

# Internal Memorandum

**To:** Members of the Board of RTÉ  
**CC:** Paula Mullooly, RTÉ Group Secretary  
**From:** Peadar Faherty, Head of Internal Audit  
**Date:** 19 May 2022  
**Re:** Board Performance Evaluation – Results

---

## 1. Background

The matter of Board performance evaluation is addressed in section 4.6 of the Code of Practice for the Governance of State Bodies ('Code of Practice'), as follows:

*"In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, the Board should undertake an annual self-assessment evaluation of its own performance and that of its committees. An external evaluation proportionate to the size and requirements of the State body should be carried out at least every 3 years."*

Notwithstanding the regulatory obligations, a board evaluation is a good business practice to assist boards to recognise and build upon their strengths, while identifying any areas which may require improvement.

The members of the Board recently completed a self-assessment questionnaire, evaluating the operation of the Board across five areas. The purpose of this note is to present the output of the evaluation and to identify matters which may merit further discussion.

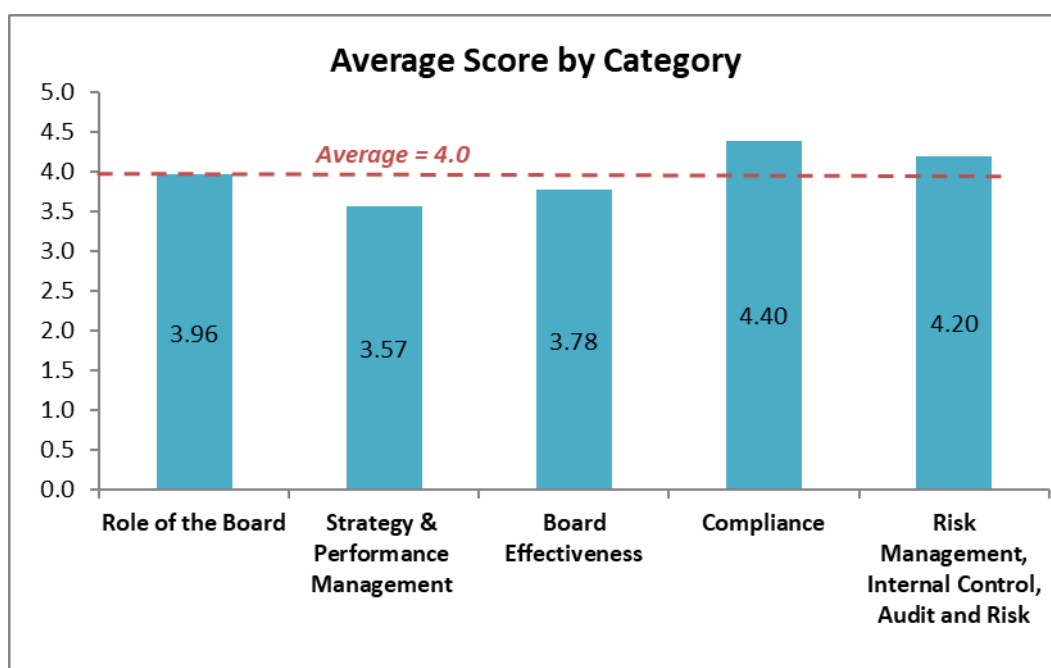
## 2. Summary Results

The average overall score across all questions surveyed was 4.0 out of 5.

The average rating across the five categories of questions was in a range from 3.57 (*Strategy & Performance Management*) to 4.40 (*Compliance*), as illustrated in the chart overleaf.

Full details of the average score for each individual question is presented, by category, in the charts in the appendix (page 5). These scores ranged from 2.6 to 4.6.

The highest performing categories are all importance areas within a Board's remit and cover risk, performance monitoring, regulation, compliance and internal control. These are core areas within the Board's responsibility and are subject to regular external review and scrutiny. As a result, members should be pleased to note the strong ratings in these areas.



