

# Annual Report 2019



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 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;
- 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 broadcasting 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 2019 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 management and administration of the functions of the Authority, Contract Awards Committee and Compliance Committee.



## Chairperson's Statement

I am honoured to present the annual report of the Broadcasting Authority of Ireland for 2019. This is my sixth such statement as chair of the Authority. Keen students of these reports may be struck by a sense of *déjà vu*. Certain themes recur, reflecting the cyclical nature of the licensing and regulatory work of the BAI and the key priorities identified in its Strategic Statement – priorities such as plurality, diversity and the importance of public service broadcasting. In recent years, sustainability and the need to address an outdated funding model have been a constant refrain. This year is no different: we continue to beat the same drum but it is reassuring to be able to point to a couple of potentially significant developments which offer cause for optimism that long-delayed reform may shortly be at hand.

A critical and independent media is a hall mark of a well-functioning democracy. Public service broadcasting is a central element in this and is widely accepted as such. However, there is less consensus on what is meant by public service broadcasting and how it is to be funded. The announcement by the government of the Commission on the Future of Public Service Broadcasting - now expected to take on a wider function in respect of other media - is a welcome development but only if it grasps the thorny issue of a sustainable funding model. Although it lies outside of the scope of this annual report, the experience in the recent pandemic should provide reassurance for anyone in doubt about the enduring value of public service broadcasting. Rarely has the transformative vision of the pioneers of broadcasting – to inform, educate and entertain – been so relevant. The response of our public service broadcasters and our broadcasters generally has been admirable, not simply in disseminating accurate up-to-date information but in supporting public education and, of course, providing entertainment.

A second development which has the capacity to transform the media landscape in Ireland is the publication of the revised Audiovisual Media Services Directive (AVMSD) by the European Commission in November 2018 and the transposition of the Directive into Irish law. The BAI made an extensive submission to the public consultation on the AVMSD and online safety and welcomes the fact that the Online Safety and Media Regulation bill published in January addresses some of our long-standing concerns about the regulation of the media in a digital age.

Recent events demonstrated once again that trust in the news matters. In 2019, for the fifth year, Ireland's participation in the Reuter's Digital News Report was sponsored by the BAI which also facilitated the more detailed ancillary report on the Irish results of the survey which has been produced by the Institute for Future Media and Journalism at DCU. This collaboration is part of our remit to support plurality and sustain quality journalism. Five years on, some of the policy implications of the research have become clearer. Trust in the news in Ireland is relatively high but it cannot be taken for granted. Given the ubiquity of fake news and media manipulation, media literacy initiatives such as the network established by the BAI and the Be Media Smart campaign are urgently required. With the integrity of elections internationally being called into question, the case for the establishment of the long promised electoral commission seems stronger than ever. Quality independent journalism and its concomitant, efficient and properly resourced public service broadcasting, are essential to the health of a vibrant democracy. Neither should be taken for granted.

2019 saw the completion of the final year of the current BAI Strategic Plan and the commencement of work on the preparation of a new Strategy Statement which will seek to reflect the changing media landscape. The first step in the process was the completion of a major survey of stakeholders with the assistance of IPSOS/MRBI as part of a thorough review of the current plan.

Promoting plurality was a key theme in the 2017-19 Strategy Statement. In that context, the launch of a new Media Plurality Policy and a revised Ownership and Control Policy in June were notable landmarks. Supporting diversity was another central theme and this report documents a range of activity under this heading, including the adoption of an Irish Language Action Plan and the implementation of the Gender Action Plan launched in December 2018. The initial outcomes of the inclusion of gender in the revised criteria for Sound and Vision funding are very encouraging and vindicate the approach taken.

The Broadcasting Funding Schemes continue to make a significant contribution to the creative sector and the provision of relevant content for Irish audiences. A total of €11.7 million was provided in two rounds of *Sound and Vision 3* to support the production of 241 radio and television programmes. 27% of the funding (€3.1 million) went to Irish language or bilingual programmes. The operation and effectiveness of the scheme was reviewed during the year following extensive consultation and a revised scheme was forwarded to the Minister for approval.

The Board has responsibility for the good governance of the BAI as well as its strategic direction. During the year, the members of the Board undertook an annual performance review in accordance with the provisions of the Code of Practice for the Governance of State Bodies.

In presenting this report, I wish to acknowledge the sterling efforts of the staff at all levels whose efficiency and dedication do so much to make the BAI the productive organisation that it is. I would also like to affirm the contribution of my fellow members of the Board and the members of the Contract Awards, Compliance and Finance, Audit and Risk committees whose expertise and commitment are invaluable. A distinctive feature of the BAI is that it works collaboratively with a range of stakeholders and partners in Government, the public service and across the broadcasting industry. I wish to place on record our appreciation for the cooperative spirit which characterises that partnership and which is indispensable to the effectiveness of the BAI.




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**Professor Pauric Travers**  
Cathaoirleach

## CEO Review

The end of 2019 also marked the completion of the BAI's Statement of Strategy for the years 2017-2019. A formal review of the Strategy was commenced towards the end of the year and the outcomes of this review will become available towards the middle of 2020. As identified in our last number of Annual Reports, the Strategy is structured under five themes with a series of objectives, outcomes and key deliverables identified in respect of each. In the main body of this Report, significant detail is included on how the BAI has performed under each of the Strategic Themes. This will demonstrate many significant achievements but also reflect areas where further work needs to be done. Some of the highlights from my perspective are touched on beneath.

Much of our work is captured under the theme of **Promoting Plurality and Diversity**. In 2019, two major pieces of work were completed covering the introduction of a new Media Plurality policy and the revision and updating of the Ownership and Control policy. Our Research partnership with Reuters and FuJo continues to provide evidence of the value that Irish people place on traditional news media with radio being the first source of news for people each morning. The Broadcasting Funding Schemes – Sound and Vision and Archiving – continue to contribute to an increase in the availability of culturally relevant content, including in the Irish language, across a diverse range of public, commercial and community broadcasters. I should also mention the significant work undertaken under the Diversity heading in respect of Gender and Irish Language – the reestablishment of the Irish Language Advisory Committee in partnership with Foras na Gaeilge being a particular highlight.

The theme of **Empowering Audiences** is concerned with greater audience engagement and that audiences in Ireland are supported to develop a greater understanding of, and participation in the production and dissemination of audiovisual content.

Initiatives supported under the Media Literacy Ireland network continue to ensure that this objective is delivered on. The BAI's expertise in this area has been recognised at EU level where our approach has been adopted in a number of other jurisdictions. The Be Media Smart campaign, in partnership with the media members of the network was one of the highlights of the year under this theme. Separately, we provided energy to the Community media sector through the launch of the Community Media Action Plan and a number of projects were initiated, such as the Community Social Benefit report, which will come to fruition in 2020.

The theme of **Achieving Excellence and Accountability** covers the BAI Compliance function and a series of internal accountability requirements. The Compliance plan for 2019 prioritised three elements – statutory reporting; monitoring content and transmission; and performance reviews. The Plan was largely achieved despite some resource challenges and a review of the scale may now be timely as we prepare to enter a new phase of sectoral regulation. There were two significant advancements on the BAI governance commitments – Risk and Corporate Social Responsibility. Adherence to good risk management practices was enhanced through the introduction of a revised Risk Appetite while the Authority gave effect to its commitment to show leadership and demonstrate social and environmental best practice through the commencement of a vision and action plan for both the BAI and the broadcasting sector. This will be developed further in 2020. Leadership and performance are also at the heart of the work and agenda of the senior management team which was extended in 2019 to reflect additional responsibilities envisaged in connection with the transposition of the AVMS Directive.

Supporting creativity and innovation and working with the sector to develop sustainable funding models are the key components of the **Enhancing Innovation and Sectoral Sustainability** theme. In 2019, the BAI continued to support creativity and innovation through initiatives under the sectoral learning and development and sponsorship programmes. We also developed partnerships with groups such as the Department of Education Junior Cert Cycle; the Canada Media Fund; and TG4 and Screen Ireland for the Cine4 scheme. There have been great successes under these partnerships as is evidenced in the main body of the Report. Sectoral sustainability remains a challenge in these current uncertain times for traditional media. While the BAI's recommendation for greater funding for public service broadcasters has not been fully adopted by Government, some additional funding was provided and a commitment was made to examine this topic through the proposed establishment of the Future of Public Service Broadcasting Commission (subsequently broadened to include all media). We hope that the initiative in the Community Media Action Plan on developing a more appropriate definition of the concept of social benefit, will lead to the sector achieving a greater level of funding support from organisations such as Pobal in the future.

