separately, I identified that there may be additional costs totaling €69,628 recorded elsewhere on the RTÉ Business World system (RTÉ's Financial Management System) that relate to TSTM. In order to ensure that all costs were identified, I requested that the RTÉ Internal Audit Department perform a review, to include a focus on completeness and costs not originally recorded in costpool AIM1700 (TSTM) in the Business World system. RTÉ have identified that there may be up to €69,628 of additional costs that should be allocated to Income and Expenditure figures for TSTM. Following their review, amongst other things, RTÉ Internal Audit have informed me that the costs (€69,628) are development in nature, dating from 2021.

1.28 The table below sets out a comparison between the financial position as reported on 30 January 2023, 4 July 2023 and most recently to me on 27 October 2023.

Table 1.1 – updated Income and Expenditure Statement for TSTM

	Estimated Income and Expenditure 31 December 2022 reported to ARC on 30 January 2023	Movement	Income and Expenditure reported to ARC on 4 July 2023	Movement	Income and Expenditure - 27 October 2023 €
	€	€	€	€	€
Income					
Net ticket sales	450,961	0	450,961	-	450,961
Sponsorship	120,000	(75,000)	45,000	-	45,000
Total Income	570,961	(75,000)	495,961	-	495,961
Expenditure					
Total expenditure	2,586,734	112,458	2,699,192	69,628	2,768,820
Total Net Income / (Loss) on Event	(2,015,773)	(187,458)	(2,203,231)	(69,628)	(2,272,859)

2. RTÉ's risk assessment and approval processes

BACKGROUND

2.1 Under paragraph 1.1 of the Terms of Reference I am to conduct a fact-finding review in relation to:

“RTÉ's risk assessment and approval processes in relation to Toy Show the Musical Project (including at Executive and Board level (including the Committee)).”

2.2 In this Section I address the following:

- (a) introduction – RTÉ's Revised Strategy 2020 – 2024, RTÉ Experiences and Development (see paragraphs 2.5 to 2.17 below);
- (b) risk assessment (see paragraphs 2.18 to 2.65 below); and
- (c) approval process (see paragraphs 2.66 to 2.117 below).

2.3 I have included in Appendix 1, a timeline of events relating to TSTM.

2.4 In accordance with such terms of reference, my findings are limited to fact which I have determined on the balance of probabilities.

RTÉ'S REVISED STRATEGY 2020 – 2024, RTÉ EXPERIENCES AND DEVELOPMENT

2.5 In conducting my fact finding review, I note that:

- (a) in November 2019, RTÉ set out as part of its Revised Strategy 2020 – 2024 (“Revised Strategy”), an ambition to develop new live events to complement its broadcasting and online services;
- (b) included in the RTÉ Revised Strategy were specific initiatives to develop new revenue streams and grow revenue from digital platforms. I note that the Revised Strategy identified Event Revenue in 2020 of €0.5 million rising to €3.4 million in 2024;

- (c) the Revised Strategy further identified that the rationale for adding live events to complement RTÉ's television, radio and digital services was threefold:
 - (i) to drive public value and non-advertising based commercial revenue;
 - (ii) to build and extend key media brands (programmes and channels); and
 - (iii) to grow RTÉ's direct audience relationship, particularly with younger audiences.

2.6 I am informed that:

- (a) the Revised Strategy was assessed on behalf of the Board by external consultants and on behalf of the Government by New Economy and Recovery Authority ("NewERA") in 2019 as part of their due diligence;
- (b) on foot of that approved Strategy, RTÉ was mandated to explore methods of diversifying its commercial revenue streams, which included live events; and
- (c) the consideration by the Executive of live events being part of the Revised Strategy included a SWOT analysis of the organisation developing a range of commercial live events.

2.7 The Broadcasting Act 2009 expressly explicitly permits RTÉ to develop and charge for ticketed events, Article 114 (h) states that RTÉ can "organise, provide and subsidise concerts, entertainments, education and other activities in connection with a broadcasting service or for any purpose incidental to it and, in relation to any such concert or entertainment, to provide or procure accommodation and, if desired, to make charges for admission."

2.8 RTÉ has had previous experience in developing and hosting large live scale music events including, a special Centenary event to mark the 100 anniversary of 1916, a ticketed live music dance show pairing its Concert Orchestra and 2FM DJ, Jenny Greene, and a hip-hop themed show again pairing 2FM and the RTÉ Concert Orchestra.

2.9 In January 2020, a workstream was established called "RTÉ Experiences". This workstream was initiated to realise the RTÉ ambition, under the Revised Strategy 2020 to 2024 to have developed a new business producing up to 50 live ticketed events a year, in multiple genres (music, sport, lifestyle, culture and politics), connecting with a variety of audiences across the country.

2.10 An initial meeting of the RTÉ Experiences working group was held at the end of January 2020, with a second meeting following in February 2020.

2.11 Following these working groups the idea of the Late Late Toy Show: Live emerged.

- 2.12 I note that there were a number of other seedling ideas identified in this RTÉ Experiences working group meeting of February 2020. Person 3 commented to me that “Their lead-in time was much shorter, but we couldn't execute them because venues were shut and crowds couldn't gather. So, by definition, the gestation period, which, you know, in the end turned out to be three years for the Toy Show The Musical was necessary.”
- 2.13 The concept of TSTM evolved through a series of creative development workshops during 2021 and 2022. Having met many individuals involved in TSTM as part of the Review, and considered various documentation², it is clear to me that:
- (a) from the outset there was agreement that if RTÉ was to develop a live event related to or based on the Toy Show it had to be original, authentic, and consistent with the values and scale of the TV show; and
 - (b) building something new from the Toy Show had particular strategic appeal for RTÉ for a number of reasons:
 - (i) engaging and reaching children had been identified as becoming increasingly challenging. Building something new, live and immersive (that is non - screen based) led by children for children and families was deemed a real opportunity for RTÉ to strengthen its relationship with that audience;
 - (ii) creating a new original Irish family show with Irish voices, Irish characters and new Irish music would offer audiences something unique and distinctive, rooted in the Irish culture and community; and
 - (iii) The Toy Show was identified as being a much loved brand among children and families, which made it a logical starting point for launching a new theatrical show aimed at those same audiences, particularly audiences who may only rarely experience live theatre.
- 2.14 On 15 February 2021, Person 3 sent an email to two Members of the RTÉ Experiences working group (see Item 7, Appendix 1) which describes the status of TSTM at that stage:
- " As you both know, the purpose of the Workshop is to develop the script and to stress test the viability of the full production - to underpin the business case for proceeding with the full production. It is only when this is done can the project be brought forward to the Exec Board and possibly the Board itself, given the sums involved and the reputational issues involved, for full approval and sign off."
- 2.15 In the Report to the ARC (January 2023) and the Report to the RTÉ Board (February 2023), it was noted: “It was not until after a week-long theatrical workshop in the summer of 2021,..., that *Toy Show the Musical* began to take shape in the form of an original story centring [sic] on a family on Toy Show night.”

² As described in the Report to the ARC (January 2023) and the Report to the RTÉ Board (February 2023).

- 2.16 During the period 2021 and 2022, RTÉ sought the advice and experience of a number of external theatre/musical theatre producers, project managers and professionals (“**External Consultants**”).
- 2.17 It was reported in the Report to the ARC (January 2023) and in the Report to the RTÉ Board (February 2023) that the Covid-19 pandemic had delayed RTÉ's ambitions in the live events area.

RISK ASSESSMENT

Introduction

- 2.18 Having considered all of the available evidence, I find that the following risks amongst others were identified by RTÉ, albeit I have found that they were identified and considered to various degrees:
- (a) musicals are notoriously difficult and are dependent on delivery of a product that exceeds significant expectations (the Quality of the Musical);
 - (b) the Christmas period is well served with many well-established events occupying prime calendar dates;
 - (c) RTÉ's expertise is predominantly in broadcast output rather than events (particularly commercial events);
 - (d) RTÉ's dedicated public events team is small and stretched in delivering the current slate;
 - (e) significant upfront funding to develop production was required;
 - (f) depending on the chosen business model, events carry financial risk;
 - (g) a negative experience at an event could severely damage a well-established brand (e.g. the Toy Show Brand);
 - (h) appropriate positioning of the event within the market; and
 - (i) vulnerability around the status of Covid.
- 2.19 In my Report I now consider:
- (a) the 2021 Business Plan;
 - (b) the Dynamic Model;
 - (c) the Executive Board meeting on 1 March 2022;
 - (d) the Combo meeting on 29 March 2022;

- (e) the ARC meetings on 16 March 2022 and 25 April 2022;
- (f) the Board meeting on 28 April 2022;
- (g) the Board meeting on 26 May 2022; and
- (h) other relevant facts that I have identified.

The 2021 Business Plan

2.20 I identified a short form business plan, included in an email of March 2021 from Person 3 to two external consultants, with the following description “RTÉ Experiences presents The Late Late Toy Show... Live”, which:

- (a) identified a number of competitive advantages that RTÉ had in developing musical theatre, with specific reference to the Late Late Toy Show;
- (b) included three years of Summary Financials, showing Total Revenue in year one of €2,084,120, year two of €2,124,120 and year three of €2,254,278; and
- (c) included a risk assessment in the form of a SWOT Analysis (i.e. an analysis of Strengths, Weaknesses, Opportunities and Threats).

2.21 Based on my review of minutes, meetings with individuals, and email analysis, the 2021 Business Plan was in possession of the [redacted by Grant Thornton] and a small number of individuals from the Executive. I am informed that in March 2021 the plan was at an early stage, but it was not in position to be provided and presented to the Executive Board for consideration, and that there was no decision that was required to be made by the Executive Board in March 2021. From my meetings with individuals and my review of emails I have found no evidence that the 2021 Business Plan was shared with Members of the Board of RTÉ (with the exception of the [redacted by Grant Thornton] or the ARC).

The “Dynamic Model”

2.22 I identified the existence of a detailed spreadsheet workbook / model for TSTM which supported the figures contained in the presentation provided to attendees of the Executive Board meeting on 1 March 2022 (see below).

2.23 Individuals who I met described this as a “dynamic model”, but in simple terms it is a detailed budgetary type of analysis. At this stage in my Report, I would like to comment on the work that I have done to identify and review the underlying detailed spreadsheet workbook / model for TSTM. Specifically, I have identified and reviewed many drafts/iterations of this detailed spreadsheet / workbook. From my email analysis I have identified that drafts/iterations are dated from July 2021. From my interactions I have identified that there were meetings between a number of RTÉ individuals across functions, and External Consultants, where the drafts/iterations were discussed and assessed, including various projected outcomes, and that these engagements occurred before the meeting of the Executive Board on 1 March 2022.

- 2.24 The spreadsheet workbook / model supporting the figures contained in the presentation to the Executive Board on 1 March 2022:
- (a) included the details supporting the figures included in the presentation to the Executive Board on 1 March 2022;
 - (b) contained multiple spreadsheets within it, with two key spreadsheets related to breakeven. These were entitled “CC Ticket Manifest” and “Revised Recoupment”;
 - (c) that the spreadsheet “CC Ticket Manifest” identified the number of shows (44) and the price plan associated to these (assuming 100% of tickets sold), this spreadsheet links into the Revised Recoupment spreadsheet being the breakeven calculation. If the number of shows run or the Price per show are amended the breakeven (revised recoupment) percentage changed. In my opinion, the “revised recoupment” sheet within the spreadsheet workbook / model is a key risk assessment tool. This identifies a number of sales scenarios (e.g. if 100% of seats were filled what the expected net profit would be and if 75% of seats were filled what the expected net loss would be); and
 - (d) that none of the spreadsheet workbook / models that I reviewed contained multi-year budgets as they only focused on year one.

The Executive Board meeting 1 March 2022

- 2.25 On 1 March 2022 there was a meeting of the Executive Board. Attendees of that meeting were Members of the Executive, RTÉ producers, and External Consultants to TSTM.
- 2.26 On 28 February 2022 the [redacted by Grant Thornton] sent to the attendees of this meeting a pre-read. The pre-read was a document entitled Toy Show Musical Executive Board Presentation. I find that this presentation provided to the Executive Board clearly set out, amongst others, the following items:
- (a) the venue and show schedule;
 - (b) the audience projections (assuming a sell out);
 - (c) one year of revenue projections (assuming a sell out);
 - (d) cost projections for one year;
 - (e) Net Profit on Box Office (assuming a sell out);
 - (f) the percentage of ticket sales that had to be achieved to break even (c. 80%); and
 - (g) that TSTM was being developed as returnable show coming back each year with minimal changes.

- 2.27 In my view, although the revenue projections and profit projection assumed a sell out of the venue, this assumption was clearly stated in the presentation, and the percentage of ticket sales required to achieve a breakeven was also clearly identifiable.
- 2.28 I asked individuals who attended that Executive Board meeting about the breakeven. In the context of meetings that I had with Person 6, they commented, at different stages of my meeting with them, and in subsequent interactions, that in their view:
- (a) "Theatre is not an exact science and naturally there are variations on this figure driven by circumstances pertaining to the particular production, but an accepted average norm would be 55%" and "the accepted norm, would be about 55% business to break-even would be the accepted level of risk."
 - (b) "Given the popularity of The Toy Show brand and the assumed ability of RTÉ to drive advance sales, I was happy to accept an increased break-even of 65% but was not comfortable with exceeding that level of risk." and "I was comfortable with the production budget settling at 65%. This was before the launch and the show going into rehearsal ...".
 - (c) "There was two presentations. There was one to the Board³ and one to the Exec and both sort of passed without, you know, they were accepted. My view on it would be that it was never intended to run that budget. That was, you know, we wouldn't have, 70% would be unacceptable" and "... in my book 70% is an unacceptably high level of commercial risk."
 - (d) "I mean the project was accepted very easily. There was no forensic interrogation of the figures. I had, because it was quoted back to me several times, I had quoted, I had said at the very start that you understand in this business that nine out of ten musicals don't make their money back. So that was sort of said back to me a few times as now [redacted by Grant Thornton] going to tell us that it's not going to, you know, 9 out of 10 but I think there was such an air of positivity about this and a feeling that it was such, you know, that the risk wasn't, no, the risk wasn't interrogated deeply."
 - (e) "I was extremely positive about Toy Show Live (as it was called then) as it was my belief that a musical based on the Toy Show, supported by the selling power of RTE was a very strong combination and an acceptable break-even was achievable, and I would have expected the show to go into profit. However, I did also stress from day 1 that producing musicals is a high-risk venture and that failure was a possible outcome."
- 2.29 Person 6 indicated that they advised Person 3 of the industry norm breakeven rates. Person 3 noted the following in relation to Industry norms and breakeven (they in this instance refers to Person 6): "In fairness, [they] was concerned about the break-even all the way through".

