

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

March 2025

1. Constitution and Authority

The Board of RTÉ resolves to establish a committee of the Board known as the Audit and Risk Committee (“the Committee”).

- a) The Committee is authorised by the Board to examine any activity within its terms of reference and to seek any information it requires. All RTÉ employees are directed to co-operate with any request made by the Committee.
- b) The Committee is authorised by the Board to obtain outside legal advice or other independent professional advice, as deemed necessary.
- c) Board oversight of editorial matters is carried out by the Programme Committee and not by the Committee. However, the Committee will, as part of its broader review of risk, satisfy itself with regard to the effectiveness of the processes in place to achieve oversight of editorial risk and/or reputation risk. The Programme Committee will, on an annual basis, provide a memorandum to the Committee detailing its oversight of editorial matters.

2. Membership

- a) The Committee shall be appointed by the Board and shall consist of not less than three independent¹ Non-Executive members of the Board. The Board may also appoint a member(s) of the Committee drawn from outside the Board.

The Committee may:

- co-opt additional members to provide specialist skills, knowledge and experience;
 - procure specialist ad-hoc advice at reasonable expense, subject to budgets agreed by the Board.
- b) At least one member of the Committee shall have “recent and relevant financial experience”.
 - c) The Board shall appoint one of its members to Chair the Committee. In the absence of the Chair, the members who are present shall choose an acting Chair for the meeting. A Board member, other than the Chair of the Board, should chair the Committee.
 - d) A quorum shall be two members.
 - e) Only members of the Committee have the automatic right to attend Committee meetings. The Director-General, the Chief Financial Officer, the Head of Internal Audit, the External Auditors and other Board members, executives, their representatives and others may, at the invitation of the Chair of the Committee, attend meetings, except for any part of a meeting which the Chair of the Committee wishes to reserve for Committee members only.
 - f) The duration of appointments to the Committee is a matter for the Board.
 - Committee members who are members of the Board of RTÉ may be appointed for a period of time up to, and including, the date of expiry of their Board membership.
 - Other members may be appointed for a duration determined by the Board at the time of the appointment of the member.

¹As defined in Section 2: Provision 10 of the *UK Corporate Governance Code* (January 2024)

3. Meetings

3.1 Frequency

- a) The Committee shall meet at least four times a year, at appropriate times in the reporting and audit cycle, and otherwise as required.
- b) Where necessary, in addition to in-person attendance at meetings on the RTÉ campus or at a location determined by the Chair of the Committee, meetings may be held by telephone or other suitable electronic means whereby all the members of the Committee can hear and be heard.

3.2 Notice of meetings

- a) 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.
- b) 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.
- c) The RTÉ Group Secretary or their nominee shall act as the Secretary of the Committee.

3.3 Minutes of meetings

- a) The Committee shall have access to the services of the RTÉ Group Secretary on all committee matters including assisting the Chair of the Committee in planning the committee's work; drawing up meeting agendas; maintaining minutes and providing any other necessary practical support as deemed necessary.
- b) The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. In the event that the Secretary is not present for an agenda item, the members who are present shall nominate one member to minute the proceedings.
- c) 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.

3.4 Conflicts of interests

- a) The process for recording declarations of conflicts of interest at Committee meetings shall be the same as at Board level.

4. Duties

The duties of the committee are as follows:

4.1 Financial Statements & Annual Reporting

- a) To review and monitor the integrity of the annual Group Financial Statements, and submit a recommendation to the Board on all significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the External Auditor.
- b) In particular, the Committee shall review and challenge where necessary:
 - i. the consistency of, and any changes to, significant accounting policies on a year-on-year basis across RTÉ;
 - ii. the methods used to account for significant or unusual transactions where different approaches are possible;
 - iii. whether RTÉ has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the External Auditor;
 - iv. the clarity and completeness of disclosures in the financial statements of RTÉ and Large Subsidiary Companies² and the context in which the disclosures are made;
 - v. all material information presented with the financial statements of RTÉ, and Large Subsidiary Companies, such as the business review and the corporate governance statement(s) relating to management of the audit and to risk.
- c) To review, prior to publication, any formal announcements relating to RTÉ's financial performance.
- d) Report to the Board whether in the Committee's view it is appropriate to adopt the going concern basis of accounting in preparing the annual consolidated and Parent entity financial statements, identifying any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.
- e) The Committee shall review the content of the RTÉ annual report (including the financial statements included therein and sustainability and non-financial reporting) and advise the Board on whether, taken as a whole, it is:
 - i. fair, balanced and understandable;
 - ii. provides the information necessary to assess RTÉ's performance, business model and strategy; and
 - iii. satisfies the requirements in relation to the preparation of an annual report under the Code of Practice for the Governance of State Bodies and the Broadcasting Act 2009 (as amended).