The theme of **Communicating and Influencing** has taken up a considerable amount of BAI time and resources during 2019 both at a national and European level. At a national level, the BAI engaged extensively in the debate around the transposition of the AVMS Directive and the Online Safety proposals outlined by the Minister for Communications, Climate Action and Environment. We prepared a comprehensive submission to the Minister's consultation and many of our proposals were endorsed in the Heads of Bill for the new legislation which was subsequently published in January 2020. The BAI team has also played a critical role as a member of the European Union's expert group, ERGA, and we will co-chair an important AVMSD implementation sub-group in 2020.

As we conclude this Strategy period and make plans for the next, I believe that the BAI has made significant progress in respect of all of the strategic themes in the current strategy. While much has been achieved, there remain significant challenges as we enter the next phase of regulation – the transposition of the AVMSD which includes the regulation of new media; financial uncertainty for traditional media and how public, commercial and community broadcasters can be strengthened and supported; the ongoing need for greater diversity and ensuring audiences remain connected and empowered. No doubt all of these will be central in the next Strategy period which the BAI will be consulting on during 2020.

In conclusion, I must once again thank the BAI staff for their continued commitment to producing high quality work and without whom the delivery of the objectives within the Strategy Statement would not be possible.

Finally, my thanks to the Chairpersons and members of the Authority, Compliance, Contract Awards and Finance Audit and Risk Committees for their commitment and support in 2019.



**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 below reflects the membership of the Authority and meeting attendance for 2019.

	Meetings	Appointed
Professor Pauric Travers (Chairperson)	10/10	02/12/2014
Ms. Mary Curtis	9/10	31/01/2017
Mr. Alan McDonnell	10/10	02/12/2014
Ms. Grace Smith	10/10	02/12/2014
Mr. Seán Ó Mórdha	10/10	17/02/2015
Mr. Denis Wolinski	9/10	17/02/2015
Dr. Rosemary Day	10/10	17/02/2015
Professor Maeve McDonagh	8/10	17/02/2015
Vivien McKechnie	9/10	20/03/2018

The Authority's key responsibilities include the licensing and regulation of independent radio and television services, the development of broadcasting codes and rules, the provision of funding for programming under the Broadcasting Funding Schemes, and reviewing the performance of RTE and TG4 against their public service objects.

## Review of BAI Strategy Statement

2019 marked the final year of the current BAI Strategy Statement (2017-2019) and a key focus for the Authority concerned the continued progression of all strategic goals and objectives as set out in the document. Details of key achievements in this regard are set out in this report.

During the year, the Authority commenced its review of the efficiency and effectiveness of the Strategy Statement as required under Section 29(2) of the Broadcasting Act 2009. The review will largely be informed by primary research among BAI stakeholders and the process is expected to be completed in early 2020. The exercise will also gather stakeholder views on key areas for consideration in the development of the next BAI Strategy Statement.

## Annual performance review

In May 2019, the Authority undertook a formal review of its performance in accordance with the requirements of the 2016 Code of Practice for the Governance of State Bodies. The Authority welcomed the opportunity to engage in this evaluation of its own performance and found the exercise to be of assistance in furthering its own effective functioning. Arising out of the review, the Authority agreed to a number of specific actions which were incorporated into its workplan for the remainder of the year and into 2020.

These included a review of the *Schedule of Matters Reserved for Decision of the Authority and Statutory Committees* and the *FAR Committee Terms of Reference* documents, the convening of informal meetings between Authority members and BAI staff, and the scheduling of annual meetings with broadcasters in the regions.

## 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 2019.

Member	Meetings	Appointed
Professor Kevin Rafter (Chairperson)	6/6	31/01/2017
Ms. Eileen Maher	6/6	31/01/2017
Mr. Nigel Heneghan	5/6	17/02/2015
Ms. Orlaith Carmody	2/2	03/09/2019
Dr. Rosemary Day	5/6	20/01/2015
Ms. Grace Smith	5/5	01/01/2019
Ms. Anne O'Brien	5/6	02/04/2015
Mr. Neil O'Brien	6/6	14/09/2017

In accordance with its functions, the **Compliance Committee** undertook a number of activities in 2019 which included:

- Determining the outcomes of complaints by members of the public against broadcasters in relation to their adherence to broadcasting codes and standards;
- Considering 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;
- Consideration and approval of a report to the Minister on compliance by non-Irish broadcasters with the BAI's General Commercial Communications Code;
- Consideration of the compliance of Irish Licensed Television Broadcasters with the European Works Requirements of the AVMSD.

## 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 2019.

Member	Meetings	Appointed
Mr. Ercus Stewart (Chairperson)	10/10	10/03/2015
Mr. John Hogan	9/10	10/03/2015
Ms. Eimer McGovern	9/10	10/03/2015
Ms. Clodagh O'Donnell	9/10	31/01/2017
Ms. Mary Curtis	6/9	13/12/2018
Mr. Seán Ó Mordha	9/10	19/10/2017
Dr. Ciarán Kissane	9/10	14/09/2017
Ms. Celene Craig	9/10	02/04/2015

The main activities of the **Contract Awards Committee** in 2019 included:

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



## 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 2019.

Member	Meetings
Mr. Alan McDonnell (Chairperson)	4/4
Mr. Denis Wolinski	2/4
Mr. Dermot O'Riordan (Independent Non-Executive)	4/4
Ms. Vivien McKechnie	4/4

The FAR Committee undertook a range of activities in 2019, 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.



## 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 2019 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, Richard Brennan, Gillian Collins, Philip Cooper, Jean Crampton, Monica Doyle, Elizabeth Farrelly, Brian Furey\*\*, Patrick Goodliffe, Sarah Herron, Sally Kennedy, Louise McLoughlin, Deborah Molloy Bergin, Fionnuala Murphy, Roger Woods

### Executive Officers:

David Carrie\*\*, Rachel Casey, Jill Caulfield, Colm Coyne, Lucy Cuddihy, Teresa Kearns, Caroline Keville, Martina Mimmagh, Kevin Morgan, Marie Murphy, Sinéad Owens, Annette Stone, Deborah Wade

### Clerical Officers:

Barry Casey, Laura Forsythe, Jennifer Gilsenan, Andrea Leonard, Jessica Scott

\*on secondment leave

\*\*on career break

# BAI Strategy Statement 2017-2019



## 2019 Highlights

### Promoting Diversity and Plurality

The BAI published its Irish Language Action Plan in February 2019. The Plan recognises the need to further the development of quality Irish language programming in the Irish audiovisual sector and sets out actions to promote and stimulate the development of Irish language programming and broadcasting services. A key outcome of the plan has been the joint establishment of an Irish Language Advisory Committee, co-chaired by the BAI and Foras na Gaeilge.

The Sound and Vision Broadcasting Funding scheme continued to contribute to and increase the availability of culturally relevant Irish programme content awarding €11.7m to support the broadcast of 241 programmes on radio and television.

### Communicating and Influencing

At a national level, the BAI engaged extensively in the debate around Online Safety and the Transposition of the Audiovisual Media Services Directive (AVMSD) and prepared a comprehensive submission in response to the Minister's consultation. The BAI also played a significant role at a European level through our work with ERGA and has been nominated to co-chair a critical AVMSD implementation subgroup in 2020.

Mná na bPiop, produced by Tyrone Production Ltd and scheduled to be broadcast by TG4: Presenter Louise Mulcahy provides a telling snapshot of the social and cultural history of Ireland from the unique viewpoint of these trailblazing and tenacious women.





## Empowering Audiences

The multi-stakeholder network Media Literacy Ireland (MLI), facilitated by the BAI continued to support audiences in having a greater understanding of and participation in the production and dissemination of audiovisual content. In March 2019, the BAI, in conjunction with MLI, launched a national Be Media Smart campaign to coincide with European Media Literacy Week. The campaign asked people of all ages to Stop, Think, and Check that the information they see, read or hear across any media platform is accurate and reliable.