³ Person 6 appears to refer to what I have defined as the Combo meeting.

- 2.30 From my meetings with Executive Board and Board Members of RTÉ, I note that the majority of these respective Members were not aware of these industry norm rates and have little or no memory of them being discussed at any of the meetings they attended. Whilst Person 6 mentioned industry norms to me, Person 26 commented to me that “I also disagree there was a relevant ‘industry norm’”. In response to Person 26’s comment, Person 6 states that: “I must disagree. In commercial theatre, production decisions are driven by the budget and the budget is driven by the break-even. It’s a balancing act, if costs increase, the income must increase accordingly to maintain the break-even. Given that it’s difficult to increase ticket prices unless sales are red-hot, its standard practice to keep the agreed break-even at an achievable level, especially in advance of going on sale and establishing the level of interest in the show. Theatre in general and musicals in particular are notoriously risky and a % break-even in the mid 50s is an accepted prudence.” This difference of view in relation to industry norm(s) is something that I do not need to reach a conclusion on as it is not pertinent to my findings.
- 2.31 I have established from my meetings with Members of the Executive Board that they identified that the primary concerns of that group of attendees were around:
- (a) the Toy Show Brand;
 - (b) the quality of the musical; and
 - (c) the risk of covid and how this could affect the Musical.
- 2.32 The following was noted in the minutes of the Executive Board meeting of 1 March 2022, in relation to TSTM:
- “[redacted by Grant Thornton] is the driving force behind the LLTS Event and introduced the Team working on the Toy Show Live Event, namely: [redacted by Grant Thornton]. A pre-read had been circulated in advance of this meeting outlining the concept, idea and story. The team went through the detail of the project, planned schedule, and financials involved. This is a very big brand piece for RTÉ and very exciting. Timing is imperative and hoping to go with Ticket sale from mid April. [redacted by Grant Thornton] thanked all involved in this phenomenal project. Next steps to the Audit and Risk Committee. Communication around this will need to be very carefully managed. Brand will need to be developed and marketing budget etc clarified.
- Action:** There will be a further creative session with the Executive Board when further developments have been gone through.”
- 2.33 The minutes of this meeting of the Executive Board identified that “Next steps to the Audit and Risk Committee”. As I discuss later in my Report, from my review of minutes of the ARC and from my meetings with Members of the ARC, I have found no evidence that TSTM was ever brought to the ARC for review.

The Combo meeting on 29 March 2022

- 2.34 Following a RTÉ Board meeting on 24 March 2022 where “The [redacted by Grant Thornton] noted that [they] would be arranging a meeting next week with Board members to showcase a new development.”, an email was sent to six RTÉ Board Members on 25 March 2022. This email, with a subject of “Exciting creative and commercial opportunity”, mentioned that “I would like to take you through a project that we will be announcing shortly which has been worked on for the last 2 years and is a new commercial and creative opportunity for RTE”. Following this email, an invite was sent to a select group of participants to attend a meeting on 29 March 2022. Neither this email, nor the actual calendar invitation, identified the rationale or the capacity in which those participants were invited to attend the meeting of 29 March 2022.
- 2.35 I asked Person 3 as to how this select group of participants was identified, they noted: “that meeting was assembled by [redacted by Grant Thornton] in consultation with each other. And the rationale for it, in fairness, was because the financials for this show was being brought through RTÉ CEL, and both [redacted by Grant Thornton] and [redacted by Grant Thornton] were on the Board of CEL. [They] wanted members from the Audit and Risk Committee, [redacted by Grant Thornton] and [redacted by Grant Thornton]; and [they] wanted [redacted by Grant Thornton] from the [redacted by Grant Thornton]. So [they] wanted a blend of people. You know, ultimately, I spoke to [redacted by Grant Thornton] and I said “Look, we need to bring this to the Board.” [redacted by Grant Thornton] spoke. This was the process they wanted to go through.”
- 2.36 Person 26 commented that: “[redacted by Grant Thornton] and did not involve myself in any [redacted by Grant Thornton] role, be it with respect to TSTM or otherwise. It is clear all references to “[they]” in the quotation above are references to the [redacted by Grant Thornton]. I attended that meeting at the invitation of the [redacted by Grant Thornton]. The extent of my involvement was to suggest the Executive speak to Person 6 and engage the necessary expertise. I also suggested RTE CEL, the commercial arm of RTE, be involved as this was a commercial venture.”
- 2.37 As outlined in Appendix 2 (paragraph A2.12) a limitation on the scope of my work is that the former Director General was unable to participate in this fact-finding review.
- 2.38 The meeting held on 29 March 2022 comprised:
- (a) five RTÉ Board Members (six were invited but one was out of the country and was unable to attend) of which two of these individuals also sat on the ARC, and one further individual also sat on the Board of RTÉ Commercial Enterprises DAC;
 - (b) the Director General;
 - (c) two Executive Board Members; and
 - (d) four additional individuals being creators of TSTM and external consultants.
- 2.39 Given that the individuals who attended the 29 March 2022 meeting were drawn from these various sources, I refer to this meeting in my Report as the “**Combo**” meeting.

2.40 From a review of emails I noted that [redacted by Grant Thornton] sent an email to Person 26 on 28 March 2022. This email stated:

“Attaching the latest deck on the musical. The numbers have changed since we last spoke showing breakeven now at 70% sell out not 80% as per last draft.

Would welcome your view on distributing this in advance of tomorrow.”

2.41 Person 26 replied on 29 March 2022 as follows:

“Apologies [redacted by Grant Thornton] ... I am travelling in [redacted by Grant Thornton] and misread your email. I would not send the document out in advance of the meeting. I believe the idea is best presented at the zoom you can follow up afterwards with the document.

2.42 When I asked Person 26 as to what their reasoning was behind not sending the TSTM deck in advance to those attending the 29 March 2022 meeting, they commented that there is no particular reason why it was not provided.

2.43 From my review of information available, documentation/briefing papers or presentation materials were not provided in advance to RTÉ Board Members of the Combo meeting.

2.44 I identified a detailed spreadsheet workbook /model for TSTM which supported the figures in the above-mentioned presentation for 29 March 2022 meeting (see paragraph 2.22 above).

2.45 Grant Thornton interacted with all five Board Members who attended the 29 March 2022 Combo meeting. The overwhelming view that I have taken from these interactions, was that individuals considered that the presentation of TSTM at the meeting of 29 March 2022 was a “briefing” and/or was a “fait accompli”. I address comments by individuals met about their descriptions of “briefing” and/or “fait accompli” at Issue 5 at paragraphs 2.113 to 2.117 below. Additionally, I specifically note:

- (a) one Board Member described: “Because at this point, you have to bear in mind this was presented blind, so one is asking questions, having been invited to a meeting you don't know what it was about, so, you know, you are picking up questions as you are going through it.”; whilst
- (b) Person 26 commented that: “As I recall the [redacted by Grant Thornton] suggested a presentation by the Producers and the Executive to selected members of the Board who attended on the 29th March. The meeting discussed the pitch. Members present responded with enthusiasm. The documentation was to follow the meeting.”⁴

⁴ Based on my email review I can find no evidence of the TSTM deck referred to by Person 26 being sent to the attendees of this Combo meeting. However, I have identified that there was a Board Meeting on 26 May 2022 that did include a pre read presentation on TSTM.

2.46 Person 26 commented that the meeting of 29 March 2022:

- (a) “was not a formal meeting”;
- (b) “as far as I am aware no minutes were taken”;
- (c) “it was a positive and useful meeting involving a broad ranging discussion on the project”;
- (d) “that the project was presented by the Executive and then discussed generally with everyone in attendance participating. The proposal received a positive reception”;
- (e) “My recollection is that all aspects of the project were discussed. I do not recall the specifics of the discussion, but I am quite sure the financial aspects of the project were discussed. I cannot specifically say risk as a separate issue was discussed. At all times the Board was aware there was risk as this was a commercial venture and very (sic) commercial venture carries risk. Given the uniqueness of the Toy Show and its unending and ever-growing popularity the expectation was would be a success. I might well have commented that all stage productions carry risk and more fail than succeed but I cannot specifically recall saying that.”; and
- (f) “I do not see how the attendees at that meeting would think their approval was necessary or why the Executive would seek their approval. In any event as far as I recall nobody at that meeting voiced any opposition to the project and as I recall all were in favour of it progressing.”

2.47 I have compared and contrasted the presentation documents for the Executive Board on 1 March 2022 and the Combo Meeting of 29 March 2022. In respect of the financials, the table below shows that the differences were due to an increase in the number of running dates (6 additional days were added, with 10 shows). This has the knock-on effect of increasing revenue and reducing the breakeven percentage.

Table 2.1 – Comparison of figures presented at 1 March 2022 meeting and 29 March 2022 meeting

	Presentation for 1 March 2022 Executive meeting	Presentation for 29 March 2022 Combo meeting	Difference
Running dates	10 December 2022 to 1 January 2023	10 December 2022 to 7 January 2023	6 additional days
Number of shows	44	54	10 additional shows
Audience projection (assuming sell out)	87,780	107,730	19,950 additional attendees
One year of revenue projections - Net Box Office Potential (assuming sell out)	€3,243,641	€4,095,027	€851,386 additional net box office potential
Net profits on box office (assuming sell out)	€664,109	€1,224,756	€560,647 additional net profit
Breakeven	c. 80%	c. 70%	reduction of 10% in breakeven

The ARC meetings on 16 March 2022 and 25 April 2022

- 2.48 Based on my review of minutes of the Executive Board meeting of 1 March 2022, where it notes "Next steps to the Audit and Risk Committee." I performed a review of minutes of the ARC, between 1 March 2022 and 19 May 2022 (being date tickets went on sale to the public) to determine if TSTM was brought to the ARC. From a review of minutes of these ARC meetings, I have not identified any mention of TSTM. Based on my review of these minutes, and meetings I held with the ARC Members, I can confirm that TSTM project was not brought to the ARC for their review.
- 2.49 Later in this Section of my Report I consider the ARC in further detail. For example, based on my meetings and interactions, I understand that there were a several ways that items are placed on, or added onto, the ARC Agenda. On the balance of probabilities, I find that none of these ways occurred.

The Board meeting on 28 April 2022

- 2.50 TSTM was mentioned at the Board meeting of 28 April 2022. The following was recorded in the minutes, under the Director General's Report:
- “In relation to content and performance the DG outlined the LLTS Musical launching on 13 May noting that a number of the board members were already across the Show. The DG brought the Board through the Team and the Production and noted that it is a very exciting undertaking. It is important that it is an Irish idea and an Irish team. She stated that she would send out a more detailed document to the Board members.
- Board members welcomed the Musical noting that it is enabling for the wider ecosystem in Ireland and creating opportunities.”
- 2.51 From those attendees of the Board of RTÉ that I met, the overwhelming view that I have taken from these interactions, was that individuals considered that this meeting was a briefing and that no document was provided in relation to TSTM. I further note from a review I performed of the Agenda and documents provided in advance of this meeting of 28 April 2022 that there was no advance pre-read document on TSTM provided to attendees.
- 2.52 From those attendees of the Board of RTÉ that I met:
- (a) one attendee summed the meeting of 28 April 2022 as follows: “was in the nature of an update as to what was happening. It was informative. It wasn't on the agenda for specific discussion or approval.” and “the mention of TSTM arose in the DG's verbal report. The information was informative as to what this “new opportunity” was, to be announced on the May 13 Late Late Show, who the creative team were (writer, music and director), and that there would be 54 shows from 10 December to 7 January. There was no discussion on figures/costs/projections. There was no request for approval of the Board for TSTM at that meeting. My detailed notes do not record any approval request (or corresponding approval) and I note that the Minutes of the meeting for that date are also silent on any approval request or the granting of same.”;
 - (b) another attendee informed me: “I don't remember any discussion around this. It was an update and I thought from that, just reading that again, my sense was we were going to get more updates or more continuous updates on that.”; and
 - (c) another attendee, who had not been invited and had not attended the Combo meeting of 29 March 2022, informed me that: “So this is the 28th April 2022 Board meeting and this was a briefing by the DG. So this was part of the -- so Board meetings always begin with after we get through the minutes and whatever it is always the DG's briefing or update, this was part of a DG update. It wasn't an agenda item. There was no paperwork in the Board pack for that meeting on Toy Show The Musical.” and “this was the first time I had heard of Toy Show The Musical. I had no information about it. I hadn't seen.”
- 2.53 One attendee at this meeting, identified that they asked a question in relation to ticket prices: “So I raised the question about the ticket pricing and I didn't really get any sort of an affirmative answer but the note I have here is that ticketing gets determined by demand but that there would be work on concessions and my concerns were listened to.”

