

# Internal Memorandum



**To:** Members of the Board of RTÉ  
**Cc:** RTÉ Group Secretary  
**From:** Peadar Faherty, Head of Internal Audit  
**Date:** 23 March 2018  
**Re:** Board Self-Assessment Questionnaire

---

## 1. Background and Purpose

Members of the Board recently completed a self-assessment questionnaire, evaluating the operation of the Board. The questionnaire, which is attached in the appendix, addresses the following areas:

- Role of the Board
- Strategy & Performance Management
- Board Effectiveness
- Compliance
- Risk Management, Internal Control, Audit and Risk

This process meets the Board's requirements under Section 4.6 of the 2016 *Code of Practice for the Governance of State Bodies* ('Code of Practice').

The purpose of this note is to present the output of the evaluation and to identify matters which may merit further discussion.

## 2. Results of Questionnaire

The average overall score across all questions was a strong 4.4 out of 5. The average rating across the five categories of questions was in a range from 4.24 (*Strategy & Performance Management*) to 4.56 (*Board Effectiveness*), as illustrated in the charts in the appendix.

Questions which have an average score below expectation are highlighted in the charts and referenced below. Rather than focus on the scores for each individual question in a section, the following broad themes emerge from the exercise and merit further discussion.

### 2.1 Strategy & Performance Management

While the other nine questions in this section ranked highly, **Q10** (*Board devotes quality time to reviewing the implementation of the strategy*), scored an average of 3.8. This reflects the need to formalise the process for ongoing review of the implementation of the 2018 – 2022 strategy.

In addition, one respondent commented on the need to undertake a more comprehensive review of the Annual Statement of Performance Commitments ('ASPC') in light of the new strategy.

Action: Consider the process for ongoing review of the implementation of the 2018 – 2022 strategy. Assess whether this merits a standing item on the Board’s agenda.

Secondly, the Board’s monitoring of the ASPC should be reassessed in the context of the Board’s overall oversight of non-financial performance measures – see comment on Q14 below (in Section 3).

## **2.2 Board Effectiveness**

**Q21** (*Induction / Professional Development*), was slightly below expectation with an average score of 3.5. This is likely to reflect the formality of the induction process and the level of attendance at formal courses and conferences. The remaining 13 questions scored well in this section.

Action: Reassess the formality of the induction process, especially in the case of members joining the Board mid-way through a board term. Consider whether attendance at a formal course / briefing is merited.

## **2.3 Compliance**

While the other four questions in this section were rated 4.4 to 4.7, **Q32** (*Updated Code of Conduct*) scored lower at an average of 3.9. This may reflect one comment that the Board needs to be aware of the Code of Practice for the Governance of State Bodies (given recent changes), in addition to Codes generally.

Action: Provide a follow-on briefing session to Board Members explaining the Code of Conduct for RTÉ Board Members (June 2016) and a reminder of the updated Code of Practice and its requirements / implications.

## **3. Other Matters**

While not reflected in a lower score, the following matters were highlighted by respondents via the comments field of the questionnaire and highlight areas for further discussion.

- **Q35**, Section E - Risk Management, Internal Control, Audit and Risk (*Risk Appetite*): a respondent highlighted that a discussion regarding risk appetite has not taken place at full Board level and that risk is delegated to the Audit and Risk Committee for review.

Action: A periodic review of risk reports will be undertaken at Board level, to include a discussion about risk appetite. This will be in addition to the important ongoing work of the Audit and Risk Committee in this area.

- Related to the comment above, one response to **Q37**, Section E - Risk Management, Internal Control, Audit and Risk (*Overview report on risk for the Board*) included a comment that while the Board receives regular reports / minutes from the Audit and Risk Committee it may be useful for the Board to receive an overview report on risk.

Action: see action for Q35 above – address via the review of risk reports.

- **Q40**, Section E - Risk Management, Internal Control, Audit and Risk (*Internal Control review by Board*). A respondent highlighted that the content of presentations to the Audit and Risk Committee as part of the Committee's review of the effectiveness of the system of internal control should, perhaps, be circulated to non-ARC Board members to provide an overview of risk and internal controls.

Action: Consideration will be given to circulating, to the Board, a summary of the papers facilitating the Audit and Risk Committee's annual review of the effectiveness of the system of internal control.

- **Q14**, Section B - Strategy & Performance Management (*Evaluation of non-financial performance*) highlighted that the matter of financial performance has been a key focus for the Board over recent times given the financial challenges. However, it may be timely to broaden the review beyond financial measures.

Action: Consider the monitoring of non-financial performance measures. This could be considered in the context of the monitoring of the 2018-2022 strategy.

#### **4. Conclusion & Next Steps**

The purpose of this note is to summarise the output of the recent Board Self-Assessment questionnaire. This process meets the Board's requirements under Section 4.6 of the *Code of Practice for the Governance of State Bodies*.

