

Annual Report 2018



ÚDARÁS
CRAOLACHÁIN
NA hÉIREANN

BROADCASTING
AUTHORITY
OF IRELAND

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ABOUT THE BAI

The Broadcasting Authority of Ireland was established under the Broadcasting Act 2009 ("the Act") on 1st October 2009.

The Act sets out a range of general and specific objectives for the BAI and specifies that its constituent parts, in performing their functions, "shall endeavour to ensure:

- that the number and categories of broadcasting services made available in the State best serve the needs of the people of the island of Ireland, bearing in mind their languages and traditions and their religious, ethical and cultural diversity;
- that the democratic values enshrined in the Constitution, especially those relating to rightful liberty of expression, are upheld; and,
- the provision of open and pluralistic broadcasting services."

The Act also sets out a range of other objectives for the Authority which include:

- stimulating the provision of high quality, diverse, and innovative programming;
- facilitating public service broadcasters in the fulfilment of their public service objects;

- promoting diversity of control in the commercial and community sectors;
- providing a regulatory environment that:
 - sustains independent and impartial journalism;
 - sustains compliance with employment law;
 - protects the interests of children;
 - facilitates a broadcasting sector which is responsive to audience needs and accessible to people with disabilities;
 - promotes and stimulates the development of Irish language programming and broadcasting services.

The 2018 Annual Report is structured on the strategic themes of the Strategy Statement 2017-2019 – Promoting Diversity and Plurality, Communicating and Influencing, Empowering Audiences, Enhancing Innovation and Sectoral Sustainability and Achieving Excellence and Accountability.

The BAI consists of the Board ("The Authority") and two statutory committees – the Contract Awards Committee and the Compliance Committee. The Authority has appointed a standing committee ("The FAR Committee") to oversee finance, audit and risk matters. The BAI Executive supports the work of the organisation.

CHAIRPERSON'S STATEMENT

I am honoured to introduce the annual report of the Broadcasting Authority of Ireland for 2018. In doing so, I should acknowledge the dedicated work of the executive and staff of the BAI during the year, the unstinting efforts of my fellow members of the Authority and the members of its statutory committees, and the cooperation and support of the broadcasters and public servants whose collaboration is indispensable. The effectiveness of the BAI depends in large measure on its ability to work collaboratively with stakeholders across the broadcasting landscape including the Minister and officials in the Department of Communications, Climate Action and Environment, broadcasters, academics, a variety of cognate organisations and groups. There are numerous examples of constructive collaboration in this report.

2018 marked the 75th anniversary of Éamon de Valera's famous 'the Ireland that we dreamed of' speech delivered on St Patrick's Day, in 1943. With its sentimental espousal of comely maidens, athletic youth, cosy homesteads and frugal sufficiency, the speech has been derided by later critics who forget its war-time context. It is also often forgotten that the speech was a radio address aimed at the Irish diaspora. For all its isolationism and misogyny, the speech at least acknowledged the Irish abroad and attempted to communicate with a wider world through the available broadcasting media. Seventy five years later, emigration and our relationship with the Irish diaspora are as relevant as ever but there is one significant change: technology has enabled new forms of community, unbound by geographical location. I am delighted that among the initiatives supported by the BAI this year was a study of the degree to which young Irish migrants use new media technologies to maintain a dual existence by

being simultaneously at home and away. The research led by Professor Diane Negra (UCD) and Dr Eleanor O'Leary (IT Carlow) found that 80% of Irish migrants engage with Irish media content on-line and suggests that Irish broadcasters could do more to nurture Irish diasporic citizenship. By extension, it also highlighted the challenges of the immigrant experience and the key role broadcasters can play in supporting cultural diversity.

Of course, the Ireland of today is light years away from the Ireland dreamed of by De Valera. Foreign direct investment, EU membership and globalisation ensured that isolationism gave way to a more self-confident, inclusive and outward looking country. In the sphere of broadcasting, this is well reflected in the Broadcasting Act 2009 and in the current strategic plan of the BAI which espouse plurality, diversity and a rich, Irish cultural identity. However there are significant challenges in the media landscape, not least in the area of sustainability. Quality public service broadcasting is a *sine qua non* of a flourishing democracy and it needs to be properly funded. The five year reviews of the funding of RTÉ and TG4 conducted this year underline that point and support the case for additional funding. No doubt there is room for some rationalisation and efficiencies but if we want quality public service broadcasting, we will have to pay for it.

2018 also marked the 20th anniversary of the establishment of TV3, the first commercial television station in Ireland, which made an important contribution to plurality and choice for Irish television viewers. Significant recent investment by its new owners and TV3's rebranding as Virgin Media One, Two and Three promises a very welcome enhancement of that contribution.

The mixed funding model for Irish broadcasting has been undermined by the decline in advertising revenue and the growth of opt-out advertising on foreign channels serving the Irish market. This has been exacerbated by the rise of on-line platforms such as Google, Amazon, Netflix and Facebook which have radically transformed the media landscape. These platforms have simultaneously changed patterns of consumption, diminished the advertising pool for Irish broadcasters and challenged the capacity to ensure the continued flow of culturally relevant content. The existing regulatory structure and funding model require an overhaul. As part of that overhaul, ways need to be found to ensure that providers who take revenue from the Irish market give something back in return, in terms of appropriate content or otherwise.

These are issues which are not unique to Ireland and I am delighted that the BAI has been participating actively in a variety of European fora and helping to shape the debate about the revised Audiovisual Media Services Directive and its transposition. The BAI has also been actively engaged in the area of media literacy which empowers people with the skills and knowledge to understand and critically evaluate media content. It is gratifying to note that its efforts in this area which is indispensable for a truly participatory democracy have attracted attention internationally and have begun to bear some fruit.

The original sound recording of De Valera's 1943 St Patrick's Day speech is preserved in the archives of RTE and is available on-line. Other significant parts of our broadcasting heritage have been lost. It was for that reason that the BAI Archiving Scheme was established. Six archiving projects were funded this year under the new scheme launched in June. The Sound and Vision

scheme, also funded from the licence fee, continues to have a significant impact in fostering high quality, culturally relevant content across a range of genres. It demonstrates what can be achieved by even modest financial support for creative writers, directors and programme makers. In 2018, €12 million was awarded under *Sound and Vision* 3 to 196 radio and 60 television projects. Just over 30% of that funding went to support programmes in the Irish language. Bearing in mind the original vision of the early pioneers of television to educate, inform and entertain, the increased funding for education programmes (10% in 2018) is welcome. The strong representation of women in the three main creative roles in *Sound and Vision* funded projects (writer/director/producer) is also notable, not least as this was a key objective of the BAI Gender Action Plan.

Introducing last year's annual report, I cited the philosopher Francis MacDonald Cornford's perceptive remark about inertia that nothing is ever done until everyone is convinced that it ought to be done and has been convinced for so long that it is now time to do something else. The overhaul of broadcasting policy and media regulation at national and international levels cannot be postponed any longer. Sustainability including the proper funding of public service broadcasting and the regulation of on-line platforms are issues which must be addressed without delay.

.....
Professor Pauric Travers
Cathaoirleach

CEO REVIEW

2018 brought us beyond the mid-point of the current BAI Strategy Statement 2017-2019 (“the Strategy”). The delivery of the Strategy and implementation of the supporting workplan was embedded in all aspects of the work of the Authority, statutory committees and management of the BAI where progress was routinely discussed and performance reviewed throughout the year. I am pleased to say that, at the end of the year, we have made significant progress towards the achievement of all our strategic objectives.

Some are more advanced than others. Additions to the workplan arising from the transposition of the Audiovisual Media Services Directive (“AVMSD”) were given specific priority and a team established to progress this work. A number of major projects, including the five-year review of the funding of Public Service Broadcasters, were brought to a conclusion while significant advancement occurred in the areas of media literacy and media plurality. Some of the other strategic objectives are longer term in nature but good progress was made in respect of all.

Looking specifically at the individual strategic themes, there is much progress to report under each and greater details are provided within the body of the report.

The **Promotion of Plurality and Diversity** covers a number of key objectives. Plurality was supported through major research projects on media ownership and the annual Reuters news report. There was also a jurisdictional review to support the development of a media plurality policy and a revision of the ownership and control policy. These initiatives demonstrated the BAI commitment to the promotion of plurality, the relative strength of plurality in Ireland and the continuing high levels of trust in news provision.

Stakeholder recognition is also evident in our diversity policies with strong support for the policy outcomes contained in the revised Broadcasting Services Strategy and Gender Action Plan. The impact of our broadcasting funding schemes continues to be recognised by broadcasters, independent producers and audiences.

Under the theme of **Empowering Audiences**, the BAI has been to the forefront in the promotion of media literacy through the establishment of Media Literacy Ireland and the support for a range of initiatives under this network. The revised Access Rules will provide an increased level of subtitled content for users and a greater level of engagement with broadcasters for these groups. Our work in the revision of election and referendum guidelines has provided greater clarity to broadcasters and audiences. Work commenced on upgrading the Broadcasting Complaints system to make it more accessible for audiences.

The theme of **Achieving Excellence and Accountability** includes both internal and external dimensions. On the broadcaster compliance side, a risk-based plan has been implemented to address priority issues, including the provision of support for governance in the community media sector. Internally, the BAI introduced the final elements of the Code of Practice for the Governance of State Bodies and is now fully compliant with the Code. Having prioritised the governance elements in 2017/2018, attention will turn in 2019 to the development of an action plan under the corporate social responsibility umbrella.

The theme of **Enhancing Innovation and Sectoral Sustainability** involves a range of different initiatives, some of which are cross cutting with other strategic themes. As indicated above, the completion of the

second five-year review of public funding for public service broadcasters was prioritised in 2018. The report concluded that significant funding increases for both PSBs were warranted and the BAI is awaiting the Government's response to the report. Initiatives with the community and commercial broadcasting sectors were undertaken during the year. An action plan to support the community sector was completed at year end with implementation anticipated during 2019. Creativity and innovation are supported through a range of partnerships and schemes, primarily under the sectoral learning and development programme.

The prioritisation of the **Communicating and Influencing** theme has been enhanced with work in this area growing exponentially since the publication of the revised AVMSD. At both National and European level, the BAI has taken on a significant role through our involvement in working groups with the Department of Communications, Climate Action and Environment and with ERGA, the European Commission regulatory group, on how the new media regulatory environment will need to change over the next number of years. On the Communications front, the annual stakeholder survey by our public affairs consultants, DHR, demonstrates continued strong feedback from stakeholders on the range of communications provided by the BAI.

A number of other points are worth highlighting. The BAI has received significant external validation for our work in a range of areas – transposition of AVMSD; gender action plan and our work on media literacy and media plurality. This strongly supports one of our key outcomes for 2019 that “the BAI is viewed as an informative, authoritative and influential voice on media matters”. We have delivered a lot within existing resources but have also shifted priorities to

address some of the new challenges such as AVMSD transposition. There are new and different initiatives within the Strategy – some of which are at an early stage of development – but which ultimately will have a longer term impact on the sector in a range of different ways.

I want to pay tribute to the BAI staff who continue to demonstrate flexibility, resilience and a great commitment to getting things done. Despite the pressures of new challenges, the quality of the work undertaken is exceptionally high, supported by the implementation of strong HR and organisational development policies.

Finally, I would like to thank the Chairpersons and members of the Authority, Compliance, Contract Awards and Finance Audit and Risk committees for their ongoing commitment, support and collaboration with the Executive in the achievement of the objectives of the 2017–2019 Statement of Strategy.

.....
Michael O' Keefe
Chief Executive

THE AUTHORITY

The Authority has overall responsibility for the operation and functioning of the BAI, which includes setting the strategic direction of the organisation. The Authority has nine members, five of whom are appointed by the Government on the nomination of the Minister for Communications, Climate Action and Environment. The four remaining members are appointed by the Government following the undertaking of a selection process conducted by the Joint Oireachtas Committee with responsibility for broadcasting matters.

The table across reflects the membership of the Authority and meeting attendance for 2018.

	Meetings	Appointed
Professor Pauric Travers (Chairperson)	12/12	02/12/2014
Ms. Mary Curtis	10/12	31/01/2017
Mr. Alan McDonnell	11/12	02/12/2014
Ms. Grace Smith	11/12	02/12/2014
Mr. Seán Ó Mórdha	11/12	17/02/2015
Mr. Denis Wolinski	11/12	17/02/2015
Dr. Rosemary Day	10/12	17/02/2015
Professor Maeve McDonagh	11/12	17/02/2015
Ms. Vivien McKechnie*	6/8	20/03/2018

*Appointed March 2018

COMPLIANCE COMMITTEE

The Compliance Committee is responsible for monitoring and enforcement of compliance, investigation of complaints and a number of reporting functions. The Committee consists of eight members; four of whom are appointed by the Government on the nomination of the Minister, while the remaining four are appointed by the Authority, comprising two members of the Authority and two members of the BAI Executive.

The table below reflects the membership of the Committee and meeting attendance for 2018.

Member	Meetings	Appointed
Professor Kevin Rafter (Chairperson)	8/8	31/01/2017
Ms. Paula Mullooly*	6/7	20/01/2015
Ms. Eileen Maher	8/8	31/01/2017
Mr. Nigel Heneghan	6/8	17/02/2015
Dr. Rosemary Day	6/8	20/01/2015
Professor Maeve McDonagh	8/8	02/04/2015
Ms. Anne O'Brien	3/8	02/04/2015
Mr. Neil O'Brien	7/8	14/09/2017

*Resigned October 2018

CONTRACT AWARDS COMMITTEE

The Contract Awards Committee is responsible for the operation of licence application processes for broadcasting services. The Committee has eight members; four of whom are appointed by the Government on the nomination of the Minister, while the remaining four are appointed by the Authority, comprising two members of the Authority and two members of the BAI Executive.

The table below reflects the membership of the Committee and attendance for 2018.

Member	Meetings	Appointed
Mr. Ercus Stewart (Chairperson)	8/9	10/03/2015
Mr. John Hogan	8/9	10/03/2015
Ms. Eimer McGovern	8/9	10/03/2015
Ms. Clodagh O'Donnell	8/9	31/01/2017
Ms. Grace Smith	9/9	02/04/2015
Mr. Seán Ó Mordha	8/9	19/10/2017
Dr. Ciarán Kissane	8/9	14/09/2017
Ms. Celene Craig	9/9	02/04/2015

FINANCE AUDIT AND RISK COMMITTEE

The Finance, Audit and Risk (FAR) Committee is established as a standing committee of the Authority. Its duties and responsibilities encompass systems of internal control, external and internal audit, risk management and financial control. The Committee's membership comprises three members of the Authority and an independent, non-executive member.

The table below reflects the membership of the Committee and meeting attendance for 2018.

	Meetings
Mr. Alan McDonnell (Chairperson)	5/5
Mr. Denis Wolinski	5/5
Mr. Dermot O'Riordan (Independent Non-Executive)	5/5
Ms. Mary Curtis	4/5

BAI EXECUTIVE STAFF

The Executive staff supports the work of the Authority, its standing Finance, Audit and Risk Committee and the statutory Compliance and Contract Awards Committees.

The BAI's work is guided by the Office of the Chief Executive, which consists of the CEO and Deputy CEO, and is supported by a team of senior managers who, in conjunction with the Office of the Chief Executive, also oversee the implementation of strategy and planning for the organisation as a whole. The BAI operates a matrix structure whereby staff work flexibly across all areas of activity according to business needs.

A list of all staff employed by the BAI on 31st December 2018 is outlined here:

Office of the CEO:

Chief Executive	Michael O'Keeffe
Deputy Chief Executive	Celene Craig

Senior Managers:

Aoife Clabby*, Stephanie Comey, Ciarán Kissane, Declan McLoughlin, Anne O'Brien, Neil O'Brien, Anne Louise O'Donovan, Clare O'Sullivan, Andrew Robinson

Managers:

Liam Boyle, Diarmaid Breathnach*, Richard Brennan, Gillian Collins, Philip Cooper, Jean Crampton, Monica Doyle, Elizabeth Farrelly, Brian Furey**, Patrick Goodliffe, Sarah Herron, Sally Kennedy, Louise McLoughlin, Fionnuala Murphy, Roger Woods

Executive Officers:

Lucy Browne, David Carrie, Rachel Casey, Jill Caulfield, Teresa Kearns, Martina Mimmagh, Kevin Morgan, Deborah Molloy Bergin, Marie Murphy, Sinéad Owens, Annette Stone

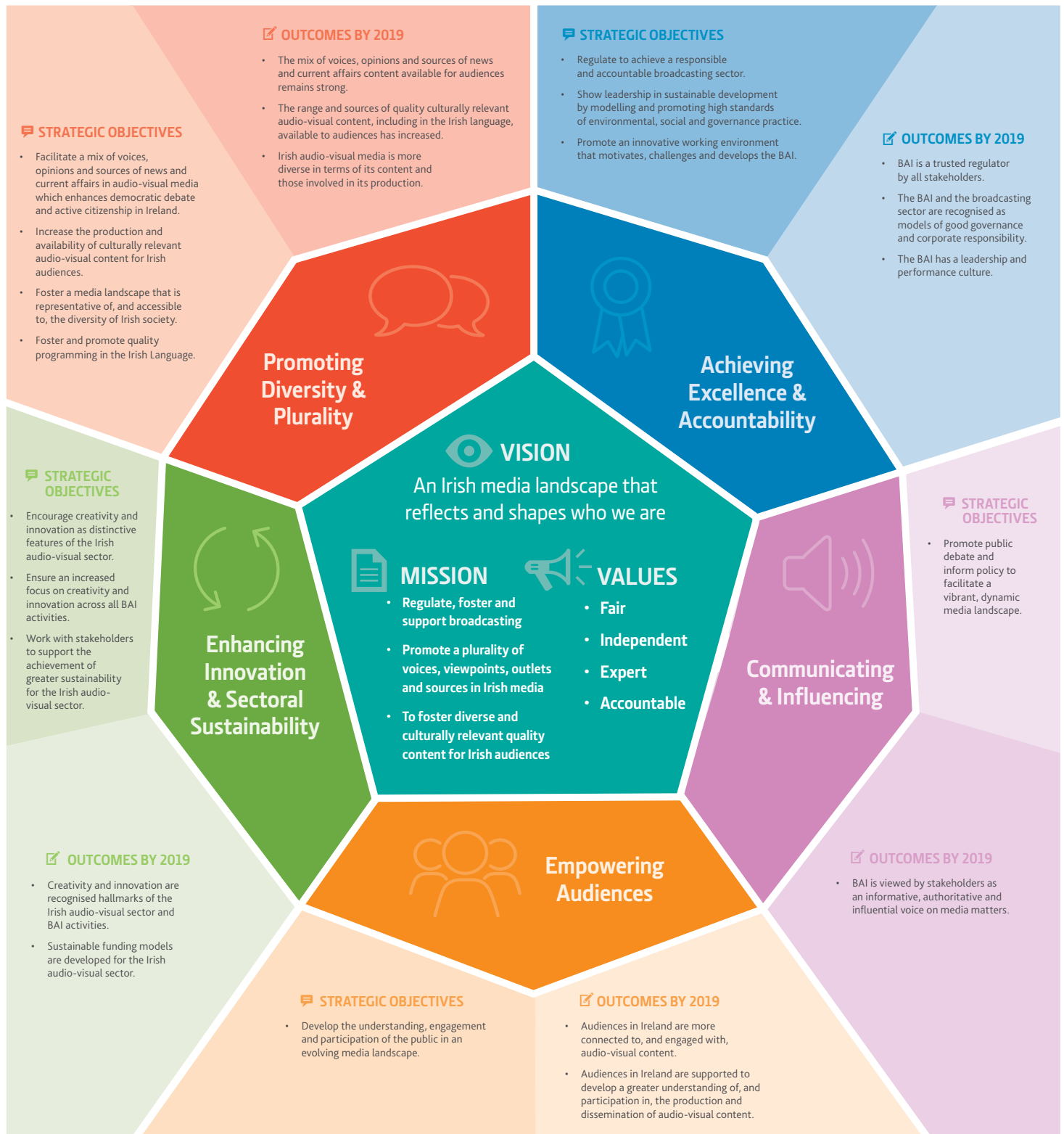
Clerical Officers:

Barry Casey, Colm Coyne, Laura Forsythe, Jennifer Gilsonan, Caroline Keville, Andrea Leonard, Jessica Scott, Deborah Wade

*on secondment leave

**on career break

BAI STRATEGY STATEMENT 2017-2019



2018 HIGHLIGHTS

BAI Gender Action Plan / Promoting Diversity and Plurality

The BAI published its Gender Action Plan receiving widespread support and endorsement from representatives of women's audio-visual interest groups and the Council of Europe. One immediate impact was an increase in the number of women directors and writers employed in Sound & Vision projects following the introduction of specific gender criteria.

Media Literacy / Empowering Audiences

The multi-stakeholder network Media Literacy Ireland (MLI), with the support of the BAI, continued to garner cross-sectoral support for the network and to achieve cooperation among a range of members, including broadcasters, online platforms, and representatives from academia, civic, voluntary and community organisations.