The Board meeting on 26 May 2022

- 2.54 I note that this Board meeting was after the tickets were released (19 May 2022) for sale for Toy Show the Musical.
- 2.55 From a review of documentation, I identified that the RTÉ Board Presentation 29 March 2022/Updated 20 May 2022 was shared with the Board of RTÉ in advance of the meeting of 26 May 2022 as pre-read.
- 2.56 I note that one Member of the Board of RTÉ commented to me that: “I finally got the briefing document on TSTM in May's Board pack, by which time the venue for the event had been booked and the event was 'Launched' on the LLS”.
- 2.57 Another Member of the Board of RTÉ noted: “So on the 26th May this was included in the Board pack. It wasn't an agenda item. It wasn't presented in the meeting. It wasn't referred to in the meeting. So in that respect there was no interrogation of the figures because it just wasn't referred to in the meeting.” and “I reiterate that there wasn't an explicit request for approval and, as a result, there wasn't an explicit approval given, and this was unusual for a project of this magnitude. When the information on TSTM was included in the documentation for the meeting of 26 May 2022, this was the first time that I had seen information on the project.”
- 2.58 I further note that TSTM was not on the Agenda, but mentioned in the Director General's Report in the minutes of the meeting of 26 May 2022 as follows: “There has been a good reaction to the Toy Show musical and sales are good”. There was no other mention of TSTM in the remainder of the minutes.

Other relevant facts that I have identified

Financial risk analysis

- 2.59 In terms of the Executive Board meeting on 1 March 2022 and the Combo meeting on 29 March 2022, in my opinion, subject to my consideration of the interrogation of the figures (see below), the comments below from Person 3 resonate with me from my meetings that I held with individuals who attended these meetings:

“Yeah, my recollection of the meeting is - and, indeed, all the meetings, you know, they, I may be wrong on this but I'm almost certain there was very little, if any, concern about the audience numbers. The concern largely centred around the creative project itself. The actual concern was about could we deliver a great show that wouldn't damage The Toy Show.

So the primary concern centred around, could we deliver a musical - you know, could we deliver it of a high enough quality that would be critically received, that would be additive to the brand. And, in fairness, because it was being built from the ground up creatively and narratively by the two producers of The Late Late Show and The Toy Show, you know, there was this really strong connection in the team to that idea as well, about doing something that was genuinely authentic.

In terms of people's views on the financials and the audience numbers, there was conspicuously little interrogation of them, if I'm honest, you know, and because of people's feeling and experience of this extraordinary phenomenon every Christmas, I think people believed that this show, as long as the show was good enough - even if the show wasn't good enough, in the Year 1 they thought it would do well because of The Toy Show, but that the reputational risk was if the show was bad, the it could be damaging to the TV project."

2.60 However, the comments above need to be considered in the context of other comments made by other individuals that I met. Person 3, as stated above, identified to me that in their view there was little interrogation of the financials and audience numbers. Person 6 similarly stated (see paragraph 2.28 above): "I mean the project was accepted very easily. There was no forensic interrogation of the figures. I had, because it was quoted back to me several times, I had quoted, I had said at the very start that you understand in this business that nine out of ten musicals don't make their money back." There are nuances that I observed from other attendees including:

- (a) in respect of the 29 March 2022 meeting, two Board Members commented to me as follows:
 - (i) "Because at this point, you have to bear in mind this was presented blind, so one is asking questions, having been invited to a meeting you don't know what it was about, so, you know, you are picking up questions as you are going through it.";
 - (ii) "But it wasn't framed. This meeting wasn't framed in terms of like "we need you to sign-off on this", which I think would have changed the mindset. Like okay, we're signing-off on €5million of expenditure. No, sorry, €2.8 million in expenditure. So it was more; this is an update." and "like no-one was asking us like 'hey, do you approve and sign-off'? So it wasn't kind of -- it was more, it was more an update";

which indicates to me that the ability of that individual, and potentially others, to ask questions was consequentially limited; and

- (b) in respect of the 29 March 2022 meeting, the presentation of TSTM was described to me as a "fait accompli" or a "briefing", which individuals have identified as reasons for limited questioning. (See also Issue 5 at paragraphs 2.113 to 2.117).

2.61 The above-mentioned (at paragraph 2.60(a) and (b)) nuances, or factors, in my view may well explain how Person 3 and Person 6 formed their views that there was limited interrogation of the financials and audience numbers.

2.62 Person 26 has informed me that in their view every Board Member had the opportunity to ask questions, raise objections or disapprove the project (see paragraph 2.74(b) below). Some of the Members of the RTÉ Board I met acknowledged that with hindsight, more questions should have been asked about TSTM. In particular, one Member of the RTÉ Board explained to me that with hindsight questions should have been asked about why this project was not brought to the Board's attention at an earlier stage and RTÉ's normal approval process followed, however, it also seemed to this Director that the TSTM production was a fait accompli.

The presentations for the meetings of 1 March 2022 (Executive Board) and 29 March 2022 (Combo meeting)

- 2.63 TSTM was identified as a multi-year project. The presentations made for the meetings of 1 March 2022 and 29 March 2022 focused on year one. In addition, my review of the detailed spreadsheet workbook / model, identified that the projections were similarly limited to year one.
- 2.64 The multiple scenarios (based on percentage of ticket sales) included within the spreadsheet workbook / model were not incorporated in the presentation to the Executive Board, albeit the presentation clearly identified the breakeven percentage as 80%.

Experience and expertise of other individuals

- 2.65 From my meetings with Members of the Executive Board and the Board of RTÉ, references were made to the experience and expertise of some individuals. One person I met described, in light of their expertise and experience:

“So, at that meeting, we would have been very reassured by the fact or at least I would have been assured by the fact that there were people who were experts in this area who came from very diverse backgrounds, who had decades of experience really leading fantastic projects like this. So, I think that was one of the first things, there was a lot of discussion of the team, that was very reassuring.”

APPROVAL PROCESS

Introduction

2.66 As stated above, under paragraph 1.1 of the Terms of Reference I am to conduct a fact-finding review in relation to:

“RTÉ's risk assessment and approval processes in relation to Toy Show the Musical Project (including at Executive and Board level (including the Committee).”

2.67 In this part of my Report in relation to the approval process, I address five issues:

- (a) Was approval required from the Board of RTÉ for TSTM (“**Issue 1**”)?
- (b) Was approval provided by the Board of RTÉ for TSTM (“**Issue 2**”)?
- (c) What was the involvement of the Executive Board for TSTM (“**Issue 3**”)?
- (d) What was the involvement of the Audit and Risk Committee for TSTM (“**Issue 4**”)?
- (e) Comments from Board Members about “fait accompli” etc. (“**Issue 5**”).

Issue 1 – Was approval required from the Board of RTÉ for TSTM?

2.68 Based on the documentation and information provided to me, I find that approval from the Board of RTÉ was required for TSTM.

Reserved & Delegated Authority Limits Jan 2018

2.69 On foot of inquiries that I made; I was provided with two main documents:

- (a) A document with a file name entitled “Reserved & Delegated Authority Limits Jan 2018 Update”. The document is 5 pages in length (including a one page appendix) and is entitled “Formal Schedule of matters specifically reserved for RTÉ Board decision”.

I have identified some differences between the main body of the document (pages 1 to 4) and the Appendix 1. It would appear, based on my understanding, that the Appendix was not updated in 2018 (being the date when the main body of the document was updated).

- (b) RTÉ Procurement Policy 2020. This document is 19 pages in length.

Page 8 of the RTÉ Procurement Policy 2020 has a table of amounts, financial system approver(s), and approval to sign contracts. It appears that the Appendix to the Reserved & Delegated Authority Limits Jan 2018, should have been updated and reflected Page 8 of the RTÉ Procurement Policy 2020.

2.70 Notwithstanding the issues identified with Appendix 1 to the Reserved & Delegated Authority Limits Jan 2018, given the extensive descriptions in pages 1 to 4 of that document, I am satisfied that for the purposes of my review, I can rely on pages 1 to 4 of this document as being effective at the relevant time for TSTM.

2.71 The Reserved & Delegated Authority Limits Jan 2018 Update provides, amongst other things:

Figure 2.1 – Reserved & Delegated Authority Limits Jan 2018 Update (extract)

Formal Schedule of matters specifically reserved for RTÉ Board decision

Section 1.7 of the Code of Practice for the Governance of State Bodies (2016) outlines that:

"...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)"

The schedule of matters reserved for RTÉ Board decision is as follows:

1. Significant* acquisitions, disposals or retirement of assets of RTÉ or its subsidiaries
2. Major* investments and capital projects
3. Approval of terms of major* contracts
4. Key financial and business controls:
 - 4.1. Delegated authority levels
 - 4.2. Treasury policy
 - 4.3. Risk management policies
 - 4.4. Approval of annual budgets, incorporating service and content plans, and corporate strategic plans
 - 4.5. Production of Annual Report and Accounts

The asterisk is defined as “Refer to the document Financial Authority Limits reserved for RTÉ Board Authorisation for further details on the quantitative thresholds.”

2.72 Figure 2.2 are extracts from the section of the document Financial Authority Limits Reserved for RTÉ Board Authorisation included in the file name entitled “Reserved & Delegated Authority Limits Jan 2018”.

Figure 2.2 – Financial Authority Limits Reserved for RTÉ Board Authorisation (extracts)

Financial Authority Limits Reserved for RTÉ Board Authorisation

The table below outlines the financial authorisation levels which require RTÉ Board approval. The table should be considered in the context of:

- The Board document “*Formal schedule of matters specifically reserved for Board decision*”, dated January 2018; and
- The Managerial and financial authority approval limits set-out in Section 3 of the RTÉ Procurement Policy (July 2014) – see *Appendix 1*.

Category of Expenditure	Limit Reserved for Board Authorisation ^{1 2}
Major Investments	
Purchase or sale of land / premises	Transactions in excess of €250,000* <i>(*Note: The approval of the Minister for Communications, Climate Action and Environment and the Minister for Public Expenditure and Reform is required in advance of any material acquisition or disposal of land, buildings or other material assets – Section 8.22 Code of Practice for the Governance of State Bodies.)</i>
Leases of land / premises	Lease of a duration longer than 10 years, or lease transactions in excess of €250,000 per annum
Authorisation of Capital projects	Projects with a total project cost, as per the A196 Form, in excess of €1,000,000

Operating Expenditure	
Authorisation of operating expenditure for the purchase of goods and services <i>(Operating expenditure is approved by the Board in aggregate via the annual budget – refer to point 4.4 in the matters reserved for Board decision)</i>	<p>Sports Rights: A specific process is in place with Shane Naughton as RTÉ Board representative.</p> <p>Programme Acquisitions: Deals in excess of €2,000,000 <i>(as recorded in the Deal Authorisation Form)</i>.</p>

Category of Expenditure	Limit Reserved for Board Authorisation ^{1 2}
	<p>Programme Commissions: Commissions in excess of €2,000,000 <i>(as per the MAP)</i>.</p> <p>Other Operating Expenditure*: Expenditure with a value in excess of €2,000,000</p> <p>*Excluding the following transactions:</p> <ul style="list-style-type: none"> – 2rn tariff charges <i>(formally regulated by ComReg)</i> – Taxation deductions / amounts paid to the Collector General: PAYE / PRSI / USC / VAT <i>(addressed by the compliance processes under Section 225 3 (c) of the Companies Act 2014)</i> – Intercompany transactions <i>(n/a: not a third party transaction)</i>

2.73 I note that the Reserved & Delegated Authority Limits Jan 2018 identified that RTÉ Board Authorisation is required for capital projects in excess of €1,000,000 and also for Other Operating Expenditure with a value in excess of €2,000,000. In my view, TSTM was not a capital project.

Meetings with Members of the Board of RTÉ

2.74 In respect of my meetings with Members of the Board of RTÉ:

- (a) the overwhelming view that I have taken from these interactions, was that individuals were of the opinion that TSTM required approval from the Board of RTÉ. Of the Board Members that I interacted with, I note below some comments received from them when asked if Board approval was required for TSTM:
- (i) “The Board approval was required for projects exceeding 2 million. The project was presented to the board on a net basis.”
- (ii) “absolutely, I think it should have been formally approved by the Board.”
- (iii) “the financial authorisation limits would state at that time that over -- an investment of over 2 million, it would have to go to the full Board for approval.”
- (iv) “Absolutely, a hundred percent, absolutely.”
- (b) Person 26 agrees that approval from the Board of RTÉ was required for TSTM. I asked Person 26 the following in relation to TSTM: “Do you agree that approval from the Board of Directors was required?” and “Can you confirm why a meeting of the RTE Board was not called to approve this TSTM project?” they replied:

“Yes, approval from the Board was required for expenditure on TSTM as it was over €2 million. The project was presented on the 28 April 2022 by the Executive to the Board and every Board member had the opportunity to ask questions, raise objections or disapprove of the project. There were no objections to the proposed expenditure at the meeting where the presentation was made or thereafter at any other Board meeting. Every member was ware [sic] this was a commercial venture being undertaken in the context of the 2019 RTE Revised Strategy directed at, amongst other things, increasing revenue from non-traditional commercial activity.” and

“The Board was required to approve all expenditure over €2 million. TSTM was budgeted to cost in excess of that hence the Board was asked to approve it. Every Board member had the opportunity to ask questions, raise objections or disapprove of the project. There were no objections raised by any Board member to the proposed expenditure. The practice at Board meetings was to reach consensus if possible and if a consensus was reached no formal vote was taken.”

At paragraph 2.50 I discussed the 28 April 2022 Board meeting, and the minutes show TSTM as one part of the Director General's Report. The minutes do not document TSTM as being approved by the Board.

- (c) I further identified from my meetings with individuals and inquiries made of RTÉ that other projects exceeding €2,000,000 were brought to the Board of RTÉ for approval. One such example provided to me was in relation to another project, and in respect that project according to the minutes at a Board meeting of 22 September 2021 it states: "The Board unanimously resolved to approve the signing of the Contract for the commissioning of [redacted by Grant Thornton]".
- (d) One of the Directors of the Board of RTÉ, who was not invited to and did not attend the Combo meeting, described that the position set out in the presentation of 28 April 2022, as being put forward on a "net position".

"... Also the limits of discretion that the Executive had were high. So if you look at it in that context the authority levels for Board approval are two million and over for a project. This was presented to us on a net position, as I think is clear and obvious in this paper. We're being presented with a net position where there's going to be you know at a minimum break-even or you know potentially a positive outcome and so therefore effectively I certainly was of the view that this was being presented to us falling within the limits and the authority of the Executive ...".