## Enhancing Innovation and Sectoral Sustainability

A number of exciting initiatives were supported by Sectoral Learning & Development throughout the year. Learning Waves ran the Journalism Bursary Programme in which five newly graduated journalists were given paid internships in radio stations around the country. X-Pollinator was a cross disciplinary professional and networking initiative aimed at addressing the gender imbalance in the Irish audiovisual industry which took place over two weekends in November and December.

X-Pollinator: From Page to Screen: **A Conversation on Writing Prose and Writing for the Screen – Differences, Challenges, Opportunities:** Sarah Davis-Goff, Anna McPartlin, Virginia Gilbert and Kevin Power



Media Literacy Ireland's Annual Conference: Martina Chapman, Professor Brian O'Neill, Dr. Aralynn McMane, Michael O'Keeffe, and Isabelle Courtney

The BAI also established innovative partnerships with the Department of Education Junior Cert cycle and the Cine4 project in association with TG4 and Screen Ireland.

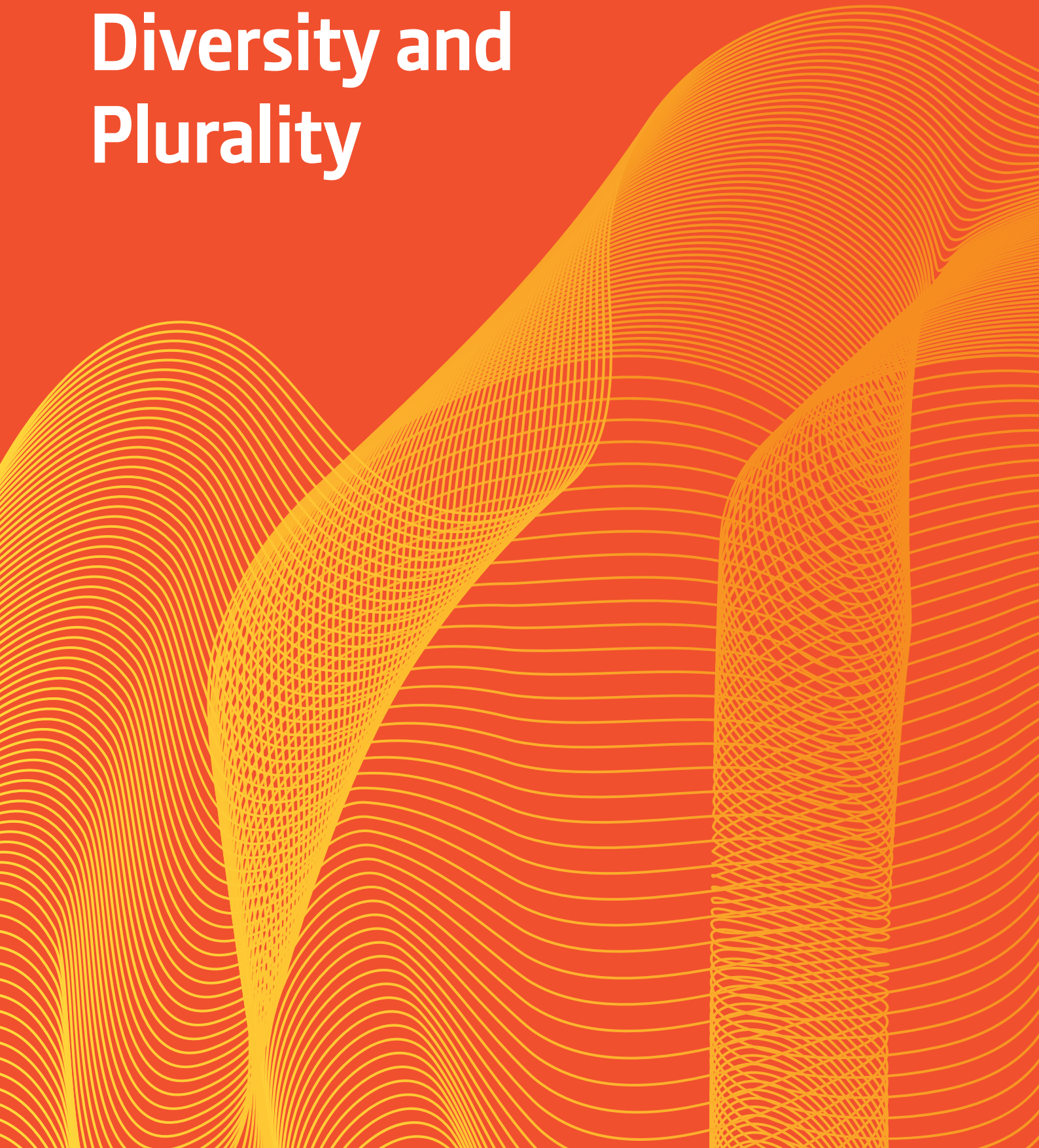
## Achieving Excellence and Accountability

In 2019, the BAI gave effect to its strategic commitment to show leadership and demonstrate social and environmental best practice through the commencement of the implementation of its Sustainability Vision and Action Plan for both the BAI and the broadcasting sector. The work is being guided by the UN Sustainable Development Goals and national policy.



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

Promoting Plurality has been a key theme of the BAI's Strategy Statement 2017 – 2019 and the Authority continued to promote a plurality of voices, opinion, and sources during 2019. In addition, the BAI implemented a range of activities that were designed to stimulate debate nationally and internationally about media plurality with a particular focus on the increasing importance of online platforms and services in this area. Two major pieces of work were completed in 2019 under the Plurality theme – the introduction of a new Media Plurality Policy and the revision and updating of the Ownership and Control Policy. The BAI also supported the publication of a number of research reports and contributed to a range of national and international fora and research projects.

### BAI Media Plurality Policy

The Media Plurality Policy provides context for the BAI's role in respect of media plurality; provides a definition for media plurality; outlines why media plurality is important; details policy objectives; and outlines the measures the BAI takes – and will continue to take – to promote and support media plurality in Ireland. The Policy can be accessed at [www.bai.ie](http://www.bai.ie).

### BAI Ownership and Control Policy

This policy gives practical effect to the obligations set out in the Broadcasting Act 2009 which the BAI must consider when deciding on the most suitable applicant for the award of a radio or television service contract. It is also used by the BAI to assess requests for changes to the ownership and control of existing broadcasting services, for example, changes in shareholdings and directors. The Policy was revised in early 2019 following a public consultation process. When considering the consultation submissions, the BAI gave careful consideration to requests to relax the current limits on ownership of the commercial radio sector. However, the Authority believed that the upper limit was appropriate and retained this in the revised policy.



This states that no more than 25% of commercial radio services can be owned by any one individual or group and no group currently owns more than 20%. The Policy can be accessed at [www.bai.ie](http://www.bai.ie).

## Review of the Implementation of the Code of Practice on Disinformation



Launch of ElectCheck 2019: Dr. Edward Casey, Dr. Niamh Kirk, Michael O'Keeffe, Dr. Jane Suiter and Professor Pauric Travers

During 2019, the BAI chaired the European Regulators Group of Audiovisual Media (ERGA) subgroup on Media Plurality. This group was charged with assisting the EU Commission in assessing the implementation and effectiveness of the EU Code of Practice on Disinformation which had been introduced for digital media companies such as Facebook, Google and Twitter. ERGA requested national regulatory authorities to undertake research which would examine the implementation of the Code at a national level and in this context the BAI commissioned the Institute for Future Media and Journalism (FuJo) at Dublin City University (DCU) to produce two specific research reports.

The first, ElectCheck 2019 examined how Facebook, Twitter and Google implemented their commitments in relation to transparency of political advertising during the 2019 European Election campaign. The Irish report contributed to a wider ERGA report which addressed the same questions and was published in June 2019.

Both the Irish and ERGA reports concluded that while platforms actively engaged with their commitments to support electoral transparency, there were significant shortcomings in terms of the provision of data to support the monitoring process. The research also highlighted a lack of consistency from platform to platform in how they presented information and in how political and issues-based advertising was defined.

The Second Report, CodeCheck looked at how Facebook, Twitter, Microsoft and Google implemented their commitments under all five Pillars of the Code during 2019 with a particular focus on activities to empower consumers and the research community. This Report will be published in the first quarter of 2020. While the Code of Practice is a major first step, there are significant weaknesses in terms of structure, content and enforcement that need to be addressed.