² Companies Act (2014) (Sec. 167)

- f) The Committee shall monitor the financial and, where applicable to the annual report, the sustainability reporting processes, including the outcome of the assurance of sustainability reporting.
- g) The Committee shall review the company's preparedness for any known future significant changes in annual reporting requirements, including those arising under any sustainability reporting requirements (including in relation to Environmental, Social & Governance (ESG)), and ensure appropriate plans are in place to comply with those requirements (whether on a mandatory or voluntary basis).
- h) The Committee shall review and approve the accounts of RTÉ's Independent Production Unit.
- i) The Committee shall review and approve the Market B regulatory accounts.

4.2 External Audit

The Committee shall:

- a) consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of RTÉ's External Auditors for both statutory financial reporting and for sustainability reporting as reflected in the Annual Report including as may be required by the Corporate Sustainability Reporting Directive (2022/2464), or other sustainability reporting requirements;
- b) ensure that at least once every ten years (or at such shorter intervals as may be required by law) the audit services contract tender is conducted to ensure compliance with applicable laws and to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms; and in respect of such tender oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process;
- c) Oversee the relationship with the External Auditor, including:
 - i. making recommendations on their remuneration, including both fees for audit and non-audit services, and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
 - ii. approving their terms of engagement, any engagement letter issued at the start of each audit and the scope of the audit;
 - iii. assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the External Auditor as a whole, including the provision of any non-audit services;
 - iv. satisfying itself that there are no relationships between the External Auditor and RTÉ (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
 - v. agreeing with the Board a policy on the employment of former employees of the External Auditor(s), and monitoring the implementation of this policy;

- vi. monitoring the External Auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by RTÉ compared to the overall fee income of the firm, office and partner(s) and other related requirements;
 - vii. assessing annually the qualifications, expertise and resources of the External Auditor and the effectiveness of the audit process, which shall include a report from the External Auditor(s) on their own internal quality procedures and their internal quality management system and covering any reports by audit regulators on the External Auditor; and
 - viii. seeking to ensure co-ordination with the activities of the internal audit function.
- d) meet regularly with the External Auditor(s) (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss their remit, the operation of the internal audit function and any issues arising from the audit;
 - e) review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
 - f) review the findings of the audit with the External Auditor(s). This shall include but not be limited to, the following:
 - i. a discussion of any major issues which arose during the audit;
 - ii. key accounting and audit judgements;
 - iii. levels of errors identified during the audit; and
 - iv. the effectiveness of the audit process;
 - g) review any representation letter(s) requested by the External Auditor before they are signed by management;
 - h) review the Internal Controls Recommendations Report(s) and management's response to the auditor's findings and recommendations;
 - i) develop and implement a policy on the supply of non-audit services by the External Auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter;
 - j) receive and review reports of the statutory auditors on key matters arising from the statutory audit of RTÉ and all Large Subsidiary Companies and, in particular, on material weaknesses in internal control in relation to the financial reporting process;

4.3 Risk Management

The Committee shall:

- a) support the Board in carrying out its responsibilities for ensuring that there is a robust process in place to identify, assess, report on and control risk. It shall monitor the effectiveness and resourcing of the risk management framework, ensuring its continued

functioning and appropriateness;

- b) advise the Board in its consideration of the overall risk appetite, risk tolerance, risk strategy and the materiality of risks, to include the nature of the transaction, of RTÉ. Review reports on any material breaches of risk limits, risk incidents and the adequacy of proposed corrective actions;
- c) review and recommend to the Board for approval the Group Risk Policy;
- d) keep under review the principal and emerging risks of the Group and approve the statements of principal and emerging risks to be included in the annual report;
- e) review and monitor the effectiveness of the arrangements for crisis management and business continuity planning for RTÉ;
- f) advise the Board on the need for periodic external review of the effectiveness of enterprise risk management; and
- g) review a Memo from the Chair of the Programme Committee regarding the processes in place to achieve oversight of editorial risk.

4.4 Internal control

The Committee shall:

- a) assist the Board in fulfilling its responsibilities in ensuring the appropriateness and completeness of the systems of internal control and risk management. This includes reviewing the framework by which management ensures and monitors (i) the adequacy of the nature and extent of the internal control systems and (ii) the effectiveness of the system of internal control;
- b) consider the coordination of assurance activities across the entire system of internal control, including reviewing a combined assurance map illustrating such activities;
- c) review annually, with Management and the Internal Auditors, the system of Internal Control and Risk Management, including the measures implemented and planned to ensure the effective management of the organisation's significant Financial and Non- Financial risks and to review in conjunction with the activity in Section 4.3 above, to report to the Board on its annual assessment of the operation of the system of internal control, to make any recommendations to the Board and to review the Group's annual statements on internal control and risk management prior for endorsement by the Board.