The top six ranked individual questions are listed in the table below:

No.	Question	Score
Q30	The procedures relating to the disclosure of Board members' interests are complied with.	4.6
Q23	The Chair leads meetings well with a clear focus on the big issues facing the organisation and allows full and open discussion before major decisions are taken.	4.6
Q34	The Board ensures that a balanced, true and fair view of the State body's financial performance and financial position is made when preparing the annual report and financial statements of the State body and when submitting these to the relevant Minister.	4.5
Q25	Board meeting agendas and other related material are circulated in a timely manner to enable full and proper consideration to be given to important issues.	4.4
Q38	The Board takes full account of risk in its decisions, for example, in relation to proposed major projects and programmes.	4.4
Q39	The Board fulfils its responsibility for ensuring that effective systems of internal control are instituted and implemented in the State body including financial, operational and compliance controls and risk management.	4.4

### 3. Suggestions to Improve Performance

Questions which have a below average score are highlighted in red in the charts in the appendix. The following section highlights broad themes which emerge from the exercise and merit further discussion. These represent opportunities to make changes to Board practices in order to further improve the performance of the Board.

#### 3.1 Strategy & Performance Management

While the strategy & performance management section ranked an overall score of 3.6, **Q10** (*Board devotes quality time to reviewing the implementation of the strategy*) and **Q7** (*the Board has a clear set of objectives*) scored an average of 3.1 and 3.4, respectively. **Q8** (*the Board has developed a strategy*) is also slightly below average for this section at 3.5.

Action: Revisit the process for the ongoing review of the implementation of the 2020 – 2024 strategy. Assess whether strategy merits a standing item on the Board’s agenda and consider the need for an updated Board strategy session.

This theme also links to **Q5** (*The State body’s mission and vision have been defined and communicated to all levels within the organisation*) at an average 3.5, which could be revisited as part of such a session.

### **3.2 Diversity**

**Q18** (*the board has the right blend of skills, expertise and personalities, and the appropriate degree of diversity*) is ranked lowest of the responses at an average score of 2.6.

This highlights themes already understood by Board members and is likely to reflect the scope for greater liaison between government and the Board on the appointment of new members to address both diversity and skills considerations.

It should be noted that the Board meets the Government targets regarding the minimum representation of each gender in the membership of State Boards, as set out in the 2020 annex to the Code of Practice for the Governance of State Bodies.

Action: This is a matter for consideration in the event of future Board appointments.

This theme may also be the driver for the lower-than-average score of 3.5 for **Q19** (*Board members have a sufficient understanding of the State body and the sector within which it operates*).

### **3.3 Other Matters**

While not reflective of broad themes across groups of questions, the average score for the following individual questions also merits reference.

#### **3.3.1 Induction**

**Q21** (*Board members are provided with appropriate induction, mentoring and assistance*), was slightly below expectation for this category with an average score of 3.3. This is likely to reflect the formality of the induction process for some historic board appointments and the formality of attendance at ongoing professional development courses.

While professional development has been supported through visiting speakers and away days, this has been less of a feature in recent times due to virtual meetings.

Action: revisit in the context of planning for any future away days and as the board agenda permits.

#### **3.3.2 Evaluation**

The 3.5 average score for **Q28** (*effectiveness and performance appraisal*) is likely to reflect the fact that a board evaluation has not been undertaken for some time.

This matter was considered in early 2020 but, as Board vacancies existed at the time, it was agreed that the process of completing the evaluation should be postponed pending the appointment of new Board

members by Government. That approach was intended to afford an opportunity to take on board a broader range of views and to consider the skill mix of the Board at the time of the evaluation.

Action: no action – an evaluation is now in progress.

### 3.3.3 Non-Financial KPIs / Reporting

**Q13** (*The Board gets "early-warning" signals of problems ahead that will adversely affect key outcomes, targets or financial performance*) is below average with a score of 3.3.

This may tie-in with the following comments:

- **Q12** (*reporting to the Board*) – one respondent noted that “a standardised presentation of Non-Financial Indicators should be developed”. This question has an average score of 3.6.
- **Q26** (*board papers*) – “No consistent reporting format for non-financial metrics” and “there is not a consistent style in the presentation of the papers - they depend upon the author”. However, there is a strong average score for this question at 4.0.

Action: in the context of implementing the actions suggested in 3.1 above (strategy), consider the key performance indicators for monitoring the implementation of the strategy.