As part of this process the staff from the BAI participated in several European discussions on disinformation including a workshop and conference hosted by the European Partnership for Democracy in Brussels, a workshop on disinformation hosted by the Italian audiovisual regulator AgCom in Rome and European Commission workshops with relevant stakeholders on the implementation and effectiveness of the Code.

ElectCheck 2019 is available at [www.bai.ie](http://www.bai.ie) and the ERGA report is available at [erga-online.eu](http://erga-online.eu)

## Media Ownership Database

Following a tender process, the BAI signed a contract with DCU to publish on an annual basis for three years information on the ownership and control arrangements of undertakings carrying on a media business in the state and describe any changes that have taken place since the previous annual report was published. The first such report will cover the period from January 2018 to December 2019 and will be published in Q2 2020. The need for such a database was identified in previous plurality reviews including responses to the consultation on the draft BAI Plurality Policy.

## Reuters Digital News Report



Launch of Reuters Digital News Report 2019: Jon Williams, Dr. Eileen Culloty, Gabrielle Cummins, Dr. Niamh Kirk and Adrian Acosta

2019 was the fifth year the BAI committed to the inclusion of Ireland in the Reuters Global Digital News Report. The Irish report was produced by the Institute for Future Media and Journalism (FuJo) at Dublin City University (DCU) and was commissioned by the BAI. It is part of a Global report compiled by Reuters which is based on a survey of more than 74,000 people in 37 markets.

The 2019 Irish report focused on key issues of ‘fake news’ and disinformation and also looked at trends around ‘paying for news’, open and closed social networks being used for news, and podcasting. Key findings from the report noted that there was an increase in the number of Irish people willing to pay for news online and that they had growing concerns about ‘fake news’ on the internet. However overall, Irish audiences tend to have a greater level of trust in news provision, particularly from the traditional news sources of television, radio and print media.

## CMPF Monitor

The BAI continues to contribute to the implementation of the Media Pluralism Monitor in Ireland. The BAI is one of the expert reviewers of the implementation of a selection of the indicators and the Authority also contributed to a range of other reviews and discussions about the assessment of media pluralism in Ireland and other EU countries.

## Broadcasting Services Strategy

The Broadcasting Services Strategy provides the framework for the formulation of licensing plans and associated licensing activities by the BAI. It is one of the key means by which the Authority fulfils many of its statutory objectives and, in particular, its key statutory objective of endeavouring to ensure that the number and categories of broadcasting services in the State best serve the needs of the people of the island of Ireland, bearing in mind their languages, traditions, religious, ethical and cultural diversity. It also supports the provision of open and pluralistic broadcasting services in Ireland.



Dundalk FM Contract Signing: Alan McDonnell, Alan Byrne, Louise McLoughlin, Joe Duffy, Elizabeth Farrelly and Michael O'Keeffe

## Radio Licensing Activity 2019

During 2019 the BAI continued to implement licensing plans for commercial and community radio, which involved undertaking licensing processes for existing services whose contracts were due to expire. Following approval by the Authority, the plans were subsequently implemented by the Contract Awards Committee.

By year end, three sound broadcasting contracts had been signed; the licensing processes for a further two services were nearing completion, and the processes relating to three other radio services were underway.



The services concerned and their status as of the 31st December 2019 are detailed in the table below.

### Commercial Radio

Station	Station Type	Target Audience	Franchise Area	Status as of 31st December 2019	Applicant / Contractor
<b>Classic Hits</b>	Multi-city Music Driven service	45+ Age Group	Dublin City & County & Commuter Belt, Counties Cork, Limerick, Galway and Clare	Contract Awarded in Principle & contract negotiations underway	Choice Broadcasting Ltd t/a Classic Hits
<b>iRadio</b>	Regional Music Driven (Youth) service	15-34 Year Olds	North West Region & Midlands & North East Region	Contract Signed 14th November 2019	Wilton Radio Ltd t/a iRadio
<b>Dublin's Q102</b>	Music-based service for a General audience	35-55 year age group	Dublin City & County	Licensing Process Underway	City Broadcasting Ltd t/a Dublin's Q102
<b>Radio Nova</b>	Classic Rock music-based service	25+ years	Dublin City & County & Commuter Belt	Licensing Process Underway	Classic Rock Broadcasting Ltd t/a Radio Nova
<b>Spirit Radio</b>	Christian and religious service	15+ Years	Quasi-national	Licensing Process Underway	Spirit Radio Ltd t/a Spirit Radio

### Community Radio

Station	Station Type	Target Audience	Franchise Area	Status as of 31st December 2019	Applicant / Contractor
<b>Dundalk FM</b>	Community Radio Service	Local Community	Dundalk and Environs	Contract Signed 27th August 2019	Dundalk Media Centre CLG t/a Dundalk FM
<b>Claremorris Community Radio</b>	Community Radio Service	Local Community	Claremorris and Environs	Contract Signed 27th June 2019	Claremorris Community Radio CLG
<b>Near FM</b>	Community Radio Service	Local Community	North East Dublin	Contract Awarded in Principle & contract negotiations underway	Dublin North East Community Communications Co-operative Society Ltd t/a Near FM

## Temporary Sound Broadcasting Services

Every year the BAI awards temporary radio contracts to applicants seeking to operate a temporary broadcasting service for a short period of time. The two key types of temporary radio services offered are: 1) those who operate a regular temporary radio service for up to a maximum of 30 days in a 12-month period, and 2) those who operate a pilot community temporary radio service for up to a maximum of 100 days in a 12-month period.

Regular Temporary Service applicants request a 30-day sound broadcasting contract for a variety of activities such as special events, festivals, drive-in movie ventures, seasonal services while also catering for college campus, religious, social and cultural initiatives. Pilot Community Service applicants are community groups that seek a 100-day sound broadcasting contract over a 12-month period to service the community they represent with community-orientated programming.

In 2019, the Contract Awards Committee awarded 22 temporary sound broadcasting contracts. Nine of the successful applications were from established pilot community groups or new aspirant community groups, while the remaining 13 successful applications were regular temporary services.

## Content Provision Contracts

Section 71 of the Broadcasting Act 2009 makes a provision for the awarding 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. Eight such applications were received in 2019, with the applicants being awarded the following contracts:

- **LaLiga TV** – offering live coverage of the top tier of Spanish football to Sky viewers in Ireland and the UK.
- **Setanta Sports + (Ukraine)** - providing a wide range of sports coverage to viewers in Ukraine.
- **Setanta Sports 2** – providing live sports coverage and sports programming to a range of countries in Eastern Europe and Asia.
- **SIS (Sport Information Services)** – supplying betting services and associated content to retail and online operators globally across three separate contracts.
- **Virgin 100** – Virgin Media Television Ireland's information channel.

As with previous years, the BAI engaged with UK-based broadcasters who are continuing to explore the potential to move their operations to Ireland in preparation for Brexit. A number of enquiries were received from UK-based broadcasters during 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 economic, social, and technical terms. The BAI continued to liaise with UK and Irish agencies and departments on spectrum and related activities during 2019 to ensure a positive environment for the development of broadcasting services in Ireland. This included the assessment of Irish and UK DAB allocations to ensure that both administrations have equitable access to spectrum to further the development of DAB networks. Initial planning work on the communication aspects of frequency changes to the Saorview and Freeview DTT networks was also undertaken.

International agreements regarding FM radio have been in place since 1984 and the technical characteristics of broadcasting stations are agreed between neighbouring countries which helps to ensure that all countries have equitable access to FM radio spectrum. 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 2019, 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: Classic Hit's improved coverage in the Fermoy area and the extension of coverage for Spirit Radio. Licences were also sought from ComReg for temporary and pilot community radio stations.



Dr. Pauric Travers, Willie O'Reilly, Lisa McConn, Michael O'Keeffe and Mark Cuning at the iRadio Contract Signing

## 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 language and to fund the archiving of programme material made for broadcast. The revenue for the Fund 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 audiovisual 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 2019.

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 2019 resulted in the award of funding to 241 projects to the value of €11.7m. The Fund has a commitment to support the production of Irish Language programming and in 2019 approximately 27% of funding allocated (€3.1m) was provided towards the production of 56 Irish or bilingual projects.