4.5 Compliance

The Committee shall:

- a) review and monitor the processes adopted by RTÉ to achieve compliance with the Code of Practice for the Governance of State Bodies,
- b) review compliance frameworks and the effectiveness and adequacy of the controls and procedures adopted across RTÉ to identify and give reasonable assurance concerning compliance with all statutory and regulatory obligations applicable to RTÉ;

- c) review and approve prior to publication, RTÉ's Tax Strategy; and
- d) review and monitor the tax policies and procedures adopted by RTÉ.

4.6 Internal Audit

It is the role of the Committee:

- a) To review and approve the Internal Audit Charter every two years;
- b) To review and approve the Internal Audit Plan of Work, at least on an annual basis;
- c) To receive and consider reports from the Internal Audit function;
- d) To consider the findings of Internal Audit investigations and review and monitor management's responsiveness to the internal auditors' findings and recommendations;
- e) To monitor and assess the role and effectiveness of the internal audit function in the context of its role as a provider of assurance including their independence, expertise, experience and adherence to professional standards;
- f) To advise the Board on the periodic external review of the effectiveness of the internal audit function and the adequacy of its resourcing;
- g) To affirm or reject the appointment, or termination of appointment, of the Head of Internal Audit;
- h) To ensure that the Head of Internal Audit has direct access, as necessary, to the Chair of the Board and to the Chair of the Audit and Risk Committee; and
- i) To meet with the Head of Group Internal Audit at least once a year without the presence of management.

4.7 Whistleblowing, Fraud and Other activities

The Committee shall:

- a) review the adequacy and security of the arrangements for employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, including the raising of protected disclosures under the Protected Disclosures Act 2014 (as amended). As part of its remit the Committee shall review and recommend for Board approval the terms of RTÉ's Protected Disclosures Policy and shall ensure that this policy allows for proportionate and independent investigation of reported matters and appropriate follow up action;
- b) be informed of instances of actual or potential protected disclosures;
- c) review and approve reports, (i) for submission to the Minister not later than 1 March each year, and (ii) for inclusion in the Annual Report, in the form and covering the matters required by the Protected Disclosures Act 2014 (as amended);
- d) review the procedures for preventing and detecting fraud and shall be informed by the Group Internal Auditor of instances of fraud and any fraud investigations under way;

- e) review and monitor the systems and controls for the prevention of bribery and corruption and receive reports on any instances of same;
- f) be informed of regulatory investigations and anticipated investigations;
- g) review the *Code of Business Conduct for RTÉ Employees* and recommend to the Board for approval;
- h) make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- i) review arrangements established by Management for compliance with regulatory reporting requirements; and
- j) The Committee may, from time to time, and at the request of the Board:
 - i. review, prior to formal submission to the Board, the RTÉ group annual financial budget;
 - ii. periodically review RTÉ's financial performance and position and most recent group management accounts and report this to the Board.
 - iii. keep under review the organisation's capital needs and to ensure that the Board is satisfied that appropriate financial provision is made for same;
 - iv. monitor the cash flow and funding position of RTÉ and subsidiaries and to review all borrowing, investments and treasury management policies, ensuring these are brought to the attention of the Board and for any necessary approvals to be forwarded to the Board; and
 - v. maintain an overview of pension policies and the actuarial position of the pension schemes, ensuring the Board is informed.

5. Reporting Procedures

- a) The Chair of the Committee shall report formally to the Board on the Committee's proceedings after each meeting.
- b) The Committee shall compile a report describing its membership and its duties and activities during the year, to be included in the Annual Report and Accounts.
- c) Management will also ensure that matters of material concern that are relevant to the Committee's responsibilities are brought to the attention of the Committee promptly.

6. Other Governance Matters

- a) On an annual basis, the Committee will review these Terms of Reference and make recommendations to the Board on updating or amending them, as appropriate.
- b) The Company Secretary shall prepare a Committee Work Plan annually reflecting the Committees priorities for the year ahead and to ensure that the Committee has adequate coverage of its oversight responsibilities as set out in this Terms of Reference.

- c) The Committee shall keep its own training needs under review and ensure appropriate and timely induction for new members. There should be a formal induction process in place (including individually tailored training) for new Committee members. The Committee Chairman should make recommendations to the Board on the Committee's and individual members' training needs. The Committee should keep up to-date with best practices and developments in corporate governance.
- d) The Committee will, in accordance with the requirements set-out in the *Code of Practice for the Governance of State Bodies*, conduct a self-assessment of its effectiveness and the extent to which it is adding value to the organisation. In carrying out the assessment, the Committee will employ objective criteria and may avail of the services of an external consultant to conduct an external performance assessment as required.