At my own volition, separately I have considered a possible argument that Board approval was not required because the net position of TSTM fell below €2 million (the presentation to the Combo meeting showed an expected net profit on box office of €1,224,796)⁵. To stress test this possible argument I considered a hypothetical example: say a project had estimated revenue of €55 million and estimated costs of €54 million, giving an estimated net profit of €1 million, would approval of the Board of RTÉ be required? In my opinion, given the tenor of the document entitled Reserved & Delegated Authority Limits Jan 2018 approval would be required from the Board of RTÉ.

Finding

2.75 Whilst I acknowledge that TSTM does not appear to be an easy fit to the wording contained in the document, Reserved & Delegated Authority Limits Jan 2018 Update, having considered:

- (a) the Reserved & Delegated Authority Limits Jan 2018, and particularly the tenor of the wording in the document;
- (b) my meetings with individuals of the Board of RTÉ who informed me that TSTM required approval from the Board of RTÉ; and
- (c) a history of other projects being brought to the Board of RTÉ for approval,

I find that approval was required for TSTM by the Board of RTÉ.

⁵ See Table 2.1 above.

Issue 2 - Was approval provided by the Board of RTÉ for TSTM?

- 2.76 I now consider whether approval was provided by the Board of RTÉ for TSTM at a meeting(s) of the Board of RTÉ.
- 2.77 Based on documentary evidence provided to me, I have found no evidence in the minutes of meetings of the Board of RTÉ recording the approval (whether that is by way of the outcome of a vote, or a consensus reached) for TSTM.
- 2.78 It is common ground from the individuals that I met and interacted with that no formal vote was taken by the Board approving TSTM.
- 2.79 One question that I asked was “Was approval sought and provided by the Board of RTÉ for TSTM?”. I obtained responses from the Board Members that I met and/or interacted with (noting that the only Director that I did not meet and/or interact with was the former Director General).⁶ I find that there is a diversity of views about whether approval was provided by the RTÉ Board, which is evidenced by the information provided to me as illustrated below:
- (a) “The Board was never asked for its approval of the TSTM project. Therefore, it never gave any approval, implicit or otherwise. As an individual Board member, I can categorically state I was never asked for my approval. I can also state categorically that the [redacted by Grant Thornton] never made clear at any point, that implicit approval was assumed from the very few times that TSTM was discussed at Board level” and “The Board was not asked to approve TSTM. There was therefore no consensus as one had not been sought” ;
 - (b) “The matter/project was not put to the Board for approval”;
 - (c) “The project never came to ARC or board for approval. It was announced by the time it came to Board”;
 - (d) “There was no approval implied or otherwise. The project was presented as a fait accompli [sic].” and “there was never a vote on this, formal or otherwise. ... There was no approval sought in anyway”;
 - (e) “so there was no request for approval and none was given as far as I am concerned”, “the Board has and does approve major projects and there is quite a set procedure for doing so. We all know what it is, we see the information, we know that there is a major decision to be made, we interrogate it, we make a decision one way or the other. If we accept it, we propose it, it is seconded and then it is actioned. That did not happen in this case”, “the Board approves things and normally when something is being approved you have information before you, it is an agenda item, everybody knows that a decision has to be made, there is a discussion about the pros and cons, a decision is made and if it is for the positive somebody proposes it and somebody seconds it. That is the way it is done. To my recollection, and I have looked through the minutes, and I can't find anywhere where somebody proposed and seconded this, which for me, that is the kind of formal moment when something ceases to be a proposal and becomes actioned. That did not happen in relation to it.” and “There wasn't an explicit request for approval and, as a result, there wasn't an explicit approval given. This was unusual for a

⁶ Refer to paragraphs A2.9 and A2.12 in Appendix 2.

project of this magnitude.” and “It is my belief that tacit approval was not given, rather, on the basis that TSTM was presented as a fait accompli, an objection was not raised.”

- (f) “If you asked me if I gave approval, the answer is No, as I was never asked for my approval.

But you have asked whether the Board gave approval. It's clear no formal approval was given. Therefore interpretation is needed to decide between implicit/tacit and no approval on behalf of the full Board.”

“I cannot differentiate between what was considered implicit/tacit and/or no approval at that time.”

- (g) Person 26 noted that they accept “no formal vote was taken by the Board approving TSTM the project was approved by consensus by the Board.” They further noted that on the basis that no Board Member objected to the decision to proceed with TSTM they suggest “this means at the very least there was implicit approval from all Board members to progressing the production.”

- (h) “Implicit/tacit approval was given by the Board.”

- (i) “I stated [to Grant Thornton] tacit approval - But there was simply no choice” and “presented as a fait accompli. It had been underway for months with no approval from Board” and “never presented to the Board as such”

- (j) “There was implicit approval at both the meeting [redacted by Grant Thornton] hosted with various members of the board and at the later board meetings. The board was very supportive of this idea, it was new and innovative and exactly what the board wanted to see from the exec team but clearly there wasn't sufficient risk analysis done on this.”⁷ and “Approval was given but the project had also been started by the exec and things were already in train.”

- (k) “As far as I remember we were never asked to vote on this or we were never told we needed to.”

“implicit approval was there in my opinion”, however this Board Member has also clarified to me that this comment was provided to me noting the following:

- “I'm giving you the general answer to what I think was implicitly agreed at some point between April and December”.
- “During those early meetings in March and April we were not asked to vote or give approval. Those early meetings did feel like an FYI and an exciting update on what was being developed and put in place. The idea sounded great and the team that was being put in place seemed to have huge experience. It was exciting and seemed like a logical brand extension. If you had asked me in March and April I would have said I was expecting we would have had more

⁷ That Board Member also commented that: “... We relied on information presented by the exec. It was wildly optimistic. My view at the time was that even if our figures were off by 20% or so, this would still be a great project. It was talked about at board level, at CEL and at the smaller meeting with various board and exec attendees. It was given quite a lot of consideration, although a thorough risk analysis was not done. I did not anticipate the negative press ... the poor performance of ticket sales ...”.

deeper dives into the budget, plan and progress at a future board meeting along with sign-offs as needed.”

- “We were given early briefings, and the process for the TSM got started, the board was in general approval, but explicit approvals did not happen and the board did not explicitly ask for what formal steps were needed from our side.”

2.80 I believe that the comments at paragraph 2.79 are a fair representation of the evidence that I have obtained from the Board Members of RTÉ in respect of the question “Was approval sought and provided by the Board of RTÉ for TSTM”.

2.81 Having noted that Members of the Board of RTÉ considered that approval was required for TSTM, I have considered whether concerns were raised about the approval process at the Board meetings after it became apparent that RTÉ was proceeding with TSTM. I have found no evidence that at the relevant time Members of the RTÉ Board raised a concern about the issue of approval. (See also paragraph 2.62 above, in relation to the comment from one Member of the Board that with hindsight more questions should have been asked about, amongst other things, the normal approval process.).

My consideration of other sources of information and documentation

2.82 Given the assertion from Person 26 that “the project was approved by consensus by the Board.” and that on the basis that no Board Member objected to the decision to proceed with TSTM they suggest “this means at the very least there was implicit approval from all Board members to progressing the production.”, I performed a review of the following minutes:

- RTÉ Board meeting on 28 April 2022 (being the meeting that Person 26 asserts that the project was presented by the Executive to the Board);
- Combo meeting on 29 March 2022 (being the date that Person 3 asserts that TSTM was given the green light by a subset of the RTÉ Board (the Audit and Risk Sub-Committee and the Programme Sub-Committee”); and
- RTÉ Board meeting on 26 May 2022 (being the date that a presentation document on TSTM was included in the Board pack pre-read).

RTÉ Board meeting on 28 April 2022

2.83 Person 26 stated (see paragraph 2.74(b)) that the project was presented on 28 April 2022 by the Executive to the Board and every Board Member had the opportunity to ask questions etc.

2.84 I am informed that, as a matter of standard practice, where there is discussion and approval is sought at a RTÉ Board meeting that the outcome is minuted. My review of the minutes of Board meetings shows no evidence that approval was provided (whether by vote or consensus) by the Board of RTÉ for TSTM.

- 2.85 In addition, I am informed that, as a matter of standard practice, where approval is being sought at a RTÉ Board meeting papers would be distributed in advance on that topic. My inspection of the papers for the 28 April 2022 Board meeting did not identify any pre-read papers relating to TSTM.
- 2.86 My review of the minutes identified that TSTM was discussed under the DG's Report and that:
- “the DG outlined the LLTS Musical launching on 13 May noting that a number of the board members were already across the Show. The DG brought the Board through the Team and the Production and noted that it is a very exciting undertaking. It is important that it is an Irish idea and an Irish team. She stated that she would send out a more detailed document to the Board members. Board members welcomed the Musical noting that it is enabling for the wider ecosystem in Ireland and creating opportunities.”
- 2.87 The minutes of the Board meeting on 28 April 2022, based on my review, do not show that the Executive made a presentation at that meeting. Person 3 is described in the minutes as joining the meeting later on for a different topic. Further, Person 3 informed me that from their recollection they did not present to the Board on TSTM at the Board meeting on 28 April 2022.
- 2.88 One attendee informed me that: “there was no suggestion that we needed to vote on this, that we were being asked to vote on this, but we were being updated on the idea and the idea was, as the Board said there, welcome the Musical and it seems very exciting from a commercial point of view, from an artistic point of view.”
- 2.89 The overwhelming view that I have taken from interactions that I have had with RTÉ Board Members is that in respect of TSTM, this meeting of 28 April 2022 was a briefing (noting that no document or pre-read was provided, in advance of this meeting in relation to TSTM) and also that no approval is minuted in the minutes of 28 April 2022 meeting.
- Combo Meeting on 29 March 2022
- 2.90 It appears to me that none of the Directors that I have met or interacted with suggest that approval was sought or provided at, even on an implicit basis, at the Combo meeting of 29 March 2022.
- 2.91 Person 3 has referred to that meeting as “having green-lit” TSTM. The following was reported to the ARC and the Board of RTÉ on 30 January 2023 and 2 February 2023: “The final green light on the project was given in March 29th 2022 by a subset of the RTÉ Board (the Audit and Risk Sub-Committee and the Programme Sub-Committee).” The subset of the RTÉ Board etc. referred to above represents what I define as the Combo meeting. I set out the information that is available to me about the invitation made to participants of that meeting at paragraphs 2.34 to 2.36 above. I consider the Combo meeting on 29 March 2022 further below.

2.92 In the context of the Combo meeting on 29 March 2022:

- (a) I find the Combo meeting was not a meeting of the Board of Directors of RTÉ.
- (b) As noted above, from my review of information available, documentation/briefing papers or presentation materials were not provided in advance to RTÉ Board Members attending the Combo meeting.
- (c) I met and/or interacted with all of those Board Members/ARC Members that attended this Combo meeting, with the exception of the former Director General (see Appendix 2, paragraph A2.12), and I note that:
 - (i) all confirmed that they attended as a small number of individuals to discuss a “new commercial and creative opportunity for RTE”;
 - (ii) those invited did not constitute the full Board (or the full ARC);
 - (iii) none, apart from Person 26⁸, identified that they received any documentation/pre-reads in advance of this meeting;
 - (iv) all confirmed with me that they were not asked to approve TSTM project at the meeting of 29 March 2022. Person 26 has confirmed to me that in respect of the meeting 29 March 2022 that “... I do not see how the attendees at that meeting would think that their approval was necessary” and “... it was a matter for the Executive to seek the approval of the Board for the expenditure and that happened in due course ...”;
 - (v) the overwhelming view that I have taken from these meetings / interactions, was that individuals considered that this was a “briefing” and/or that it was a “fait accompli” that the project was going ahead.

RTÉ Board meeting on 26 May 2022

- 2.93 As noted above, from a review of documentation, I identified that the RTÉ Board Presentation 29 March 2022/Updated 20 May 2022 was shared with the Board of RTÉ in advance of the meeting of 26 May 2022.
- 2.94 As noted in paragraph 2.58 above, TSTM was not on the Agenda for the Board meeting of 26 May 2022, furthermore, from my review of the minutes of this meeting, I noted that TSTM was mentioned in the Director General's Report as follows: “There has been a good reaction to the Toy Show musical and sales are good”. There was no other mention of TSTM in the remainder of the minutes.

⁸ It is evident from paragraph 2.40 above, that [redacted by Grant Thornton] had the “latest deck on the musical” prior to the Combo meeting on 29 March 2022.

2.95 A Member of the Board of RTÉ informed me: "So on the 26th May this was included in the Board pack. It wasn't an agenda item. It wasn't presented in the meeting. It wasn't referred to in the meeting..." and "... when the information on TSTM was included in the documentation for the meeting of 26 May 2022, this was the first time that I had seen information on the project".

Convention Centre Dublin Contract

2.96 In Appendix 4 of my Report, I review the contract between RTÉ Commercial Enterprises DAC and the Convention Centre Dublin. That contract was signed on 19 April 2022 (and made on 11 April 2022), which predated the Board meeting on 28 April 2022. The contract is commercially sensitive.

Issue 3 - What was the involvement of the Executive Board for TSTM?

2.97 I have reviewed the minutes of the Executive Board meetings from 5 October 2021 to 18 April 2023. Appendix 3 of my Report includes those that included references to TSTM.

Executive meeting 1 March 2022

2.98 In relation to the Executive Board meeting on 1 March 2022:

- (a) the minutes of that meeting record: "... [redacted by Grant Thornton] thanked all involved in this phenomenal project. Next steps to the Audit and Risk Committee ..."; and
- (b) one attendee of that meeting has commented to me that: "the meeting wasn't there for us to approve it, it was presented as this is what is happening".

2.99 As stated above, Person 26 comments that "... it was a matter for the Executive to seek the approval of the Board for the expenditure and that happened in due course ...".

2.100 Person 3, [redacted by Grant Thornton], has informed me that they understood from the [redacted by Grant Thornton] that the outcome of the Combo meeting of 29 March 2022 was the TSTM project was "green lit".

Issue 4 - What was the involvement of the Audit and Risk Committee for TSTM?