PSBs: Five-Year Review of Public Funding / Enhancing Innovation and Sectoral Sustainability

A five-year review of the funding of public service broadcasters (PSBs) was finalised by the BAI in 2018. The aim of the review was to establish if RTÉ and TG4 have adequate funding to carry out their duties. This major piece of work presented a strong case to the Government around the need for additional funding to support the sustainability of the PSBs in the current media environment and resulted in RTÉ being granted their largest public funding increase for some time.

Irish Language / Achieving Excellence and Accountability and Promoting Diversity

As part of Bliain na Gaeilge 2018 and National Heritage Week, the BAI hosted a screening of contemporary Irish language film *Murdair Mhám Trasna* in Galway with An tUachtarán Michael D. Higgins in attendance. In 2018 the BAI also held a targeted consultation process with Irish language stakeholders which fed into the finalisation of an Irish Language Action Plan.



Blood, broadcast on Virgin Media: Featuring Carolina Main and Adrian Dunbar, Produced by Company Television Ltd, Directed by Lisa Mulcahy and written by Sophie Petzal



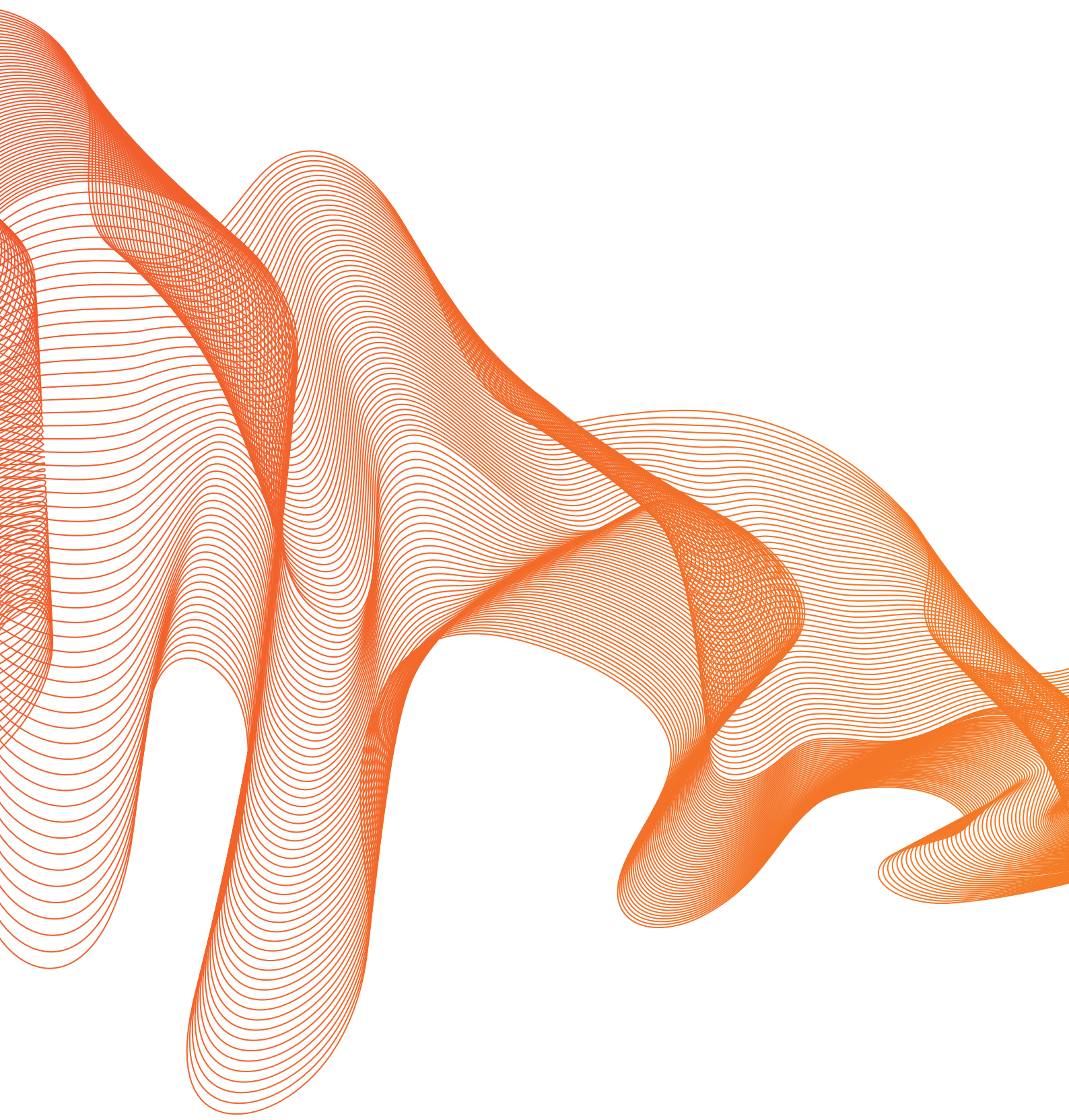
Media Literacy Ireland's Inaugural Conference held at Virgin Media Studios: Dr. Eugenia Siapera, Dr. Harry Browne, Amanda Davis and Professor Brian O'Neill



*Screening of *Murdair Mhám Trasna*: Dr. Pauric Travers, President Michael D. Higgins, Michael O'Keeffe and the family members of the wrongfully convicted Myles Joyce.*

Section 1

**Promoting Diversity
and Plurality**



Strategic Objectives

1. Facilitate a mix of voices, opinions and sources of news and current affairs in audio-visual media which enhances democratic debate and active citizenship in Ireland
2. Increase the production and availability of culturally relevant audio-visual content for Irish audiences
3. Foster a media landscape that is representative of, and accessible to, the diversity of Irish society
4. Foster and promote quality programming in the Irish Language

Outcomes by 2019

1. The mix of voices, opinions and sources of news and current affairs content available for audiences remains strong
2. The range and sources of quality culturally relevant audio-visual content, including in the Irish language, available to audiences has increased
3. Irish audio-visual media is more diverse in terms of its content and those involved in its production

There are four key deliverables within the workplan which principally support the achievement of these strategic objectives. These cover the areas of media plurality; broadcasting services; broadcasting funding schemes and the diversity of Irish society in broadcast media. These are elaborated on further hereunder.

Media Plurality

Media Plurality refers to both the diversity of content and ownership of media in the State. In line with its mission to promote a plurality of voices, viewpoints, outlets and sources in Irish media, the BAI continues to articulate an informed policy position on Media Plurality in Ireland that is supported by relevant research.

Supported by a jurisdictional review, the draft BAI Media Plurality Policy was developed to consultation stage during 2018. The purpose of the draft policy was to set out how the BAI understands media plurality and how it will frame the wide range of activities that the BAI undertakes to promote and support media plurality in Ireland.



Launch of Reuters Digital News Report 2018: Dr. Kevin Cunningham, Áine Kerr, Pat O'Mahony, Martina Chapman, Michael O'Keefe and Dr. Pauric Travers

During 2018 a targeted consultation was also carried out on the current BAI Ownership and Control Policy. Indications from the consultation suggested there is general support for the current provisions in the policy, reflecting the view that there exists a reasonable degree of plurality of media in Ireland. This will be further evaluated in 2019.

A research report was also undertaken by consultants, Communications Chambers, on changes in ownership of media in Ireland covering the years 2015-2017. The report concluded that there had been no lessening of plurality in Ireland during that period.

Senior BAI personnel also participated in media fora and stakeholder events on the topic of plurality in 2018 and, recognising the BAI's expertise in the plurality field, a request was received from the European Regulators Group for Audio-visual Media Services (ERGA) for Ireland to chair the ERGA sub group on this topic in 2019.

■ **Reuters Digital News Report 2018**

The Reuters Digital News Report is the most comprehensive ongoing comparative study of news consumption in the world and the changing environment around news across a range of different countries. It is based on a survey of more than 74,000 people in 37 markets, along with additional qualitative research. In 2018 the report looked in much more detail at the changing shape of social media and the increasing importance of messaging apps for news.

2018 marked the fourth year of the BAI's involvement with this report in conjunction with DCU (FuJo), supporting the Irish analysis of the research. The report demonstrated continuing reasonably high levels of trust in traditional media in Ireland with radio as the main source of news, the highest in all 37 countries surveyed.

Broadcasting Services Strategy

The Broadcasting Services Strategy provides the framework for the formulation of licensing plans and associated licensing activities by the BAI. An extensive review of the current Broadcasting Services Strategy was completed in 2018, which included the commissioning of a comprehensive piece of research on the current and future media landscape in Ireland. A consultation event on the draft revised Strategy was held and attended by all key stakeholder groups. The review concluded that a more cautious approach to additional licensing was warranted in view of the ongoing challenges in the marketplace and the BAI adjusted its licensing plans to take this into account. Feedback from the sector was broadly supportive of the approach adopted by the BAI.

■ **Radio Licensing Activity 2018**

Following the finalisation of the Broadcasting Services Strategy, community radio and commercial radio licensing plans were approved by the Authority. These plans involved the operation of licensing processes for existing services whose contracts were due to expire. The plans were subsequently implemented by the Contract Awards Committee and involved the re-licensing of one community sound broadcasting service and three commercial sound broadcasting services, as well as the completion of previous licensing plans.

By year end, four sound broadcasting contracts had been signed; the licensing processes for a further two services were nearing completion, and the processes relating to five other radio services were underway. The 11 services included on the licensing plans over this period are detailed in the table across.

In addition, the BAI also renewed its Television Programme Service Contract with Virgin Media Television Limited for the provision of the television services Virgin Media One and Two, and Virgin Media One + 1.

Station Type	Target Audience	Franchise Area	Status December 31st 2018
Commercial– Multi-city Music Driven Service	45+ Age Group	Dublin City & County & Commuter Belt, Limerick, Galway and County Clare	Licensing in progress
Commercial – Regional Music Driven (Youth)	15–34 Year Olds	North West Region	
		Midlands & North East Region	
Community	Local Community	Claremorris and its environs	
		Dundalk and its environs	
		Dublin North East	
		South Dublin	Licensing Process complete
		Loop Head peninsula – West of Kilrush and Doonbeg	Contract signed with Raidió Corca Baiscinn
		South West Tipperary and Cashel towns and their environs	Contract signed with Tipperary Mid West Radio
		Youghal and its environs	Contract signed with Community Radio Youghal
	Christian Community	Cork City	Contract signed with LifeFM

■ Temporary Sound Broadcasting Services

Each year applicants seek 30-day sound broadcasting contracts for a range of activities such as festivals and social, religious, student and cultural initiatives. Applicants also seek 100-day sound broadcasting contracts for a 12-month period and these applicants tend to be community groups planning to broadcast pilot community radio services. During 2018, the Contract Awards Committee awarded 19 temporary sound broadcasting contracts.

■ Content Provision Contracts

The Broadcasting Act makes provision for the award of content provision contracts for television and radio. Successful applicants seeking this type of contract are required to arrange carriage separately on an appropriate platform, be it cable, satellite, digital terrestrial or Internet Protocol. Three such applications were received in 2018, with each applicant being awarded a contract:

- **Virgin Media Sport** – providing Irish Virgin Media Television customers with a wide range of live sports coverage, including UEFA Champions League matches.



5 Pilot Community



1 Christmas



1 Mental Health



1 Autism Awareness



5 Third Level/Secondary School



4 Temporary Community



2 Religious Project

Types of Temporary Services Licensed in 2018

- **CSI Fight Sports** – offering coverage of boxing, martial arts and other contact sports to viewers across Central Europe.
- **Juice FM** – enabling students from the radio broadcasting course at CSN College to air on the DAB radio trial underway in Cork.

This work area also saw increased activity during the year, with UK-based broadcasters exploring the potential to move their operations to Ireland in preparation for Brexit. The BAI engaged with a wide range of broadcasters throughout the year on this matter.

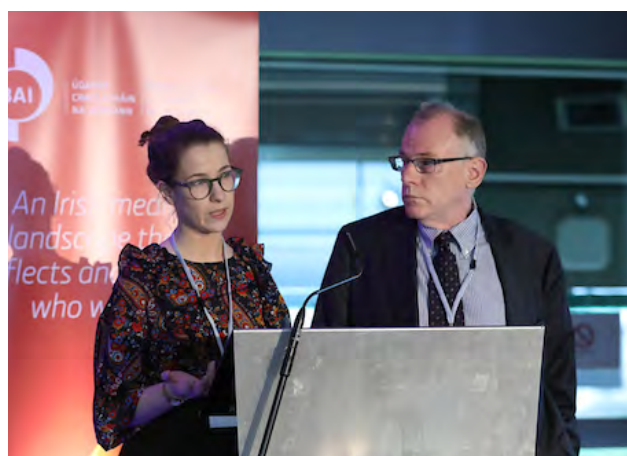
■ ***Spectrum Management and Planning***

Spectrum management and planning helps ensure that the radio spectrum is used in the most efficient manner, in social, economic and technical terms. During 2018, the BAI continued to participate in national and international spectrum planning to ensure a positive environment for the development of broadcasting services in Ireland. International agreements are drawn up and the technical characteristics of broadcasting stations are agreed between neighbouring countries which helps to ensure that all countries have equitable access to radio spectrum.

To ensure the widest range of services in Ireland, it is often necessary to reuse frequencies through appropriate site and frequency selection and the optimisation of the design of antennae and transmitter power at transmission sites. The BAI works closely with ComReg to analyse broadcast proposals from neighbouring countries to ensure that any changes would not unduly limit the coverage of current or future broadcasters in Ireland. During 2018, the BAI assessed new transmission proposals and also identified modifications to transmission networks to improve and/or extend coverage for a number of radio services. These included Sunshine radio's introduction of a new transmitter covering north county Dublin, the extension of coverage for Spirit Radio and the improvement of Today FM's coverage in south east county Dublin/north county Wicklow. Licences were also sought from ComReg for temporary and pilot community radio stations.



Licensing of LifeFM: Brian Daly, Ann Glanville, Dr. Paucic Travers, Michael O'Keeffe



Broadcasting Services Strategy Consultation Event: Sophie Outhwaite and Mathew Horsman of Mediatique

Broadcasting Funding Schemes

The goal of the BAI Broadcasting Fund is to increase public access to high-quality television and radio programmes in the English and Irish languages and to fund the archiving of programme material made for broadcast. The revenue for the Schemes is generated through 7% of the annual net receipts of the television licence fee. Broadcasters, independent producers and audiences have benefitted greatly from this fund in supporting the production of high quality, new audio-visual content, including content in the Irish language. The diversity of content broadcast on a wide range of radio and television channels continued to increase over the course of 2017/2018. Following on from a review of the successful first scheme for archiving of programme material, a second scheme was launched in June 2018.

The schemes operating under the fund are **Sound & Vision 3**, which supports the funding of programming and ancillary measures and the **Archiving Scheme 2**, which provides funding for the development of an archiving culture in the Irish broadcasting sector which contributes to the preservation of Ireland's broadcasting heritage and experience.

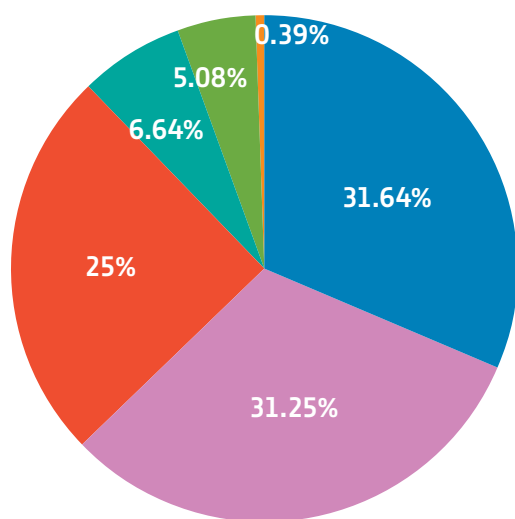
■ Sound & Vision 3

Two rounds of Sound & Vision 3 during 2018 resulted in the award of funding to 60 television and 196 radio projects to the value of just under €12m. In line with the Scheme criteria and the strategic aims of the Authority, the funding was allocated across the Scheme's genres and formats having regard to Irish language, diversity of audiences and demographic elements, thereby ensuring that a range of high-quality content of Irish heritage and culture projects were funded.

Projects awarded were supported by a wide range of broadcasters - commercial, community and public service - operating on a national, regional, local and community basis and thereby serving a mix of audiences.

Noteworthy in 2018 was the increase in funding awarded to education projects, at 10% of the total allocated funding. 30.5% funding was awarded to projects in the Irish language, including bilingual programming. Women were represented to a high level across the applications to the Scheme in the context of the three key creative leadership roles (Producer/Director/Writer).

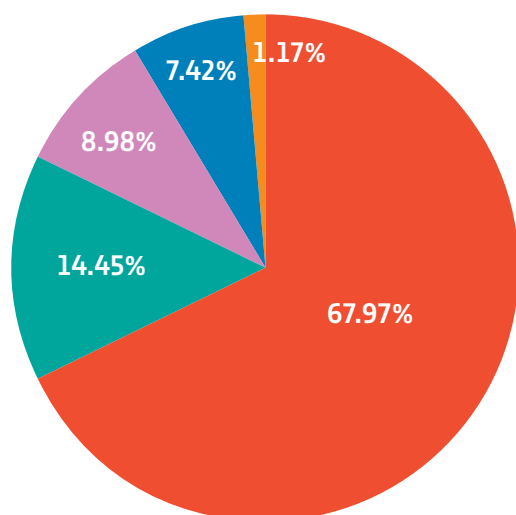
TV/Radio	Number of Projects	€ Total Funds Awarded	%
Radio	196	€1,346,056	11.25%
TV	60	€10,615,960	88.75%
Broadcaster Type			
Community	91	€954,585	7.98%
Commercial	85	€2,403,130	20.09%
PSB	80	€8,604,301	71.93%
Audiences			
<15	13	€1,430,990	11.96%
15-34	9	€581,590	4.86%
35-54	10	€397,690	3.32%
All Adults	174	€7,712,546	64.48%
Family	50	€1,839,200	15.38%



Genre

- 81 Contemporary Society
- 80 History/Heritage
- 64 Arts/Culture
- 17 Children's
- 13 Science/Nature/Environment
- 1 Adult/Media Literacy

Funding Allocations Genre



Format

- 174 Documentary
- 37 Drama
- 23 Entertainment
- 19 Education
- 3 Animation

Funding Allocations Format

■ Scheme Review

The Authority is required to review the operation, effectiveness and impact of the Sound & Vision 3 Scheme every 3 years. The Authority agreed its approach to the review in December 2018 and the review process was initiated with a call for tenders for research consultants to undertake an independent assessment of the Scheme, with the aim to complete the review over the first half of 2019.



Ireland's Deep Atlantic

■ 2018 Highlights

Shooting the Darkness – Broadstone Films Ltd

Produced by Broadstone Films Ltd and broadcast by RTÉ, “Shooting the Darkness” documents the stories of the men who unwittingly became war photographers on the streets of their own towns by taking photos during the Troubles. They expected a career of wedding photography and celebrity photocalls and instead the images they produced during the worst years of the Troubles would come to define that conflict.



Shooting the Darkness: Martin Nangle photographed at work in Belfast

Ireland's Deep Atlantic – Sea Fever Productions

Produced by Sea Fever Productions and broadcast by RTÉ, the ambitious “Ireland's Deep Atlantic” is a landmark natural history programme series that documents and discovers life in Ireland's deep Atlantic waters.

The Game – Crossing The Line Productions Ltd

Produced by Crossing The Line Productions Ltd and broadcast by RTÉ, “The Game” documentary series chronicles the game of hurling employing state of the art camera techniques and technologies combined with innovative manipulation of archive footage and stills.



The Game

A Woman's Place – EMM Productions Ltd

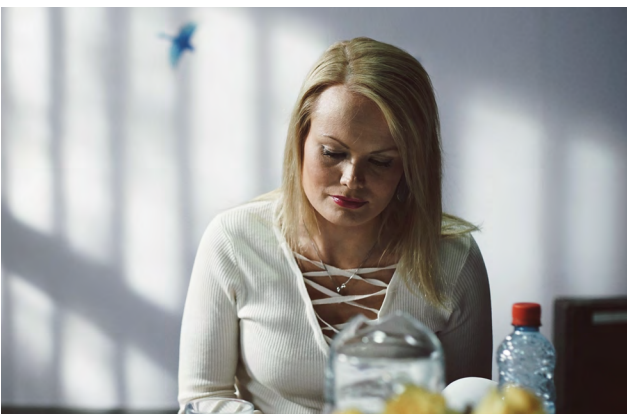
Produced by EMM Productions Ltd and broadcast by Oireachtas TV, "A Woman's Place" is a documentary that follows the artist Noel Murphy as he embarks on a journey to paint all female Oireachtas members on one canvas marking the centenary anniversary of the election of Countess Markievicz.



