

Corporate
Governance
Institute

The governance failures at RTE the state broadcaster & what we can learn

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Lunch & Learn

Discussion Points

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RTE facts

2

Governance
structures

3

Tell tale signs

4

Findings of
various reports

5

What to look
out for in the
due diligence
process

6

Potential
consequences
of being on a
high profile
board that fails



1. RTE - Some Facts

- Owned by the State
- Revenue 2022 - **€347m**
 - State license fee **€195m**
 - Commercial revenue **€152m**
- Staff 2022 - **1,868**





2. Governance

- Board members and Chair appointed by the Minister
- **12** board members at **31.12.22**
- **5** females & **7** males at **31.12.22**
- **5** Board Committees
 - a. Audit & Risk
 - b. Programming
 - c. Fair Trade
 - d. Remuneration and management development
 - e. Digital



2. Governance

- No qualified accountant on the Board or on the Audit & Risk Committee nor anyone with a recognised corporate governance qualification at 31.12.22
- The Director General (CEO) was a member of the Board
- Director General (CEO) appointed by the Board





3. Early telltale signs

- **Breach of Board confidentiality** during the recruitment process for a new Director General in April 2023.
- Organisation's top presenter **was paid more than declared** in the statutory accounts and that this extra cash came through an undisclosed barter account.
- A stage musical production commissioned by RTE – which flopped at the box office – **was not brought to the board for approval**, even though it should have been.
- Confusion over **the role of the Board of Directors and the Executive Board**.

4. Advisory Committees Report May 2024

Governance issues in RTE

- Board did not have formal terms of reference.
- Director-General (CEO) was not expressly accountable to the Board
- Board had no formal schedule of matters explicitly included within its decision-making powers.
- There was no “Corporate Governance Handbook.”
- Board members could not adequately prepare for board meetings due to a lack of clarity on the agenda items.
- Many individuals relied on verbal reports to communicate critical information.
- Board meetings did not have an action tracker until 2022.
- There was no board-approved risk management policy
- Only self assessed Board Evaluations carried out in 2018 and 2022, no external evaluation carried out



4. Mazars report revealed that Board / Executive trust was a key issue

Executive Board did not inform RTE's Board of key issues and/or not providing information to their own colleagues/each other about them.

“Some Board members told us that they did not believe executives considered they were accountable to the Board. In contrast, some of the executives we spoke to, perhaps unfairly, thought the Board a possible source of previous leaks of confidential information.”



4. My takeaways on RTE

- Government understanding of the skills and experience required to oversee RTE was limited
- No oversight by the State in ensuring RTE adhered to the Code of Governance
- Board was underpowered given the scale and complexity of the organisation
- Inadequate knowledge of corporate governance at Board / Executive level
- Absence of Board member curiosity
- Chair/ Board / Executive relationship was inadequate

5. Due diligence process

- How does a potential appointment fit with your NED career objectives?
- Things to focus on:
 - a. Financial sustainability
 - b. Governance
 - c. Culture and Values
 - d. Governance
 - e. Strategy and competitive position
 - f. Innovation
 - g. ESG

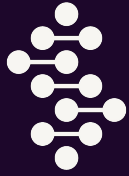




6. Consequences of being on a high profile board that fails

- Collective reputational damage for the Board
- Professional and personal damage
- However, you will learn a lot that might be useful on other boards if you manage / want to get appointed!

Questions?



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Thank you

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