### 3.3.4 Schedule of matters reserved for Board decision (**Q1**)

While an average score of 3.9 for this question (*matters reserved*) is not a cause of concern, there is evidence of some inconsistency among Board members in their awareness of the document. Two members responded that they did not know (0 score), and three further responses are at a score of 3 or below.

Action: Hold a briefing session, or issue a reminder to Board members, on the schedule of matters reserved for Board decision and the related financial authority limits document.

## 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* and is a good practice.

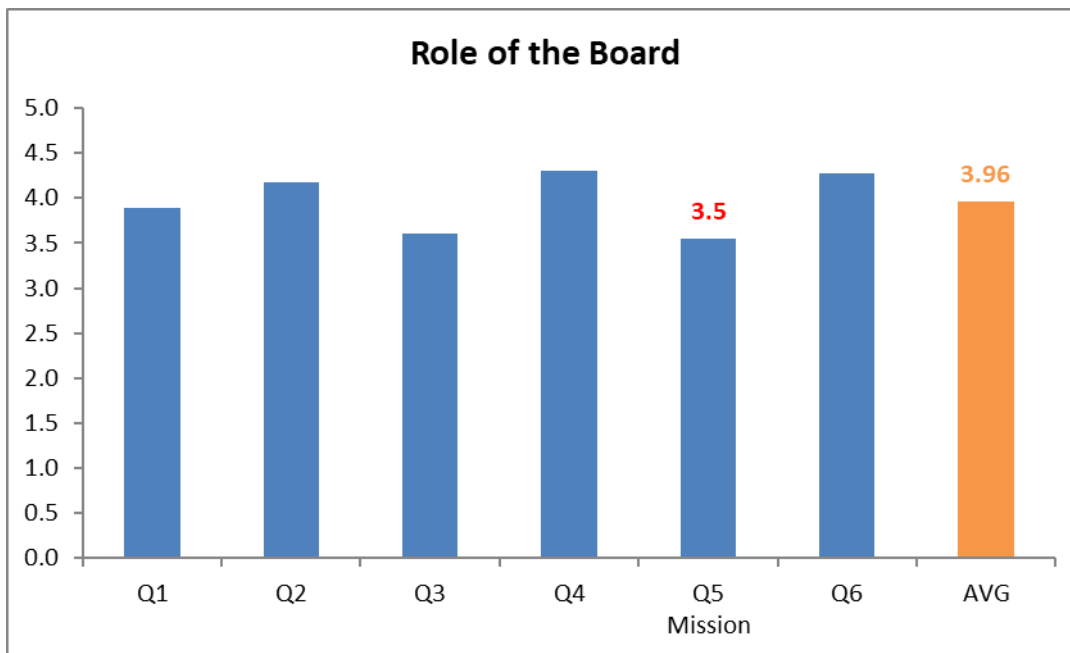
While the results are generally positive, Section 3 presents a small number of suggested actions to address matters arising.

