



Minutes of Meeting of the Authority of Broadcasting Authority of Ireland

Date 22/06/2017 Time: 11.00am Venue: BAI Offices

Minutes

Attendance

Authority: Pauric Travers (Chairperson), Alan McDonnell, Mary Curtis, Rosemary Day, Séamus Martin, Denis Wolinski, Seán Ó Mórdha, Grace Smith, Maeve McDonagh

Executive: Michael O'Keeffe, Celene Craig, Aoife Clabby (Secretary), Clare O'Sullivan (items 2.1 & 2.3), Neil O'Brien, Andrew Robinson (item 2.1), Stephanie Comey (item 2.2), Anne Louise O'Donovan (item 3), Sally Kennedy (item 3), Elizabeth Farrelly (item 4), .

1. Minutes of Previous Meeting and Matters Arising

The minutes of the previous meeting of the Authority, held on 11th May 2017, were approved by the Members and signed by the Chairperson. Matters arising were as follows:

a. Invitation to the Minister for Communications, Climate Action & Environment.

The Chief Executive advised that the Minister for Communications, Climate Action and Environment was available, in principle, to attend the October meeting of the Authority. It was noted that a formal letter of invitation had issued and that a response was awaited.

b. Stakeholder Engagement: TV3

The Chief Executive advised that, as part of the Authority's stakeholder engagement plan, a meeting with TV3 had been scheduled for Thursday 14th September, at their studios in Ballymount. The Authority meeting on that date will take place in the Red Cow Moran Hotel, Dublin 22.

c. Media Merger Examination

Correspondence from the Department of Communications, Climate Action and the Environment was circulated at the meeting, advising the BAI that the merger between CNML Limited by Independent News and Media Holdings (Ireland) Limited, as notified to the Minister, was not proceeding.

The Chief Executive advised the Authority that BAI representatives had met with Department officials to provide feedback on the process of implementing a second stage investigation, further to the relevant provisions of the Competition and Consumer Protection Act 2014. It was agreed that further discussions with the Department would be beneficial.

d. RTÉ Annual Statement of Performance Commitments 2017

The Authority was advised that the Executive note presented at the May meeting in respect of RTÉ's ASPCs for 2017 had been amended to more accurately reflect RTÉ's performance against Access Rules targets for the years 2014 and 2015.



e. Short News Reporting: BAI Code of Practice

The Authority was advised that a slight delay had been experienced in relation to the publication of the BAI's Code of Practice for Short News Reporting, following a query received from the Department on a procedural matter relating to the applicability of section 45 of the Broadcasting Act 2009.

f. Contractual Matters-Communicorp Group

The Authority was advised that further structural and staffing changes to a number of services held under contract by the Communicorp Group had been notified to the BAI. On the basis of the changes proposed, the Executive was satisfied that they did not require approval of the Authority. The Chief Executive advised that the Executive had written to Communicorp, seeking clarification in respect of any further changes being contemplated, which might require prior regulatory approval and that a response was awaited in this regard..

g. Contractual Matters-iRadio

The Chief Executive advised that, further to a decision of the Authority to extend the contracts for the iRadio services, held by the Wilton Radio Group to December 2019, a Voluntary Disclosure Notice to this effect was scheduled to be published on the BAI web-site in the coming weeks.

2. Codes, Rules and Policy

2.1 PSBs: Tracker Survey

The Authority was given a detailed presentation by Behaviour & Attitudes in relation to public views and opinions on public service broadcasting in Ireland. This was the second year of the research, building on the findings from the benchmark survey of 2016. The presentation variously addressed media devices and methods of media consumption; responses to attitudinal statements in respect of public service broadcasting; and, ratings of overall experience of PSBs, in addition to the key drivers of such experiences. It was noted that overall, there were positive indications that the public perception of PSBs was improving, when compared with the 2016 benchmark data.

The Authority discussed the value of the research in supporting the BAI's regulatory role in respect of public service broadcasting and particularly in mapping public perception of each PSB in relation to its public service objects. The Authority also discussed the future publication of the survey outcomes and it was noted that the Executive was liaising with the researchers in this regard.

2.2 Proposal to Fund Gender Equality Report

Rosemary Day declared an interest in the item under discussion and accordingly, recused herself from discussion and deliberation on the matter.