A Woman's Place: Noel Murphy photographs Senator Lynn Ruane

The Meeting – Parzival Productions Ltd

Produced by Parzival Productions Ltd and broadcast by DCTV, "The Meeting" is a powerful drama that documents the restorative meeting between the victim of a serious sexual assault, Ailbhe Griffith, and the perpetrator of the assault following his release from a seven-year prison term. The film features Ailbhe Griffith in the lead role and combines profound human drama with an intimate insight into an area of criminal justice that potentially could have a substantial impact on Irish society.



The Meeting: Ailbhe Griffith

Great Lighthouses of Ireland – Telegael Teo

Produced by Telegael Teo and broadcast by RTÉ, "Great Lighthouses of Ireland" is a television series which documents the history of Ireland's lighthouses. It is a visually spectacular series that tells the stories about the history, engineering and the people behind these historic buildings, and explains why lighthouses are still essential to our way of life.

Fords – Memories Of The Line – Frameworks Films Ltd

Produced by Frameworks Films Ltd and broadcast by Cork Community Television, "Fords - Memories of the Line" documents what it was like to work on the assembly line at Ford's car manufacturing plant in Cork, which operated from 1917 to 1984.



Memories Of The Line: At work in Ford's manufacturing plant, Cork

Lomax in Éirinn – Aisling Productions Ltd

Produced by Aisling Productions Ltd and broadcast by TG4, "Lomax in Éirinn" is a feature documentary that details how the celebrated American song-collector, Alan Lomax, came to Ireland in 1951 to gather and record traditional Irish music to tape for what would be the first ever LP collection of Irish traditional music. Presented by Pól Brennan of Clannad, the documentary tells the story of Alan Lomax and explores the legacy his recordings have had on Irish and world music.



Lomax in Éirinn



Great Lighthouses of Ireland: The Fastnet lighthouse

Murdair Mhám Trasna – ROSG

Produced by ROSG and broadcast by TG4, “Murdair Mhám Trasna” is a drama/documentary feature film that details the events of the 1882 murders in the rural community in Joyce County, on the border between Galway and Mayo and the subsequent trial in Dublin where one of the accused was wrongfully convicted and hanged for the murders. In 2018 President Michael D. Higgins signed a posthumous pardon for Myles Joyce, following a review of the case.



Murdair Mhám Trasna

Pablo – Paper Owl Films Ltd

“Pablo” is an engaging and transformative series for preschool children that mixes live action and 2D animation. It’s about a young boy Pablo who is on the autism spectrum. He uses his magic crayons to turn his life challenges into fantastic adventures and his feelings into colourful characters with a voice in order to face the real world with confidence.



Pablo

■ *Radio*

- **A Pilot's Honour** – produced by Alan Meaney and broadcast on Newstalk, a haunting radio drama about a US fighter pilot almost killed in Iraq who finds unexpected love on Ireland's wild western shore. This IMRO award winning drama programme captured the theme of Irish experience in international contexts and global issues that affect the Irish State.
- **Awakening the Goddess Within** – a series produced and broadcast by Athlone Community Radio chronicles the experience of 12 women, 50 years and older, as they take part in six co-constructive poetry workshops that coincide with various Celtic festivals that take place over the course of one year.
- **Moments with Monuments** – a series of programmes produced and broadcast by KCLR, profiling the stories behind 50 different plaques and memorials found scattered around Kilkenny. The project is a great example of how local history can be preserved and promoted using the medium of radio.
- **The Rising Sisters** – a four-part historical drama series set in the late 1800's rural Ireland was produced and broadcast by Community Radio Youghal. It tells the real-life story of a family from Killeagh in East Cork during this time whose lives were changed by greed and political corruption.
- **William Bourke Cockran** – a radio documentary produced by Paul Wright and broadcast by Claremorris Community Radio investigates the story of the Sligo-born politician William Bourke Cockran, who became one of the greatest orators in U.S. Politics and who inspired Winston Churchill.

■ *Ancillary Measures*

Funding for ancillary measures facilitates exploration of initiatives for increasing the production and availability of diverse and culturally relevant audio-visual material, including Irish language content.

In 2018 this included:

- the continuation of the Cine4 Development Scheme which is a joint-funding initiative between the BAI, TG4 and Screen Ireland to support the development and production of feature films in the Irish language.
- the launch of a new junior cycle teaching resource entitled "Tommy Bowe's Body Check" supported by the BAI and RTÉ. This initiative aimed to support the delivery of the new English and Science curricula and took the form of a guided classroom resource based on a series of clips from the documentary about international rugby player Tommy Bowe. Further exploration of this type of collaboration and use of high quality Irish content in the classroom continued into 2019.
- the continuation of the Canada-Ireland Co-development Incentive. This initiative which encourages producers from Canada and Ireland to co-develop television projects is a collaboration between the BAI and the Canada Media Fund (CMF). Aimed at projects which fulfil the themes of both the Sound & Vision Scheme and the objectives of the CMF, seven projects were successful in receiving funding awards during 2018.
- a special Irish Documentary Film Season which was held at Killarney House, Co. Kerry during the summer months, supported by the BAI and IFI. The free public events featured a selection of BAI funded projects screened in the new audio-visual room of the house.
- the BAI joining TG4 and the Arts Council as partners on the iDÁNA 2018 arts documentary scheme. This scheme is designed to support the making of an ambitious and cinematic long-form documentary on the arts in Irish for the TG4 schedule. The BAI contributed €40,000 to this project.



Launch of Tommy Bowe's Body Check: New Junior Cycle Learning Resource

■ Archiving Scheme 2

Launched in June, Archiving Scheme 2 provides funding support for the development of an archiving culture in the Irish broadcasting sector which contributes to the preservation of Ireland's broadcasting heritage and experience. The Scheme's objectives include the development of an integrated approach to the archiving of programme material, suitable storage processes and access to programme material by interested parties.

A funding round focusing on the safeguarding of programme material threatened by fragile physical condition or soon-to-be obsolete formats was opened in July and following the receipt and assessment of applications, six projects were awarded funding in December. The six projects are as follows:



Launch of Archiving Scheme 2: Michael O'Keefe, Elizabeth Farrelly and Dr. Pauric Travers

Applicant	Type	Partner/s	Content	Funds Awarded
IFI	Institution with relevant material	Ballymun Communications	Footage recorded for TV channels by Ballymun Communications over a 30-year period dating from the early 1980s	€219,936
Northern Ireland Screen	Institution with relevant material	PRONI (Public record office Northern Ireland)	AV of UTV 1959-1993 (PRONI); digitisation of cine film circa 1959 - 72	€275,000
TG4	Public Service TV Broadcaster	NUIG, for sport GAA	1,435 hours of beta SP format TV content including children's & entertainment, drama and sports programming in the Irish language, created between 1996 - 2006	€435,473
Northern Visions Ltd	Community TV Broadcaster	Raidió Fáilte	Collection of Irish language radio & TV programmes from community services 1970s - 2010, including current affairs, poetry readings, book launches and interviews	€90,037
RTÉ	Public Service Radio Broadcaster	DCU	Irish language recordings circa 1950 - 2009 found amongst RTÉ's c 35,000 accessioned and c 45,000 un-accessioned open reel quarter inch tapes and early digital carriers	€455,584
RTÉ	Public Service TV Broadcaster		News collection from 1970s on Beta SP Tape virtually all of which was shot on film stock made with acetate plastic	€421,872

Applications were structured on strategic approaches to the safeguarding of valuable cultural content and, in particular, to developing and adhering to internationally accepted archiving standards, building capacity and knowledge and providing ease of access for the public to collections. A partnership approach was also evident across a number of the applications such as the collaboration between RTÉ and DCU; TG4, NUIG and the GAA; and IFI and Ballymun Communications. Such collaborative approaches are encouraged by the Scheme and meet with one of the main objectives, that of developing an integrated approach to archiving.

Diversity of Irish Society in the Broadcast Media

The BAI has a central role in promoting increased representation of the diversity of Irish society in the broadcast media. The emphasis in the current strategy is on gender and Irish language and additional areas of diversity will be prioritised in future years. This is long term work exploring partnership opportunities, event potential, training initiatives, funding initiatives and holding conversations with the industry to identify approaches that will support greater diversity.

■ ***BAI Gender Action Plan***

The development of the Gender Action Plan was prioritised at the commencement of the BAI Strategy in 2017 and published in early 2018. This plan received widespread support and endorsement from representatives of women's audio-visual interest groups and the Council of Europe, whose recommendations were referenced in the plan. The Sound & Vision 3 Scheme has provided creative opportunities to address gender balance issues both on and off screen, and the results to date have been encouraging. One immediate impact was an increase in the number of women directors and writers employed in Sound & Vision projects, following the introduction of specific gender criteria in 2018. It is hoped that this initiative will provide an opportunity to widen the narrative, present new real or fictional female characters to Irish audiences, and generally promote different stories and different voices. This should result in steady percentage increases in women's representation in this area over the next number of years. A second impact was an invitation to the BAI to present the plan to its members at the European Audiovisual Observatory workshop on "Gender imbalances in the audiovisual industries" which took place in December 2018 in Strasbourg.

■ ***Irish Language Action Plan***

To achieve the objective of fostering and promoting quality programming in the Irish language, the BAI undertakes a range of initiatives which includes projects under the Sound & Vision 3 Scheme, the Archiving Scheme, the exploration of partnership opportunities, events, sponsorship, sectoral learning and development initiatives designed to support greater diversity in Irish language.

In 2018, the BAI supported a series of initiatives with an Irish language theme which included:

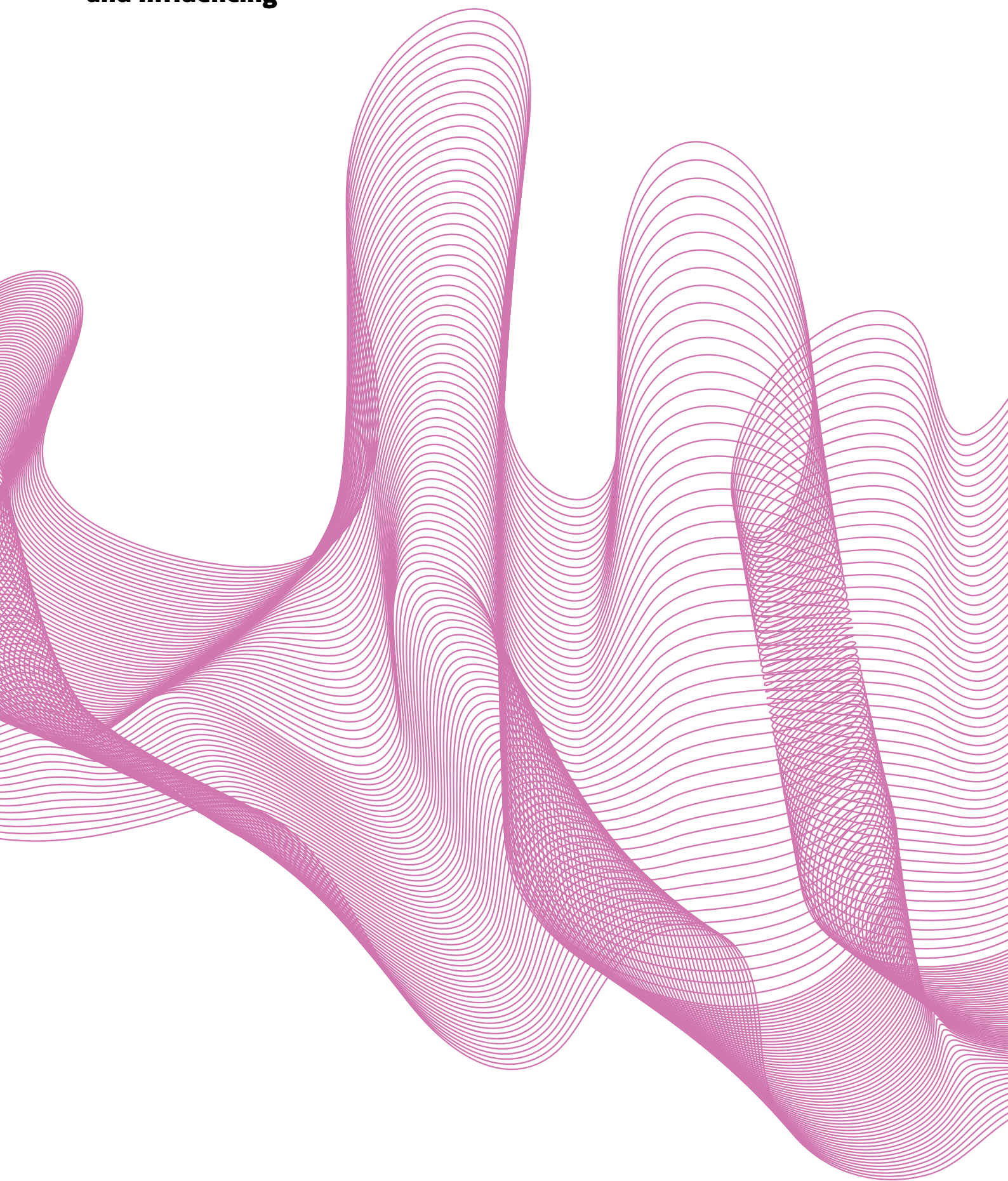
- **Oireachtas na Gaeilge Media Awards** – sponsored for the first time by the BAI in 2018, the annual awards recognise and celebrate achievement and excellence in the Irish language media. Prizes are awarded under a number of categories including Best Irish language TV series, radio series or programme, TV film or programme;
- **Seachtain na Gaeilge** – the BAI continued its longstanding sponsorship of Irish language radio workshops for primary and secondary school students;
- **The Celtic Media Festival** which promotes Celtic languages and cultures;
- **Aerthonnta**, an Irish language information service for both broadcasters and the general public, launched its new website in March 2018. It is administered through Raidió na Life and serves as a central point of information for anything related to the Irish language in the independent radio broadcasting sector;
- **Gréasán na Meán**, a Skillnet Network based in Spiddal, aims to provide training in the Irish language to ensure a consistent and highly trained workforce for the media industry, particularly in the West. During 2018, Gréasán na Meán ran specialised multi-camera courses for Irish language Directors.

It was noted by the Joint Oireachtas Committee in 2018 that this work was not formulated into an Irish Language Action Plan. A targeted consultation process with Irish language stakeholders subsequently fed into the development of an Irish Language Action Plan which was due for release in early 2019.



The launch of TG4's Music and Documentaries Archiving Project. This project was funded under Round 2 of the Archiving Scheme and saw the digitising and cataloguing of approximately 1,400 hours of music and documentary programming from 1996-2004, as well as facilitating access to some of this material via a web-portal. Credit: Bryan Brophy, 1Image photography

Section 2
**Communicating
and Influencing**



Strategic Objective

1. Promote public debate and inform policy to facilitate a vibrant, dynamic media landscape.

Outcome by 2019

1. BAI is viewed by stakeholders as an informative, authoritative and influential voice on media matters.

There are two key deliverables within the BAI workplan which principally support the achievement of this strategic objective. These cover the areas of National and International Fora and Communications. These are elaborated on further hereunder.

National and International Fora

The BAI continued to engage with key stakeholders in 2018 in order to advise, inform and influence national and European audio-visual media policy, law and practice through continued participation in Irish and European Fora and Stakeholder events.

■ ***National Fora***

At national level, during 2018 the BAI engaged with the Minister and Department for Communications, Climate Action and Environment (DCCAE) and relevant Joint Oireachtas Committees on regulatory and media matters. The BAI was invited by DCCAE to participate in a working group it established to oversee the introduction of the revised Audio-visual Media Services Directive (AVMSD).

The BAI provides a number of statutory reports and advices to the Minister and the DCCAE. In 2018 these included, among others, the five-year review of public funding for Public Service Broadcasters, the BAI Annual Report and Financial Statements, and the review of the Archiving Scheme.

The BAI presented before the Joint Oireachtas Committees on Irish Language and Children during the year regarding the proposed Irish Language Action Plan and the Children's Commercial Communications Code pertaining to foods that are high in fat, salt and sugar. Briefings were also provided to Oireachtas members on the new referendum guidelines.

The BAI also continued to play an active role in national organisations, including the IBEC Audio-visual Federation; the JNLR Listenership Committee; the Interdepartmental Committee on the Government's AV Action Plan; and the Alcohol Marketing and Communications Monitoring Body (AMCMB) under the auspices of the Department of Health. The Minister for Health, Simon Harris TD, appointed BAI Chief Executive, Michael O'Keeffe, as Chairperson of the AMCMB for a four-year period in November 2018.

■ ***European Fora***

The BAI continues to play a major role in two European regulatory bodies – EPRA, the European Platform of Regulatory Authorities; and ERGA, the European Regulators Group for Audiovisual Media Services.

EPRA is a 53-member European network of audio-visual regulators and two meetings of the network were held during the year. Matters for discussion included the future of public service and public interest content in the digital age and political communication and the challenges of social media. BAI Deputy CEO Celene Craig continued to act as the Chairperson of EPRA in 2018 and, in that capacity, was invited to speak at a series of international conferences.

BAI executives also continued to contribute to several working groups of ERGA. Comprised of representatives from audio-visual regulatory bodies of the 28 EU member states, ERGA was established by the European Commission and advises the Commission on matters related to the implementation of the revised Audiovisual Media Services Directive (AVMSD). In late 2018, the BAI accepted an invitation to Chair the ERGA Media Plurality Working Group in 2019. The BAI also participated in working groups on the Future of ERGA, the implementation of the revised AVMSD and Gender Diversity.

Communications

The communications activities of the BAI play a key role in contributing to the achievement of the BAI Strategy overall. The BAI continues regular and proactive engagement and consultation with a range of stakeholders, including government departments, other regulators, and representative bodies.

■ Consultation and Stakeholder Engagement

A number of consultations and stakeholder engagement activities took place in 2018. Highlights included:

- the development of the revised Broadcasting Services Strategy which involved significant engagement with BAI stakeholders through the public consultation and a targeted stakeholder event involving a wide range of representatives from the broadcasting sector.
- the launch of the BAI Gender Action Plan which took place early in the year. Response from stakeholders has been very positive with the Plan actively promoted at a number of public events, most notably at a Gender seminar in the University of Limerick and the annual “Women in Film and Television” discussion forum at the Galway Film Fleadh.
- public consultations on the BAI Ownership & Control and Media Plurality Policies which commenced in December 2018. In keeping with the BAI’s goal of encouraging public engagement and participation, both consultations were designed to facilitate online responses via the BAI website. The launch was accompanied by media briefings and a social media campaign.
- a public consultation on the revised draft Access Rules. These rules govern the amount of subtitling, Irish Sign Language and audio description that Irish television broadcasters must offer to the public. The process included workshop meetings to gather the views of both broadcasters and access service users.



Broadcasting Services Strategy Consultation Event

■ *Publication of Reuters News research*

As part of its work on media plurality, the BAI funded the Irish edition of the Reuters Institute Digital News Report, an international annual research study. The Irish report was produced by the Institute of Future Media and Journalism (FuJo) at DCU and was launched in June. The launch received substantial national press coverage and also extensive engagement on social media platforms such as Twitter and Facebook.

■ *Media relations*

In total, the BAI published 42 media releases on the BAI website. Activities highlighted through media channels in 2018 included the publication of complaints decisions; the BAI Annual Report; quarterly JNLR results; Sound & Vision funding announcements; and the Referendum and Election Guidelines. The Chief Executive also promoted many of these activities through radio, television and interviews with journalists specialising in media matters. Notable press activity was generated in respect of the publication of the BAI's funding recommendations arising out of its five-year funding review of Ireland's two public service broadcasters, RTÉ and TG4.



213
TWEETS

5,165
FOLLOWERS (+ 662)



157
FACEBOOK POSTS

1,932
FACEBOOK LIKES (+ 155)

■ *Sponsorship*

Sponsorship is an important communications tool that enables the BAI to raise wider awareness of and contribute to the organisation's strategic objectives. By offering sponsorship to support relevant events and activities, the BAI is contributing to the continued development of the audio-visual industry in Ireland. To receive support applicants are required to identify the BAI strategic objective to which their activity is most closely aligned and demonstrate how the activity will contribute to its advancement.

Funding of €124,500 was allocated to 16 events and activities under the BAI's 2018 Sponsorship Scheme. Recipients included the Celtic Media Festival; the EuroRadio International Feature Conference; Animation Dingle Film Festival; Seachtain na Gaeilge; and the National Student Media Awards.

■ *Industry Events and Conferences*

Members of the BAI Authority and Executive participated in a range of industry events and conferences in 2018. In addition to giving a number of presentations, staff also participated in discussion panels.

In February, the Women in Film and Television Ireland network hosted a 'How to Write a Killer Application' masterclass with BAI support and participation. In April, as part of the Irish Film Institute's Spotlight event the BAI Gender Action Plan was presented. Following on from this, the BAI also participated in the Women in Film and Television Northern Ireland 'Meet the Funders' event which took place in May.