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

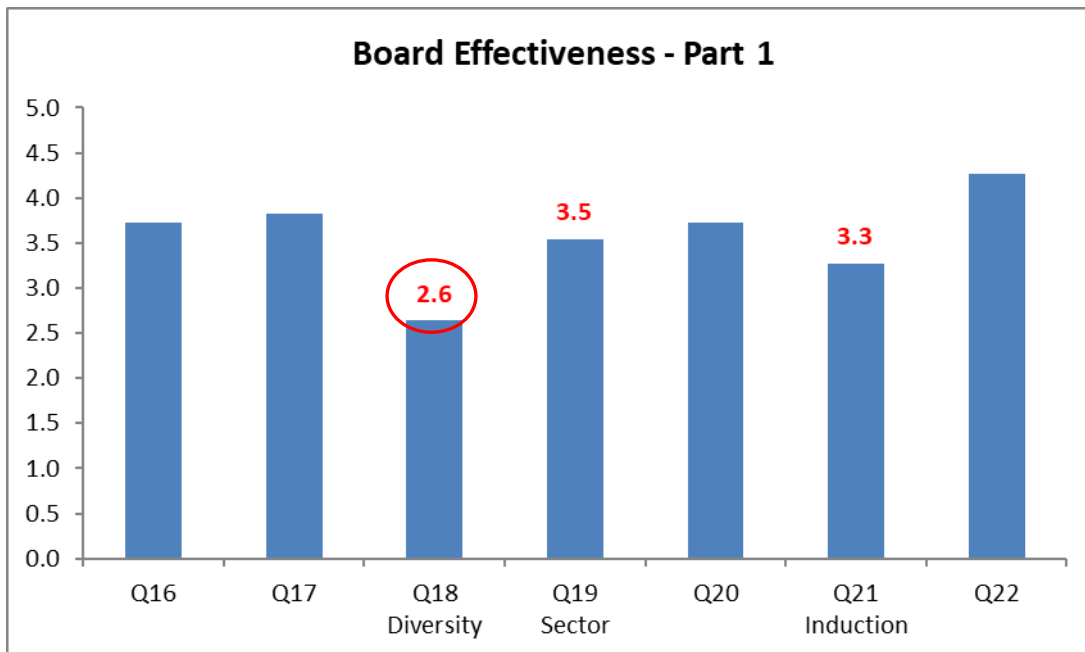


Q5 “The State body’s mission and vision have been defined and communicated to all levels within the organisation”



Q7: “The Board has a clear set of objectives”

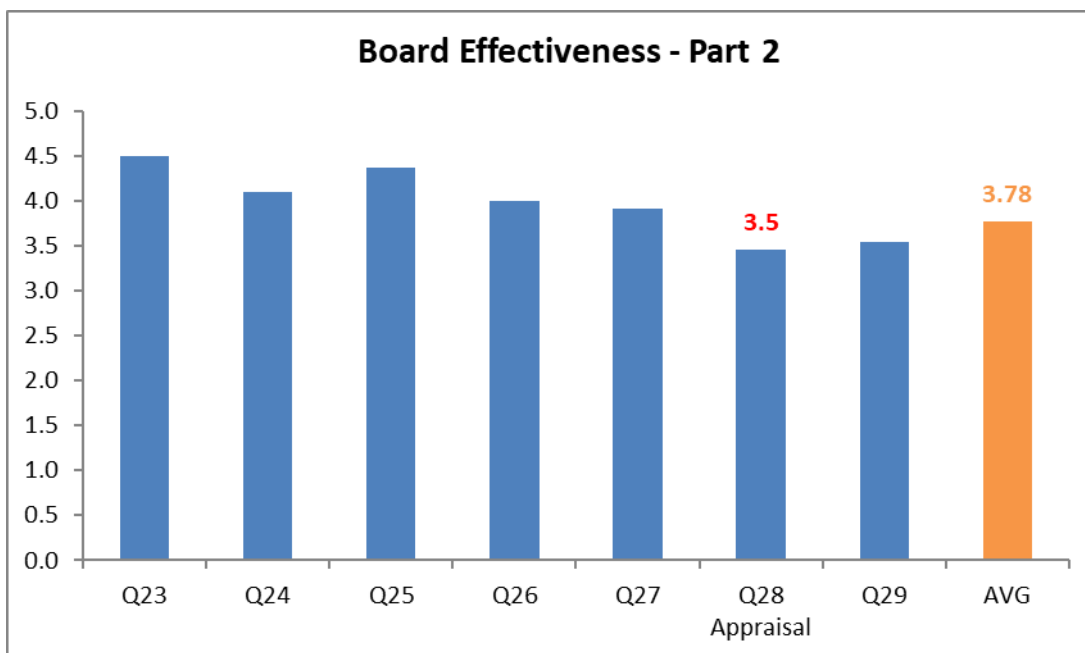
Q10: “The Board devotes quality time to reviewing the implementation of the strategy”



Q18: “Working as a team, the board has the right blend of skills, expertise and personalities, and the appropriate degree of diversity, to enable it to face today’s and tomorrow’s challenges successfully”

Q19: “Board members have a sufficient understanding of the State body and the sector within which it operates”

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



Q28: “The Board constantly strives to improve its effectiveness by considering its performance (and that of its Committees) and ensuring its own performance appraisal meets good practice elsewhere.”