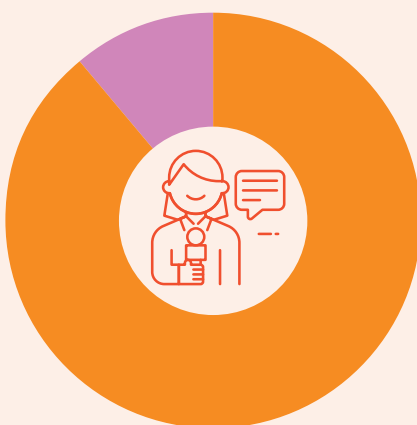
Round 33, the second round of funding in 2019, focused on the theme of Women's Stories, in addition to the existing criterion relating to the involvement of women in lead creative roles. This initiative, which was implemented as part of the BAI Gender Action Plan, resulted in the award of funding to all television programmes and 72% of radio programmes under this theme. Both rounds in 2019 also considered the involvement of women in lead creative roles when assessing projects. These were expanded to include the Editor and Director of Photography in addition to the Producer, Director and Writer. It was noted that women continued to be represented to a high level across all projects supported.

In accordance with the Scheme criteria and the strategic aims of the Authority, funding was allocated across a wide range of genres and formats with emphasis being placed on Irish language, diversity of audiences and demographic elements. A range of high-quality projects were funded operating on a national, regional, local and community basis serving a mix of audiences.

### Breakdown for TV/Radio, Broadcaster Type and Audiences 2019

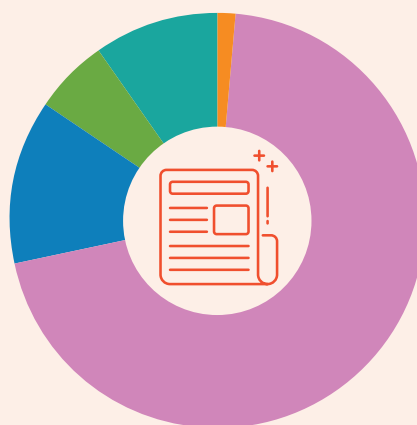
TV/Radio	Number of Projects	€ Total Funds Awarded	%
Radio	185	€1,274,880	11%
TV	56	€10,402,764	89%
<b>Broadcaster Type</b>			
Community	85	€741,213	6.34%
Commercial	91	€3,081,067	26.38%
PSB	65	€7,855,364	67.26%
<b>Audiences</b>			
<15	13	€1,532,884	13%
15-34	12	€811,695	7%
35-54	7	€420,390	3.6%
All Adults	171	€6,713,617	57.5%
Family	38	€2,199,058	18.8%

#### Sound & Vision funding for TV and radio



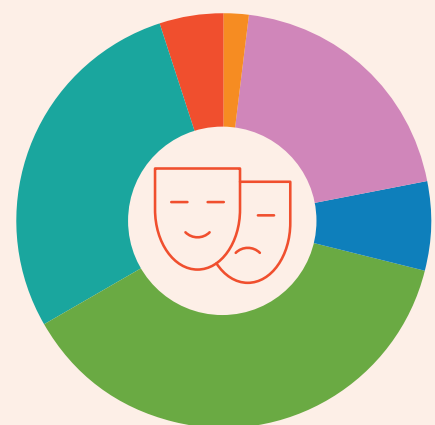
- **€10.4m** to 56 TV projects
- **€1.27m** to 185 radio projects

#### No. of programmes funded, by format



- Animation: **4**
- Documentary: **169**
- Drama: **31**
- Education: **14**
- Entertainment: **23**

#### No. of programmes funded, by genre



- Adult/Media Literacy: **5**
- Arts/Culture: **48**
- Children's: **17**
- Contemporary Society: **91**
- History/Heritage: **68**
- Science/Nature/Environment: **12**

## **Scheme Review and development of new Scheme**

Further to section 158(1) of the Broadcasting Act 2009, the Authority must undertake a review of the operation, effectiveness, and impact of the Sound and Vision Scheme every 3 years. In December 2018, following a tender process, Mediatique Limited were appointed to conduct the review which was completed in July 2019. There was a strong level of engagement from stakeholders throughout the review process. The review found that there was broad satisfaction with the Scheme among stakeholders and determined that Sound and Vision 3 had been highly effective in achieving its main objectives. The report of the review was submitted to the Minister for Communications, Climate Action and Environment, and subsequently laid before the Houses of the Oireachtas.

Following completion of the review of Sound and Vision 3, a new draft scheme, Sound & Vision 4, was developed based on the findings of the review. A public consultation on the new scheme was undertaken in the second half of 2019. There was very good engagement with the consultation across the independent production and broadcasting sectors. Following consideration of the submissions received from stakeholders during this process, the BAI finalised the new Scheme and it was forwarded to the Minister for Communications, Climate Action and Environment for approval before the end of the year.

## Sound & Vision 3 Highlights for 2019

### Television

#### **Life Off the Blue Tar Road – Diarmuid McIntyre t/a Grey Heron Media**

Produced by Diarmuid McIntyre t/a Grey Heron Media and the Kilmallock Travellers Group for broadcast on Cork Community Television, the project “Life Off the Blue Tar Road” invites the viewer to dive into the world of the Traveller women of Kilmallock, exploring identity, tradition and connection, and the challenges faced by Traveller women every day.

#### **In Our Own Words - Yellow Asylum**

Produced by Yellow Asylum and broadcast by Oireachtas TV, “In Our Own Words” documents the story of Irish women’s struggles for equality and representation in the political sphere, told exclusively through the first-hand testimony of the women involved.

Directed by Alan Gilsean, the aim of this documentary is to restore this essential history to the mainstream of Irish cultural life and popular discourse.

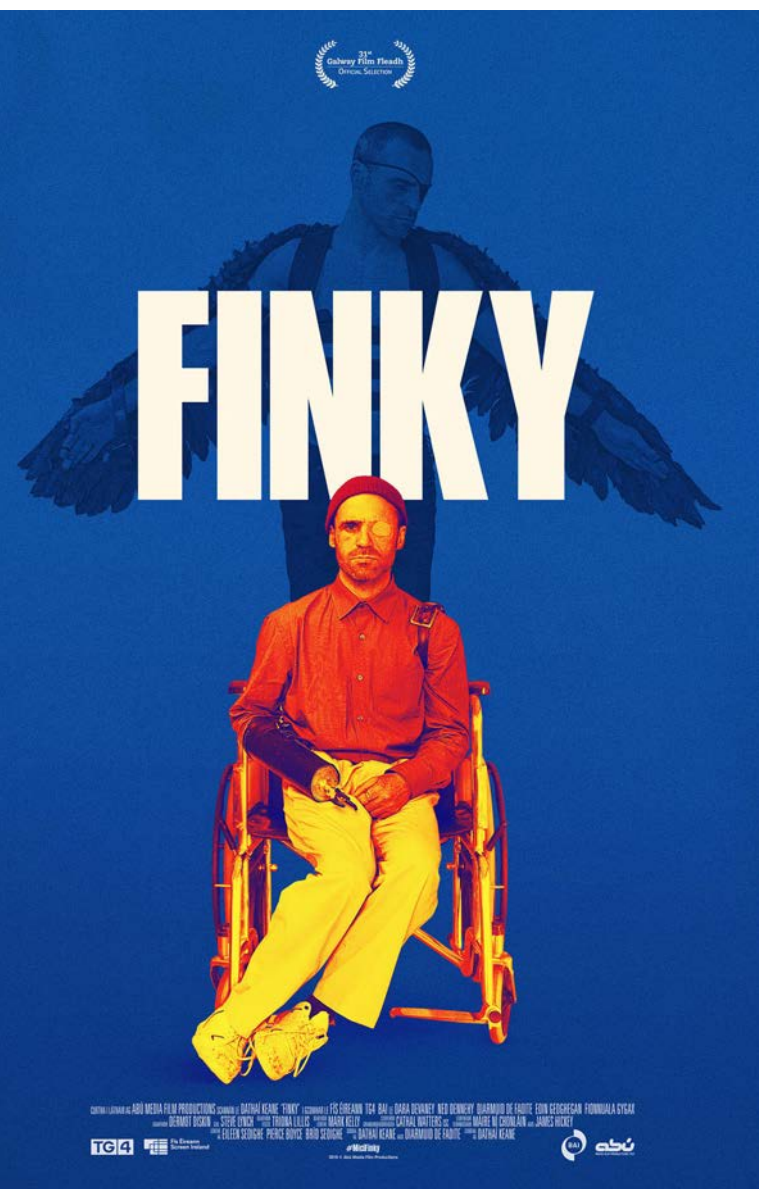


Members of Kilmallock Traveller Women Group: Eileen O’Keefe (Ballyhoura Development) with Joanna Lenihan, Helen McDonagh, Hannah O’Donnell brainstorming for “Life off the Blue Tar Road” with Diarmuid McIntyre.