At the TG4 Producers Day during 2018 the BAI presented information on funding opportunities available under the Sound & Vision Scheme. Opportunities from the fund were also discussed at the IFI Documentary Festival in September as part of the Screen Producers Ireland's panel on 'Documentary Making in Ireland Today'. In November at the Galway Film Centre's FÍS TV Summit the BAI also contributed to the 'Let Me Entertain You' panel.

During the year the BAI also attended the CRAOL Community Radio Awards in Athlone and the launch of the Community TV Report in Cork. In November, at the MediaCon Summit in Dublin, the BAI, in conjunction with visiting members from the Canada Media Fund, announced a new round of the Canada-Ireland Co-development Incentive.



*Culture Night Public Screening of *The Silver Branch*, Ennistymon, Co. Clare: A young audience member asks a question.*

■ **Public Screenings**

In 2018, the BAI supported a number of public screenings of Sound & Vision 3 funded programmes across Ireland. These included a special reception and screening of *Murdair Mhám Trasna* in Galway which was attended by President Michael D. Higgins.

During the summer months, a special Irish Documentary Film Season supported by the BAI and IFI was held at Killarney House, Co. Kerry. Screenings included several BAI funded projects such as “Men at Lunch”, “Ireland’s Oceans”, “Poc na nGael”, “The Irish Grand National” and “John Ford: Dreaming the Quiet Man”.

On Culture Night in September the BAI organised a screening of “*The Silver Branch*” in Ennistymon in Co. Clare, followed by a Q&A session.



IMRO Hall of Fame inductees for 2018: Ian Wilson, Willie O'Reilly, Margaret Nelson and Pat Kenny

■ **IMRO Radio Awards Hall of Fame**

In September 2018 the BAI hosted a ceremony to welcome four new inductees to the IMRO Radio Awards Hall of Fame. The Hall of Fame recognises those who have made a significant and valuable contribution to radio in Ireland.

The 2018 inductees were Ian Wilson of RTÉ, Willie O'Reilly of iRadio, Margaret Nelson of FM104 and Pat Kenny of Newstalk.

■ **Information Provision**

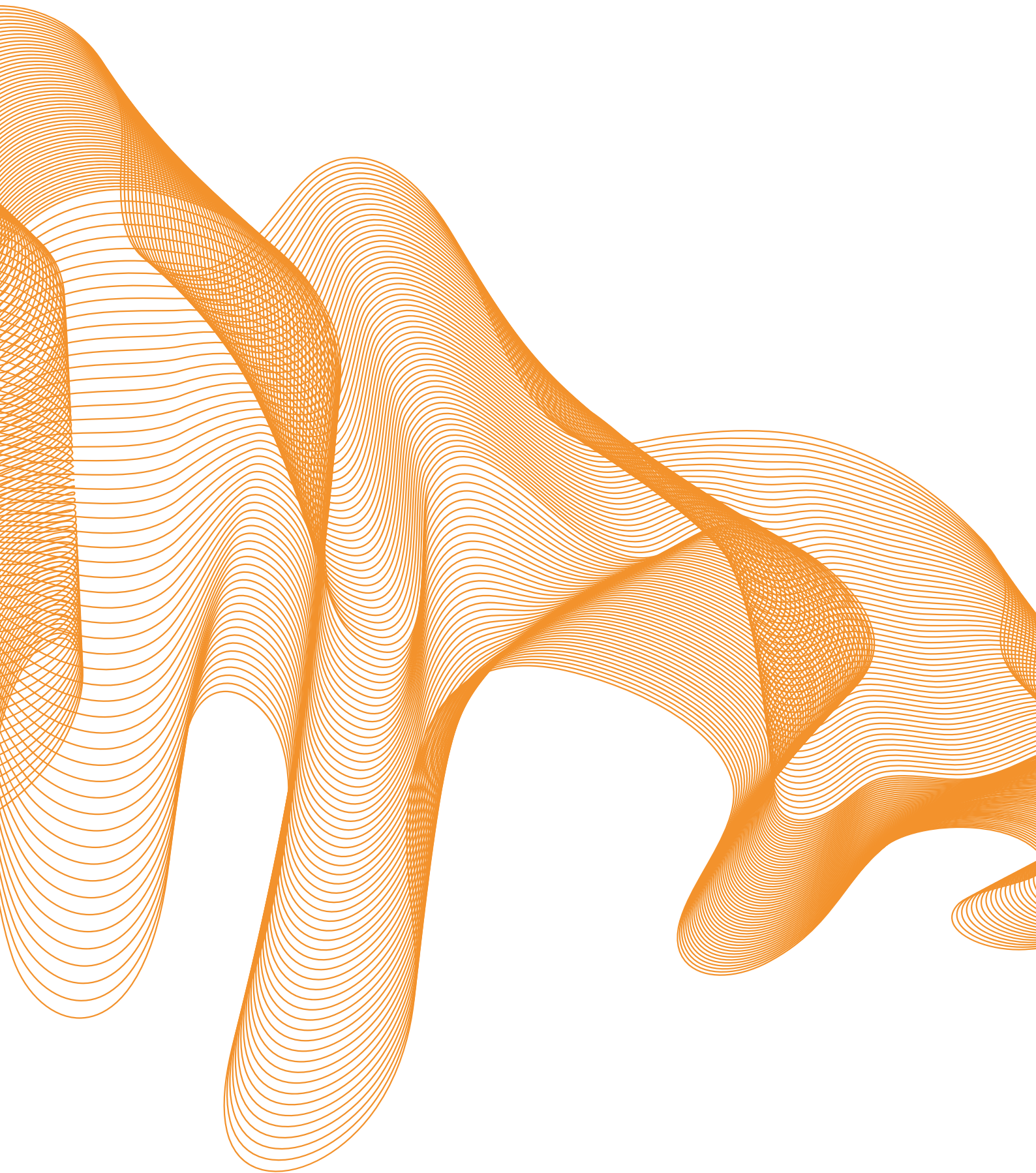
The BAI website is key in facilitating communication between the BAI and its stakeholders. In addition to consultations and media releases highlighted above, the BAI is proactive in making information on its business activities available online. Throughout 2018, minutes from Authority meetings and financial reports were published on the BAI website, along with a wide range of information and data outside the remit of the FOI process.

25 Freedom of Information (FOI) requests were received by the BAI in 2018, a reduction of four when compared to 2017. Information was provided

to 17 of the requesters either in full, partially or the data was already publicly available and was provided to the requester outside the FOI process. Six of the requesters withdrew their request while two requests for information were refused. Most of the requests received were from journalists and information was sought on topics such as broadcasting complaints, election and referenda guidelines, Irish language broadcasting, broadcaster compliance and the deliberations of the BAI's Authority and statutory Committees.

Section 3

**Empowering
Audiences**



Strategic Objective

1. Develop the understanding, engagement and participation of the public in an evolving media landscape

Outcomes by 2019

1. Audiences in Ireland are more connected to, and engaged with, audio-visual content
2. Audiences in Ireland are supported to develop a greater understanding of, and participation in, the production and dissemination of audio-visual content

There are three key deliverables within the workplan which principally support the achievement of these strategic objectives. These cover the areas of Codes, Rules and Complaints; Media Literacy and Participation in Media. These are elaborated on further hereunder.

Codes, Rules and Complaints

BAI broadcasting codes and rules and the BAI broadcasting complaints process combine to support audience enjoyment, understanding, and interaction with audio-visual content.

■ **Access Rules – Revision Based on Statutory Review**

The BAI Access Rules set down quantitative and qualitative requirements in respect of the provision of subtitling, Irish Sign Language and audio description which broadcasters are required to meet.

Based on the Statutory Review of the Access Rules in 2017, a consultation on revisions to the Rules was undertaken by the BAI in 2018. This consultation drew on the findings of the review and involved key stakeholders such as user groups and broadcasters. The resulting revised Rules, due to be launched in January 2019, attempted to balance the rights of the user groups with some of the constraints experienced by broadcasters in delivering the access services.

The Access Rules User Consultative Group continued to meet during the year to both receive information and to communicate their own concerns on how their interests are being addressed by broadcasters.

■ **Election and Referendum Guidelines**

BAI Election and Referendum Guidelines provide direction and advice to broadcasters as to how fairness, objectivity and impartiality can be achieved in their coverage of campaigns. These guidelines were revised during 2018. The new guidelines gave greater emphasis to the obligations around the use of social media in the coverage of elections and referenda. This was welcomed by all interested parties in view of the growth of the use/abuse of social media in this area.

The BAI actively promoted the Election and Referenda Guidelines in both broadcasting and print media with particular emphasis on the social media guidelines. Workshops with broadcasters were also held, which improved the effectiveness of the implementation of the codes.

■ **Complaints**

The BAI broadcasting complaints process is a key mechanism for viewers and listeners to lodge a complaint when they are not satisfied with broadcasting content, be it in relation to programming, advertising or sponsorship. 73 complaints were admitted into the complaints process during 2018, 30 of which were considered by the Compliance Committee while a further 30 were considered by the Executive Complaints Forum. Seven complaints were resolved by way of the complainant being satisfied with the response submitted by the broadcaster, one complaint was deemed invalid and five complaints were still ongoing at the end of 2018.

In late 2018 there was a focus on the development of an online complaints submission system aimed at improving the user experience for the public, broadcasters and other complaint parties. The system was successfully developed by the end of the year and will be launched publicly during 2019.



Media Literacy Ireland: Áine Kerr of Neva Labs speaking at the News Literacy Event held in the Little Museum of Dublin

COMPLAINT CATEGORY	COMPLAINT TOTAL
Code of Fairness, Objectivity & Impartiality In News and Current Affairs	45
General Commercial Communications Code	4
Children's Commercial Communications Code	4
Code of Programme Standards	20

COMPLAINT DECISION	COMPLAINT TOTAL
Upheld in Part by the Compliance Committee	2
Rejected by the Compliance Committee	28
Rejected by the Executive Complaints Forum	30

Media Literacy

The BAI Media Literacy Policy aims to develop the understanding, engagement and participation of the public in an evolving media landscape. 2018 saw significant work undertaken by the BAI in this area in progressing the development of the multi-stakeholder network Media Literacy Ireland (MLI), assistance with organised events, and in continuing to represent the Irish regulatory experience in terms of media literacy at European and international fora and conferences.

Building on the foundation of MLI in 2017, the BAI worked to garner cross-sectoral support for the network and cooperation among a range of members; including broadcasters, online platforms, and representatives from academia, civic, voluntary and community organisations. In seeking to develop the online presence of MLI, and a 'go-to' media literacy knowledge base, the BAI also commissioned the design of a website in November 2018. Furthermore, the BAI contributed significantly to the planning of the following:

■ Network events

'Towards Digital Citizenship: Creating a Social Movement to Foster Critical Thinking'

Held in February 2018, this event provided members with an opportunity to discuss the various aspects of running a campaign and initiatives to foster critical thinking.

News Literacy in the Digital Age

Held in July 2018, this event enabled stakeholders to take a 'deep-dive' into issues related to news literacy such as misinformation, trust in news, and news transparency to help people make informed choices.

MLI's Annual Conference

The BAI was also actively involved in the planning and co-ordination of MLI's inaugural annual conference in November 2018. The conference provided stakeholders with an opportunity to meet and hear a range of speakers on topics and initiatives relevant to the sector and included a panel discussion on media literacy campaigns from a European perspective, and a 'Promote Your Project' segment.



Community Radio Day 2018: Eoghan Holland, Paula Healy, Michael Glynn and Billy Stewart, Flirt FM

■ International Participation

Separately the BAI participated in the Media Literacy Expert Group of the European Commission. Gathering representatives from the 28 Member States, academia, the audio-visual sector and other relevant fields, the group seeks to extend good practice in the field, support initiatives and facilitate networking. At its December meeting, the BAI presented the Irish experience in terms of policy development and the formation of the network.

The Edward R. Murrow Program for Journalists: Promoting Discerning Consumers of Media

The BAI was invited to participate in the International Visitor Leadership Programme sponsored by the United States State Department. The 2-week programme included 18 representatives from across Europe and focused on issues of media literacy, coverage of elections, and organisations who deliver media literacy at a local level with a view to educating young adults and adolescents about the large extent and influence of media in their lives. The programme also supported the empowerment of citizens with critical thinking through media education.

Participation in Media

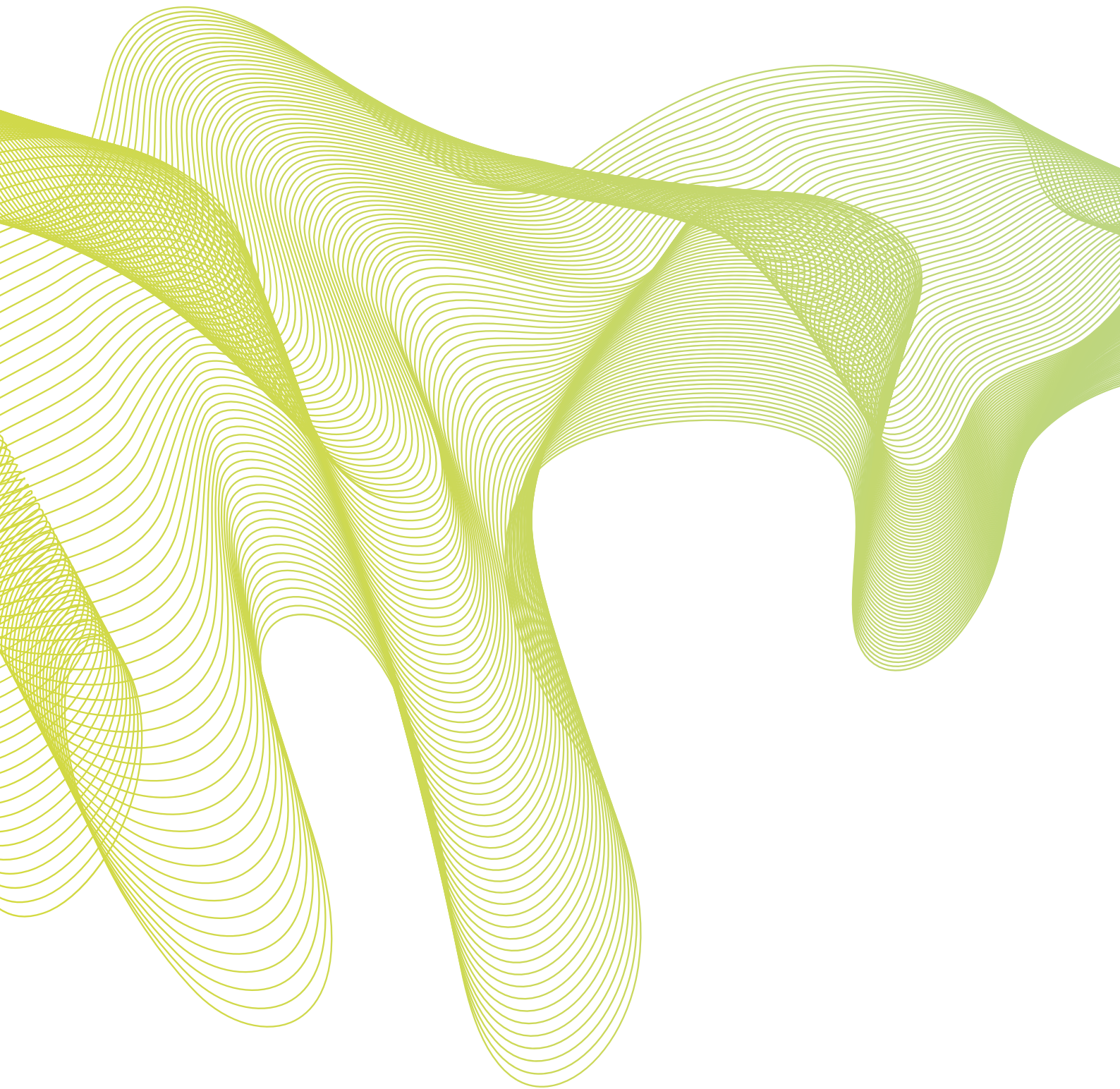
The BAI has committed to explore a number of mechanisms to increase the participation of members of the public in broadcast media, in particular with respect to community media services.

Participation is a central element of the community media sector, but it has been evident for a number of years, particularly as the BAI has gone through the community re-licensing processes, that there is a need for new participants to supplement the very committed members who have been involved in the sector since its inception. The community sector has also struggled in recent years with issues around governance and funding, the latter of which has impacted on their sustainability.

A group was established under the auspices of the BAI which brought together community radio and television representatives to explore increased participation within their respective sectors. This group, which is also considering plans for the sector (see Section 4 on Enhancing Sectoral Sustainability), met regularly throughout the year. At the end of the year a report and recommendations was being prepared for presentation to the Authority in early 2019.

Separately, all community radio stations participated in a Community Radio Participation Day in June 2018 which was supported by the BAI and publicised widely throughout all community radio franchise areas.

Section 4
**Enhancing Innovation and
Sectoral Sustainability**



Strategic Objective

1. Encourage creativity and innovation as distinctive features of the Irish audio-visual sector
2. Ensure an increased focus on creativity and innovation across all BAI activities
3. Work with stakeholders to support the achievement of greater sustainability for the Irish audio-visual sector

Outcomes by 2019

1. Creativity and innovation are recognised hallmarks of the Irish audio-visual sector and BAI activities
2. Sustainable funding models are developed for the Irish audio-visual sector

There are two key deliverables within the workplan which principally support the achievement of these strategic objectives. These cover the areas of creativity and innovation and sustainable sectoral funding models.

Creativity and Innovation

This deliverable is concerned with the promotion and support of creativity and innovation in the Irish audio-visual sector and across all BAI activities. In 2018 this included the implementation of a wide range of sectoral learning and development initiatives, collaboration on strategy for the development of skills for the audiovisual industry in Ireland and the establishment of a partnership with the commercial and community radio sectors to advance the development of an archive scheme under Section 69 of the Act.

■ Sectoral Learning and Development

The BAI delivers support to the industry in a variety of ways including funding industry networks, coordinating support schemes such as those for community broadcasters and backing new training and learning initiatives in partnership with experts in the sector. A sample of the networks and initiatives funded during the year is as follows:

Network Funding

The funding allocated to industry networks helps to promote collaboration and the building of strategic partnerships for a sustainable approach to learning and development in the sector. As in previous years, activities focused on delivering training courses

and workshops, hosting awards ceremonies, seminars and conferences, undertaking research, running mentoring programmes and providing peer support and networking events. In 2018, a total of €326,100 was awarded to 12 networks that serve a diverse range of sectoral interests, including community and commercial broadcasters, independent producers and production companies, journalists, directors, animators and gender equality advocates. Examples include:

- **CRAOL** (Community Radio Forum) is the network for the community and community of interest radio sector in Ireland. In 2018, the BAI supported CRAOL's annual Féile training event and a range of other activities, including the launch of a national campaign, entitled Community/Speak, aimed at increasing participation in community broadcasting around the country.
- Part funded by the BAI, **Learning Waves Skillnet**, is a leading provider of training for the independent commercial radio sector.
- **The Animation Skillnet/Animation Ireland** partnership network offered a wide range of training to the animation industry with support from BAI funding in 2018.
- **Community Television Association (CTA)** delivered, with support from the BAI, a number of training workshops and masterclasses during 2018 including an editing workshop.
- **Women on Air** continued to deliver training through its New Voices mentorship media training programme. 13 additional female experts received training during 2018, including politicians and journalists as well as representatives from the disability and Traveller communities.
- With support from BAI funding, in 2018 **Creative Europe Desk Ireland - Media Office** teamed up with the Irish Film Institute (IFI) to host the European Film Academy (EFA) Young Audience Award in May 2018.

■ Supporting Industry Development Needs

Further to the launch of the second iteration of the *Big Stories on the Small Screen* initiative in November 2017, *Big Stories 2* held a week-long event in May 2018 which took the form of a project-based workshop on Developing Story. The next stage of the project involved the workshop participants delivering a pilot screenplay to their tutors, receiving feedback, and then being afforded the opportunity to pitch their packaged long-form drama to invited Irish producers and development executives.

■ **Community Broadcasting Support Scheme**

In August 2018, the BAI revised its Community Broadcasting Support Scheme (CBSS) which funds organisational development of stations while also supporting and developing the community and community of interest sector more broadly. The revision included changing the CBSS to a rolling scheme, to assist community broadcasters to address any issues as they arise. A grant of €4,600 was awarded to Community Radio Kilkenny City as part of the 2018 scheme for a survey of the services the station provides to their local community.

■ **Media Research Funding Scheme**

The BAI supported the launch of a joint research report published by Institute of Technology Carlow (IT Carlow) and UCD in December 2018. The report, entitled '*Broadcasting Irish Emigration in an era of Global Mobility*', focused on the importance of broadcast media to members of the Irish diaspora.

■ **Archiving Scheme Development (Section 69)**

The establishment of a working group between the BAI and commercial and community radio contractors, with the purpose of implementing the Archiving requirements under Section 69 of the Act, represented the principal partnership established under the objective to support creativity and innovation in the Irish audio-visual sector. This is a complex piece of activity which the BAI is supporting and will result in a major benefit in the longer term to both broadcasters and the public in delivering a new system for the future archiving of material for these sectors.

