

**Correspondence 3C.4
Meeting 80 – 18/04/2013**



Broadcasting Authority of Ireland (“BAI”)

Opening Statement to meeting of Committee of Public Accounts

The BAI welcomes the opportunity to attend at today’s meeting of the Committee of Public Accounts in order to assist the Committee in its examination of the following matters:

- 2011 Annual Report of the C&AG: Chapter 20: The Broadcasting Fund;
- The Broadcasting Fund Financial Statements 2011;
- The BAI Financial Statements 2011

The BAI will be represented at today’s meeting by Michael O’ Keeffe (Chief Executive); Celene Craig (Deputy Chief Executive); Ciaran Kissane (Senior Manager with responsibility for the Broadcast Fund) and Margaret Tumelty (Senior Manager with responsibility for Corporate Governance).

The BAI has submitted detailed briefing documents to the Committee in relation to the matters under examination. Some of the key elements of these briefing documents are summarised hereunder

1. Operation of the Sound and Vision Broadcasting Funding Scheme

The Sound and Vision scheme has been in operation since early 2006 and has supported the production of over 500 television programmes and just under 1300 radio programmes which have been broadcast on public, commercial and community broadcasting services in the State.

Funding of over €108m from the Licence Fee has been allocated by the BAI to support the making of these programmes. Many of the programmes have received critical and audience acclaim with one animation project – The Secret of Kells – receiving an Oscar.

Reviews of the scheme undertaken in 2008 and currently conclude that there is a strong endorsement from all stakeholders for its existence and continuance. It is viewed as having had a positive economic and cultural impact on the broadcasting and independent production sectors in Ireland.

The C&AG conducted a review of the operation of the scheme in 2012. It made a series of recommendations around the administration and management and the outputs and performance of the scheme. The BAI co-operated fully with the C&AG and agreed to implement all of the recommendations either in full or in part. Significant progress was already being made in relation to some of the recommendations while all of them have been progressed since the C&AG completed its report in September 2012. Details of progress in respect of all of the recommendations are outlined in Appendix 1 of the briefing document.

2. BAI and Broadcasting Fund Financial Statements 2011

The BAI has continued its policy of operating tight financial controls on expenditure. As a result, levy invoiced to broadcasters was reduced from €5.6m in 2011 to just under €5m in 2012. Invoices issued to broadcasters in respect of 2013 have been based on a further drop in this amount and estimates submitted in respect of the following years (2014-2015) show this pattern continuing.

The Finance, Audit and Risk Committee operates as a sub-committee of the Authority and has met on eight occasions in 2012 to oversee all finance, investment and audit matters. It also meets with the C&AG, considers internal audit reports and reviews and updates the Risk Register.

The Sound and Vision scheme paid out grants and awards of just under €14.4m in 2012 up from €11.8m in 2011. In keeping with the C&AG recommendation to reduce surpluses, the scheme made awards of over €19m in 2012.

Administration costs for the scheme which include staffing, legal and audit fees and assessment and consultancy costs, have been kept at less than 8% of total income to ensure that the vast majority of funds are allocated to programme making.