2.101 I have requested and received the Audit and Risk Committee Terms of Reference. I have received one dated December 2020, and an updated Terms of Reference dated September 2022. Both the Terms of Reference set out, amongst other things:

- (a) the following in relation to the authority of the ARC:

"The Committee is authorised by the Board to examine any activity within its terms of reference. It is authorised to seek any information it requires and all RTÉ employees are directed to co-operate with any request made by the Committee".

- (b) in relation to the notice of meetings, includes:

- (i) "Meetings of the Committee shall be organised by the Secretary of the Committee at the request of any of its members, or at the request of External or Internal Auditors if they consider it necessary."
- (ii) "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 Committee, and any other person required to attend, in a timely manner in advance of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time."

At paragraph 2.103 below I set out my understanding about the process whereby items are placed on, or added onto, the ARC Agenda.

- (c) in relation to minutes of meetings:
 - (i) "The committee shall have access to the services of the RTÉ Group Secretary on all committee matters including: assisting the Chair of the Audit and Risk Committee in planning the committee's work; drawing up meeting agendas; maintaining minutes and providing any other necessary practical support as deemed necessary."
 - (ii) "The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance ..."
 - (iii) "Minutes of Committee meetings shall be circulated promptly by the Secretary to all members of the Committee and, once agreed, to all members of the Board."
- (d) the duties of the ARC, under a number of headings including Financial Statements, External Auditors, Budgeting and Financial Management, Risk Management, Internal Control, Internal Audit. Under Risk Management (duties) it is stated, amongst others:

"To support the Board in carrying out its responsibilities for ensuring that risks are properly identified, assessed, reported and controlled including advising the board in its consideration of the organisation's overall risk appetite, risk tolerance and risk strategy;" and

"To track risk management activity in the divisions and to consider, on an ongoing basis, new and emerging risks;"

- 2.102 I have been advised that where RTÉ Board approval is required for a project, the ARC would be expected to have performed an analysis of the project proposal. Such an analysis would normally include but not be limited to: reviewing that an appropriate risk analysis had been performed by those presenting the project; identification of the areas of concerns that the presenting group had; identification as to how these areas could be fixed; and also on the basis with any risk analysis if everything that could go wrong went wrong would be the outcome. The ARC would then determine whether they would recommend the project or not, and then suggest that a presentation etc. on the ARC's review be given to the Board.

- 2.103 Based on my meetings and interactions, and with reference to paragraph 2.101(b) which outlines the process in relation to the notice of meetings for the ARC, I refer to my understanding about the process whereby items are placed on, or added onto, the ARC Agenda. In addition to standard items, I am informed that items can be placed / added in several ways e.g.:
- (a) items that have already been brought to the Board of RTÉ that require further, more detailed examination, the Board would request that these be reviewed by the ARC, and subsequently reported back to the Board;
 - (b) the Chair of the Board of RTÉ;
 - (c) any Director of the Board of RTÉ (with agreement from the Chair of the ARC);
 - (d) the Director General of RTÉ; and
 - (e) Executive team Members who had a project where the project cost was going to require Board approval. The Executive team Member would inform the Chair of the ARC that an item required approval due to the financial authority limits and this item would be added to the agenda of the ARC.

Review of minutes of the ARC between 1 March 2022 and 19 May 2022

- 2.104 As stated above based on my review of minutes of the Executive Board meeting of 1 March 2022, where it notes "Next steps to the Audit and Risk Committee." I performed a review of minutes of the ARC, between 1 March 2022 and 19 May 2022 (being date tickets went on sale to the public) to determine if TSTM was brought to the ARC. From a review of minutes of ARC meetings, I have not identified any mention of TSTM.
- 2.105 Based on my review of these minutes, and meetings I held with the ARC Members, I can confirm that TSTM project was not brought to the ARC for their review.
- 2.106 In the context of my wider review, I reviewed minutes of the ARC outside of the above timeframe (1 March 2022 to 19 May 2022). The minutes of a meeting held on 24 October 2022 refer to TSTM. These minutes show, under a heading "Draft Budget 2023", that a finance individual presented on commercial income assumptions: "Events – Toy Show Musical is budgeted for same contribution as 2022 (€0.3m), pending more visibility on 2022 performance. If successful in 2022 then has the potential to deliver bigger contribution in 2023". From my review of the minutes of the ARC, this (i.e. 24 October 2022) was the first time that TSTM is mentioned in the ARC minutes that I have reviewed.

Responsibilities

- 2.107 In my view it is relevant to consider timings. Prior to the Combo meeting on 29 March 2022 the previous ARC meeting was held on 16 March 2022. The next ARC meeting was held on 25 April 2022 and the next Board meeting was held on 28 April 2022. In between 29 March 2022 and these two dates (25 April 2022 and 28 April 2022) RTÉ had signed the contract for the Convention Centre (signed on 19 April 2022). From a time line point of

view I describe below, under Issue 5, comments by Board Members that TSTM was presented as a briefing, fait accompli etc.

2.108 In the course of my work, I asked individuals why the ARC was not asked to review TSTM. Assertions have been made to me about the fact that TSTM was not added to the Agenda for the ARC over the relevant time period. In the paragraphs below I highlight a number of comments provided to me.

2.109 Person 26 commented:

“I don't know. The ARC has an independent function and if it wanted the opportunity it could have requested that opportunity or indeed have insisted on that opportunity. ARC never did so the best of my recollection. Members of that committee attended the March 29 meeting so were fully aware of the project.”

2.110 One ARC Member who attended this Combo meeting on 29 March 2022 commented to me:

(a) “How could we have interrogated the risk when we had no information about the project.”

(b) “... There was nothing we could do after the convention centre had been book and the project announced publically.” and

(c) “Not an agenda item as the [redacted by Grant Thornton] should have presented the project to the ARC with financial analysis and risk register and analysis. This was not done.”

2.111 Another ARC Member noted “The ARC was not aware of the “potential risk until much later in the year. The presentation of the material was never anything other than positive, and opportunity, creativity focused and an opportunity to create new IP and a new stream of income for RTE. This is not a case of the ARC seeing a risk and ignoring it. It is a case of not seeing a risk, not being presented with sufficient information to see a risk.”

2.112 In accordance with such Terms of Reference, my findings are limited to fact which I have determined on the balance of probabilities. In paragraph 2.103 above I set out my understanding about the process whereby items are placed on, or added onto, the ARC agenda, and I identify several ways that this could have been achieved. On the balance of probabilities I find that none of these ways occurred.

Issue 5 - Comments from Board Members about “fait accompli” etc.

2.113 At paragraphs 2.79, I commented that “I find that there is a diversity of views about whether approval was provided by the RTÉ Board”.

2.114 Some of those Members of the RTÉ Board have provided comments to me in relation to the manner in which TSTM was put forward at meetings.

Combo meeting on 29 March 2022

- 2.115 Individuals that I met described the presentation of TSTM at the meeting of the 29 March 2022 as a “briefing”, a “fait accompli” and/or a “done deal”:
- (a) one RTÉ Board Member noted: “I felt like this has - I guess while I was there to ask questions, and I asked some questions, some questions I did not ask, I felt like this was happening. This had happened. This had already begun and this was kind of somewhat of a fait accompli”;
 - (b) another RTÉ Board Member noted: “based upon reviewing my notes and how it went through, of course it was a fait accompli...” and “I do need to stress this was a briefing, it was a high-level briefing...”;
 - (c) another RTÉ Board Member noted: “It was being presented as a fait accompli.”; and
 - (d) another RTÉ Board Member noted: “It felt like this was an exciting briefing ahead of a Board meeting just to get us up-to-speed”.

Board of RTÉ meeting on 28 April 2022

- 2.116 In relation to the meeting of 28 April 2022, similar phrases were used:
- (a) one RTÉ Board Member noted: “From where I was sitting I mean the ship had left the harbour and was almost ready to dock in its new destination. It was, what, seven months out from actual curtain up at this point. There was a script, there was a cast, there was a venue. So the idea of calling a halt to it at this point I think would have inflicted severe reputational damage to the organisation, it would have been a catastrophic thing to do. So I think the sense was this is a fait accompli, this is a thing that is already well established now and it has momentum, we have reached a point of no return on this now.” and “So this is the 28th April 2022 Board meeting and this was a briefing by the DG. So this was part of the -- so Board meetings always begin with after we get through the minutes and whatever it is always the DG's briefing or update, this was part of a DG update. It wasn't an agenda item. There was no paperwork in the Board pack for that meeting on Toy Show The Musical.”;
 - (b) another RTÉ Board Member commented: “I think it was in the nature of an update as to what was happening. It was informative. It wasn't on the agenda for specific discussion or approval.”; and
 - (c) another RTÉ Board Member commented: “the way in which this was presented to the Board was as a fait accompli...”; and “The issue of this when it was brought up was, as I say at the outset, presented absolutely as a done deal...”.

- 2.117 Having met a large number of individuals, I have taken from those meetings that an overwhelming view which emerges is that in their opinion the project was a “fait accompli” and that reference to TSTM in various meetings was for information purposes.

3. Provision of income and expenditure figures

BACKGROUND

3.1 Under paragraph 1.2 of the Terms of Reference I am to conduct a fact-finding review in relation to:

“The provision of the income and expenditure figures reported to and/or provided to the Committee and/or the Board.”

3.2 Income and expenditure figures (see summary at Table 3.1 below) were reported to the ARC meeting on 30 January 2023 (loss of €2,015,773) and on 4 July 2023 (loss of €2,203,231). These figures differed on both the Income and the Expenditure rows (see Table 3.5). I identify below the net effect of these differences:

- (a) total expenditure increased by €112,458 between the figures reported in January 2023 and those reported in July 2023. I am satisfied with the explanations received for the movements on the cost lines and do not propose any further work on these figures; and
- (b) sponsorship income was reduced from €120,000 (30 January 2023) to €45,000 (4 July 2023). I address sponsorship income at paragraphs 3.19 to 3.31 below.

Table 3.1 – My summary of income and expenditure figures reported to the ARC

	Estimated Income and Expenditure 31 December 2022 reported to ARC on 30 January 2023	Movement	Income and Expenditure reported to ARC on 4 July 2023
	€	€	€
Income			
Net ticket sales	450,961		450,961
Sponsorship	120,000	(75,000)	45,000
	570,961	(75,000)	495,961
Expenditure			
Total	2,586,734	112,458	2,699,192
Total Income/(Loss) on Event	(2,015,773)	(187,458)	(2,203,231)

- 3.3 It is outside of the Terms of Reference for me to perform an audit of the figures included in the provision of the income and expenditure figures reported to the Committee and/or RTÉ Board. In performing my work, it came to my attention that there were potentially additional costs of €69,628 that were not included previously in the figures reported to the Committee and/or the Board of RTÉ. At my request, RTÉ have conducted a further review of the costs. They have confirmed to me that further costs of €69,628 should be included, which brings the total loss of TSTM to €2,272,859 (Table 3.5).
- 3.4 The following was reported to the ARC and the Board of RTÉ on 30 January 2023 and 2 February 2023:
- (a) while early sales were significant (c. 8,000) across late May/June, momentum slowed across the summer and didn't pick up to the necessary rate in the Autumn as planned when marketing activity kicked in;
 - (b) the cost-of-living crisis which emerged after this project had been green lit and substantially funded, will undeniably have had an impact of the spending choices of audiences, as did the cost of accommodation in Dublin for audiences travelling; and
 - (c) the resurgence of covid, flu and other respiratory illness was certainly a factor.
- 3.5 In this Section, I consider the provision of income and expenditure figures reported to and/or provided to the Committee and/or the RTÉ Board, under the following headings:
- (a) reporting of ticket sales (see paragraphs 3.7 to 3.18 below);
 - (b) reporting of sponsorship income, and in particular the journal for €75,000 (see paragraphs 3.19 to 3.31 below);
 - (c) additional costs of €69,628 identified as part of my fact finding review (see paragraphs 3.32 to 3.37 below); and
 - (d) additional finding (see paragraph 3.38 below).
- 3.6 In accordance with such terms of reference, my findings are limited to fact which I have determined on the balance of probabilities.

REPORTING OF TICKET SALES

- 3.7 In the context of reporting of Income to the Committee and/or the RTÉ Board:
- (a) I reviewed the minutes of all the Executive Board, ARC and RTÉ Board meetings, during the period May 2022 to December 2022, to determine whether the Executive Board, the ARC or the RTÉ Board received regular updates on the Sale of tickets; and
- (b) I requested a breakdown of the number of tickets sold and value of these tickets sold by month from a third party ticketing platform (“Third Party Ticketing Platform”). Table 3.2 below displays these figures. The difference in value of €470,882 in Table 3.2 below and the net ticket sales reported to the RTÉ Board of €450,961 (see Table 3.1 above) relates to the fact that the figures reported by the Third Party Ticketing Platform included VAT in their reporting and the figure reported to the Board excluded VAT.

Table 3.2 – Tickets sold (Number and Value) by month⁹

Month	Number of Tickets sold	Value of tickets sold €
May-22	5,265	228,286
Jun-22	819	31,818
Jul-22	72	3,175
Aug-22	106	4,540
Sep-22	962	37,640
Oct-22	3,488	139,283
Nov-22	2,758	129,358
Dec-22	(2,158)	(92,492)
Jan-23	(268)	(10,725)
Total	11,044	470,882

- 3.8 In performing my review of all the Executive Board, ARC and RTÉ Board meetings, during the period May 2022 to December 2022, I noted that there were two occasions that the ticket sales for TSTM were mentioned in Board minutes.

⁹ This table does not include complimentary/discounted tickets or tickets that were sold (or otherwise provided) where no monetary exchange took place. The data encompasses the period from the date of the first ticket sale and concludes in January 2023.

Table 3.3 – Ticket sales mentioned in minutes of meetings

Meeting type	Date	Description I	Description II
RTÉ Board	26-May-22	DG's report	There has been a good reaction to the Toy Show musical and sales are good.
Executive Board	12-Jul-22	Strategy	[Person 3] advised on ticket sales update for Toy Show Musical.

