



Minutes of Meeting of the Authority of Broadcasting Authority of Ireland

Date 23/06/2016 Time: 11.00am Venue: BAI Offices

Minutes

Attendance

Authority: Pauric Travers (Chairperson), Alan McDonnell, Grace Smith, Séamus Martin (via conference call), Seán Ó Mórdha, Denis Wolinski, Rosemary Day, Clare Duignan, Maeve McDonagh.

Apologies: Rosemary Day, Denis Wolinski

Executive: Michael O'Keeffe, Celene Craig, Aoife Clabby (Secretary), Neil O'Brien, Ciarán Kissane, Andrew Robinson (item 2.1) Declan McLoughlin (item 2.2), Anne Louise O'Donnell (items 4.1-4.3).

1. Minutes of Previous Meeting and Matters Arising

The minutes of the previous meeting of the Authority, held on 19th May 2016, were approved by the members and signed by the Chairperson. Matters arising were as follows:

a. Sectoral Impact Assessment/Public Value Review

Members were advised that approval for the RTÉ Oireachtas TV service had been granted by the Minister for Communications, Climate Change and Natural Resources. The Authority noted that, in granting his approval, the Minister had confirmed that editorial responsibility for the service rested with RTÉ, in the context of compliance matters.

b. Sound & Vision 3: Ancillary Measures

The Authority was advised that programme guidelines for the Canada-Ireland Co-development Incentive for Audiovisual Projects between the Canada Media Fund (CMF) and the BAI had been published on 31st May.

c. Temporary Sound Broadcasting Contracts

[REDACTED]

2. Codes, Rules & Policy

2.1 BAI Audience Research : PSB Tracker Survey

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2.2 BAI General Commercial Communications Code

The Authority was provided with a note detailing the outcomes of a legal review of the draft General Commercial Communications Code and highlighting a number of issues arising and a series of related proposals. The draft Code had been approved by the Authority over its meetings in November and December 2015. The Authority's consideration and decision on the matters raised was as follows:



- *Slimming Treatments, Products and Services*
The proposal to introduce a new rule regarding slimming products, treatments and services, to reflect EU law, was approved.
- *Prohibition on commercial communications for e-cigarettes*
The proposal to introduce a new rule prohibiting commercial communications promoting e-cigarettes and refill containers, reflecting the transposition into Irish law of the Tobacco Products Directive, was approved.
- *Definitions of product placement and 'significant value'*
The proposal to include a new rule regarding product placement, to more accurately reflect the provisions of the Audiovisual Media Services Directive was approved.

The Authority then had regard to a recommendation that the draft Code should contain some guidance for broadcasters regarding what is meant by 'significant value', in light of the fact that no currency threshold is set in the draft Code and a 'case-by-case' approach for the assessment of compliance is proposed. Following discussion, the Authority was satisfied to approve an approach proposed by the executive that the issue of defining 'significant value' would feature prominently in the consultation process and would feed into the Authority's final determination on the matter.

- *Sponsorship on Radio-minutage limit*
Having considered the legal review of the proposed provision and the issues arising, the Authority was satisfied to remove the draft rule, as recommended.
- *Alcohol*
Members noted that, on foot of a formal request received from the Department of Health, dated 25th November 2015, the Authority had approved a set of new rules for commercial communications for alcoholic beverages. These proposed new rules anticipated the early enactment of the Public Health (Alcohol) Bill 2015. Absent the enactment of the legislation, a number of potential issues arising from the proposal to include such new rules in the draft Code were highlighted to the Authority, together with a series of options in proceeding to public consultation on the matter. Following a consideration of the risks and benefits associated with each consultation option, the Authority was satisfied to adopt an approach which included the adoption of the existing voluntary Alcohol Code rules into the statutory Code and the removal of any provisions proposed by the Department of Health that go further than these rules. It was further agreed that a series of questions would be included in the consultation process relating to provisions that had been originally proposed by the Department of Health.

The Authority was advised that the proposed date for public consultation on the draft General Commercial Communications Code was 26th July.



3. Broadcast Fund

3.1 Sound & Vision 3: Round 26 Ratification

The Authority was presented with an Executive note detailing the outcomes in respect of Round 26 of the Sound & Vision Scheme, seeking approval for a package of recommendations to fund 124 projects to a value of €5.835m. It was noted that the package, as recommended, would increase the indicative allocation by €1m. In considering the request for approval, the Authority had regard to summary details of the applications received; an overview of the assessment process; an analysis of the package of recommendations; and, the rationale for the proposed increase in the level of funding for the round.