In Our Own Words: Former President Mary Robinson







Finky: Release poster

### Finky – Abú Media Teo

Produced by Abú Media Teo and broadcast by TG4, “Finky” is the first project to be completed under Sound & Vision 3 with initial development funding through the Cine4 initiative between the BAI, Screen Ireland and TG4. Directed by Datháí Keane, the offbeat, Irish language feature drama film follows the character Finky, who is a musician and puppeteer with a tragic past given a chance at redemption when he is recruited by a violent, avant-garde circus. “Finky” premiered at the Galway Film Fleadh in 2019 where it won the Best Cinematography in an Irish Feature award.

### Darklands - Parallel Television

Produced by Parallel Television and broadcast by Virgin Media, “Darklands” is a provocative crime drama series set amidst a gang war in Dublin’s inner city. Directed by Mark O’Connor, it tells the story of a 16-year-old boy who dreams of becoming a professional MMA fighter and the challenges he faces trying to escape a dangerous world of drug gangs and violence when his brother goes missing. The series featured several actors that have never been on screen before, including the young lead actor Dane Whyte O’Hara.

Darklands







Blue Atlantic

### **Blue Atlantic - Sea Fever Productions Ltd**

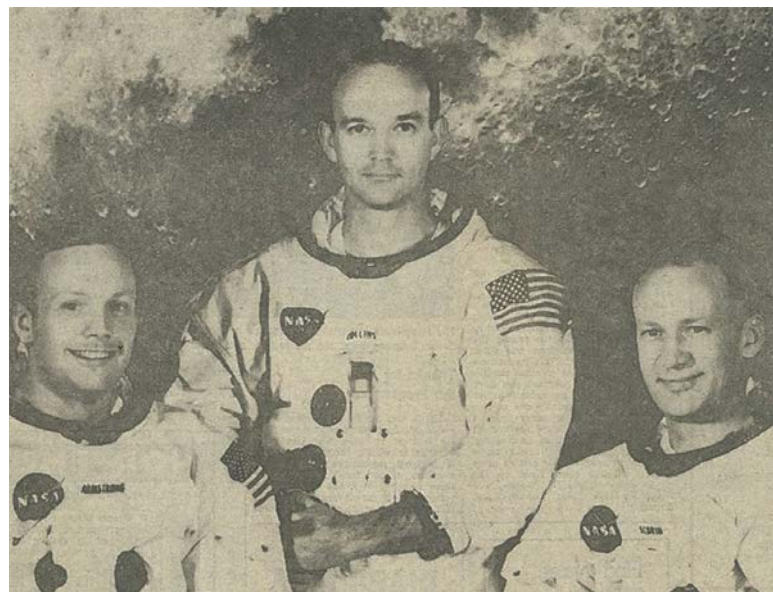
Produced by Sea Fever Production Ltd and scheduled to be broadcast by RTÉ One, Ken O'Sullivan returns with a follow-on series of the very well received natural history documentary series "Deep Atlantic" entitled Blue Atlantic. The project aims to continue documenting the fascinating story of Ireland's Atlantic sea life and the impact we have on our oceans. Production is scheduled to commence in 2020.

### **John Connors' Acting Academy - Frontline Films**

Produced by Frontline Films and scheduled to be broadcast by RTÉ 2, John Connors' Acting Academy is an empowering series presented by actor John Connors as he takes a group of 18 – 24 year olds from marginalized and disadvantaged communities and engages with them in an intensive acting bootcamp. Assisted by other successful industry professionals, John Connors provides them with their first big chance to kickstart their acting careers.

### **The Day We Landed on the Moon - Indiepics**

Produced by Indiepics and broadcast by RTÉ One, "The Day We Landed on the Moon" was an ambitious live event that was critically well received, generating a strong, cross-demographic audience. This live television event commemorated the 50th anniversary of the first moon landing with a celebration that highlighted Ireland's place in space exploration past, present and future.



The Day We Landed on the Moon



### **Dochas – A Place of Hope - Midas Productions**

Produced by Midas Productions and scheduled to be broadcast by Virgin Media One, “Dochas – A Place of Hope” is an immersive series which exhibits the untold stories of Ireland’s female inmates told in the context of their pasts, presents and futures. Marrying brutally honest and emotional interviews with pure observational documentary, this series unearths the true lives of some of Ireland’s most disempowered and disenfranchised women and seeks to encourage a wider societal conversation about the treatment of women in Ireland.

### **74 Days: Inside Terrence Mac Swiney’s Hunger Strike - Forefront Productions**

Produced by Forefront Productions and scheduled to be broadcast by RTÉ One, “74 Days: Inside Terrence Mac Swiney’s Hunger Strike” dynamically recreates a pivotal moment in Irish history that rocked the world but has been marginalised since. Using cutting edge science and the witness testimony of the three women who were there, his wife Muriel and his sisters Mary and Anne, to recreate the untold story of the last 74 days of his life in a way that has never been previously seen.



Mná na bPíop: Anna Barry 1901 (Archive material)

### **Mná na bPíop – Tyrone Productions Ltd**

Produced by Tyrone Production Ltd and scheduled to be broadcast by TG4, “Mná na bPíop” is a landmark feature length documentary celebrating for the very first time the incredible contribution of the female Uilleann Pipers throughout the 19th and 20th centuries. Ensuring their proper right to recognition, renowned piper and passionate researcher Louise Mulcahy provides a telling snapshot of the social and cultural history of Ireland from the unique viewpoint of these trailblazing and tenacious women.

Presenter Sarah-Anne Buckley and historian Ciara Breathnach on location in Kilmainham Gaol Museum for 74 Days: Inside Terrence MacSwiney’s Hunger Strike.





## Radio

- **The Importance of Being Elderly** - Produced and scheduled to be broadcast by Athlone Community Radio, “The Importance Of Being Elderly” examines what it means to be elderly in 21st century Ireland, looking at how we treat our elderly, the supports that are available and the important role that the over 65’s play in our society.
- **Mother’s Blood, Sister Songs** - Produced by Athena Media and broadcast by RTÉ Lyric FM, “Mother’s Blood, Sister Songs” explored the connection between the Celtic musical roots of Ireland and Iceland. A music-led feature series exploring heritage, language, music and gender while drawing out the little-known stories of the Celtic origins of Iceland through its women. The series won a gold award at the New York Festivals awards in April 2020.
- **TY Media Week** - Produced by Learning Waves and scheduled to be broadcast by KCLR, 96FM, LMFM, WLR FM, Newstalk, Beat 102-103, Ocean FM, Mid-West Radio, Tipp FM, FM104, Clare FM, Q102, Corks Red FM, Radio Kerry, Galway Bay FM and Shannonside Northern Sound. TY Media Week was a project which saw the creation of 30 hours of radio by 225 Transition Year students with the aim of raising awareness of Media Literacy among the group and a wider captive audience.
- **Owenduff** – Produced by Éamonn Little and scheduled to be broadcast by Newstalk, Owenduff was an informative radio documentary which discusses and compares past ways of life in a particularly remote area of Mayo with the current way of life in an effort to raise awareness of the changing environment and lifestyles and how the decisions made impact upon people’s relationship with the natural world.
- **Six Dads** - Produced by Julien Clancy and broadcast by RTÉ Radio 1 Extra, “Six Dads” was a charming series on the experience of fatherhood, notably receiving an IMRO C6 Gold award for its compelling narrative on what it means to be a father today.
- **James’s Story** – Produced by Kevin Brew and broadcast by RTÉ Radio 1, “James’s Story” was a thought provoking radio drama about a Story Poacher reinterpreting the tales he is told. This fantastical story was awarded an IMRO C5 Gold Award in 2019.
- **Youthquake 2** – Produced by Aoibhin Fallon and broadcast by WLR FM, Youthquake 2 was a project which aimed to get young people interested in radio by getting them to develop scripts and storylines for radio plays and by being part of the recording process. The plays deal with underage drinking, peer pressure and sexuality.

