



Deputy Brian Stanley

Chair of the Public Accounts Committee

PAC@oireachtas.ie

03 October 2023

RE: Expansion in the terms of reference of the Mazars review

Dear Brian,

I am writing to you regarding the terms of reference of the forensic accountant, Mazars, that I appointed under section 109(7)(a) of the Broadcasting Act 2009 to examine the books or other records of account of RTÉ.

On 25 August 2023, I was presented with and published an interim report by Mazars ('Mazars 1'), which I forwarded to the Committee. Mazars is continuing its examination of the specific transactions in the barter account and other off balance sheet accounts and they now expect that a further report ('Mazars 2') will be submitted to this Department by the end of November 2023.

The Expert Advisory Committee that I appointed to undertake a Review of Governance and Culture in RTÉ have requested the following expansion in the terms of reference of the Mazars examination to assist them in their own work:

- to review whether appropriate processes and procedures were followed in relation to the approval and operation of the barter account when it was established in 2012;
- to review the role of the 'Executive Board' and Board of RTÉ as regards the governance of the barter account in the period 2017 - 2022; and,

- to review whether, and if not why not, the internal audit function in RTÉ, the Audit and Risk Committee of the Board of RTÉ, and RTÉ's external auditor examined or queried the barter account in the period 2017 - 2022.

Mazars have informed my Department that this expansion to the terms of reference will not impact on the timelines for the delivery of Mazars 2 in November 2023. A further report ('Mazars 3') encompassing the matters set out in the expanded terms of reference is also expected to be completed by end November. This further report will inform the deliberations of the Committee and will be published alongside their final report after it has been submitted to me and considered by Government.

I attach, for your information, the now expanded terms of reference as an Annex to this letter, paragraphs (h) to (j) of which have been added on request of the Expert Advisory Committee.

Yours sincerely,



Catherine Martin

Minister for Tourism, Culture,
Arts, Gaeltacht, Sport and Media

Appendix I - Terms of Reference as amended

Pursuant to section 109(7)(a) of the Broadcasting Act 2009 (as amended), as of 12 July 2023 Mazars have been appointed by the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media to examine the books and other records of account of RTE. Under section 109(7)(a) of the Broadcasting Act 2009, RTE, the Director General and any relevant member of staff is required to facilitate any such examination by Mazars.

The terms of reference of the examination are as follows:

- (a) to identify all off-balance sheet accounts currently held by RTE or held during the period 2017 to 2022;
- (b) to identify and examine all transactions made through the barter account and any other off-balance sheet account identified by Mazars for the period 2017 to 2022;
- (c) to identify whether transactions made through the barter account or any other off-balance sheet accounts which have been identified in the period under examination were correctly identified and recorded in the audited Financial Statements of RTE presented to the Minister under section 109(4) of the Broadcasting Act 2009;
- (d) in examining the transactions, to consider all relevant available documentation and to meet with relevant persons, as appropriate;
- (e) to furnish interim reports to the Department as required;
- (f) to furnish a final report to the Department;
- (g) these terms of reference may be amended by the Department from time to time, including to expand the scope or duration of the examination; and,
- (h) to review RTE's process in relation to the establishment of, and decision to trade through, the barter account in 2012 (including in particular at Executive and Board Level), including but not limited to:
 - the provision and approval of a business case for the decision to trade through the barter account, including the rationale for and risk assessment of the decision and the financial analysis and projections which underpinned the business case;
 - the governance arrangements proposed and approved for the operation of the barter account; and,
 - the accounting treatment proposed to record all income and expenditure, sources of such income and subject matter of each expenditure, and the property, assets and liabilities.

- (i) to review the role, if any, of the Executive Board and the Board of RTÉ in the governance of the barter account in 2017 – 2022; and,
- (j) to review whether, and if not why not, the internal audit function in RTÉ, Audit and Risk Committee of the Board of RTÉ, and the duly qualified auditors appointed by the Board of RTÉ pursuant to section 109(3)(a) of the Broadcasting Act 2009 examined or queried:
 - a. the governance of or procedures underpinning the operation of the barter account;
 - b. any transactions made through the barter account;
 - c. the accounting treatment of the barter account; or,
 - d. the existence of the barter account.