3.9 I note that the minutes of the RTÉ Board of 26 May 2022 recorded that “sales are good” in relation to TSTM. I note that the number of tickets sold in May were 5,265. Under the presentation brought to the meeting of 29 March 2022, RTÉ were aiming to “serve a total audience of 107,730”.

3.10 In conducting my review I mentioned to [Person 6] that a number of people I had met [e.g. Person 3] were of the opinion that the sales they got in the first three or four days were very positive. Person 6 has informed me that:

- (a) they were concerned at the poor ticket sales following the launch and they simply asked Person 3 if there would be any consideration given to pulling the show given the low level of interest. This was after a strong advertising push on all RTÉ channels;
- (b) at no point did the Person 6 suggest or recommend pulling the show. Person 6's call with Person 3 was to purely highlight his concerns at the lackluster public reaction to the ticket launch; and
- (c) Person 3 explained to Person 6 why that would not happen and Person 6 understood and accepted his reasoning.

3.11 Person 6 commented further:

“One reason for going on sale early is to gauge the audience interest in a show. The initial reaction also informs the amount of potential spend that will be needed to sell the tickets. A weak on-sale is a warning that advertising costs are probably going to be greater than expected and/or budgeted,

It is not unusual nowadays for entertainment events to sell out, sometimes in minutes if the demand is there, this of course is a bonus, but for a new musical based on The Toy Show being the best-known family brand in the country, launched by “the Toy Man” on the Late Late, I fully expected a really strong reaction to the tickets going on sale and 3,000 tickets out of 108,000 was very disappointing.

Over the following week, despite a strong advertising push on all RTE channels, only a further 2,000 tickets were sold. It was at this point I expressed my concerns to [Person 3].”

3.12 Person 3 commented: “we were locked in at that stage, reputationally, every other way. The costs were largely committed. We were up and running. I think it wouldn’t have been tenable to have pulled it.” I asked Person 3 whether one of the reasons why it would not have been tenable to pull out was due to the cancellation fees in the Convention Centre Dublin contract. Person 3 noted the following:

- (a) the cancellation fees would certainly have been a consideration but it wouldn’t have been the primary one; and
- (b) “we had just launched the ticket sales on the 13th of May on the *Late Late Show* and had a few months to run until the show began. A whole marketing and public relations campaign was planned for across the summer, Autumn and up to the show opening and while showing. Any new creative project, show or concert needs time to sell and it was unthinkable that the show would have been pulled at that late stage following a development process that began in 2020. Not only would it not have made any sense to pull the show a couple of weeks after going on sale, but it would have also have [sic] implications beyond the financial in terms of reputation, confidence and market credibility”

3.13 Person 26 commented to me that:

“In my experience it would be unprecedented to pull a show after three or four days ticket sales”; and

“In my experience ticket sales happen closer and closer to the event dates. Sales started in May for a show scheduled to commence the following December. The Toy Show is a Christmas event, sales could only have been expected to be slow in May and through the summer months. If I had been asked my view, I would not have pulled the show, I would have given it the chance to succeed, and its best chance to succeed arose as it moved closer to Christmas, especially with the Autumn return of the *Late Late Show*.”

3.14 In addition I noted that one Member of the Board [Person 9] commented that in relation to ticket sales: “I said: ‘You need to send a weekly or a daily e-mail to all of the team. People need to understand where you are, like in terms of your numbers, so you can light a fire under people’s ass. ... And I told [them] the purpose of that e-mail is to like keep everybody accountable and ensure that you can kind of understand - you know, understand where you are in the process and stuff. So I didn’t push [them] after that point. I felt, okay, I’ve hit this three times.’ ”

3.15 Person 3 responded as follows:

- (a) “From my recollection on two occasions, on request, I provided [Person 9] with the most up to date ticket sales numbers. I don’t recall the exact dates. Providing weekly or daily audience/subscriber/or ticket sales numbers around any creative project would not have been typical of the information flow between the Executive and the Board.” and
- (b) “I would naturally have been discussing sales performance regularly (at least weekly) with the [redacted by Grant Thornton] and throughout the second half of 2022 we were doing everything we could to drive sales through PR, marketing, discounting, offers, group bookings, social storytelling, etc.”

- 3.16 In performing my fact finding review, I identified that there was a schedule of 58 shows / performances with the Third Party Ticketing Platform. Of these 58, total performances released to the public were 41, and that of these 41 performances 14 were later cancelled, leaving 27 performances that went ahead (one of which was a charity event).
- 3.17 I further identified the following in relation to the number of shows put up for sale through the Third Party Ticketing Platform:

Table 3.4 – Summary of number of shows released for sale and cancelled dates

Date	Number of shows added for sale / (cancelled from sale)
19-May-22	35
10-Oct-22	(5)
10-Oct-22	4
04-Nov-22	1
30-Nov-22	(1)
Sub total	34
17-Dec-22	(5)
18-Dec-22	(2)
Total	27

- 3.18 My analysis identifies that at no point in time were there more than 35 shows on sale to the public. The presentation to the Executive Board on 1 March 2022 showed 44 shows (80% breakeven), whilst the presentation to the Combo meeting on 29 March 2022 showed 54 shows (70% breakeven). I find that the ticket sales (see Table 3.2 above) and the reduced number of shows (Table 3.4 above) represented a significant risk that TSTM would not breakeven.

REPORTING OF SPONSORSHIP INCOME, AND IN PARTICULAR THE JOURNAL FOR €75,000

- 3.19 On 30 January 2023 there was a meeting of the ARC. A 15 page Report on TSTM was provided to the ARC (see Appendix 1). Within that:
- it is stated, in words, that there was Event Sponsorship of €120,000; and
 - there was a two page schedule entitled “Estimated Income and Expenditure 31 December 2022”, which showed Sponsorship of €120,000 (expected outturn); extract below.

Figure 3.1 – extract from Schedule 1 of the 15-page Report

Schedule 1**RTÉ****TOY SHOW THE MUSICAL****Estimated Income and Expenditure 31 December 2022**

INCOME	Forecast Q2 2023	Expected Outturn	Variance
1.0 Net Ticket Sales	3,215,118	450,961	(2,764,157)
2.0 Sponsorship	-	120,000	120,000
Total Income	3,215,118	570,961	(2,644,157)

EXPENDITURE	Budget March 2022	Expected Outturn	Variance
--------------------	------------------------------	-----------------------------	-----------------

- 3.20 On 2 February 2023, there was a meeting of the RTÉ Board. A 13 page Report on TSTM was provided to the Board. The 13 pages represents the first 13 pages of the 15 page Report provided to the ARC (Item 34) i.e. the Report to the Board did not include the two page Schedule 1. However, the Report states, in words, that there was Event Sponsorship of €120,000.
- 3.21 On 4 July 2023, RTÉ amended the sponsorship income figure to €45,000 i.e. a reduction of €75,000 (see Appendix 1), as directed by the ARC.
- 3.22 From a review of documentation available to me, I find that:
- there were three sponsors of TSTM, and that each of these sponsors were invoiced €15,000 (excluding VAT) by RTÉ. The total value of these three amounts was €45,000 (excluding VAT);
 - a journal in the books and records of RTÉ Commercial Enterprises (“RTÉ CEL”) was posted to Event Sponsorship for TSTM on the 11 January 2023 for €75,000;
 - this journal had an effective period date of December 2022;
 - that there were two elements to the journal in the books and records of RTÉ:
 - a transfer of €75,000 from Spot Revenue in RTÉ to sponsorship income in RTÉ CEL;
 - an intercompany transaction of €75,000 between RTÉ and RTÉ CEL; and
 - there is no invoice to a third party to support this sponsorship income of €75,000.

- 3.23 In the books and records of RTÉ, this journal transferred €75,000 from earned and booked Spot Revenue in RTÉ, to the Event Sponsorship code for TSTM in the General Ledger of RTÉ CEL. Spot Revenue is revenue that is earned from corporates for the provision by RTÉ of television / radio advertising.
- 3.24 I find that the transfer of this revenue from Spot Revenue to Event Sponsorship for TSTM was not in line with Generally Accepted Accounting Practices.
- 3.25 In order to understand the rationale of this journal I met with a number of individuals, and have spent a significant amount of time in this regard.
- 3.26 Other findings of mine are:
- (a) I find that a commercial value had been attributed within RTÉ of €120,000 for Sponsorship of TSTM;
 - (b) I find that this value of €120,000 did not reflect the value of contracts between RTÉ and third parties;
 - (c) I find that actual Sponsorship for TSTM invoiced by RTÉ to three external parties was only €45,000 (excluding VAT);
 - (d) I find that the posting of €75,000 from earned and booked Spot Revenue to Event Sponsorship was dated 11 January 2023, with an effective period date of December 2022;
 - (e) I find that there was no objective justification for the posting of this additional amount of €75,000 to TSTM Event Sponsorship;
 - (f) I find that at the time of the posting the value of the loss in relation to TSTM was known (e.g. that costs incurred were significantly higher than revenue achieved). I find that the posting of the €75,000 journal did not materially affect the overall scale of the loss for TSTM. Therefore, I also find that on the balance of probabilities that it was known, or would have been known, that the transfer of €75,000 to TSTM sponsorship revenue would not have significantly improved the reported loss in respect of TSTM; and
 - (g) I find that there was no monetary gain/loss caused to RTÉ arising from the posting of this journal.
- 3.27 I find that in relation to the above-mentioned Spot Revenue, the journal transfer of €75,000 was made from a specific customer account where RTÉ had provided advertising services to that customer, and that the total value of Spot Revenue on that account was of a sum much larger than the €75,000 transferred out.
- 3.28 I have found no evidence that this third party customer was aware of the subsequent journal by RTÉ to transfer €75,000 of revenue to TSTM. On this basis I find that the third party customer was not involved in the RTÉ journal.

- 3.29 I have found no evidence in the period considered by me, that this third party customer did not receive all advertising that it had paid RTÉ for. On this basis I find that there was no loss to this customer.
- 3.30 On a combined basis, there was no change to the total revenues recorded and reported by RTÉ and subject to external audit. However, I find that this does not take away from the fact that TSTM Sponsorship Revenue was overstated by €75,000 and Spot Revenue was understated by €75,000 in the books and records for the year ending 31 December 2022.
- 3.31 I have been informed that in the consolidated RTÉ accounts the €75,000 is included correctly in commercial income of €152,053,000. In the consolidated accounts the €75,000 is transferred from Spot income of €109,571,000 to Sponsorship income of €11,370,000. I find that the adjustment of €75,000 on Spot Revenue and Sponsorship Income in RTÉ and RTÉ CEL respectively, would not have been material to the Financial Statements for each of those entities. From the group consolidated accounts perspective this is also not a material difference, also noting that they offset on consolidation.

ADDITIONAL COSTS OF €69,628 IDENTIFIED AS PART OF MY FACT FINDING REVIEW

- 3.32 As noted above, in conducting my fact finding review, I identified that there may be additional costs totaling €69,628 recorded elsewhere on the RTÉ Business World system (RTÉ's Financial Management System) that relate to TSTM. I am informed that these additional costs were incurred in 2021 by RTÉ's Events and Experiences team in relation to developing and scoping of the musical project.
- 3.33 In order to ensure that all costs were identified, I requested that the RTÉ Internal Audit Department perform a review, to include a focus on completeness and costs not originally recorded in costpool AIM1700 (TSTM) in the RTÉ Business World system.
- 3.34 RTÉ have identified that there may be up to €69,628 of additional costs that should be allocated to Income and Expenditure figures for TSTM. Following their review RTÉ Internal Audit have informed me that:
- (a) the costs (€69,628) are development in nature, dating from 2021;
 - (b) due to the departure of key staff since 2021, and the general nature of the descriptions recorded in PeopleSoft Human Resources System for a small number of fees ('special project', 'general research'), it is not possible to be definitive that these costs are entirely attributable to TSTM, or that other projects might have been under early consideration; and
 - (c) however, having regard for the timing of the fee, the fee rate used and other processing considerations, we conclude that it is materially correct to include these 2021 costs in the Income and Expenditure schedule at 31 December 2022.

- 3.35 I have been informed that firstly, it is the case no single person in RTÉ finance had oversight of the whole project; secondly this is not unusual; thirdly in RTÉ revenues are the remit of the [redacted by Grant Thornton] and costs are the remit of the area that incurred the costs, and lastly while the costpool for TSTM sat in [redacted by Grant Thornton] an accountant from [redacted by Grant Thornton] was responsible for this costpool.
- 3.36 I have not audited the income and expenditure of TSTM including these additional costs of €69,628 as it is outside of the Terms of Reference. These costs were not reported to the ARC. I detected the issue by considering the costs of external parties involved in TSTM at the early stages of TSTM's development. On the balance of probabilities, in my opinion it is reasonable to conclude that they were not included for the reasons identified by RTÉ Internal Audit.
- 3.37 At my request, RTÉ have adjusted the Income and Expenditure figures for TSTM reported to the ARC on 4 July 2023 for the additional costs of €69,628. I present the updated outcome in Table 3.5 below.

ADDITIONAL FINDING

- 3.38 From my meetings and interactions with individuals, it appears that:
- (a) RTÉ engaged with a team of suitably qualified external individuals with knowledge and experience of stage and musical productions;
 - (b) this team prepared and managed the production budgets. As these individuals were external they did not have access to the RTÉ systems. The finance teams in RTÉ provided financial support in this regard;
 - (c) an [redacted by Grant Thornton] had overall responsibility for delivery and management of the show production budget;
 - (d) RTÉ did not appoint or engage an individual with overall financial responsibility of the event, instead it relied on existing internal finance teams to provide support to the team of external individuals hired to manage the Show;
 - (e) RTÉ Commercial provided support for organising ticket sales facilities and recording/reporting of revenue and ticket sales;
 - (f) RTÉ Content provided support in the processing of show production costs incurred,
- and on this basis I find that the accounting activities for TSTM were fragmented.