Historian Helene O’ Keeffe being interviewed in UCC for 74 Days: Inside Terence MacSwiney’s Hunger Strike



## New York Festivals Radio Awards 2019

A number of radio projects funded through Sound & Vision Rounds were successful in receiving honours at the prestigious New York Festivals Radio Awards in 2019. Projects included:

- **James's Story** produced and broadcast by RTÉ (Craft Finalist Certificate 2019)
- **JJs – The Story of JJ Smyth's** produced and broadcast by Near FM (Documentary Bronze Radio Winner 2019)
- **Siblings** produced by Rachel Ryan for Newstalk (Information/Documentary Finalist Certificate 2019)

## Ancillary Measures



Launch of Junior Cycle and RTÉ Collaboration: Professor Pauric Travers, Dee Forbes, Dr. Pádraig Kirk and Junior Cycle Students

Funding for ancillary measures facilitates the exploration of initiatives for increasing the production and availability of diverse and culturally relevant audiovisual material. Over the course of the Strategy ancillary measures projects have supported the delivery of key BAI objectives including supporting the Irish Language Action Plan and the Gender Diversity Action Plan.

In 2019 this included:

- The continuation of the Canada-Ireland Co-development Incentive. This initiative encourages producers from Canada and Ireland to co-develop television projects and 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, three projects were successful in receiving funding awards during 2019.
- The continuation of the partnership with TG4 and the Arts Council on the iDÁNA arts documentary scheme with the launch of a new season of supports in 2019. 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.
- Further exploration of the potential use of high-quality Irish content in the classroom resulted in the successful collaboration with Junior Cycle for Teachers (JCT) and RTÉ to develop a new selection of online classroom resources for subjects on the new Junior Cycle Curriculum. Two Sound and Vision funded programmes and an RTÉ documentary were repurposed to generate classroom resources for teachers and students of Business Studies, Geography, History, Gaeilge, SPHE and CSPE subjects, as well as the Digital Media Literacy (Short Course) in the Junior Cycle curriculum. The initiative is hosted by RTÉ and teachers and students can access the educational material and the programme clips. The project aims to have an Irish AV project approved as a recommended text for all Junior Cycle subjects. More information can be found here: <https://www.rte.ie/learn/junior-cycle/>
- 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.

## Archiving Scheme 2

The second iteration of the Archiving Scheme, ("Archiving Scheme 2") was launched in 2018. Like its predecessor, successful applicants under the Scheme are provided funding support for projects that further the development of an archiving culture in the Irish broadcasting sector, which contributes to the preservation of Ireland's broadcasting heritage and experience. The key objectives of the Scheme include establishing suitable storage processes and access to programme material by interested parties and developing an integrated approach to the archiving of programme material.

A funding round under Archiving Scheme 2 was opened in July 2019 and, in common with the previous rounds, focussed on the safeguarding of programme material threatened by fragile physical condition or soon to be obsolete formats.

Following the receipt and assessment of applications from a broad mix of applicants, funding was awarded to five applicants. Details of the successful applicants and projects are set out below:

Applicant	Type	Partner/s	Content	Funds Awarded
<b>IFI</b>	Institution with relevant material	Three filmmakers Margo Harkin, Anne Crilly & Trish McAdam	Work of three renowned Irish female film makers spanning 80's to 2000's, including documentary, speech and film	€379,605.60
<b>TG4</b>	Public Service TV Broadcaster	RTÉ & NUIG	1,302.5 hours of TG4's Irish language news & current affairs programmes	€306,246.50
<b>National Folklore Collection, UCD</b>	Institution with relevant material	RTÉ, Fiontar & Scoil na Gaeilge DCU	Audio recordings made by the Irish Folklore Commission (1935-70) and Raidió Eiréann (1947-55) amounting to 700 hours of speech, song and music	€68,125
<b>RTÉ</b>	Public Service Radio Broadcaster	Fiontar & Scoil na Gaeilge DCU	Approx. 1,400 hours of Cláracha Gaeilge / Irish language programme recordings dating from the 1960s to 1990s	€464,256.60
<b>Guinness Archive</b>	Advertiser	IFI and BFI	Creation of a comprehensive digital archive of Guinness broadcast advertising comprising the period 1955 - 95	€119,531.50



## 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 conversations with the industry to identify approaches that will support greater diversity.

## Gender

### BAI Gender Action Plan



X-Pollinator: Neil Murphy, Gareth Lee, Fionnuala Murphy, Lara Hickey, Evan Horan and Katie

The BAI's Gender Action Plan was developed and published in 2018. It sets out four key pillars: data collection and publication, research, encouraging gender initiatives and accountability, under which a number of important activities were implemented during 2019.

One of the main commitments was a focus on creative opportunities for the BAI's Broadcasting Funding Scheme, Sound and Vision 3. For round 33 of the Scheme, an additional assessment criterion for 'Women's Stories' was included for all applications. 72% of radio projects and all television projects recommended for funding included a women's narrative to some extent.

During 2019, the BAI funded two key research proposals on gender equality in the audiovisual sector. These were:

- **Broadcasting difference: Diversity in public broadcasting** – Dublin City University and Partners.
- **Auditing gender and diversity change in Irish media sectors** – NUI Maynooth and Partners.

Once complete, both pieces of research will be published and promoted by the BAI.

The BAI also funded and partook in several crucial training and development initiatives which looked at enabling women to increase their representation in the media. Initiatives such as the X-Pollinator cross-disciplinary professional development and networking event which aimed to kickstart collaborations between women writing and directing talent and Screen Producers Ireland's Promoting Diversity in the Industry event which looked at the issues of diversity in the audiovisual production industry, both took place during 2019.

In Europe, the BAI participated as a member of the European Regulators Group for Audiovisual Media Services (ERGA) subgroup on Gender and attended many key events in Brussels which looked at Gender initiatives in the Media across the EU.

## Gender

### % Increase in female creatives



#### TV Projects:

- 67%** increase with a female director
- 50%** increase with a female writer
- 56%** increase with a female director of photography
- 17%** increase with a female producer
- 31%** increase with a female editor

#### Radio Projects:

- 36%** increase with a female producer
- 33%** increase with a female writer
- 25%** increase with a female editor

## **Irish Language**

### **Irish Language Action Plan**

The Irish Language Action Plan is a key deliverable under the BAI's strategic objective to '*foster a media landscape that is representative of, and accessible to, the diversity of Irish society*'. The Plan recognises the need to further the development of quality Irish language programming in the Irish audiovisual sector, and addresses five key areas as follows:

- Supporting, developing and promoting Irish Language programming and stations through Licensing and Broadcasting Fund initiatives;
- Fostering Irish language partnerships;
- Supporting Research;
- Collecting data; and
- Enhancing accountability processes, including compliance monitoring and reporting.

### **Irish Language Advisory Committee**

One of the first initiatives under the BAI's Irish Language Action Plan was the establishment of an Irish Language Advisory Committee. The Committee is jointly chaired by the BAI and Foras na Gaeilge and comprises representatives from BAI, Foras na Gaeilge, Oireachtas na Gaeilge, RTÉ, TG4, CRAOL-nominated community stations, IBI-nominated commercial stations and SPI-nominated independent producers. The aim of the Committee is to facilitate a discussion forum with a view to supporting, developing and promoting Irish language programming and other initiatives. In 2019 the following initiatives were prioritised and progressed:

- Development of a database resource for radio stations.
- Engagement between broadcasters to cooperate in the provision of shared resources.
- Examining and discussing the potential for a youth-driven hybrid radio service.

- Examining existing pooled training opportunities in the sector to promote Irish and supporting new partnership training schemes. In a direct outcome of this objective, the BAI has partnered with TG4, NI Screen's Irish Language Broadcast Fund, Údarás na Gaeltachta and Gréasán na Meán to offer joint funding support to Céad Seans, an innovative mentorship programme which will enable emerging directors and writers to develop in the audiovisual sector and create entertaining short-form Irish language content that is targeted to appeal to young audiences. The partnership proposal is of significant strategic value to the BAI, furthering the objectives of Promoting Diversity and Plurality and Enhancing Innovation & Sectoral Sustainability. Céad Seans will be launched in July 2020.