■ **Five-Year Review of Public Funding 2018**

The BAI concluded this major piece of work in early 2018. Communication Chambers, consultants, were appointed to prepare the review for the period 2018 to 2022. Key elements in the process included the requirements that the PSBs produce detailed, costed strategic plans for the period, aligned to their public service objects and statutory remit.

Following consideration of the report of the consultants, the Authority submitted its own conclusions and recommendations to the Minister as follows:

- Public service broadcasting and public service broadcasters now face a very different set of critical and urgent challenges. A lack of sufficient funding is compounded by the fragmentation of audiences, the growth of digital and non-linear services and the proliferation of international Video On-demand (VOD) and Subscription VOD players.
- The current funding situation is not sustainable and urgent action is required.
- RTÉ should receive an increase in its public funding of €30m annually with immediate effect, on the basis that the broadcaster meets certain criteria which are strategic in nature and have audiences at the core of their consideration.
- TG4 should receive an increase of €6m annually in public funding over and above TG4's 2017 public funding provision.

A strong case was made around the need for additional funding to support the sustainability of the PSBs. While the Government has not yet formally responded to the report, on foot of submission of the BAI report, RTÉ was granted additional funding of €8.5m in Budget 2019 – their largest public funding increase for some time.

Sustainable Sectoral Funding Models

■ **Public Service Broadcasting Sector**

Public service broadcasting describes TV and Radio services that are broadcast for the public benefit, rather than for purely commercial purposes, under a defined remit. A comprehensive review of funding of public service broadcasters (PSBs) is completed every five years to establish the adequacy of funding for RTÉ and TG4 to achieve its public service objects. This large-scale review is required by the 2009 Act and from this, a report and recommendations are presented to Government.

■ **New Services – PSBs**

In line with the Act, the Minister may ask the Authority to carry out a sectoral impact analysis for the launch of new services by either of the PSBs. In this regard, the Authority considered a report prepared by Communications Chambers, consultants, assessing a proposal made by RTÉ to extend the broadcast hours of RTÉ One +1 and to establish a +1 service for RTÉ2. The Authority was satisfied that there were no compelling reasons for withholding consent for the proposals as outlined in respect of the services proposed and the Minister granted approval for the new services, endorsing the Authority's recommendations.

■ *Television Sector*

In 2018, the BAI, in partnership with Ofcom NI, initiated a reconvening of the TBIG (Television Broadcasters of Ireland Group). Representatives for the main Public Service and commercial TV broadcasters on the Island of Ireland met in the BAI to discuss a range of issues affecting the sector with further cooperation planned for 2019.

■ *Commercial Radio sector*

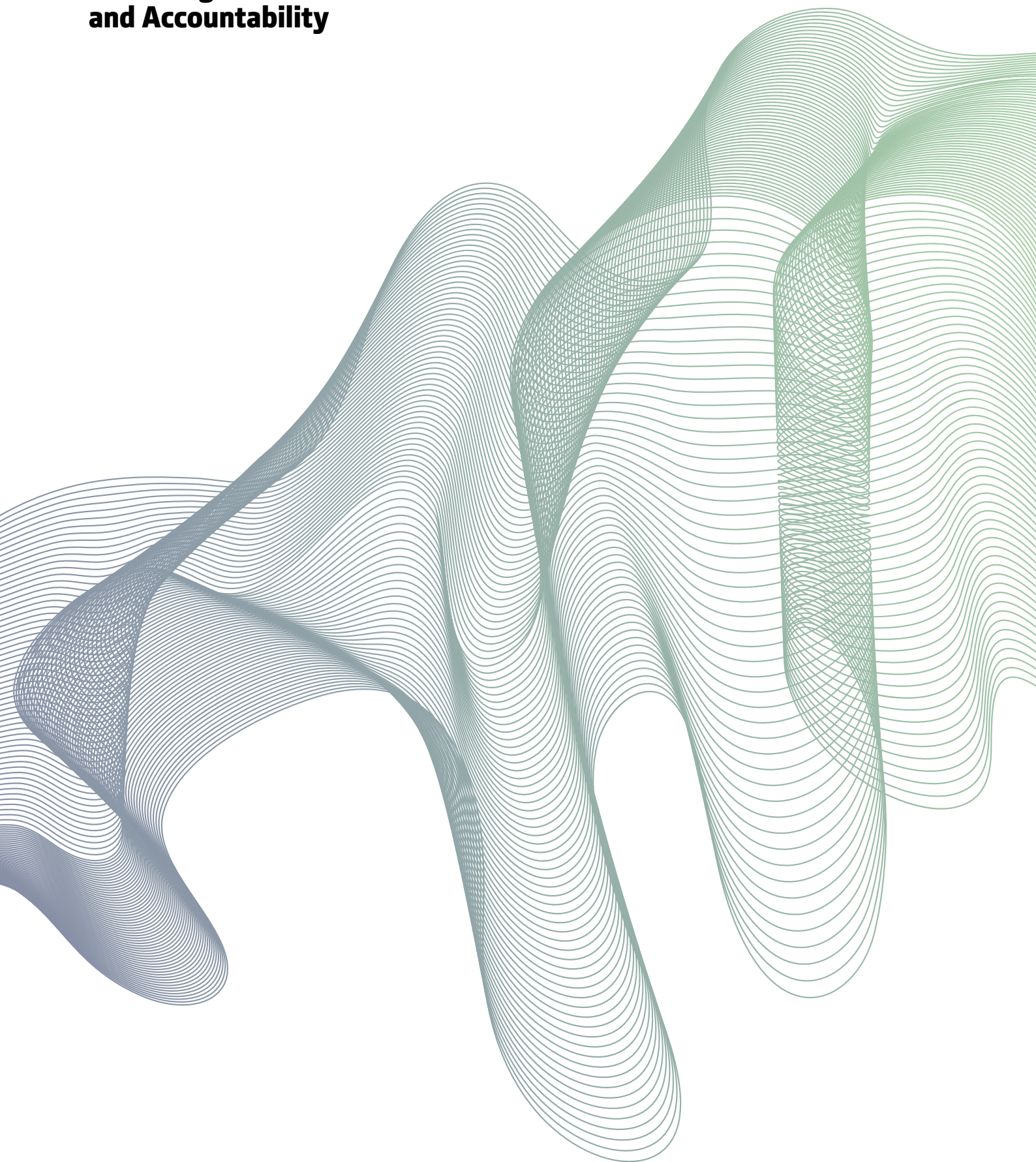
The BAI engaged with the Irish radio sector to explore how it could support initiatives to promote radio as a medium and enhance the sustainability of this sector generally. Key challenges such as the lack of an established cross-platform audience tracker report and agreed radio revenue figures were discussed. Initiatives that might address these issues are being explored by the BAI with this sector.

■ *Community Media Sector*

In parallel with the previously mentioned participation in media activities (under the Empowering Audiences theme) in 2018 the BAI and representatives from the Community Media Sector held a number of workshop sessions to discuss issues relating to sustainability in the sector. These focused on licensing, governance and funding issues, as well as the enhancement of participation in the sector and the development of partnerships, such as those concerning the implementation of the BAI's archiving policy under Section 69 of the Act. The working group culminated with a number of proposals being put forward, some of which will be actioned by the BAI and the sector across 2019/2020.

Section 5

**Achieving Excellence
and Accountability**



Strategic Objectives

1. Regulate to achieve a responsible and accountable broadcasting sector
2. Show leadership in sustainable development by modelling and promoting high standards of environmental, social and governance practice
3. Promote an innovative working environment that motivates, challenges and develops the BAI

Outcomes by 2019

1. The BAI is a trusted regulator by all stakeholders
2. The BAI and the broadcasting sector are recognised as models of good governance and corporate responsibility
3. The BAI has a leadership and performance culture

There are three key deliverables within the workplan which principally support the achievement of these strategic objectives. These cover the areas of Compliance; Environmental, Social and Governance Practice and Organisational Structures and Culture. These are elaborated on further hereunder.

Compliance

In 2018, focus centred on the development of a compliance action plan that supports robust compliance and governance practices by all licensed broadcasters and funding contractors. This area includes three elements – (1) statutory reporting, (2) monitoring and enforcement and (3) reviews of performance. Much of the work arising is presented to the Compliance Committee although some of it is also considered by the Authority.

1. Statutory Reporting

Work in this area in 2018 included consideration of the annual statements of performance commitments of the PSBs; the annual reviews of performance and public funding of PSBs; a report on Access Rules compliance; a report on compliance by non-Irish broadcasters with BAI broadcasting codes and a report on compliance of Irish-licensed television broadcasters with the European and independent works requirements of the AVMSD.

■ ***Public Service Broadcasters***

Each year, RTÉ and TG4 consult with the BAI on their Annual Statement of Performance Commitments (ASPCs). These statements outline high level performance commitments for the coming year in line with their five-year organisational strategies. Their commitments address areas such as: the way in which audiences will be served; the type of content to which they commit; their expected financial performance and the way in which public funding will be utilised; the level and nature of Irish language content proposed; and the extent to which they are trusted by audiences.

Each year, the BAI also carries out a Performance Review of each PSB, assessing their performance against their commitments for the prior period. It reviews the adequacy of the public funding provided to the broadcasters to enable them to meet their strategic objectives and makes Funding Recommendations to the Minister, on adjustments (if any) in the level of public funding that they should receive. The ASPCs and their performance against their commitments from the previous year provide the basis for this review together with a report provided by each broadcaster.

– **RTÉ's Annual Statement of Performance Commitments 2018**

The Authority assessed the commitments set out by RTÉ for 2018 and was satisfied that they were sufficiently high-level and strategic in focus and that they were in line with the objectives of RTÉ's current Strategic Plan. The commitments were also considered sufficient to facilitate the future assessment of the broadcaster's performance against the objectives set.

– **TG4's Annual Statement of Performance Commitments 2018**

The Authority assessed the commitments set out by TG4 for 2018. Based on one of the recommendations emanating from the Annual Review of Public Funding carried out in 2016, the BAI welcomed that the commitments set out in the ASPC 2018 were less prescriptive than in previous years and were more strategic in nature, mirroring the high-level nature of the objectives set out in TG4's 2018-2022 Five-year Strategy. TG4's ASPC for 2018 also aligned with the broadcaster's organisational strategy with references to measures such as engagement with younger audiences.

— **Review of Performance and Adequacy of Public Funding for RTÉ and TG4: 2017**

In 2018, the BAI reviewed the performance of RTÉ and TG4 against their commitments and considered the sufficiency of public funding available for both PSBs to meet their objectives. A strategic, audience-focused framework was developed to pilot in the 2017 review, to aid the PSBs in their decision-making processes. This framework, a recommendation emanating from the Five-Year Review, is referred to as Audience Yield, and it provided a significant level of additional insight into how the PSBs serve their audiences. This review was completed with the support of consultants, Communication Chambers. The Authority endorsed the recommendations set out in the report as follows:

- The Authority was satisfied that both RTÉ and TG4 had delivered on their performance commitments in respect of 2017.
- The Authority agreed there had not been material changes to the position articulated in the BAI's Five-year Review of Public Funding in respect of both RTÉ and TG4. Accordingly, a funding increase of €21.4 million per annum was recommended for RTÉ while an increase of €5.557 million per annum was recommended for TG4.

The final report and recommendations were due to be submitted to the Minister in early 2019.

— **Compliance by Non-Irish Broadcasters with BAI Broadcasting Codes**

The BAI is required, under the Act, to review the extent to which television broadcasters, with broadcasts wholly or mainly directed at Irish audiences, comply with the BAI's broadcasting commercial codes. The BAI is required to present a report to the Minister on the findings of the review.

The BAI's review covering the 2017 period found that opt-out advertising broadcast on non-Irish licensed TV services was broadly in compliance with the BAI's General and Children's Commercial Communications Codes. Issues of apparent non-compliance for the 2017 period were lower in comparison to the previous report covering 2015 and 2016.

■ ***Compliance of Irish Licensed Television Broadcasters with the European and Independent Works Requirements of the AVMSD***

The BAI is required to compile and provide a statistical report to the Minister regarding compliance with Articles 16 and 17 of the Audio-visual Media Services Directive ("AVMSD") by television services regulated by the BAI. These articles deal with the quotas in respect of European Works and European Independent Productions. Reports are provided to the Minister on a biennial basis.

In December, having considered the compliance review for 2015 and 2016 the Compliance Committee was satisfied to approve the report on the basis of broad compliance.

■ ***Access Rules***

The BAI Access Rules require public service, commercial and community broadcasters to meet targets for subtitling, consult with user groups and promote access to their services for people who are deaf, hard of hearing, partially sighted or blind. Additionally, RTÉ is also required to provide Irish Sign Language and audio description, while Oireachtas TV is also required to provide Irish Sign Language.

To assess compliance with the Access Rules during 2018, the BAI carried out several activities including monitoring of broadcaster output, meetings with broadcasters and meetings with the BAI User Consultative Panels to elicit their views on the quality and reliability of subtitles, audio description and Irish Sign Language.

The Compliance Committee considered the report provided and the findings. Overall, compliance with the Rules was improved on that in 2016. There was good engagement on the part of broadcasters with the BAI and, based on broadcaster and user feedback, a more pro-active and meaningful engagement between broadcasters and users of access services. Broadcasters are committed to improving the range, quality and reliability of their access service provision, but highlight that funding will always play a part in this area. Although the issues which affect the delivery of subtitling are similar to previous years, broadcasters are working to improve their processes and hopefully reduce the number of issues that users' experience.

2. Monitoring and Enforcement

The BAI's approach to monitoring and enforcement has been developed over many years with the principle aim of monitoring broadcaster adherence to statutory codes and rules and contractual provisions while also promoting a culture of compliance within the broadcasting sector.

■ *Programme Monitoring*

Focus in 2018 was on monitoring of services contained in the BAI licensing plans and for statutory requirements outlined above but was also carried out reactively where possible breaches were identified or complaints were received about a service. Monitoring typically focuses on compliance with statutory codes, rules and contractual commitments outlined in contractors' respective Programme Policy Statements.

During the year, monitoring was undertaken on both television and radio stations. In addition to monitoring public service broadcasters, the BAI monitored four commercial and six community services. Resulting from this work, two warning notices and eight compliance notices were issued to contractors for various occurrences of apparent non-compliance relating to broadcasting output. The BAI continues to engage with these contractors to monitor content and provide clarification where necessary in relation to the interpretation of broadcasting codes and rules. Additional monitoring was undertaken on 14 non-Irish broadcasters to assess compliance with the BAI broadcasting codes, as per Section 28(5) and (6) of the Broadcasting Act 2009.

■ *Technical Audits*

All broadcasters are required to adhere to certain technical requirements further to their contractual obligations and ComReg issued licences. The BAI undertakes monitoring for compliance with these requirements. During 2018, 76 radio transmitters were audited for this purpose. Overall there was a very high level of contractual compliance.

■ *Contractual Variations*

Contractual variation requests form a key part of the BAI's operational activity. These requests are submitted by licensed broadcasters seeking approval to amend certain elements of their contracts. Generally, the requests can concern proposed changes to a station's ownership, management or operational structure or a station's programming policy. During 2018 the BAI processed 46 such requests, taking into consideration the Broadcaster's contractual commitments and relevant BAI policies. Some of the requests considered and approved by the Authority include:

- The acquisition of Sappho Limited (the Irish Examiner Newspaper Group) by Palarvia Limited, a wholly owned subsidiary of The Irish Times Newspaper Group. Sappho Limited have a controlling interest in radio stations WLR FM and Beat FM and a significant interest in Red FM.
- The acquisition of Eircom Limited and Eircom Sport Limited, ("the Eircom Group"), by Toohil Telecom Holdings Limited. The Eircom Group hold a number of content provision contracts with the BAI to operate an EPG service and the Eir Sport channels.
- Following the re-branding of the TV3 Group of services to Virgin Media One, Two and Three approval was changed to the programming commitments of Virgin Media Three. These involved the introduction of commitments to children's programming and Irish film, and the removal of news content. The removal of news content was offset by increased news and current affairs programming on Virgin Media One and Two.

3. Performance Reviews

Performance reviews of stations address matters of ownership and control, corporate governance, staffing, programming, financial and business performance and include monitoring of content.

Importantly, performance reviews also enable the identification of trends across a sector, both commercial and community, and help to inform where additional support or input on the part of the BAI may be required into the future. In the case of community services, performance reviews also seek to establish the extent to which community services are representative of, and accountable to, the respective communities that they serve.

The last number of years has seen a requirement to prioritise compliance and performance of contractors included in the licensing plan of a particular year and this continued to be the case during 2018 with 3 Community and 1 Commercial performance review being carried out. In addition to these performance reviews, 2018 saw the carrying out of a contractual inspection of a community station and the completion of a statutory Section 50 investigation by the Compliance Committee.

The contractual inspection was carried out as the result of a complaint received about the governance of a community service. A Warning Notice was issued to the contractor and a plan to rectify the matters identified is due to be submitted to the Compliance Committee in 2019.

In 2017, a statutory Section 50 investigation was initiated by the Compliance Committee in respect of the performance of East Limerick Community Radio whereby the Compliance Committee conducted an investigation on the grounds the contractor was not providing the service in accordance with the terms of their contract. This investigation concluded in 2018 with the Committee's recommendation to the Authority to terminate the Contractor's Contract. East Limerick Community Radio's contract was subsequently terminated by the Authority.

Environmental, Social and Governance Practices

The BAI is committed to operating to a high standard in relation to environmental, social and governance practices and promoting this to the wider broadcasting sector. The BAI continues to place great emphasis on strengthening its governance standards and practices and internal capabilities. This sustained focus ensures that the organisation can effectively deliver its mandates with the highest level of professionalism, credibility and integrity. The observance and practice of good corporate governance is emphasised at all levels of the organisation. In addition to maintaining and promoting robust governance practices, the BAI strives to build on organisational structures and culture that support individual team learning and performance particularly through enhanced HR processes and improved knowledge management.

■ *2016 Code of Practice for the Governance of State Bodies*

The BAI continues to carry out its duties having regard to the requirements of the 2016 Code of Practice for the Governance of State Bodies (2016 Code).

Work continued throughout 2018 in implementing the additional requirements of the 2016 Code to ensure compliance with its provisions. This included the finalisation of an updated Code of Business Practice and revised Quality Customer Service Charter. Towards the end of the year the BAI developed a Governance Handbook which encompassed all relevant governance matters for the Authority, Committees and Executive.

■ *Functioning of the Authority*

The Authority has overall responsibility for the operation and functioning of the BAI, which includes setting the strategic direction of the organisation. In April 2018 the Authority undertook a formal review of its performance in accordance with the requirements of the 2016 Code. The Authority welcomed the opportunity to engage in this evaluation of its own performance and found the exercise to be a constructive building on previous reviews. Recommendations were incorporated into its activities for the remainder of the year and into 2019.

■ *Work of the Statutory Committees*

In accordance with its functions, the **Compliance Committee** undertook a number of activities in 2018 which included:

- Determining the outcomes of complaints by members of the public against broadcasters in relation to their adherence to broadcasting codes and standards;
- Developing a Compliance Plan for 2018 and 2019;
- Considering Annual Performance Reviews of Contractors conducted by the Executive;
- Reviewing reports on compliance by television broadcasters with their obligations under the BAI Access Rules;
- Consideration of technical audits of Contractors;
- Conclusion of an investigation further to the provisions of Section 50 of the Act;
- Consideration and approval of a report to the Minister on compliance by non-Irish broadcasters with the BAI's General and Children's Commercial Communications Code;
- Consideration of the compliance of Irish Licensed Television Broadcasters with the European and Independent Works requirements of the AVMSD.

The main activities of the **Contract Awards Committee** in 2018 included the following:

- Implementation of licensing plans for commercial and community radio services as directed by the Authority;
- Consideration of applications for temporary and pilot community sound broadcasting contracts;
- Consideration of applications for content provision contracts.

■ *Work of the Finance, Audit and Risk Committee (FAR Committee)*

The FAR Committee monitors and reviews the effectiveness of the BAI's system of internal controls, its financial practices and controls, its external audit functions, and its risk management practices. The Committee regularly briefs the Authority in respect of its various duties and its terms of reference are reviewed on an annual basis.

The FAR Committee undertook a range of activities in 2018, which included:

- Oversight of the system of internal controls including BAI and Broadcast Fund financial statements, external audit and internal audit;
- Liaison with Comptroller and Auditor General and with Internal Auditors;
- Consideration of Internal Audit Reports;
- Risk Management activities including oversight of BAI's Corporate Risk Register.

■ *Promotion of good governance practices to the broadcasting sector*

To support better governance, compliance work and initiatives have been carried out with the community radio sector over the last number of years. In 2018 the BAI provided funding to support better governance structures in the sector through its Sectoral Learning and Development programme.