Table 3.5 – Updated Income and Expenditure including adjustment for additional costs of €69,628

	Estimated Income and Expenditure 31 December 2022 reported to ARC on 30 January 2023	Movement	Income and Expenditure reported to ARC on 4 July 2023	Movement	Income and Expenditure – 27 October 2023
	€	€	€	€	€
Income					
Net ticket sales	450,961	-	450,961	-	450,961
Sponsorship	120,000	75,000	45,000	-	45,000
Total Income	570,961	75,000	495,961	-	495,961
Expenditure					
2021 Events and Experiences Development	-	-	-	69,628	69,628
Creative team	335,344	-	335,344	-	335,344
Management Costs	89,074	28,409	117,483	-	117,483
Pre production costs	173,398	-	173,398	-	173,398
Rehearsal costs	221,738	-	221,738	-	221,738
Stage management	51,974	-	51,974	-	51,974
Venue hire and production set up	665,252	-	665,252	-	665,252
Show running costs	611,816	-	611,816	-	611,816
Marketing and press	383,858	(44,224)	339,634	-	339,634
Contingency	54,280	128,273	182,553	-	182,553
Total expenditure	2,586,734	112,458	2,699,192	69,628	2,768,820
Total Income/ (Loss) on Event	(2,015,773)	(187,458)	(2,203,231)	(69,628)	(2,272,859)

Appendix 1 – timeline

BACKGROUND

A1.1 The purpose of this Appendix is to set out a timeline of events that I have created from the documentation and information that I have been provided with (see Appendix 2).

TIME LINE

A1.2 I refer to this timeline in my Report.

Grant Thornton Item No.	Date	Description
1	6 November 2019	E-mail to all RTÉ staff providing details of the RTÉ Revised Strategy. RTÉ set out as part of its Revised Strategy an ambition to develop new experiences and events.
2	30 January 2020	Initial meeting of the RTÉ Experiences group.
3	10 February 2020	Brainstorming workshop of the RTÉ Experiences group. One of the members of the group put forward a proposal for a theatrical adaptation, working title "The Late Late Toy Show: Live".
4	18 February 2020	One of the members of the RTÉ Experiences group contacts Person 26 to set up a meeting re "The Late Late Toy Show: Live".
5	24 February 2020	Two members of the RTÉ Experiences group have an in-person meeting with Person 26.
6	5 March 2020	Person 26 introduces one of the external consultants to two members of the RTÉ Experiences group.
7	15 February 2021	E-mail from Person 3 to two members of the RTÉ Experiences group: "As you both know, the purpose of the Workshop is to develop the script and to stress test the viability of the full production - to underpin the business case for proceeding with the full production. It is only when this is done can the project be brought forward to the Exec Board and possibly the Board itself, given the sums involved and the reputational issues involved, for full approval and sign off It seems likely – although not fully determined as yet – that if the Production proceeds, it will be done under the CEL entity. This adds an additional layer of complexity because sign off will also be needed by the CEL board."
8	23 March 2021	Draft business plan (email from Person 3 to two external consultants) which sets out a SWOT analysis, market analysis, convention centre and high level financials (these are very different to those presented on 1 March 2022 and 29 March 2022).

Appendix 1 - timeline

Grant Thornton Item No.	Date	Description
9	19 July 2021	<p>Detailed spreadsheet workbook / model (TSL 2022 Bud V9.2) was sent from one of the external consultants to Person 3 and others. The details of this spreadsheet are summarised below:</p> <ul style="list-style-type: none"> • breakeven of 65.15% • assumes 43 performances • range of scenarios provided where total sales range from 50% to 100% and calculates Net Profit for Distribution • assumes Convention Centre as Venue.
10	29 July 2021	<p>E-mail from Person 3 to various RTÉ personnel and external individuals (with my emphasis in bold):</p> <p>“I had a discussion with [redacted by Grant Thornton] this morning on the next steps in relation to the Toy Show Musical project ... So we have agreement (and budget) to proceed with further development of both script and songs, which is good news. All three requested that the outturn of that work should be a live full read through (with songs) which they would like to be a part of.”</p>
11	17 September 2021 to 25 September 2021	TSTM Workshop at the National Stadium in Dublin.
12	1 November 2021	<p>Email from an employee of the Convention Centre Dublin to Person 3, and ccing other external individuals (with my emphasis in bold):</p> <p>“Please find attached the first draft of our contract for the Auditorium booking. I have copied our Lawyer [redacted by Grant Thornton] in this email for information. [It] would be pleased to engage with your legal department on any queries that may arise in relation to this.”</p>
13	18 November 2021	<p>Email from Person 3 to an employee of the Convention Centre Dublin Person 6 stating:</p> <p>“Thanks for that, our legal team are currently going through it and we will be back to you next week. Just to be clear, we are committed to the dates, but as you would expect we need to go through the contract in detail.”</p>
14	14 February 2022	<p>Email from an employee of the Convention Centre Dublin to, amongst others, Person 3 and RTÉ personnel:</p> <p>“Many of these clients are wishing to contract now so we would need to move quite swiftly on this should we be of further consideration.”</p>
15	16 February 2022	At this point in time there had been significant discussions with individuals in connection with certain roles.
16	1 March 2022	<p>Executive Board meeting</p> <p>Attendees provided with document prior to meeting (28 February 2022).</p> <p>Minutes from this meeting noted (with my emphasis in bold):</p>

Appendix 1 - timeline

Grant Thornton Item No.	Date	Description
		<p>"[redacted by Grant Thornton] is the driving force behind the LLTS Event and introduced the Team working on the Toy Show Live Event, namely: [Redacted by Grant Thornton]. A pre-read had been circulated in advance of this meeting outlining the concept, idea and story. The team went through the detail of the project, planned schedule, and financials involved. This is a very big brand piece for RTÉ and very exciting. Timing is imperative and hoping to go with Ticket sale from mid April. [Redacted by Grant Thornton] thanked all involved in this phenomenal project. Next steps to the Audit and Risk Committee. Communication around this will need to be very carefully managed. Brand will need to be developed and marketing budget etc clarified. Action: There will be a further creative session with the Executive Board when further developments have been gone through."</p>
17	24 March 2022	<p>Board Meeting</p> <p>"The [redacted by Grant Thornton] noted that [they] would be arranging a meeting next week with Board members to showcase a new development."</p>



18	29 March 2022	<p>Meeting of a selection of Board members, invited by [redacted by Grant Thornton] by email on 25 March 2022 stating:</p> <p>"Dear [Person 26] and board colleagues</p> <p>I mentioned yesterday that I would like to take you through a project that we will be announcing shortly which has been worked on for the last 2 years and is a new commercial and creative opportunity for RTE.</p> <p>It involves some external people so I'm suggesting a zoom call on Tuesday afternoon at 3.</p> <p>As you all sit on relevant committees, it would be great if you could join us at that time and I will send out a brief overview in advance which I would ask you all to keep confidential."</p> <p>No agenda or minutes or pre-reads provided to the participants of the meeting.</p>
----	---------------	--

Appendix 1 - timeline

After Combo Meeting



19	31 March 2022	Email from RTÉ to Convention Centre Dublin (“CCD”): “You might let me know when you will be in a position to furnish the draft for signing.”
20	11 April 2022	Convention Centre contract “made on 11/4/22”.
21	19 April 2022	CCD contract signed.
22	25 April 2022	ARC Meeting – no mention in minutes of TSTM.
23	28 April 2022	Board Meeting, under the DG’s Report: “In relation to content and performance the [redacted by Grant Thornton] outlined the LLTS Musical launching on 13 May noting that a number of the board members were already across the Show. The [redacted by Grant Thornton] brought the Board through the Team and the Production and noted that it is a very exciting undertaking. It is important that it is an Irish idea and an Irish team. [They] stated that [they] would send out a more detailed document to the Board members. Board members welcomed the Musical noting that it is enabling for the wider ecosystem in Ireland and creating opportunities.”
24	12 May 2022	May 2022 forecast prepared for inclusion in CEL forecast – shows profit of €300,000. Grant Thornton has found that revenue and costs outside of actuals up to May 2022 not recognised until December 2022 in accordance with RTÉ policy.
25	13 May 2022	TSTM was launched on the Late Late Show.
26	19 May 2022	Ticket sales went live for dates between 10 and 31 December 2022.
27	26 May 2022	Board Meeting - Board Meeting Presentation On 20 May 2022 an update was included in Board Pack on Google Drive but no mention of TSTM in agenda and/or DG’s report.
28	10 December 2022	First show of TSTM in Convention Centre Dublin.
29	17 December 2022	Saturday (17 December 2022) afternoon and evening shows and Sunday (18 December 2022) shows cancelled due to illness.
30	31 December 2022	Final show of TSTM in Convention Centre Dublin.
31	11 January 2023	Journal entry - €75,000 transferred to sponsorship income TSTM.
32	12 January 2023	Internal RTÉ email regarding TSTM revenues. Email detailed sponsorship income of €120,000.
33	23 January 2023	Internal email within the Finance Function, which included a Draft Income Statement 31 December 2022 for TSTM. This showed a table with rows with sponsorship income totaling €120,000 (being €15,000 + €15,000 + €15,000 + €75,000).

Appendix 1 - timeline

<p>34</p>	<p>30 January 2023</p>	<p>ARC meeting</p> <p>In minutes, mention under financial update Deficit for year of [redacted by Grant Thornton] – slightly better than forecast. Commercial income up but the loss from the Musical had an impact.</p> <p>A 15 page report on TSTM was provided to the ARC. Within that:</p> <p>(a) it is stated, in words, that there was Event Sponsorship of €120,000; and</p> <p>(b) there was a two page schedule entitled “Estimated Income and Expenditure 31 December 2022”, which showed Sponsorship of €120,000 (expected outturn); extract below.</p> <p style="text-align: right;">Schedule 1</p> <p>RTÉ TOY SHOW THE MUSICAL</p> <p>Estimated Income and Expenditure 31 December 2022</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">INCOME</th> <th style="text-align: right;">Forecast Q2 2023</th> <th style="text-align: right;">Expected Outturn</th> <th style="text-align: right;">Variance</th> </tr> </thead> <tbody> <tr> <td>1.0 Net Ticket Sales</td> <td style="text-align: right;">3,215,118</td> <td style="text-align: right;">450,961</td> <td style="text-align: right;">(2,764,157)</td> </tr> <tr> <td>2.0 Sponsorship</td> <td style="text-align: right;">-</td> <td style="text-align: right;">120,000</td> <td style="text-align: right;">120,000</td> </tr> <tr> <td>Total Income</td> <td style="text-align: right;">3,215,118</td> <td style="text-align: right;">570,961</td> <td style="text-align: right;">(2,644,157)</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">EXPENDITURE</th> <th style="text-align: right;">Budget March 2022</th> <th style="text-align: right;">Expected Outturn</th> <th style="text-align: right;">Variance</th> </tr> </thead> <tbody> <tr> <td> </td> <td style="text-align: right;"> </td> <td style="text-align: right;"> </td> <td style="text-align: right;"> </td> </tr> </tbody> </table>	INCOME	Forecast Q2 2023	Expected Outturn	Variance	1.0 Net Ticket Sales	3,215,118	450,961	(2,764,157)	2.0 Sponsorship	-	120,000	120,000	Total Income	3,215,118	570,961	(2,644,157)	EXPENDITURE	Budget March 2022	Expected Outturn	Variance				
INCOME	Forecast Q2 2023	Expected Outturn	Variance																							
1.0 Net Ticket Sales	3,215,118	450,961	(2,764,157)																							
2.0 Sponsorship	-	120,000	120,000																							
Total Income	3,215,118	570,961	(2,644,157)																							
EXPENDITURE	Budget March 2022	Expected Outturn	Variance																							
<p>35</p>	<p>2 February 2023</p>	<p>RTÉ Board meeting:</p> <p>“[Person 3] updated the Board on Toy Show The Musical.”</p> <p>A 13 page report on TSTM was provided to the Board. The 13 pages represents the first 13 pages of the 15 page Report provided to the ARC (Item 34) i.e. the report to the Board did not include the two page Schedule 1. However, within the report it is stated, in words, that there was Event Sponsorship of €120,000.</p>																								
<p>36</p>	<p>3 July 2023</p>	<p>The Board discussed TSTM.</p>																								
<p>37</p>	<p>4 July 2023</p>	<p>RTÉ Board and ARC meetings – Sponsorship Income reduced from €120,000 to €45,000.</p>																								

Appendix 2 – methodology and process

BACKGROUND

A2.1 In Section 1, I noted that the Terms of Reference stated that this Report shall include, amongst other things, the methodology adopted and relevant evidence gathered by me. In this Appendix I summarise the methodology and process that I have adopted.

Searches of RTÉ's IT system

A2.2 Searches of RTÉ's email system were undertaken by the IT Department in RTÉ at my behest adopting key word search terms, and/or parameters, that I devised.

A2.3 Several thousand emails and documents (such as Microsoft spreadsheets, word files, and pdf files) were provided to me by the RTÉ IT Department on foot of the application of those search terms. Against those above-mentioned emails and documents, I applied further specific search terms.

A2.4 Following application of those specific search terms I personally reviewed a significant volume of emails and attachments.

A2.5 In addition, I have reviewed documents obtained from the RTÉ server / network, following the application of targeted search terms

Individuals met and interacted with

A2.6 I have held meetings with 25 individuals, and interacted with one individual through written correspondence, consisting of RTÉ and external individuals, set out below (there is no ranking order to the below persons).

(a) Person 1

(b) Person 2

(c) Person 3

(d) Person 4

(e) Person 5

(f) Person 6

(g) Person 7

Appendix 2 – methodology and process

- (h) Person 8
- (i) Person 9
- (j) Person 10
- (k) Person 11
- (l) Person 12
- (m) Person 13
- (n) Person 14
- (o) Person 15
- (p) Person 16
- (q) Person 17
- (r) Person 18
- (s) Person 19
- (t) Person 20
- (u) Person 21
- (v) Person 22
- (w) Person 23
- (x) Person 24
- (y) Person 25
- (z) Person 26.