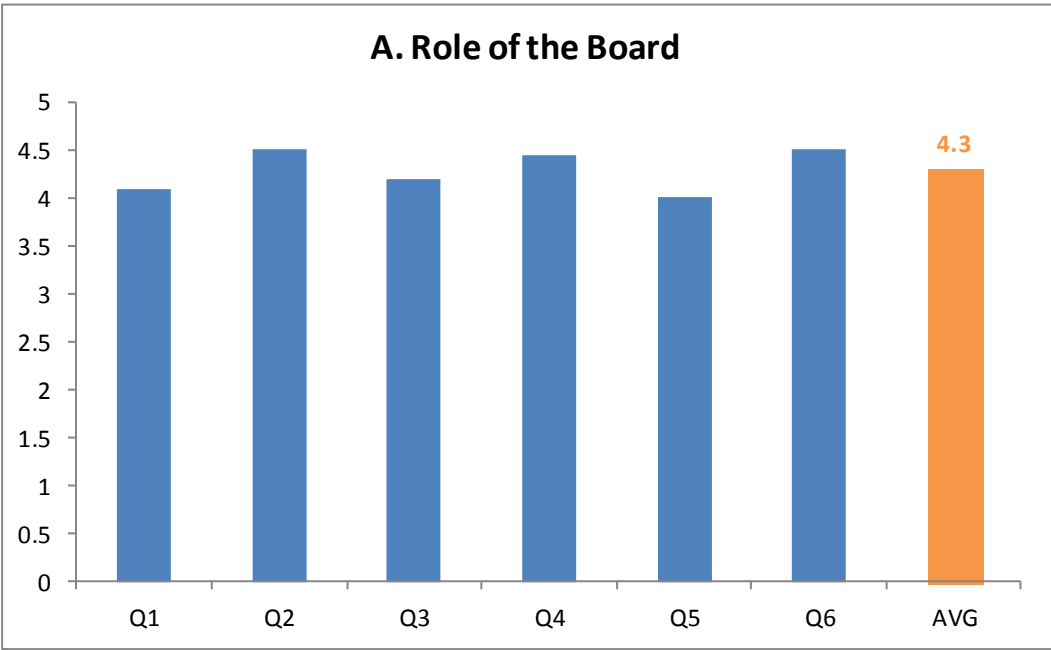
While the results are strong, Section 2 and 3 above presents suggested actions to address a small number of matters arising. These items merit further discussion at the 29 March 2018 Board meeting.

Subject to the agreement of the Board, the next steps involve implementing the proposed actions and tabling items for review at future meetings of the Board, as necessary.