■ *Broadcasting Funding Scheme Governance*

In managing and awarding 7% of the Television Licence Fee, the BAI is required to oversee high standards of governance of the Scheme for the benefit of all stakeholders. Accordingly, particular emphasis is placed on compliance practices to ensure the delivery of projects by successful contractors.

Contractors are regularly monitored for compliance with the terms of their contracts by BAI staff and through independent audits. Reviews of final cost statements and the programme materials take place annually. Audit reports are brought before the BAI FAR Committee.

All television projects funded, and a proportion of radio projects funded, are systematically and independently assessed, following completion, against programme delivery requirements to ensure compliance with programme specification and treatment requirements set down in the contract.

■ *Section 42 Irish Human Rights and Equality Commission Act 2014*

The Authority is committed to ongoing review of its governance and procedures to maintain compliance with the principles of human rights and specifically the obligations under Section 42 of the 2014 Act.

■ *Energy Consumption*

The BAI again achieved a status of green from the SEAI in its 2018 Annual Report on Public Sector Energy Efficiency Performance and is on track to achieve targets set for 2020.

Organisational Structures and Culture

BAI staff continue to set organisational objectives aligned to the BAI three-year Strategy. These objectives are incorporated into the BAI Performance Management and Development process which enables the BAI to assess performance at an individual and an organisational level. The delivery of the workplan is monitored by an internal strategy implementation working group. The BAI operates a matrix structure whereby staff work flexibly across all areas of work activity according to business needs.

A key challenge for the BAI in recent years has been staffing and resourcing. In 2018 the BAI received sanction to recruit some additional staff and over the course of the year, a number of positions were filled.

The BAI has committed to staff training and development prioritising areas of relevance to the work of the organisation as well as furthering professional training and development for staff. The culture of the organisation supports and encourages individuals to take on new challenges and to adopt a learning dimension to their overall work mix. In a year of significant recruitment, an induction programme was also implemented for all new or newly promoted staff across the organisation.

■ *Irish Language Scheme*

In accordance with the provisions of the Official Languages Act, the BAI is committed to providing Irish language services to its stakeholders through the implementation and operation of an Irish Language Scheme. All Irish Language Schemes are monitored by Oifig an Choimisinéara Teanga. In 2018, which was year two of the BAI three-year Irish Language Scheme, the Irish language team continued a targeted approach to improving the number and quality of Irish language services the organisation provides. This included a significant increase in bilingual press releases and news items available on the BAI website and on social media. Promotion of Irish language skills within staff continued, including the Irish language classes coordinated in association with Gaelchultúr, individual staff events, such as an evening bilingual tour of the National Gallery arranged as part of Seachtain na Gaeilge and other such initiatives. As part of Bliain na Gaeilge 2018 and National Heritage Week, the BAI also hosted a screening of contemporary Irish language film *Murdair Mhám Trasna* with An tUachtarán Michael D. Higgins in attendance.

**BROADCASTING
AUTHORITY OF IRELAND
FINANCIAL STATEMENTS**
FOR THE YEAR ENDED
31st DECEMBER 2018



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GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

Governance

The Broadcasting Authority of Ireland (“BAI”) was established under the Broadcasting Act 2009 (“the Act”). The functions of the Authority are set out in section 26 of this Act. The Authority is accountable to the Minister for Communications, Climate Action and Environment and is responsible for ensuring good governance. It performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. Day-to-Day management of the BAI is the responsibility of the Chief Executive Officer (“CEO”) who is appointed pursuant to section 14 of the Act. He is accountable to the Authority for the functions delegated to him by the Authority and for the efficient and effective management of the administration of the Authority and the BAI’s two statutory committees, the Contract Awards Committee and the Compliance Committee. The CEO performs his functions subject to such policies as may be determined from time to time by the Authority and in line with the Authority’s Statement of Strategy, drawn up and adopted by the Authority pursuant to section 29 of the Act. The CEO may delegate his or her functions to a member of staff of the Authority, subject to such conditions he considers appropriate.

The BAI is also responsible for the administration of the Broadcasting Fund and the authorisation of transactions on the Fund. The governance arrangements and control procedures within the BAI apply to the Broadcasting Fund.

Authority Responsibilities

The functions and objectives of the Authority are set out in the Act. The specific and reserved decision-making responsibilities of the Authority and each statutory committee are set out in the BAI’s Schedule of Matters Reserved for Decision of the Authority and Statutory Committees. Standing items considered by the Authority include:

- Consideration and approval of the draft minutes of the previous meeting
- Declarations of Interest
- Matters concerning the functions and business of the BAI pursuant to the Act
- Matters relating to the achievement of the BAI’s strategic objectives
- Minutes of meetings of the Contract Awards Committee and the Compliance Committee
- Minutes of the Finance, Audit and Risk Committee

Section 37(2) of the Broadcasting Act 2009 (“the Act”) requires the CEO, under the direction of the Authority, to keep all proper books and records of account of all income and expenditure of the Authority and of the sources of such income and the subject matter of such expenditure, and of the property, assets and liabilities of the Authority. He is also required to keep and to account to the Authority for all such special accounts as required by part 10 of the Act, and as the Authority, with the consent of the Minister, or the Minister may from time to time direct should be kept.

In preparing these financial statements, the Authority is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, its financial position and enables it to ensure that the financial statements of the the BAI and the Broadcasting Fund comply with section 37(2) of the Act. The maintenance and integrity of the corporate and financial information on the BAI's website is the responsibility of the Authority.

The Authority is responsible for approving the Statement of Strategy (including its strategic objectives) and a three-year work plan and three-year budgetary estimates. The Authority considered the mid-term Strategy Review of the BAI Statement of Strategy 2017–2019 at its December 2018 meeting.

The Authority is also responsible for safeguarding the assets of the BAI and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority considers that the financial statements of the Broadcasting Authority of Ireland give a true and fair view of the financial performance and the financial position of the Broadcasting Authority of Ireland at 31st December 2018.

Authority Structure

The Authority consists of nine members, one of whom is appointed as Chairperson. The Authority members are appointed by Government on the nomination of the Minister for Communications, Climate Action and Environment pursuant to Section 8 of the Broadcasting Act 2009. Each member of the Authority holds office for such a term as the Minister specifies when making the appointment, subject to the provisions of section 9 of the Act. The table below details the appointment date for the nine current members of the Authority.

Board Member	Role	Date Appointed
Pauric Travers*	Chairperson	2 December 2017
Alan McDonnell	Ordinary Member	2 December 2014
Grace Smith	Ordinary Member	2 December 2014
Denis Wolinski	Ordinary Member	17 February 2015
Seán Ó Mordha	Ordinary Member	17 February 2015
Rosemary Day	Ordinary Member	17 February 2015
Maeve McDonagh	Ordinary Member	17 February 2015
Mary Curtis	Ordinary Member	31 January 2017
Vivien McKechnie	Ordinary Member	20 March 2018

* First appointed as Chairperson on 1 December 2014 for a period of three years. Reappointed for a further three-year term on 2 December 2017.

The Authority carried out a self-assessment of Board Effectiveness and Evaluation Review in April 2018.

Section 6 of the Act also established two statutory committees as follows:

- 1. Contract Awards Committee:** this Committee comprises eight members. Pursuant to section 8 of the Act, four of the members are appointed by Government on the nomination of the Minister for Communications, Climate Action and Environment and four members are appointed by the Authority; being two members of the Authority and two members of the staff of the Authority. The functions of the Contract Awards Committee are set out in Section 27 of the Act.
- 2. Compliance Committee:** this Committee comprises eight members. Pursuant to section 8 of the Act, four of the members are appointed by Government on the nomination of the Minister for Communications, Climate Action and Environment and four members are appointed by the Authority; being two members of the Authority and two members of the staff of the Authority. The functions of the Compliance Committee are set out in Section 28 of the Act.

The Authority has also established a **Finance, Audit and Risk Committee** which is comprised of three Authority members and one independent member with financial expertise. The role of the Finance, Audit and Risk Committee ("FAR") is set out in terms of reference approved by the Authority and its purpose is to assist the Authority in relation to its responsibilities pursuant to the 2009 Act and the Code of Practice for the Governance of State Bodies such as risk, internal control and associated assurance. The FAR Committee, which is independent of the CEO and management of the BAI, ensures that the BAI's internal control systems, including its risk and audit activities, are monitored actively and independently. The FAR Committee reports to the Authority after each meeting, and formally in writing annually.

In 2018, the members of the Finance Audit and Risk Committee were Alan McDonnell (Chairperson), Denis Wolinski and Mary Curtis. Mary Curtis stood down from the Finance, Audit and Risk Committee on the 31st December 2018 and Ms Vivien McKechnie was appointed to the Finance, Audit and Risk Committee from 1st January 2019. Dermot O'Riordan had been appointed as an independent member to serve from 1st September 2017 for a three-year term.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Authority and Committee meetings for 2018 is set out below including the fees and expenses received by each member.

	Fees €	Expenses €	Attendance
Authority Members			
Pauric Travers	11,970	-	12/12
Alan McDonnell	7,695	-	11/12
Grace Smith	7,695	-	11/12
Denis Wolinski	7,695	2,370	11/12
Seán Ó Mordha	7,695	-	11/12
Rosemary Day	-	3,153	10/12
Maeve McDonagh	-	1,291	11/12
Mary Curtis	7,695	303	10/12
Vivien McKechnie	6,025	-	6/8

	Fees €	Expenses €	Attendance
Compliance Committee			
Kevin Rafter	-	-	8/8
Nigel Heneghan	7,695	-	6/8
Paula Mullooly	7,695	-	6/7
Rosemary Day	-	2,368	6/8
Maeve McDonagh	-	468	8/8
Eileen Maher	7,695	-	8/8
Neil O'Brien	-	-	7/8
Anne O'Brien	-	-	3/8
Contracts Awards Committee			
Ercus Stewart	11,970	-	8/9
Eimer McGovern	7,695	-	8/9
John Hogan	7,695	387	8/9
Clodagh O'Donnell	7,695	-	8/9
Grace Smith	-	-	9/9
Sean Ó Mordha	-	-	8/9
Celene Craig	-	-	9/9
Ciarán Kissane	-	-	8/9
Finance, Audit and Risk Committee			
Alan McDonnell	-	-	5/5
Mary Curtis	-	-	4/5
Dermot O'Riordan	-	-	5/5
Denis Wolinski	-	802	5/5
Total	114,610	11,142	

One Person One Salary

For all members appointed to the current Authority, the Department of Communications, Climate Action and Environment asked incoming members to self-declare if they were subject to the One Person One Salary (OPOS) requirements. On the basis of these submissions, the BAI has been instructed not to pay two members of the current Authority (Rosemary Day and Maeve McDonagh) and one member of the Compliance Committee (Kevin Rafter) any remuneration in relation to their membership of the Authority or the Statutory Committees of the BAI, as appropriate.

Conflict of Interest

In the normal course of business, the BAI may approve the award of contracts and grants to undertakings in which Authority and/or Committee Members are employed or otherwise interested.

The Authority has adopted procedures in accordance with the provisions of the Broadcasting Act 2009 and the guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by Authority and/or Committee Members and those procedures were adhered to by the Authority during the year.

Members of the Authority who also serve as the Authority's nominees on the statutory Contract Awards Committee recuse themselves as a matter of course from all deliberations and decisions relating to recommendations for the award of contract, made by the Contract Awards Committee to the Authority.

The BAI complied with the provisions of the Broadcasting Act 2009 and the Department of Public Expenditure and Reform guidelines covering situations where interests are declared. In each case, the Member did not receive documentation on a licence application, complaint or issue arising, nor did the Member participate in, or attend decisions on, the matter, once the Member became aware of a conflict and/or had declared an interest in the matter.

Key Personnel Changes

Authority: Vivien McKechnie was appointed to a vacancy on the Authority on 20th March 2018.

Compliance Committee: Paula Mullooly resigned from the Committee on the 10 December 2018. Maeve McDonagh stood down from the Compliance Committee on the 31st December 2018 and Grace Smith was appointed to the Compliance Committee from 1st January 2019.

Contract Awards Committee: Grace Smith stood down from the Contract Awards Committee on the 31st December 2018 and Mary Curtis was appointed to the Contracts Awards Committee from 1st January 2019.

Disclosures Required by Code of Practice for the Governance of State Bodies

The Authority is responsible for ensuring that the BAI has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range of total employee benefits

From To	2018	2017
€60,000 – €69,999	6	6
€70,000 – €79,999	1	4
€80,000 – €89,999	4	-
€90,000 – €99,999	1	1
€100,000 – €109,999	-	-
€110,000 – €119,999	-	1
€120,000 – €129,999	1	-

For the purposes of this disclosure, short term employee benefits in relation to services rendered during the reporting period include salary, overtime, allowances and other payments made on behalf of the employee, but exclude employers PRSI.

Consultancy costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions totalling €25K for services to the BAI Finance Function (€64K in 2017).

	2018 € '000	2017 € '000
Auditing & Monitoring	49	39
Policy, Codes and Rules	326	516
General Consultancy	311	207
Total Consultancy	686	762
	€ '000	€ '000
Legal advice	81	96
	81	96

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2018 € '000	2017 € '000
Authority/Committee Members		
– Domestic	10	12
– Foreign	1	1
Employees		
– Domestic	18	20
– Foreign	33	27
	62	60

Note that in the Financial Statements Employees travel and subsistence expenditure is recorded as an Administrative Cost (€51K) and Authority and Committee Member travel and subsistence expenditure is recorded as a Authority/Committee Members' Fees & Expenses (€11K).

Hospitality Expenditure

The Income and Expenditure Account includes hospitality expenditure of €13K (€22K in 2017). This included €12K for staff hospitality (€21K in 2017) and €1K for client hospitality (€1K in 2017). The Code of Practice for the Governance of State Bodies requires costs relating to the Employee Wellbeing Programme to be included under this category.

Statement of Compliance

The Authority has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The Broadcasting Authority of Ireland was in full compliance with the Code of Practice for the Governance of States Bodies from 28th June 2018. On this date, the Authority approved the updated Code of Business Conduct and revisions to the Customer Service Charter and Action Plan, thereby bringing the Broadcasting Authority of Ireland in full compliance with the Code of Practice for the Governance of State Bodies.



Professor Pauric Travers
Chairperson
27th June 2019



Alan McDonnell
Member of Authority
27th June 2019

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

On behalf of the Broadcasting Authority of Ireland, we acknowledge the Authority's responsibility for ensuring that an effective system of internal control is maintained and operated in respect of the Broadcasting Authority of Ireland and the Broadcasting Fund. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the Broadcasting Authority of Ireland for the year ended 31 December 2018 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Broadcasting Authority of Ireland has a Finance Audit and Risk Committee ("FAR") comprising three Authority members and one external member with financial and audit expertise. The FAR Committee met five times in 2018.

The Broadcasting Authority of Ireland has outsourced its internal audit function which is adequately resourced and conducts a risk-based programme of work agreed with the FAR Committee.

The BAI Authority has approved a Risk Management Framework ("Framework") for the BAI which:-

- Links risk to the organisation's strategic objectives
- Provides a clear and explicit risk policy statement with appropriate risk management objectives
- Articulates the Authority's risk appetite, i.e. the amount of risk that it is willing to accept
- Articulates the manner in which risk will be identified and classified
- Requires that risk assessment is completed by identifying, describing and estimating the various risks that will impact on the Authority and sets out the tools, processes and structures that will give this practical effect
- Requires that risks must be reported to ensure full visibility of the risk and the actions planned to deal with the risk
- Sets out an implementation and monitoring plan that ensures that BAI staff are made aware of their role and their responsibilities regarding risk and the agreed actions
- Sets out what supports are in place (e.g. training).

The Framework has been issued to all staff who are expected to work with BAI's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

In its Terms of Reference, the FAR Committee commits to a review of the Framework on an annual basis and the Framework is submitted to the Authority for approval. Resulting from an internal audit on the Framework in 2018, the Framework was updated with a revised Risk Management Policy effective from January 2019.

Risk and Control Framework

The Broadcasting Authority of Ireland has implemented a risk management system which identifies, assesses and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

The BAI's Risk Management Framework identifies risk registers as risk management and tracker tools that, through a review and updating process, identifies, assesses and manages risks down to acceptable levels. A Corporate Risk Register is in place which identifies the principal corporate and strategic risks and uncertainties facing the Broadcasting Authority of Ireland and these have been identified, evaluated and graded according to their significance. In addition, operational risks and accompanying risk management plans are prepared for each of the BAI's project and operational areas. These are reflected in the Project and Operational Risk Register.

The Corporate Risk Register is reviewed by the FAR Committee on a quarterly basis and the Chief Risk Officer provides a risk update (including an update on significant operational risks) at each Committee meeting. The Project and Operational Risk Register is reviewed and reported on at all senior management team meetings, middle management meetings and monthly operational meetings between the Chief Risk Officer and the Office of the CEO. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed at an acceptable level.

The risk registers detail the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

We confirm that a control environment containing the following elements is in place:

- Procedures for all key business processes have been documented,
- Financial responsibilities have been assigned at management level with corresponding accountability,
- There is an appropriate budgeting system with an

annual budget which is kept under review by senior management,

- There are systems aimed at ensuring the security of the information and communication technology systems
- There are systems in place to safeguard the assets, and
- Control procedures over grant funding to outside agencies ensure adequate control over approval of grants and monitoring and review of grantees to ensure grant funding has been applied for the purpose intended.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Authority, where relevant, in a timely way. We confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

We confirm that the Broadcasting Authority of Ireland has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2018 the BAI complied with those procedures, with one exception disclosed below.

This related to the recruitment of a staff member with a specific skill set through an agency for which no competitive procurement process was undertaken. This contract commenced in 2010 at the time of the public service recruitment moratorium during a period of critical under-resourcing in BAI. The BAI has continued this arrangement as the staff member's experience, expertise and organisational knowledge and

insight developed over the years assists the BAI in its organisational objectives. Expenditure of €30,727 was expended on this service during 2018. Since 2016, the BAI has operated a framework agreement in relation to the procurement of recruitment agency services.

Review of Effectiveness

We confirm that the BAI has procedures to monitor the effectiveness of its risk management and control procedures. The BAI's monitoring and review of the effectiveness of the system of internal controls is informed by the work of the internal and external auditors, the FAR Committee which oversees their work, the senior management within the BAI responsible for the development and maintenance of the internal control framework.

We confirm that in June 2018 the Authority reviewed the annual review of the effectiveness of the internal controls for 2018 which was conducted by the internal auditor in March 2019.

Internal Control Issues

The 2017 Statement on Internal Controls outlined that a comprehensive self-review of tax compliance was carried out by an external tax specialist and identified two areas where BAI was not in compliance with regulations on the recoupment of VAT on certain purchases. In May 2018, an unprompted voluntary disclosure was made to Revenue totalling €99,367. Following engagement with Revenue on the matter a final agreed payment of €100,560 was made to Revenue in July 2018. Of this, €95,930 related to the Broadcasting Fund which includes €18,013 in interest and penalties. The 2017 Financial Statements of the Broadcasting Fund accounted for €95,016 and the 2018 Financial Statements of the Broadcasting Fund accounted for €914 of the payment to Revenue.

The balance of €4,630 relates to an over-claim of VAT made by the BAI on certain non-deductible items. This includes €833 in interest and penalties. The 2017 Financial Statements of the Broadcasting Authority of Ireland accounted for €4,351 and the 2018 Financial Statements of the Broadcasting Fund accounted for €279 of the final payment. The engagement with Revenue on this matter has concluded.

No additional weaknesses in internal control were identified in relation to 2018 that require disclosure in the financial statements.



Professor Pauric Travers
Chairperson
27th June 2019



Alan McDonnell
Member of Authority
27th June 2019

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Broadcasting Authority of Ireland

Opinion on the financial statements

I have audited the financial statements of the Broadcasting Authority of Ireland for the year ended 31 December 2018 as required under the provisions of section 37 of the Broadcasting Act 2009. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Broadcasting Authority of Ireland at 31 December 2018 and of its income and expenditure for 2018 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Broadcasting Authority of Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Broadcasting Authority of Ireland has presented certain other information together with the financial statements. This comprises the annual report (including the governance statement and Authority members' report) and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General

28 June 2019

Appendix to the report

Responsibilities of Authority members

As detailed in the governance statement and Authority members' report, the Authority members are responsible for

- the preparation of financial statements in the form prescribed under section 37 of the Broadcasting Act 2009.
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 37 of the Broadcasting Act 2009 to audit the financial statements of the Broadcasting Authority of Ireland and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Broadcasting Authority of Ireland's

ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Broadcasting Authority of Ireland to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 € '000	2017 € '000
Income			
Levy	2	4,863	4,683
Licensing Fees	3	38	23
Other Income	4	702	729
Gross Income		5,603	5,435
Transfer (from)/to Capital Account	16	12	(3)
		5,615	5,432
Expenditure			
Staff Costs	5	2,176	1,988
Retirement Benefit Costs	18(c)	312	309
Authority/Committee Members' Fees and Expenses		126	126
Consultancy Fees	7	711	826
Legal Expenses		81	96
Advertising		30	24
Administrative Expenses	8	463	428
Auditors' Remuneration		12	12
Grant & Development Payments	9	484	599
Premises & Related Expenses	10	752	769
Depreciation		16	24
Bad Debts		1	(3)
Bank interest and charges		7	10
		5,171	5,208
Surplus Income over Expenditure		444	224
Refund of Levy	2	(405)	(200)
Surplus after refund of Levy		39	24
Retained Revenue Reserve			
Balance at the beginning of the year		643	619
Surplus after refund of Levy		39	24
Balance at the end of the year		682	643

The Statement of Cash Flows and Notes 1–20 form part of these Financial Statements.