A2.7 In accordance with such terms of reference, my findings are limited to fact which I have determined on the balance of probabilities.

Documentation

- A2.8 Under the Terms of Reference I identified a number of key document types:
- (a) draft business plan;
 - (b) presentations made to the Executive Board and to the Board Members;
 - (c) multiple spreadsheet workbook / models in the form of Excel workbooks;
 - (d) emails communications;
 - (e) contemporaneous documentation provided by the Third Party Ticketing Platform to RTÉ in relation to ticket sales;
 - (f) documentation provided by Third Party Ticketing Platform to Grant Thornton pursuant to my request;
 - (g) minutes of Executive Board meetings;
 - (h) minutes of Audit and Risk Committee meetings;
 - (i) minutes of Board Meetings;
 - (j) contracts and agreements;
 - (k) invoices;
 - (l) extracts from the Agresso, the General Ledger; and
 - (m) all Finance and Management Accounts provided to the Board and ARC during the period March 2022 to December 2022.

Individuals not met

- A2.9 I have requested to meet Ms. Forbes. I am advised that Ms. Forbes is unable, due to medical reasons, to participate in the review (see paragraph A2.12 below).

Other entities

- A2.10 I have reviewed e-mail communications between RTÉ and its Third Party Ticketing Platform provider. I have interacted with the Third Party Ticketing Platform provider, who have provided me with assistance on foot of requests that I made.

Co-operation

- A2.11 I have received full co-operation from all individuals met, the individual with whom I interacted through correspondence, the Audit and Risk Committee, the RTÉ Board, and other personnel in RTÉ (including the IT Department).

LIMITATIONS

- A2.12 Ms. Forbes was unable to participate in the review for medical reasons. My draft report was sent to Ms. Forbes' solicitor to give Ms. Forbes an opportunity to comment if that was possible. Ms. Forbes was unable to review and comment on or instruct her solicitor to respond to the draft report for medical reasons. Ms. Forbes has therefore not had the opportunity to take part in the process or comment on any matter in this report. Through her solicitor, Ms. Forbes reserves the right to comment further on all matters when she is medically fit to do so. Unfortunately, this is a limitation on my review.
- A2.13 If, for any reason, those who were unavailable to meet during the preparation of this Report, are in a position to clarify or add anything, Grant Thornton is happy to meet with those individuals, within a reasonable timeframe and provide a supplemental Report should that be necessary.
- A2.14 As explained above I made requests of the RTÉ IT Department. I have relied upon the RTÉ IT Department to extract the specific data that I requested. I have confined my searches to the RTÉ network, which I believe is appropriate and proportionate.

RIGHT TO AMEND MY REPORT

- A2.15 I reserve the right to amend my Report should additional information or documentation be provided to me, or should any of the circumstances described as limitations change.

ANONYMISATION

- A2.16 The names of individuals have been anonymised as referenced at paragraph A2.6 above.

MY ASSISTANTS

- A2.17 I am Paul Jacobs, Partner and Head of the Forensic & Investigation Services unit at Grant Thornton. I am a specialist forensic accountant and have personally carried out much of the forensic accounting work in arriving at my conclusions. From time to time I have been assisted by colleagues in the Forensic & Investigation Services unit.

Appendix 3 – minutes of meetings

BACKGROUND

- A3.1 The purpose of this Appendix is to set out my review of minutes of meetings in relation to TSTM. I reviewed minutes of meetings of:
- (a) the Executive Board (between 5 October 2021 and 18 April 2023);
 - (b) the RTÉ Board (between 17 February 2022 and 4 July 2023); and
 - (c) the ARC (between 14 February 2022 and 4 July 2023).

MY ANALYSIS

- A3.2 From my review of the minutes, the first mention of TSTM was as follows:
- (a) the Executive Board on 1 March 2022;
 - (b) the RTÉ Board on 28 April 2022, however, there was mention in the minutes of the RTÉ Board meeting on 24 March 2022 that “The [redacted by Grant Thornton] noted that [they] would be arranging a meeting next week with Board Members to showcase a new development”; and
 - (c) the ARC – not until after TSTM shows had been performed.
- A3.3 In the table below, I set out the results of my review of the relevant minutes, with particular emphasis on whether the minute refers to TSTM and the corresponding reference made to it. The Table shows where a reference was made. However, I have also included in the table four additional meetings over the relevant time:
- (a) the Combo meeting of 29 March 2022 (where no minutes were available to Grant Thornton);
 - (b) ARC meeting of 16 March 2022 (where there was no mention of TSTM in the minutes);
 - (c) ARC meeting of 25 April 2022 (where there was no mention of TSTM in the minutes); and
 - (d) ARC meeting of 23 May 2022 (where there was no mention of TSTM in the minutes).

Appendix 3 – minutes of meetings

Table A3 – Meeting minutes

Meeting type	Date of meeting	Reference to TSTM in minutes?	Description
Executive Board	1-Mar-22	Yes	<p>[redacted by Grant Thornton] is the driving force behind the LLTS Event and introduced the Team working on the Toy Show Live Event, namely: [Redacted by Grant Thornton]. A pre-read had been circulated in advance of this meeting outlining the concept, idea and story. The team went through the detail of the project, planned schedule, and financials involved. This is a very big brand piece for RTÉ and very exciting. Timing is imperative and hoping to go with Ticket sale from mid April. [Redacted by Grant Thornton] thanked all involved in this phenomenal project. Next steps to the Audit and Risk Committee. Communication around this will need to be very carefully managed. Brand will need to be developed and marketing budget etc clarified.</p> <p>Action: There will be a further creative session with the Executive Board when further developments have been gone through.</p>
ARC	16-Mar-22	No	
RTÉ Board	24-Mar-22	No reference to TSTM in minutes, but reference to a “new development”	The [redacted by Grant Thornton] noted that [they] would be arranging a meeting next week with Board members to showcase a new development.
“Combo”	29-Mar-22	No minutes	
Executive Board	5-Apr-22	Yes	Strategy: [redacted by Grant Thornton] advised that the Strategy Groups are working hard and very engaged. Toy Show event proposal was presented to the RTÉ Board on Monday and very well received.
ARC	25-Apr-22	No	
RTÉ Board	28-Apr-22	Yes	In relation to content and performance the [redacted by Grant Thornton] outlined the LLTS Musical launching on 13 May noting that a number of the board members were already across the Show. The [redacted by Grant Thornton] brought the Board through the Team and the Production and noted that it is a very exciting undertaking. It is important that it is an Irish idea and an Irish team. [They] stated that [they] would send out a more detailed document to the Board members.

Report to the Audit and Risk Committee – Phase 3

Appendix 3 – minutes of meetings

Meeting type	Date of meeting	Reference to TSTM in minutes?	Description
			Board members welcomed the Musical noting that it is enabling for the wider ecosystem in Ireland and creating opportunities.
Executive Board	10-May-22	Yes	Strategy: Toy Show Musical will be announced on LLS on Friday. Song will be recorded and released. Tickets to go on Sale Thursday week.
Executive Board	17-May-22	Yes	Strategy: [redacted by Grant Thornton] advised that Toy Show the Musical was launching and ticket to go on sale on Friday 19th May. [redacted by Grant Thornton] noted the huge amount of work gone into this by [redacted by Grant Thornton]. Cast being announced this week.
ARC	23-May-22	No	
RTÉ Board	26-May-22	Yes	There has been a good reaction to the Toy Show musical and sales are good.
Executive Board	12-Jul-22	Yes	Strategy: [redacted by Grant Thornton] advised on ticket sales update for Toy Show Musical.
ARC	24-Oct-22	Yes	under a heading “Draft Budget 2023”, commercial income assumptions: “Events – Toy Show Musical is budgeted for same contribution as 2022 (€0.3m), pending more visibility on 2022 performance. If successful in 2022 then has the potential to deliver bigger contribution in 2023”
Executive Board	25-Oct-22	Yes	Strategy: [redacted by Grant Thornton] also advised that Rehearsals have started for TSM, and Marketing are working on Radio Ads and social media.
Executive Board	8-Nov-22	Yes	Strategy: [redacted by Grant Thornton] gave an update on TSTM and recent Press day which was very well received, with the cast performing two songs. Production in full swing.
Executive Board	29-Nov-22	Yes	Strategy: Rehearsal for TSTM has gone to Radio Studio 1. With thanks to [redacted by Grant Thornton] who was so helpful in this regard. [redacted by Grant Thornton] gave an update on LLTS. All support across the organisation greatly appreciated. Lots going on.
Executive Board	6-Dec-22	Yes	Strategy: First preview of TSTM this Saturday Night with Opening Night on Wednesday 14th December.
Executive Board	13-Dec-22	Yes	Strategy: Opening night for TSTM on Wednesday 14 December. Hoping all will go well.

Report to the Audit and Risk Committee – Phase 3

Appendix 3 – minutes of meetings

Meeting type	Date of meeting	Reference to TSTM in minutes?	Description
Executive Board	20-Dec-22	Yes	AOB: [redacted by Grant Thornton] noted the illness issues involving cast of TSTM which led to some of the shows being cancelled. Now back on track. Note of thanks to Comms and all the work involved. Those affected were refunded and offered 1 ticket free in 4 if rebooking. Look at options around the Show going forward in January.
Executive Board	10-Jan-23	Yes	Strategy: [redacted by Grant Thornton] looking at TSTM, the outturns and options around this. Doing a deep dive on Thursday with regard to remounting and the strategic questions around this. In order to progress with the Strategy we will need guidance [redacted by Grant Thornton], and hope to meet in person end of January
ARC	30-Jan-23	Yes	Deficit for year of €2.7m – slightly better than forecast. Commercial income up but the loss from the Musical had an impact.
RTÉ Board	2-Feb-23	Yes	[Person 3] updated the Board on Toy Show The Musical.
RTÉ Board	3-Jul-23	Yes	The Board discussed TSTM.
ARC	4-Jul-23	Yes	The ARC discussed TSTM.
RTÉ Board	4-Jul-23	Yes	The Board discussed TSTM.

Appendix 4 – CCD Contract

BACKGROUND

- A4.1 In this Appendix of my Report I summarise what I consider to be relevant parts of the contract between RTÉ Commercial Enterprises DAC and the Convention Centre Dublin (which I have abbreviated in my Report as CCD). The contract is commercially sensitive. [The paragraphs below have been redacted given the commercial sensitivity.]

Exhibit 1 - Terms of Reference

Terms of Reference - Confidential

1. The Audit and Risk Committee of RTÉ (the “**Committee**”) has directed that a fact-finding review be conducted in relation to:
 - 1.1 RTÉ’s risk assessment and approval processes in relation to the Toy Show The Musical Project (including at Executive and Board level (including the Committee));
 - 1.2 The provision of the income and expenditure figures reported to and/or provided to the Committee and / or the Board.

The purpose of this review is to ascertain the full circumstances and facts surrounding the approval of this project by RTÉ (the “**Review**”).

2. The Review shall be conducted by Grant Thornton Corporate Finance Limited (“**Grant Thornton**” or the “**Reviewer**”). Arthur Cox LLP (“**Arthur Cox**”) has been appointed by the Committee to act as point of contact for the Review in respect of the conduct of the Review.
3. The Review is supplemental to the Report of Paul Jacobs dated 16 June 2023 (the “**First Report**”) and an ongoing review by Grant Thornton pursuant to terms of reference dated 26 June 2023 (the “**Second Report**”).
4. The Review will consider all relevant available documentation, including without limitation commercial contracts, books of account, electronic documents and information and accounting systems, where relevant, and Grant Thornton will meet with relevant personnel, as necessary.
5. All relevant documentation (as described above) shall be sourced and provided by RTÉ at the request of Grant Thornton directly or through Arthur Cox.
6. Confidentiality will be maintained throughout the Review to the greatest extent possible having regard to the requirements of fair procedures and other legal obligations.
7. RTÉ shall provide Grant Thornton (and where relevant Arthur Cox) with all reasonable co-operation and assistance in order to carry out the Review within the time frame specified.
8. Following consultation with Grant Thornton, this Terms of Reference may be amended (to include extending the scope of the Review) by the Committee.
9. The Review will be conducted in accordance with the principles of natural justice.
10. During the course of the Review, Grant Thornton may meet any witness or relevant person(s) with a view to establishing the facts. If required or requested, a stenographer may be present at any interviews with individuals held during the Review and/or a recording of such interviews may be arranged. The Review shall provide any interviewees with a transcript or notes of their interview.
11. On completion of the Review, Grant Thornton shall produce a report for Arthur Cox and RTÉ (the “**Third Report**”). In advance of completing the Third Report, where appropriate to respect the principles of fair procedures, a draft of the Third Report and/or relevant extracts will be provided to individuals to afford

them an opportunity to comment on its content prior to its finalisation. Having considered such comments (if any), Grant Thornton will finalise and submit the Third Report.

12. The Third Report shall include details of the methodology adopted, relevant evidence gathered and Grant Thornton's findings of fact based on Grant Thornton's analysis of same.
13. Refusal or failure to co-operate with the Review by any party will not prevent the Reviewers proceeding and issuing the Third Report based on the information available.
14. Every effort will be made to conclude the Review within 6 weeks, however it is acknowledged that additional time may be required. Where Grant Thornton contemplates requiring additional time, it shall as soon as practicable apprise the Committee of same, explain why additional time is needed and of how much additional time it believes it shall require.
15. For the avoidance of doubt the Review and Third Report shall be limited to findings of fact. Facts shall be determined on the balance of probabilities. Grant Thornton shall not offer any views on the culpability (or otherwise) of any individual or the gravity of any such culpability. Grant Thornton shall not make any observations or recommendations as regards the potential application of RTÉ's disciplinary proceedings or otherwise, such decisions shall be for RTÉ alone.

Signed on behalf of the Committee:

Dated July 2023



Grant Thornton

© 2024 Grant Thornton Ireland. All rights reserved.

Member of Grant Thornton International Limited (GTIL)

Authorised by Chartered Accountants Ireland ("CAI") to carry on investment business.