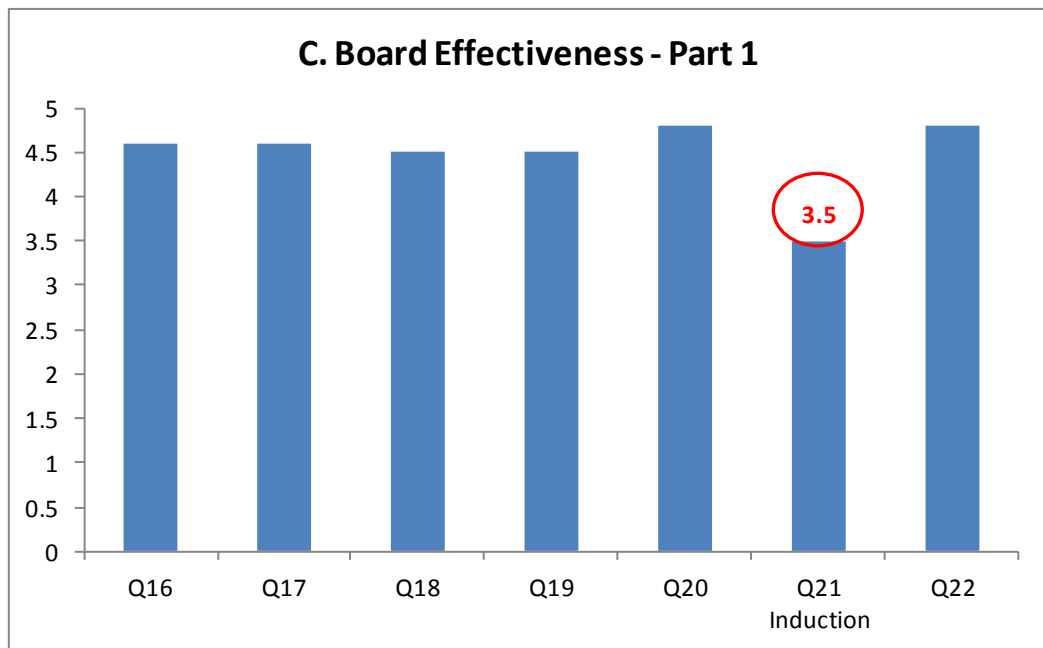
Best Regards,

Peadar Faherty  
Head of Internal Audit

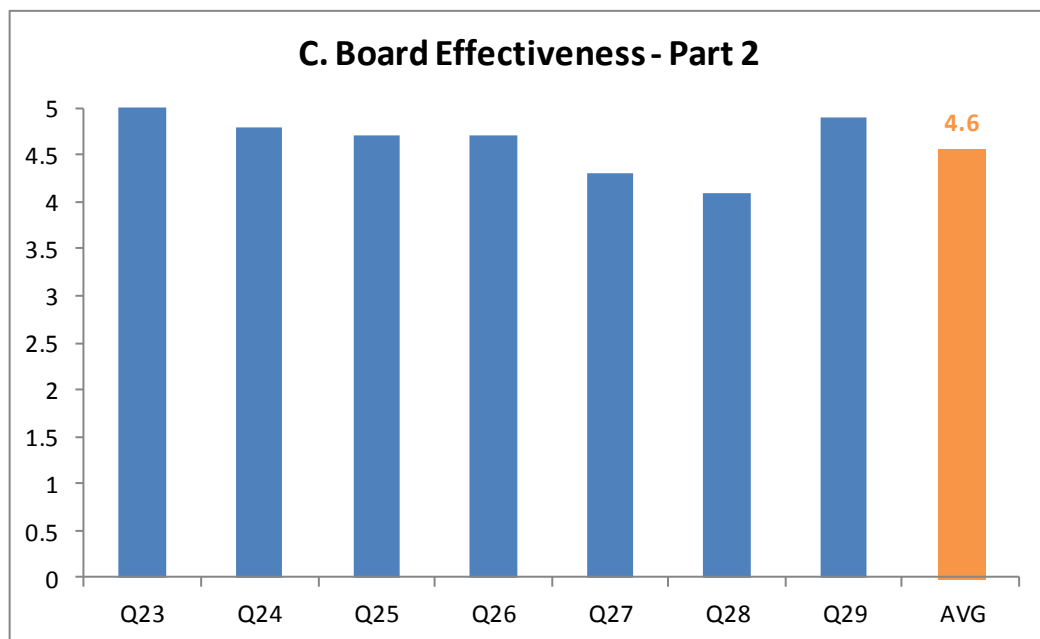
Appendix – Summary of Effectiveness Ratings in Board Performance Evaluation Questionnaire

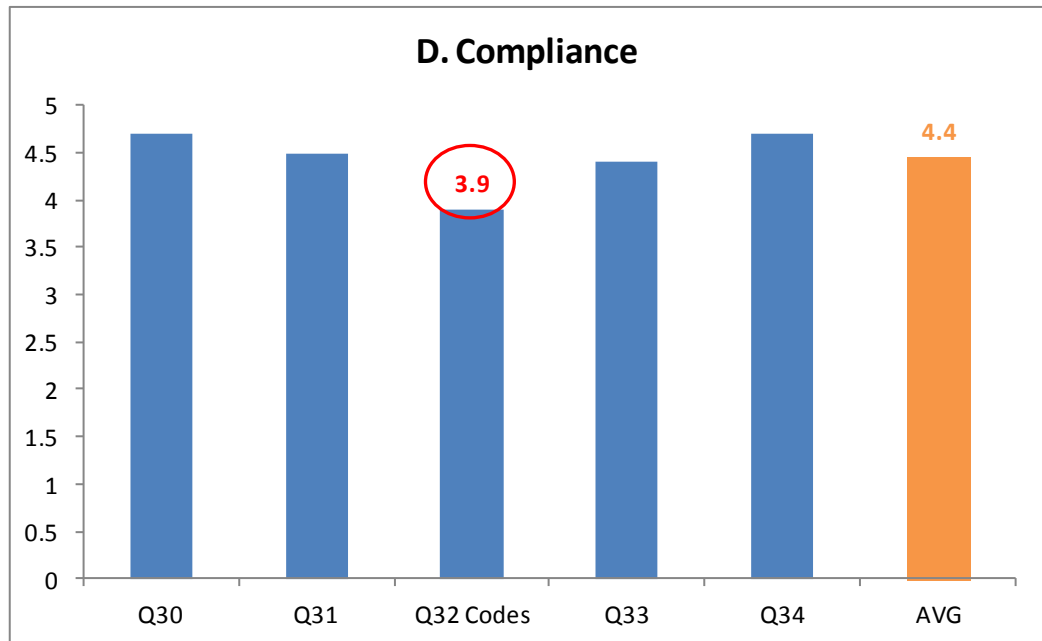


Q10: “The Board devotes quality time to reviewing the implementation of the strategy”



Q21: "Board members are provided with appropriate induction, mentoring and assistance with ongoing professional development as required"





Q32: “Are you satisfied that updated Codes of Conduct are approved by the Board and circulated to all Board members, management and employees?”