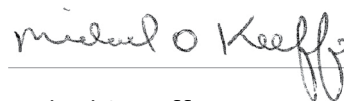
The Financial Statements were approved by the Authority on 27th June 2019 and signed on its behalf by:



Professor Paucic Travers
Chairperson
27th June 2019



Alan McDonnell
Member of Authority
27th June 2019



Michael O'Keeffe
Chief Executive
27th June 2019

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	€'000	€'000
Surplus after Refund of Levy	39	24
Experience gain/(loss) on retirement benefit scheme liabilities	216	(358)
Changes in assumptions underlying the present value of retirement benefit scheme obligations	114	133
Total actuarial (loss)/gain in the year	330	(225)
Adjustment to deferred Exchequer Retirement Benefit funding	(330)	225
Other Comprehensive Income for the year	39	24

The Statement of Cash Flows and Notes 1–20 form part of these Financial Statements.

The Financial Statements were approved by the Authority on 27th June 2019 and signed on its behalf by:



Professor Pauric Travers
Chairperson
27th June 2019



Alan McDonnell
Member of Authority
27th June 2019



Michael O'Keeffe
Chief Executive
27th June 2019

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	2018 € '000	2017 € '000
Fixed Assets			
Property, Plant and Equipment	11	41	53
Current Assets			
Receivables	12	998	1,196
Cash and cash equivalents	13	1,266	1,645
		<u>2,264</u>	<u>2,841</u>
Current Liabilities			
Payables (amounts falling due within one year)	14	(1,582)	(1,698)
Loan Facility		-	(500)
		<u>(1,582)</u>	<u>(2,198)</u>
Net Current Assets		682	643
Total Assets less Liabilities before Retirement Benefits		723	696
Deferred retirement benefit asset	18	12,092	11,491
Retirement benefit liabilities	18	(12,092)	(11,491)
Net Assets		<u>723</u>	<u>696</u>
Representing			
Retained Revenue Reserves		682	643
Capital Account	16	41	53
		<u>723</u>	<u>696</u>

The Statement of Cash Flows and Notes 1–20 form part of these Financial Statements

The Financial Statements were approved by the Authority on 27th June 2019 and signed on its behalf by:



Professor Paucic Travers
Chairperson
27th June 2019



Alan McDonnell
Member of Authority
27th June 2019



Michael O'Keeffe
Chief Executive
27th June 2019

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

Net Cash Flows from Operating Activities

	2018	2017
	€'000	€'000
Surplus for the Year	39	24
Depreciation Charge	16	24
Transfer from Capital Account	(12)	3
Decrease/(Increase) in Receivables	198	(120)
Increase/(Decrease) in Payables	(116)	104
Net Cash (Outflow)/Inflow from Operating Activities	125	35

Cash Flows from Financing Activities

Loan (Repayment)/Drawdown	(500)	500
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Cash Flows from Investing Activities

Payments to acquire Property, Plant and Equipment	(4)	(27)
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(Decrease)/Increase in Cash and Cash Equivalents	(379)	508
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Cash and Cash equivalents at beginning of year	1,645	1,137
Cash and Cash equivalents at end of year	1,266	1,645

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting Policies

The basis of accounting and significant accounting policies adopted by the Broadcasting Authority of Ireland are set out below. They have all been applied consistently throughout the year and for the preceding year.

(a) General Information

The Broadcasting Authority of Ireland was established under the Broadcasting Act 2009, with a head office at 2-5 Warrington Place, Dublin 2. The Broadcasting Authority of Ireland's primary objectives, as set out in Section 25 of the Broadcasting Act 2009, are as follows:

- (1) The Authority and the statutory committees, in performing their functions, shall endeavour to ensure –
 - (a) that the number and categories of broadcasting services made available in the State by virtue of this Act best serve the needs of the people of the island of Ireland, bearing in mind their languages and traditions and their religious, ethical and cultural diversity;
 - (b) that the democratic values enshrined in the Constitution, especially those relating to rightful liberty of expression, are upheld, and
 - (c) the provision of open and pluralistic broadcasting services
- (2) Without prejudice to the generality of *subsection (1)*, the Authority, and the statutory committees, shall –
 - (a) stimulate the provision of high quality, diverse and innovative programming by commercial, community and public service broadcasters and independent producers;
 - (b) facilitate public service broadcasters in the fulfilment of their public service objects as set out in this Act;
 - (c) promote diversity in control of the more influential commercial and community broadcasting services;
 - (d) provide a regulatory environment that will sustain independent and impartial journalism;
 - (e) provide a regulatory environment that will sustain compliance with applicable employment law;
 - (f) protect the interests of children taking into account the vulnerability of children and childhood to undue commercial exploitation;
 - (g) provide a regulatory environment that will facilitate the development of a broadcasting sector in Ireland that is responsive to audience needs and in particular is accessible to people with disabilities and
 - (h) promote and stimulate the development of Irish language programming and broadcasting services.
- (3) The Authority and the statutory committees, in performing their functions, shall seek to ensure that measures taken –
 - (a) are proportionate having regard to the objectives set out in this section,
 - (b) are applied across the range of broadcasting services taking account of the degree of influence that the different types of broadcasting services are able to exert in shaping audience views in the State,
 - (c) are mindful of the objects, functions and duties set for public service broadcasters in Parts 7 and 8,
 - (d) will produce regulatory arrangements that are stable and predictable, and

- (e) will readily accommodate and encourage technological development, and its application, by the broadcasting sector.

The Broadcasting Authority of Ireland is a Public Benefit Entity (PBE).

(b) Statement of Compliance

The financial statements of the Broadcasting Authority of Ireland for the year ended 31st December 2018 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

(c) Basis of Preparation

The Financial Statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for Communications, Climate Action and Environment with the concurrence of the Minister for Public Expenditure and Reform pursuant to section 37(4) of the Broadcasting Act 2009.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Broadcasting Authority of Ireland's financial statements.

(d) Income

Levy Income

The Authority's main source of income is generated from a levy raised on public service broadcasters and broadcasting contractors as required under section 33 (1) of the Broadcasting Act 2009. The levy is used to fund the expenses of the operation of the Authority and the statutory committees and is based on budgeted expenditure for a given financial year.

Under Section 33(5) of the Broadcasting Act 2009, any surplus of levy income over the expenses incurred by the Authority in the discharge of its functions relevant to that levy in a particular financial year shall either be retained by the Authority to be offset against levy obligations for the subsequent year, or be refunded proportionately to the providers of broadcasting services on whom the levy is imposed.

The basis of the calculation of the levy is detailed in the Broadcasting Act 2009 (Section 33) Levy Order 2010 (S.I. no. 7/2010) and is accounted for on an accruals basis.

Licensing Fee Income

Further to the provisions of the Broadcasting Act 2009, the Authority is responsible for the awarding of contracts for television and radio services on a variety of platforms. In general, the Authority enters into two kinds of contracts with broadcasting operators as follows:

- Broadcasting Contracts; and
- Content Provision Contracts

Licensing fees may be payable by applicants for contracts and by contractors to the BAI pursuant to the statutory provisions. Such fees may vary from time to time in line with the Authority's policies and strategies.

Other Income

Other Income is recognised on an accruals basis.

Interest Income

Interest Income is recognised on an accruals basis using the effective interest method.

(e) Property Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates estimated to write off the cost less the estimated residual value of each asset on a straight-line basis over their estimated useful lives, as follows:

Computer Software & Equipment	33% per annum
Office Equipment	20% per annum
Fixtures and Fittings	10% per annum
Leasehold Improvements	10% per annum
Audio/Technical Equipment	33% per annum
Motor Vehicles	25% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life. If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

(f) Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the Authority will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

(g) Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

(h) Employee Benefits

(i) Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the payables figure in the Statement of Financial Position.

(ii) Retirement Benefits

The Broadcasting Authority of Ireland operates a defined retirement benefits scheme. The Authority has an arrangement with the Department of Communications, Climate Action and Environment ("the DCCAE") under which the Authority will be reimbursed all monies required to settle retirement benefit obligations when they fall due. In return, the Authority is required to pay the DCCAE an amount equal to employee contributions for the year, plus an employer contribution at rates set by the Department of Public Expenditure and Reform.

Retirement benefit costs are charged to the Statement of Income and Expenditure and Retained Revenue Reserves and comprise the employer's contribution in respect of the year.

Retirement benefit liabilities represent the present value of future retirement benefit payments earned by staff to date. An asset, equal in amount to this liability and which represents the amounts to be reimbursed in future periods by the DCCAE for pensions as they fall due for payment, is recognised based on the retirement benefit funding arrangement in place.

Retirement benefit liabilities represented by the present value of future pension payments earned by Authority staff to date are measured on an actuarial basis using the projected unit method. Retirement benefit costs reflect retirement benefits earned by Authority staff in the period and are shown net of employee retirement benefit contributions, which are retained by the DCCAE. The amount to be included in the financial statements for the Deferred Exchequer Retirement Benefit Funding amount is estimated at an equal amount to the estimate of the obligation for the retirement benefit scheme liabilities.

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income for the year in which they occur and a corresponding adjustment is recognised in the balance for Deferred Exchequer Pension Funding.

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 became law on 28 July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme") which commenced with effect from 1 January 2013. All new employees to the Broadcasting Authority of Ireland, who are new entrants to the Public Sector on or after 1 January 2013, are members of the Single Scheme.

(i) Capital Account

The Capital Account represents the unamortised amount of income used to purchase fixed assets.

(j) Foreign Currencies

Transactions denominated in foreign currencies are translated into euro and recorded at the rate of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at rates of exchange ruling at the reporting date.

(k) Taxation

The Authority is not liable for Corporation Tax. Income raised by the Authority is subject to VAT.

(l) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation

means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Going Concern

There is no material uncertainty regarding the Broadcasting Authority of Ireland's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the Broadcasting Authority of Ireland considers it appropriate to prepare financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Broadcasting Authority of Ireland was unable to continue as a going concern.

Impairment of Property, Plant and Equipment

Tangible Fixed Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Depreciation and Residual Values

The Authority has reviewed the asset lives and associated residual values of all fixed asset classes, and, in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

Provision for Doubtful Debts

The Authority makes an estimate of the recoverable value of debtors and other receivables. The Authority uses estimates based on historical experience in determining the level of debts which may not be collected. These estimates include such factors as the current rating of the debtor, the ageing profile of debtors and historical experience. The level of provision required is reviewed on an on-going basis. The fair value of debtors in the financial statements approximate to their carrying amounts.

Provisions

The Authority makes provisions for legal and constructive obligations, which it knows to be outstanding at the period end date. These provisions are generally made based on historical or other pertinent information, adjusted for recent trends where relevant. However, they are estimates of the financial costs of events that may not occur for some years. As a result of this and the level of uncertainty attaching to the final outcomes, the actual out-turn may differ significantly from that estimated.

Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- i. the discount rate, changes in the rate of return on high-quality corporate bonds;
- ii. future compensation levels, future labour market conditions; and
- iii. health care cost trend rates, the rate of medical cost inflation in the relevant regions.

Deferred pension funding

The Authority recognises amounts owing from the State for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation scheme, and the policy and practice in relation to funding public service pensions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the Department of Communications, Climate Action and Environment, the Authority has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice.

2 Levy

Section 33 of the Broadcasting Act 2009 requires the Authority to recoup the expenses properly incurred by the Authority and the statutory committees in the performance of their functions through the imposition of a levy or charge on public service broadcasters and broadcasting contractors. The terms of this Levy, including the method of calculation, are set out in Statutory Instrument No.7 of 2010, Broadcasting Act 2009 (Section 33) Levy Order 2010 (the 'Levy Order').

On 22 January 2010, in exercise of the powers conferred on it by Section 33 of the Broadcasting Act 2009, the Authority published the Levy Order. The Levy Order came into operation on the 17th January 2010.

The amount levied on broadcasters in 2018 was €4.863M which included interest of €2,654. The net amount was based on the Authority's budgeted expenditure for levy purposes for 2018 and

broadcasters' qualifying income for 2017. Each year, the Authority conducts a levy reconciliation to compare the amount levied on broadcasters against the actual levy charge. This reconciliation will be carried out when the 2018 Authority expenditure for levy purposes has been approved and broadcasters have provided their actual qualifying income for 2017. Broadcasters will be subsequently issued with an invoice or a credit note for this adjustment.

The levy reconciliation processes for 2017 was carried out during 2018; the total levy refunded to broadcasters was €200,073. This amount was recognised in the 2017 Financial Statements. A refund of €405,457 is due to broadcasters in respect of the 2018 levy year and has been recognised in the 2018 Statement of Income and Expenditure and Retained Revenue Reserves.

3 Licensing Fees

	2018	2017
	€'000	€'000
Television	38	23
	38	23

4 Other Income

	2018	2017
	€'000	€'000
Other Income	702	729
	702	729

Other income relates to expenditure incurred by the Broadcasting Authority of Ireland and which is recharged to the Broadcasting Fund. This includes salaries of €453,544 (2017: €444,382), general overheads of €145,974 (2017: €181,568), BFS sponsorship contribution of €74,070 (2017: €72,862), IT licence fees and IT support fees of €15,038 (2017: €17,018) and investment advice €13,000 (2017: €13,000).

5 Remuneration

(a) Aggregate Employee Benefits

	2018	2017
	€ '000	€ '000
Staff short-term benefits	2,014	1,842
Employer's contribution to social welfare	162	146
	2,176	1,988

Pension-related deductions (PRD) of €89,062 (2017: €81,180) were made from staff salaries during the year and were submitted to the Department of Communications, Climate Action and Environment (DCCAE). In 2018, Staff Costs include €453,544 (2017: €444,382) which is recharged to the Broadcasting Fund and is recognised in Other Income.

One part-time person (2017: 1.75) working in the BAI during 2018 was employed via an agency. The gross cost to the BAI in respect of agency personnel in 2018 was €30,359 (2017: €48,848).¹

The average number of persons employed by the Authority (excluding Agency personnel) during the year was as follows:

	2018	2017
Senior Management	9	8
Other Staff	29.34	25.91
Actual Full-time Equivalent	38.34	33.91
Employment Control Framework (ECF) at 31 December 2018	35	35²

(b) Staff Short-Term Benefits

	2018	2017
	€ '000	€ '000
Basic pay	2,014	1,842
Overtime	-	-
	2,014	1,842

(c) Single Public Service Pension Scheme (Single Scheme)

Pensionable public servants appointed on or after 1 January 2013 join the Single Scheme, which is an average salary, defined benefit scheme. In 2018, staff contributions to the Single Scheme totalled €19,457 (2017: €10,594). The BAI's liability for employer contributions to the Single Scheme was €58,370 (2017: €31,782).

All Single Scheme contributions are paid over to the Department of Public Expenditure and Reform.

¹ The 2017 Audited Financial Statements incorrectly stated the 2017 agency personnel costs as €82,824.

² The 2017 Audited Financial Statements incorrectly stated 38 as the ECF at 31 December 2017.

(d) Key Management Personnel

Current key management personnel in the Broadcasting Authority of Ireland consists of the Chief Executive Officer, the Deputy Chief Executive Officer and the seven members of the Senior Management Team. The total value of employee benefits for key management personnel is set out below:

	2018	2017
	€ '000	€ '000
Salary	716,127	638,101
	716,127	638,101

This does not include the value of retirement benefits earned in the period. The key management personnel are members of the Broadcasting Authority of Ireland pension scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

6 Chief Executive's Remuneration

By letter of 13th October 2009, the Minister for Communications, Climate Action and Environment ("the Minister") appointed the Chief Executive of the BCI, Mr. Michael O'Keeffe, to the position of Interim Chief Executive of the Broadcasting Authority of Ireland, pursuant to Section 14(7) of the Broadcasting Act 2009. The appointment was for a period of one year, commencing on 1st October 2009 and ending on 30th September 2010. A contract of employment covering this period was entered into by the Interim Chief Executive and the Broadcasting Authority of Ireland on 15th February 2010.

By letter dated 30th September 2010, the Minister for Communications, Climate Action and Environment approved in principle the appointment of the Interim Chief Executive to the position of Chief Executive with the Broadcasting Authority of Ireland, pursuant to Section 14(12) of the Broadcasting Act 2009. The approval in principle was for a period of 2.5 years, commencing on 1st October 2010. The approval was subject to the Minister's approval of the terms and conditions of a new contract of employment for Mr. O'Keeffe, which approval would also be subject to the consent of the Minister for Public Expenditure and Reform, pursuant to Section 14(5) of the 2009 Act.

At 31st December 2018, the matter of a contract for Mr. Michael O'Keeffe remained outstanding. However, subsequently, a contract was concluded on 13th February 2019 between the BAI and Mr. O'Keeffe, the terms and conditions of which were approved by the Minister with the consent of the Minister for Public Expenditure and Reform, pursuant to Section 14(5) of the 2009 Act.

The BAI incurred legal fees of €1,474 (€2,000 in 2017) in relation to this matter in 2018. Total fees incurred to the end of 2018 by the BAI were €14,980.

The Chief Executive was employed at a rate of €127,623 per annum at 31st December 2018 (2017: €116,078). The total value of remuneration of the Chief Executive in the year ended 31st December 2018 was €125,314 (2017: €114,989) and an employer's superannuation contribution was made of €20,866 (2017: €19,165). The Chief Executive's pension entitlements do not extend beyond those standard entitlements of the Public Sector Model Scheme. No bonus was paid to the Chief Executive in 2018.

The total travel and subsistence costs paid to or on behalf of the Chief Executive in the year ended 31st December 2018 was €8,748 (2017: €6,443).

7 Consultancy Fees

	2018 € '000	2017 € '000
Auditing & Monitoring	49	39
Policy, Codes and Rules	326	516
General Consultancy	266	187
IT Consultancy	45	20
Services to BAI Finance Function	25	64
	711	826

8 Administrative Expenses

	2018 € '000	2017 € '000
Travel & Subsistence	54	51
Human Resources	44	66
Telephone & Postage	47	42
Office Expenses	188	158
Professional Affiliations & Subscriptions	21	23
Information Technology	109	88
	463	428

In 2018, staff foreign travel of €33,553 (2017: €26,823); staff domestic travel of €17,735 (2017:€19,715) and non staff travel costs of €2,722 are included in Travel & Subsistence costs. Costs of €14,873 (2017:€17,642) relating to staff and other BAI catering are included in Office Expenses.

9 Grant & Development Payments

	2018 € '000	2017 € '000
Network Funding	326	373
Broadcasting Innovation Scheme	10	81
Sponsorship	148	145
	484	599

10 Premises & Related Expenses

	2018	2017
	€ '000	€ '000
Rent, Rates, Service Charges & Building Maintenance	655	674
Security & Cleaning	81	79
Light & Heat	16	16
	752	769

11 Property, Plant and Equipment

	Total	Computer Software & Equipment	Office Equipment	Fixtures & Fittings	Leasehold Improvements	Technical Equipment	Motor Vehicle
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Cost							
At 31.12.2017	3,987	357	84	683	2,630	173	60
Additions	4	-	-	4	-	-	-
Disposals	(14)	(14)	-	-	-	-	-
At 31.12.2018	3,977	343	84	687	2,630	173	60
Depreciation							
At 31.12.2017	3,934	345	69	680	2,608	172	60
Charge for Year	16	8	4	1	3	-	-
Disposals	(14)	(14)	-	-	-	-	-
At 31.12.2018	3,936	339	73	681	2,611	172	60
Net Book Value							
At 31.12.2018	41	4	11	6	19	1	0
At 31.12.2017	53	12	15	3	22	1	-

12 Receivables

	2018	2017
	€ '000	€ '000
Debtors	754	622
Prepayments	170	201
Broadcasting Fund	55	353
Others	19	20
	998	1,196

The fair values of debtors and prepayments approximate to their carrying amounts. All debtors are due within one year. Debtors are shown net of impairment in respect of doubtful debts.

13 Cash and cash equivalents

	2018	2017
	€ '000	€ '000
Short Term Deposits Balance at 1 January	279	278
Short Term Deposits Additions	-	-
Short Term Deposits Withdrawals	-	-
Cash at bank and on Hand at 31 December	987	1,367
Balance as at 31 December	1,266	1,645

Short term deposits have maturities of less than 3 months.