Members discussed the proposals received in detail and sought further information and clarification in respect of the assessment process generally, including the changes relating to the broadcaster letter of support, introduced under Sound & Vision 3; the mix of broadcasters engaging with the Scheme; and, the process for the identification and selection of assessors.

Following discussion, the Authority was satisfied to increase the indicative allocation for Round 26 to €5.835m. The Authority was further satisfied to approve the package of recommendations, as presented.

4. Organisational Matters

4.1 Report of the Chairperson of the Finance, Audit and Risk Committee to the Authority

The Chairperson of the Finance, Audit and Risk Committee presented his annual report to the Authority in the context of the consideration, by the Authority, of the draft audited Financial Statements 2015 for the Broadcasting Authority of Ireland (BAI) and the Broadcast Fund (BF) respectively.

The FAR Chairperson highlighted the FAR Committee's activities for 2015 across a range of areas including, among other things, committee training and development, sustainability, and performance assessment and review.

The FAR Chairperson also drew the Authority's attention to the annual review of the BAI System of Internal Financial Control and highlighted the system currently in place. Finally, the FAR Chairperson set out the opinion of the FAR Committee in respect of the range of relevant matters which facilitate the Authority in considering and approving the BAI and BF Financial Statements, including the Statement on the BAI's System of Internal Financial Control.



Having considered the report, the Authority was satisfied to determine the following:

- (i) The Authority was satisfied that the work of the Finance, Audit and Risk Committee is being implemented in accordance with the terms of reference set by the Authority.
- (ii) The Authority was satisfied with the work and operations of the Committee, as set out in the Report of the Chairperson of the Finance, Audit and Risk Committee.
- (iii) The Authority was satisfied that it had taken steps to ensure an appropriate control environment by:
 - Clearly defining management responsibilities; and
 - Establishing formal procedures for reporting significant control failures and ensuring corrective action.
- (iv) The Authority was satisfied that it had established processes to identify and evaluate business risks by:
 - Identifying the nature, extent and financial implications of risks facing the body, including the extent and categories which it regards as acceptable;
 - Assessing the likelihood of identified risks occurring; and
 - Assessing the Authority's ability to manage and mitigate the risks that do occur.
- (v) The Authority was satisfied that the system of internal financial control in place is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular, the Authority was satisfied that this system of internal financial control included:
 - A comprehensive budgeting system with an annual budget which was reviewed and agreed by the Authority;
 - Regular reviews by the Authority of periodic and annual financial reports, which indicated financial performance against forecasts;
 - Setting targets to measure financial and other performance; and
 - Clearly defined capital investment control guidelines.

Taking all of the above into account, the Authority was satisfied that there is an effective system of internal financial control in the BAI.

On behalf of the Committee, the FAR Chairperson recorded his thanks to executive staff for the support provided in facilitating the Committee in the execution of its duties.

The Authority and the Chief Executive recorded their thanks to the FAR Committee for the significant work undertaken, on behalf of the organisation, on an on-going basis.



4.2 BAI and Broadcast Fund Financial Statements 2015 and Letters of Representation to the Comptroller and Auditor General

At the outset of the item, Members were circulated with a copy of the draft audit certificate, issued by the Office of the Comptroller and Auditor General (C&AG)

The Authority considered the draft Financial Statements for the BAI & the Broadcast Fund (BF) for the financial period 2015. The process of engagement with the Office of the C&AG, since the completion of audit fieldwork, was outlined.

A number of changes to the draft Financial Statements, detailed in the executive note, were recommended to the Authority for inclusion in the final Financial Statements. The Authority was advised that these proposed changes had received the approval of the C&AG.

The Authority considered the draft Letters of Representation to the C&AG, including a proposed change in relation to the draft Letter of Representation for the Broadcast Fund. The Authority was advised that the proposed change, which was not material, had been approved by the C&AG.

The Authority then considered the audit certificate issued by the C&AG and noted the 'emphasis of matter' in respect of the disposal of a lease, previously held by the BAI for premises in Marine House, Dublin 2. The Authority was satisfied that no issues arose in respect of the matter raised.