Members were presented with a research proposal entitled 'Gender Equality: A Practical Guide for Screen Industry Workers', received from Dr. Susan Liddy, Mary Immaculate College, University of Limerick and Dr. Anne O'Brien, NUI Maynooth. It was proposed that the funding requested would support a baseline study on employment in the audio-visual sector, along gender lines. In considering the proposal received, the Authority had regard to the submission made, in addition to Executive comment in the context of the BAI Strategy Statement 2017-2019.



The Authority discussed the proposal in detail, having particular regard to the title and scope of the research and the proposed work packages set out in the proposal. The Authority sought clarification in respect of other potential sources of funding. The Authority then went on to consider the degree to which the research proposal, as submitted, could support and inform the BAI's strategic objective and the associated key deliverable in this area.

Following detailed discussion, the Authority did not approve funding for the research, as proposed. However, the Authority agreed on the need to commission research in support of the achievement of its strategic deliverable to increase representation of the diversity of Irish society in the broadcast media with particular focus on gender and the Irish language. Accordingly, it was agreed that a request for tender for research would be developed and published by the Executive in respect of the gender aspect of this deliverable, in the coming months.

2.3 Brexit: BAI Position Paper

Members were presented with a detailed discussion paper, addressing the potential implications of the withdrawal of the United Kingdom from the European Union on the BAI's licensing and compliance regime. The paper was developed in the context of Ireland being chosen as an alternative European base for broadcasters and media companies currently based in the UK, who are currently evaluating options for re-location in and/or obtaining licences from, other EU member states, in order to remain established and licensed in the Union. It was noted that enquiries had already been received by the Executive and meetings held with potential applicants in this regard. The position paper addressed:

- Types of services currently licensed in the UK and information provided by broadcasters who had made enquiries of/had meetings with the BAI to date;
- Key issues that the Authority may consider appropriate in informing its approach to licensing further to section 71 of the Broadcasting Act;
- The practical implications of Brexit on the BAI, from the perspectives of licensing and compliance activities, resources and budgets;
- Proposals for the next steps in the BAI's approach to planning for Brexit.

The Authority engaged in lengthy consideration and discussion of the position paper. The key points of discussion included consideration of:

- The BAI's engagement with the Department and other statutory and non-statutory agencies to date;
- The implications of Brexit, in the context of the BAI Strategy Statement;
- The current statutory and licensing regime for content contracts and the degree to which amendment or change might be required,
- Any implications for services received in the State, which are broadcast from the UK and any potential role for multiplex platforms in this regard;



- The implications for the on-demand self-regulatory regime in Ireland in the context of Brexit and potential changes to the AVMSD.

Following the discussion, it was agreed that further consideration of the position paper and the range of issues arising would be required, in order to feed into the planning process. It was further agreed that a separate, facilitated session on Brexit should be organised at an early date.

3. Organisational Matters

3.1 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 2016 for the Broadcasting Authority of Ireland (BAI) and the Broadcast Fund (BF) respectively.

The FAR Chairperson's report to the Authority detailed the activities of the Committee during 2016, having regard to the approved Terms of Reference.

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, to provide effective internal financial control, further to the requirements of the Code of Practice for the Governance of State Bodies 2009. 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 was 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 was 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 was 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 recorded its appreciation of the significant work undertaken by the FAR Committee, on an on-going basis, on behalf of the organisation.

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

The Authority considered the draft Financial Statements for the BAI & the Broadcast Fund (BF) for the financial period 2016. The process of engagement with the Office of the Comptroller and Auditor General ('C&AG'), since the completion of audit fieldwork, was outlined.

A number of changes to the draft BAI & BF Financial Statements, detailed in the executive note, were recommended to the Authority for inclusion in the final respective Financial Statements. The Authority was advised that these proposed changes were minor in nature. In addition, and arising from the presentation of the draft Financial Statements at the February meeting, the Authority was provided with a more detailed breakdown of consultancy costs for the 2016 period.

The Authority considered the draft Letters of Representation to the C&AG, as recommended by the FAR Committee.

Following discussion, the Authority was satisfied to approve the draft BAI and BF Financial Statements 2016, as presented.



The Authority approved the proposed signatories to the BAI and BF Financial Statements 2016: 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, for signature by the Chairperson and the Chief Executive.