14 Payables (amounts falling due within one year)

	2018	2017
	€ '000	€ '000
Trade Creditors	99	124
Levy Refundable to Broadcasters	405	200
Superannuation Contributions payable to DCCAE	74	163
Accruals	507	649
Revenue Commissioners	334	422
Others	163	140
	1,582	1,698

Tax and social insurance are subject to the normal terms of the relevant legislation. No interest was due at the financial year end. The terms of accruals are based on underlying contracts. Other amounts included within creditors not covered by specific note disclosures are unsecured, interest-free and repayable on demand.

15 Loan Facility

In 2016, pursuant to Section 35 of the Broadcasting Act 2009, the Authority obtained sanction for a loan facility of €1 million with the National Treasury Management Agency, in order to allow the Authority to manage its cash-flow requirements arising as a result of differences in the timing of receipt of levy income (which is invoiced quarterly in arrears) and its costs which fall due for payment throughout the year. No drawdowns were made from this facility during the year (2017: €500,000 was drawdown and repaid in full in January 2018).

16 Capital Account

	2018 € '000	2017 € '000
Balance as at 1 January	53	50
Transfer (to)/from Income and Expenditure Account:		
Funding of Asset Additions	4	27
Amortisation in line with Asset Depreciation	(16)	(24)
Transfer (to)/from Income and Expenditure Account	(12)	3
Balance as at 31 December	41	53

17 Operating Leases

The Authority occupies premises at 2-5 Warrington Place, Dublin 2, on which it holds a lease entered into in 2001 for 20 years. Under this lease, rent payments amounting to €536,000 were made in 2018 (2017: €527,000).

The BAI was notified in early 2017 that the landlord wished to initiate a rent review which would be effective 7th December 2016. Negotiations completed in 2018 and the annual rent agreed from 7th December 2016 was €530,000.

The total amount charged in respect of the operating leases and associated costs in the Income and Expenditure Account is €536,000 (2017: €527,000).

	2018 € '000	2017 € '000
Lease Commitments		
Under 1 Year	530,000	477,000
Between 2-5 Years	1,060,000	1,431,000
Over 5 Years	-	-
	1,590,000	1,908,000

18 Retirement Benefit Costs

(a) Retirement Benefits

The Broadcasting Authority of Ireland is a statutory body, established under the Broadcasting Act 2009. Section 16 of the Act provides that the Authority shall make a scheme or schemes for granting of superannuation benefits to, and in respect of, its staff members subject to Ministerial approval. The Broadcasting Authority of Ireland's Superannuation Scheme and its Spouses & Children's Pension Scheme (compulsory with membership of the main scheme) were operated on an administrative basis until 15 June 2017. The Scheme was sanctioned by the Minister for Communications, Climate Action and Environment (DCCAE) with the consent of the Minister for Public Expenditure and Reform and formally came into operation on the 16 June 2017. The former scheme provides retirement benefits (lump sum and pension) to staff members, and death gratuity benefits in respect of death in service. The latter scheme provides pension benefits for the surviving spouses and dependent children of deceased members. Both schemes are unfunded, defined benefit, superannuation schemes.

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouse's and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially-reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.

As described in the accounting policy, the Broadcasting Authority of Ireland makes an annual contribution to the DCCAE, which has undertaken to provide funding to the Authority to pay retirement benefits as they fall due. The Authority has adapted the treatment and disclosures required by FRS 102 to reflect the arrangements in operation.

The pension liability at 31 December 2018 is €12.092M (2017: €11.491M). Under the arrangement in place, the DCCAE will reimburse in full the pension liability of the Authority, as and when those liabilities fall due for payment. The Authority recognises its right to the reimbursement as a separate asset.

The results are set out below on an actuarial valuation of the pension liabilities in respect of Authority staff as at 31 December 2018. This valuation was carried out by a qualified independent actuary.

(b) Principal Actuarial Assumptions

The principal actuarial assumptions were as follows:	2018	2017
Rate of increase in salaries	2.80%	2.95%
Rate of increase in pensions in payment	2.30%	2.45%
Discount Rate	1.90%	2.01%
Inflation Rate	1.80%	1.95%

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the life expectancy for members attaining 65 in 2018 and 2038.

Year of attaining age 65	2018	2038
Life expectancy – male	21.4	23.8
Life expectancy - female	23.9	25.9

(c) Analysis of Total Retirement Benefit Costs

Total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves in respect of retirement benefit costs consist of the following:

	2018	2017
	€'000	€'000
Employer contribution paid to DCCAE and DPER	312	250
Current service cost	708	663
Interest on retirement benefit scheme liabilities	231	191
Adjustment to deferred retirement benefit funding	(939)	(795)
	312	309

(d) Movement in net retirement benefit obligations during the financial year

	2018	2017
	€'000	€'000
Opening balance	11,491	10,476
Current service cost	708	604
Interest on retirement benefit scheme liabilities	231	191
Actuarial Loss/(Gain)	(330)	225
Benefits paid	(8)	(5)
Net retirement benefit obligation at 31st December	12,092	11,491

(e) History of scheme liabilities and experience (gains)/losses

	Financial year ending in				
	2018	2017 ³	2016	2015	2014
	€'000	€'000	€'000	€'000	€'000
Defined benefit obligation	12,092	11,491	10,476	7,575	7,020
Deficit	(12,092)	(11,491)	(10,476)	(7,575)	(7,020)
Experience loss/(gains) on plan liabilities	(216)	358	59	(178)	(786)
Experience gains as percentage of plan liabilities	(1.8%)	3.4%	(0.6%)	(2.3%)	(11.2%)

19. Capital Commitments

There were no capital commitments at 31 December 2018

20. Approval of Financial Statements

The financial statements were approved by the Authority at its meeting on 27th June 2019.

³ The 2017 Audited Financial Statements did not include 2017 details for Experience loss/(gains) on plan liabilities.

**THE BROADCASTING
FUND FINANCIAL
STATEMENTS**
FOR THE YEAR ENDED
31st DECEMBER 2018



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STATEMENT OF RESPONSIBILITIES

Pursuant to the terms of the Broadcasting Act 2009, the Broadcasting Authority of Ireland is responsible for the control and management of the Broadcasting Fund. The Authority manages and controls a current account and an investment account as per Section 157 (2) of the Act. The Authority manages the current account for the day to day running of the Broadcasting Fund, including the receipt of income under Section 156 (2)/(3) of the 2009 Act, payment of Grants and Awards under schemes of the Broadcasting Fund and any expenditure incurred by the Authority for the operation of the Broadcasting Fund.

Monies not required to meet the current liabilities of the Broadcasting Fund are paid into the investment account. These monies are invested in line with the Authority's Investment Policy.

The Broadcasting Authority of Ireland is also responsible for preparing financial statements of the Broadcasting Fund for the year 1st January to 31st December 2018, so as to give a true and fair view of the financial performance and financial position of the Fund.

Details of the Broadcasting Authority of Ireland's governance and control systems and procedures are set out in the Broadcasting Authority of Ireland's statement on internal control and governance statement.

In preparing the financial statements, the Authority is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Broadcasting Authority of Ireland is responsible for:

- Keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and enabling it to ensure that the financial statements comply with section 157(8) of the Schedule to the Broadcasting Act 2009 and are in a form approved by the Minister for Communications, Climate Action and Environment after consultation with the Minister for Public Expenditure and Reform.
- Safeguarding the assets of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities.



Professor Pauric Travers
Chairperson
27th June 2019



Alan McDonnell
Member of Authority
27th June 2019

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas Broadcasting Fund

Opinion on the financial statements

I have audited the financial statements of the Broadcasting Fund for the year ended 31 December 2018 as required under the provisions of section 157 of the Broadcasting Act 2009. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Broadcasting Fund at 31 December 2018 and of its income and expenditure for 2018 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Broadcasting Authority of Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Broadcasting Authority of Ireland has presented certain other information together with the financial statements of the Broadcasting Fund. This comprises the annual report (including the governance statement and the Authority members' report) and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General

28 June 2019

Appendix to the report

Responsibilities of Authority members

As detailed in the statement of responsibilities, the Authority members are responsible for

- the preparation of financial statements in the form prescribed under section 157 of the Broadcasting Act 2009
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under 157 of the Broadcasting Act 2009 to audit the financial statements of the Broadcasting Fund and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Broadcasting Fund's ability to

continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Broadcasting Fund to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

FOR THE YEAR ENDED 31st DECEMBER 2018

	Note	2018 € '000	2017 € '000
Income			
Oireachtas Grant	3(a)	14,513	14,073
Recoupment of Income from Funded Projects	2	57	23
Interest Receivable		21	12
Total		14,591	14,108
Expenditure			
Grants and Awards	3(c)	12,587	12,891
Staff Costs	5	457	451
Legal Fees		9	8
Administrative Costs	6	416	796
Audit Fee		7	6
Assessment Costs		61	55
Consultancy Costs		69	20
Total		13,606	14,227
(Deficit) / Surplus of Income over Expenditure		985	(119)
Balance at beginning of year		20,224	20,343
Balance at end of year		21,209	20,224

The Statement of Cash Flows and Notes 1–11 form part of these Financial Statements.

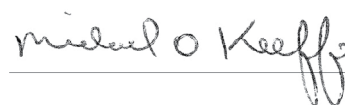
The Financial Statements were approved by the Authority on the 27th June 2019 and signed on its behalf by:



Professor Pauric Travers
Chairperson
27th June 2019



Alan McDonnell
Member of Authority
27th June 2019



Michael O'Keeffe
Chief Executive
27th June 2019

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31st DECEMBER 2018

		2018	2017
	Note	€ '000	€ '000
Current Assets			
Receivables	8	15	5
Cash and cash equivalents	7	6,944	15,267
Other short term deposits	7	14,300	5,300
		21,259	20,572
Current Liabilities			
Payables (amounts due within one year)	9	(50)	(348)
Net Assets		21,209	20,224
Representing			
Retained Revenue Reserve		21,209	20,224
		21,209	20,224

The Statement of Cash Flows and Notes 1–11 form part of these Financial Statements.

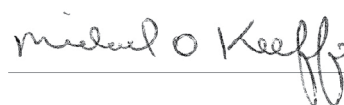
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st DECEMBER 2018

	2018 € '000	2017 € '000
Net Cash inflow/(Outflow) from Operating Activities		
(Deficit)/Surplus for Year	985	(119)
Returns on Investments	(21)	(12)
Decrease in Receivables	(10)	6
Increase in Payables	(298)	339
Net Cash Inflow /(Outflow) from Operating Activities	656	214
Cash Flows from Investing Activities		
Interest Received	21	12
Invested in Short-term Deposits	(9,000)	3,350
Net Cash Flows for Investing Activities	(8,979)	3,362
Net Increase/(Decrease) in Cash and Cash Equivalents	(8,323)	3,576
Cash/Cash Equivalents at 1 January	15,267	11,691
Cash/Cash Equivalents at 31 December	6,944	15,267

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2018

1 Accounting Policies

The basis of accounting and significant accounting policies adopted by the Broadcasting Authority of Ireland (BAI) in respect of the Broadcasting Fund are set out below. They have all been applied consistently throughout the year and for the preceding year.

(a) General Information

The Broadcasting Fund was set up under the Broadcasting Funding Act 2003, and it was previously managed by the Broadcasting Commission of Ireland. Under the Broadcasting Act 2009, management of the Fund transferred to the Broadcasting Authority of Ireland.

The BAI is responsible for the administration of the Broadcasting Fund and the authorisation of transactions on the Fund. The governance arrangements and control procedures within the BAI apply to the Fund.

(b) Statement of Compliance

The financial statements of the Broadcasting Fund for the year ended 31 December 2018 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

(c) Basis of Preparation

The Financial Statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for Communications, Climate Action and Environment with the concurrence of the Minister for Public Expenditure and Reform, in accordance with Section 157 of the Broadcasting Act 2009.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Broadcasting Fund's financial statements.

(d) Income

Pursuant to Section 156 of the Broadcasting Act 2009, the Minister for Communications, Climate Action and Environment, with the approval of the Minister for Public Expenditure and Reform, may pay to the Authority out of monies provided by the Oireachtas for the purposes of grants under a scheme and any administration of, or reasonable expenses relating to, a scheme, in respect of each financial year, an amount being equal to 7 per cent of net receipts in that year in respect of television licence fees.

Net receipts, in relation to the receipt of television licence fees, means the total receipts less any expenses in respect of those receipts certified by the Minister as having been incurred by him or her in that year in relation to the collection of the fees.

This income is accounted for on a cash receipts basis.

(e) Grants

Grants under the Broadcasting Funding Scheme impose specific future performance-related conditions on the recipients. These are recognised as an expense only when the grantee has fulfilled all performance-related conditions attaching to the award of the grant. Grant commitments represent funding approvals where the grantee has yet to fulfil the conditions attached to the grant.

Performance-related conditions include a provision for the recoupment of a grant from revenues generated by the grantee until such a time as the Authority has recouped its grant investment. Recoupment of Income from Funded Projects during 2018 is outlined in Note 2.

In certain circumstances, grant amounts paid in previous years are repaid by the grantee as the grantee is unable to fulfil the grant conditions. The grant expenditure recognised in the Statement of Income and Expenditure and Retained Revenue Reserves is net of grant amounts repaid in the year.

(f) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Going concern

There is no material uncertainty regarding the Broadcasting Fund's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the Broadcasting Fund considers it appropriate to prepare financial statements on a going concern basis.

2 Recoupment of Income from Funded Projects

	2018	2017
	€ '000	€ '000
Recoupment of Income from Funded Projects	57	23

A recoupment clause is included in Sound and Vision contracts to allow for the grant to be repaid if the project is a commercial success. The above monies reflect a portion of grants repaid in relation to three productions funded during the year. Amounts recouped are accounted for on a cash receipt basis.

3 Broadcasting Funding Scheme

- (a) Under the Broadcasting Act 2009, the Authority is required to prepare a scheme or schemes for the payment of grants to support, *inter alia*, certain television and radio programmes and the development of archiving of programme material produced in the State. These grants are funded out of an amount of 7% of net receipts of television licence fees. The 2018 Oireachtas Grant was included in subhead B6 of Vote 29 for the Department of Communications, Climate Action and Environment.
- (b) The BAI currently operates two approved Schemes.

The first of these is the **Sound and Vision 3 Scheme ("the Scheme")**. The Scheme was originally approved by the European Commission, initially from 2005–2009 and then from 2009–2012. The current Scheme falls under section 54 of the General Block Exemption Regulation (GBER) and does not require European Commission approval. The Regulation covers aid to schemes for audio-visual works below the threshold of €50m per scheme per year. In January 2015 the Minister of Communications, Energy and Natural Resources approved the Scheme to the end of 2019.

The second scheme operated by the BAI is the **Funding Scheme for the Archiving of Programme Material** ("the Archiving Scheme"). It is designed to provide funding support for the development of an archiving culture in the Irish broadcasting sector which contributes to the preservation of Ireland's broadcasting heritage. It is concerned with programme material only broadcast in whole or in part, or recorded for broadcast, on radio and/or television, and includes programmes and advertisements. The first Archiving Scheme came into effect in 2012 and expired in April 2016. Three funding rounds were run under this first scheme between 2013 and 2015, and funds were awarded to 23 archiving projects across a range of applicants. A review of the operation, effectiveness and impact of this first scheme was conducted in 2016 and the subsequent report was completed over the course of 2017 and submitted to the Minister of Communications, Climate Action and Environment in September 2017.

This review also informed the development of a draft second scheme, which included a targeted consultation in September/October 2017, the responses to which highlighted general satisfaction with the approach proposed by the Authority. The Archiving Scheme 2 was approved by the Minister in March 2018 and launched on 7th June 2018.

Archiving Awards Scheme	2018	2017
	€ '000	€ '000
Opening Commitment Figure	1,901	2,689
Awards made	1,898	-
Grants paid	(360)	(787)
Grants de-committed	-	(1)
Closing Commitment Figure	3,439	1,901
Total Closing Commitments	16,069	15,553

4. Broadcasting Fund Recharge

The Broadcasting Fund recharge relates to expenditure incurred by the Broadcasting Authority of Ireland and which is recharged to the Broadcasting Fund. This includes salaries of €453,544 (2017: €444,382), general overheads of €145,974 (2017: €181,568), BFS sponsorship contribution of €74,070 (2017: €72,862), IT licence fees and IT support fees of €15,038 (2017: €17,018) and investment advice €13,000 (2017: €13,000). The Broadcasting Fund recharge is detailed further in Notes 5 and 6 below.

(c) Broadcasting Fund Commitments

Sound and Vision Scheme	2018	2017
	€ '000	€ '000
Opening Commitment Figure	13,652	14,462
Awards made	11,854	11,362
Grants paid	(12,237)	(12,158)
Grants repaid	10	54
Grants de-committed	(649)	(68)
Closing Commitment Figure	12,630	13,652

5 Staff Costs

	2018	2017
	€ '000	€ '000
Wages and Salaries	364	363
Social Welfare Costs	29	28
Pension Costs	61	60
Staff Costs Recharged to BAI	454	451
Temporary Staff	3	0
Total Staff Costs	457	451

There are no employees directly employed by the Broadcasting Fund. Temporary staff were employed via an agency for a short period in May 2018 and in November 2018. The gross cost to BAI in respect of agency personnel in 2018 was €3,388 (2017: €0).

A number of employees employed by the Broadcasting Authority of Ireland do, however, spend a proportion of their time working on Fund-related matters. In 2018, this equated to 7 (2017: 6.75) full-time equivalents. During 2018, €453,544 (2017: €444,382) was recharged by the Broadcasting Authority of Ireland to the Broadcasting Fund for salary expenditure relating to the Broadcasting Fund.

In May 2018, an unprompted voluntary disclosure was made to Revenue totalling €99,367. Following engagement with Revenue on the matter a final agreed payment of €100,560 was made to Revenue in July 2018. Of this, €95,930 related to the Broadcasting Fund which includes €18,013 in interest and penalties. The 2017 Financial Statements of the Broadcasting Fund accounted for €95,016 of this payment. The remaining amount of €914 is accounted for in the 2018 Financial Statements of the Broadcasting Fund. The engagement with Revenue on this matter has concluded.

6 Administration Costs

	2018 € '000	2017 € '000
Overheads:		
Rent & Rates	102	117
Premises costs	29	54
Office expenses	14	27
Staff training	5	11
Subtotal overhead costs	150	209
Sponsorship	74	92
Direct costs:		
Sound&VisionScheme Archiving	97	214
Professional fees	13	13
Public Awareness	10	15
IT licence and support costs	66	223
Translation	3	5
Other	3	24
Bank charges	0	1
Subtotal direct costs	192	495
Total Administration Costs	416	796

The overhead costs charged to the Fund are based on the full-time equivalent of staff numbers working on the Fund as a percentage (in 2018, 17.07%; in 2017, 19.91%) of the total staff complement of the BAI in the period. During 2018, €174,012 (2017: €211,586) was recharged by the Broadcasting Authority of Ireland to the Broadcasting Fund for administrative expenditure relating to the Broadcasting Fund.

Sponsorship costs of €148,140 (2017: €145,724) are shared equally between the BAI and the Broadcasting Fund. In 2018 the sponsorship cost incurred by the Broadcasting Fund totalled €74,070 (2017: €72,862).

7 Deposits and Cash/cash equivalents

	2018 € '000	2017 € '000
(a) Short Term (maturity less than 3 months)	5,600	14,108
Other (maturity between 3 and 12 months)	14,300	5,300
Cash at bank and on hand	1,344	1,159
	21,244	20,567
Cash/cash equivalents		
Movement in Short Term Deposits		
Balance at 1 January	14,108	10,505
Additions	300	8,191
Withdrawals	(8,808)	(4,588)
Cash at bank and on hand at 31 December	1,344	1,159
Cash and cash equivalents at 31 December	6,944	15,267
(b) Movement in Other Short Term Deposits		
Balance at 1 January	5,300	8,650
Additions	9,000	1,550
Withdrawals	-	(4,900)
Balance at 31 December	14,300	5,300

- (c) As required under Section 157(4) and (6) of the Broadcasting Act 2009, monies standing to the credit of the current account and not required to meet current liabilities shall be paid into the investment account of the Fund.

Monies in the investment account of the Fund that are not required to meet current and prospective liabilities of that account shall be invested and the investments shall be realised or varied from time to time as occasion requires and the proceeds of any such realisation, and any income received in respect of monies invested, shall be paid into the investment account of the Fund.

In the period of account, the Authority retained the surplus funds on deposit with commercial banks.

8 Receivables

	2018	2017
	€ '000	€ '000
Accrued Interest	15	5
	15	5

9 Payables

	2018	2017
	€ '000	€ '000
(Amounts falling due within one year)		
Broadcasting Authority of Ireland	55	353
DIRT (Receivable)/Payable	(5)	(5)
	50	348

10 Capital Commitments

There were no capital commitments at 31 December 2018.

11 Approval of financial statements

The financial statements were approved by the Authority at its meeting on the 27th June 2019.

Broadcasting Authority of Ireland

2 - 5 Warrington Place

Dublin D02 XP29

T: 353 1 644 1200

E: info@bai.ie

www.bai.ie

 [@baitweets](https://twitter.com/baitweets)