Following discussion, the Authority was satisfied to approve the draft BAI and BF Financial Statements 2015, subject to the inclusion of the changes outlined in the executive note and any other changes of a non-material nature which may be required by the C&AG.

The Authority approved the signatories proposed to the BAI and BF Financial Statements 2015: the Chairperson of the Authority, the Chairperson of the FAR Committee and the CEO.

The Authority was satisfied to approve the draft Letters of Representation, subject to the amendment proposed in respect of the BF Letter of Representation.

4.3 Ratification of Assistant Principal Officer

The Authority was advised of the resignation of Margaret Tumelty from her post as Assistant Principal (AP) Officer with the BAI. Her AP position had been filled on a temporary basis by Clare O'Sullivan. In accordance with the provisions of the BAI Recruitment Policy, the permanent vacancy arising as a consequence of Margaret's resignation was offered to, and accepted by, Clare O'Sullivan. The Authority formally ratified this decision.



4.4 Bank Resolution: Credit Card Application

The Authority considered and passed a resolution enabling the application for a credit card for Clare O'Sullivan, in her capacity as senior manager.

4.5 BAI Strategy Statement 2017-2019

Following the strategy workshop which took place on 17th June, Members had regard to an executive note detailing further progress on the development of the BAI Strategy Statement 2017-2019 and setting out a range of options for consideration in relation to a proposed draft Vision, Mission and Values for the new strategy statement.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5. Broadcasting & Contractual Matters

5.1 Contractual Variations

5.1.1 Today FM: Approval of Chief Executive Officer

The Authority considered a submission received from Radio Ireland Limited (trading as Today FM), seeking approval for the appointment of Mr. Keith McCormack as Chief Executive Officer.

The Authority was satisfied to approve the appointment, as proposed, having had regard to the relevant criteria under the BAI Ownership and Control Policy (2012).

5.1.2 Sound Broadcasting Contracts: Request for Extensions

The Authority considered and approved an executive request to extend the term of contract for Dublin City FM, to 31st January 2017 and for Newstalk 106-108FM, to 31st December



2016. It was noted that the contract extensions would ensure the continuation of the respective services, while facilitating the orderly completion of the licensing processes for new contract periods for each service.

5.2 Temporary Sound Broadcasting Contracts (Section 68): Contract Awards Committee Recommendations

Members Grace Smith, Seamus Martin and Celene Craig of the BAI Executive declared an interest in this agenda item by virtue of their membership of the Contract Awards Committee and recused themselves from the discussion and decision in relation to the matter.

The Authority was asked to formally consider the recommendations of the Contract Awards Committee in respect of two new applications received for temporary sound broadcasting contracts, further to section 68(1) of the Broadcasting Act.

The Authority was satisfied to enter into temporary sound broadcasting contracts with The Lunaflics Limited and the International Bible Students Association Limited, as recommended by the Committee.

6. For Information

6.1 Contractual Variations

In accordance with the approved decision-making framework, the Authority was notified of 27 contractual variations that had taken place at executive level from January-June 2016.

6.2 Minutes of Compliance Committee Meeting

Members were circulated with minutes of the Compliance Committee meeting, which took place on 13th April.

6.3 Minutes of Contract Awards Committee Meeting

Members were circulated with minutes of the Contract Awards Committee meeting, which took place on 28th April.

6.4 Wireless Group Plc (Formerly UTV Media): Annual Meeting Report

Members were provided with an information note on the annual meeting which took place between the BAI and senior representatives of Wireless Group Plc on 29th April, 2016.

7. Any Other Business

7.1 Plurality

The Authority was advised that a copy of the BAI's report on Ownership and Control of Media Businesses in Ireland 2012-2014, had been laid before the Houses of the Oireachtas and was now publicly available on both the BAI's and the Department's web-site.



7.2 Stakeholder Engagement

The Authority was advised that proposals in respect of stakeholder engagement to the end of 2016 would be presented to the Authority for consideration at its July meeting.

7.3 Audiovisual Media Services Directive

The Authority was advised that the European Commission had published its proposals for changes to the Audio Visual Media Services Directive at the end of May. A presentation detailing the changes would be made to the Authority at the July meeting.

8. Date of Next Meeting

The next meeting of the Authority will be held on Thursday, 28th July 2016 at 11.00am in the BAI offices. This will be preceded by a pre-meeting of the Authority at 10.30am.

**Professor Pauric Travers,
Chairperson.**

28th July, 2016