3.3 Board Policy Day

Members of the Executive recused themselves from discussion and decision on this item.

Having reviewed the outcomes report, arising from the Board's Policy Day in March, the Authority made a number of observations as follows:

- Members were not satisfied that the report, as drafted, was reflective of the discussions which had taken place at the March meeting, or the decisions reached and determined that the report, as circulated, would not stand on the record;
- The Authority re-iterated the value it placed on the positive working relationship between the Executive and the Board and the wish to further progress and enhance this.

The Authority agreed that the Chairperson would draft a short report, detailing the outcomes arising from the policy day, which would be circulated to the members for their review and sign-off. It was further agreed that this report would replace the report that had been circulated in advance of the June meeting and would be further discussed at the July meeting of the Authority.

4. Broadcasting and Contractual Matters

4.1 Contractual Variation: Wireless Group

The Authority considered a submission received from Wireless Group Plc, requesting approval for a re-structuring of the six radio services operated under sound broadcasting contracts with the BAI. The proposed changes related to membership of the various boards of directors, management structures and the consolidation of operations, experience and expertise. In considering the submission received, the Authority had regard to an Executive note and analysis of the proposed changes, under the relevant criteria of the *BAI Ownership and Control Policy (2012)*.

With regard to the proposed changes in respect of the boards of directors and senior management, the Authority was satisfied that no issues arose in relation to the character of the proposed candidates and that the experience, expertise and knowledge of the respective boards and management teams could be deemed to be satisfactory.

The Authority then considered further proposed changes in relation to two of the Wireless Group services. Members noted, with regret, that the re-structuring proposals would result in the loss of a small number of jobs in these services. However, having considered the submission received in detail, the Authority concluded that the proposed staff reductions would not be expected to have



a negative impact on either contractor's ability to deliver its contractual programming commitments.

Following detailed discussion, the Authority was satisfied that the changes proposed would not materially impact on the capacity of Wireless Group to fulfil the contractual commitments contained in the six sound broadcasting contracts held with the BAI. Accordingly, the Authority was satisfied to approve the proposed changes, as submitted.

4.2 Recommendations of the Contract Awards Committee: Temporary Sound Broadcasting Services

In their capacity as members of the Contract Awards Committee, Authority members Grace Smith and Seamus Martin and Deputy CEO, Celene Craig, declared an interest in the item and recused themselves from discussion and decision on the matter.

The Authority considered and approved the recommendations of the Contract Awards Committee in respect of five temporary sound broadcasting services, including three pilot community services for the communities of Kinvara, the Rosses and Westport and two 30-day services.

5. For Information

5.1 Minutes of Compliance Committee Meeting

Members were circulated with minutes of the Compliance Committee meeting, which took place on the 26th April 2017.

5.2 Minutes of Contract Awards Committee Meeting

Members were circulated with minutes of the Contract Awards Committee meeting, which took place on the 27th April 2017.

5.3 Minutes of the Finance, Audit and Risk Committee

Members were circulated with minutes of the Finance, Audit and Risk Committee meeting, which took place on the 20th February 2017.

5.4 Executive Approvals: iRadio

Members were circulated with a note detailing management changes for the iRadio sound broadcasting services, which had been approved at Executive level.

6. Any Other Business

6.1 Broadcasting Services Strategy-Consideration of Research Tenders

Members of the Authority were invited to participate on the assessment panel for any tender submissions received in relation to research in support of the broadcasting services strategy. Two members of the Authority indicated their availability to participate on the panel.



6.2 Items for the Authority meeting agenda

The Chairperson of the Authority invited members to liaise with him, in the event that they had any agenda items they would like to see tabled at subsequent Authority meetings.

6.3 Forum on Public Service Broadcasting

The Chief Executive advised that a Forum on Public Service Broadcasting, convened by the Joint Oireachtas Committee on Communications, Climate Action and Environment, was scheduled to take place on the 7th July in Dublin Castle. It was agreed that an update on the event should be provided at the July meeting of the Authority.

7. Date of Next Meeting

The next meeting of the Authority will be held on the **27th July at 11am** in the BAI offices.

A handwritten signature in black ink, which appears to read 'Paul Travers', is written over a horizontal line.

Professor Pauric Travers,
Chairperson.
27th July 2017.