As part of its 2019 activities under the Plan, the BAI funded research to be undertaken by Dr. John Walsh of NUIG on the use of the Irish language on Ireland's public service, commercial and community radio services. The study will, among other things, elicit the views of station managers and representatives on both, the obstacles to, and opportunities for, Irish language radio programming in the future. The BAI also undertook a data collection project in order to build up a comprehensive picture of Irish language programme provision in the broadcasting sector. At the end of 2019, broadcasters were asked to submit details to the BAI in relation to Irish/bilingual programming that was broadcast during a specific week in October 2019. It is envisaged that Irish programming data will be collected in this manner on an annual basis in order to identify year-on-year trends.

## Promotion of the Irish Language

To achieve the objective of fostering and promoting quality programming in the Irish language, the BAI undertakes a range of initiatives under the Sound & Vision 3 Scheme, the Archiving Scheme, sponsorship and sectoral development initiatives. These are designed to support greater diversity in Irish language. In 2019, BAI-supported initiatives included the following:

- **Oireachtas na Gaeilge Media Awards** – 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. In 2019 the BAI sponsored two new awards categories: Community Station Radio Programme of the Year (winner ‘Aon Scéal?’ – Phoenix FM) and Commercial Station Radio Programme of the Year (winner ‘Splanc’ – Newstalk FM).
- **Seachtain na Gaeilge** – the BAI continued its longstanding sponsorship of Irish language radio workshops for primary and secondary school students.
- **The Celtic Media Festival** – This 3-day event aims to promote the languages and cultures of the Celtic nations and regions on screen and in broadcasting. 2019 marked the 40th anniversary of the Celtic Media Festival and the event took place in Aviemore, Scotland.
- **Aerthonnta** – Over the period 2015 to 2019, Raidió na Life put commendable work into launching and running this online Irish language information service for both broadcasters and the general public. In December 2019, administration of the Aerthonnta website was transferred from Raidió na Life to Comhthionól Ealaíne na Gaeilge (Oireachtas na Gaeilge) amid plans to further add to the value of the resource.
- **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. In 2019, Gréasán na Meán ran a course designed to address the shortage of Irish Language female writers in the children’s drama genre by providing training in skills and techniques for writing a children’s drama script.
- **Sound & Vision 3** – the BAI commits a minimum of 25% of Sound & Vision funding to Irish language and bilingual radio and television programmes. In 2019 €3.1m (27% of total funding) was awarded to Irish Language and bilingual Programming.

Finky





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 2019 in order to advise, inform and influence national and European audiovisual media policy, law and practice through continued participation in Irish and European Fora and Stakeholder events.

### National Fora

In 2019, the BAI continued to work closely with the Department of Communications, Climate Action and Environment (DCCAE) on media matters. Of particular focus during the year was the preparatory work for the transposition of the revised Audiovisual Media Services Directive (the Directive), published in November 2018. The BAI participated in a working group established by DCCAE to plan for the Directive's introduction.

In March 2019, the Minister for Communications, Climate Action and Environment, Mr. Richard Bruton, TD, launched a public consultation on the regulation of Harmful Online Content and the Implementation of the revised Directive. In response to the consultation, the BAI prepared a comprehensive submission which set out its vision for the future of media regulation in Ireland.

In its response to the consultation, the BAI proposed that the implementation of the revised Directive and the proposals for a national framework for online safety would best be achieved through the introduction of a single, comprehensive regulatory scheme and regulator. It was the view of the BAI that such an approach would offer an opportunity to develop a vision for the future regulation of media content across all platforms and services, which, at its heart, seeks to serve and protect audiences and users in the new media environment. The submission also proposed that the regulator should have regard to the wider objectives of content and services that serve citizens – ensuring Diversity and Plurality, the promotion of Freedom of Expression sustaining and enhancing democratic discourse, and facilitating linguistic and cultural diversity.

The BAI's submission was one of 84 to the public consultation. It is expected that a draft general Scheme of the proposed Online Safety and Media Regulation Bill will be published in early 2020.

The BAI also continued to play an active role in national organisations, including the IBEC Audiovisual Federation; the ASAI Complaints Committee; JNLR Listenership Committee; the AV Action Plan Committee established by the Department of Culture and the Alcohol Marketing and Communications Monitoring body, which is chaired by BAI CEO, Michael O'Keeffe.

### European Fora

The BAI continued its active participation in two key European audiovisual bodies: ERGA, a group of representatives of national audiovisual regulators in EU Member States, and EPRA, the European-wide independent network of audiovisual regulators.

BAI executives continued to contribute to several working groups of ERGA and also participated in two plenary meetings of the group. The role of ERGA is to advise the Commission on matters related to the implementation of the revised AVMSD. It also acts as a Forum for co-operation between the National Regulatory Authorities (NRAs) and the exchange of experiences and good practice.

In 2019 ERGA established four Sub-Groups to look at key issues such as Media Plurality, the Future of ERGA, the implementation of the revised AVMSD and Gender Diversity. The BAI participated in all four of these groups.

During 2019, ERGA's subgroup on Media Plurality was chaired by the BAI. The group was asked by the EU Commission to assist with a review of the implementation of the commitments given by signatories to the Code of Practice on Disinformation and to assess the overall effectiveness of the Code. This work led to the publication of ElectCheck, which examined the political advertising activity on Facebook, Google, and Twitter during the May 2019 European Elections.

A second Sub-Group was tasked with looking at the Future of ERGA. The main purpose of this group was to discuss proposals for possible changes in ERGA's internal procedures and working methods. The Group also reviewed and amended ERGA's Rules of Procedure, its Internal Guidelines on the operation of the ERGA Contact Network and the Internal Guidelines on the operation of the Sub-Groups.

The third Sub-Group focused on practical issues arising from the implementation of the revised Audiovisual Media Services Directive. Its work was divided into three Taskforces. The first Taskforce analysed changes to rules for audiovisual media services in the revised Directive, such as rules requiring broadcasters to ensure their programming is more accessible to people with disabilities, and on exchanging best practice on these issues between regulators. The second Taskforce explored new rules in the Directive for "video-sharing platform services" (i.e. social media services which make large numbers of videos available), including defining such services and exploring how such services might be regulated. A workshop with providers of video-sharing platform services was also organised. Finally, the third Taskforce explored ways of promoting effective regulation, including by exploring the challenges of regulating in an online environment and the benefits of cross-border cooperation.

The final ERGA Sub-Group in 2019, focused on Gender Diversity and looked at how NRAs across Europe implemented provisions of the AVMSD to combat gender discrimination and promote gender diversity in audiovisual media. This work resulted in a survey circulated to all NRAs with a view to map as comprehensively as possible industry-led initiatives and examples of best practice in relation to the promotion of gender diversity. A set of recommendations was then published in a report which was submitted to the European Commission for consideration.

EPRA is a 53-member European network of audiovisual regulators and two meetings of the network were held during the year. Matters for discussion included protecting minors online, media literacy, the prevention of hate speech in the media, EU works, sports rights, artificial intelligence, and machine learning.



## Communications

The communications activities of the BAI aim to promote public debate and inform policy to facilitate a vibrant, dynamic media landscape. In addition to regular engagement with broadcasters on operational matters, the BAI hosts and participates in events, and proactively liaises and consults with a variety of stakeholders, including the public, representative bodies, other regulators, and government departments. A flavour of the activities undertaken in 2019 are set out below.

### Consultation and Stakeholder Engagement

In line with its commitment to stakeholder engagement the BAI initiated the following consultation processes in 2019.

- As part of the review of its Strategy Statement 2017-2019, the BAI undertook an online stakeholder survey, in conjunction with IPSOS MRBI. The outcomes of the survey will form part of the overall strategy review which will be completed in 2020 and will inform the development of the next Strategy Statement.
- In September 2019, the BAI launched a public consultation on its draft Sound & Vision 4 Scheme, following the statutory review of Sound & Vision 3. The consultation helped inform the fourth iteration of the scheme, which will continue to provide funding for high quality programmes on Irish culture, heritage and experience; programmes to improve adult and media literacy; and programmes to raise public awareness and understanding of global issues impacting on the State.
- During the year the BAI also sought submissions from interested parties in the context of a review of its Irish Language Scheme and work on the preparation of a new draft scheme in accordance with Section 15 of the Official Languages Act 2003.
- Launched in December 2018, the BAI completed its consultation process on a new policy on Media Plurality and a revised Ownership and Control Policy in early 2019. Both policies were launched in June 2019.

### Publication of Media Plurality Research



Reuters Digital News Report: Jon Williams, Professor Pauric Travers, Dr. Eileen Culloty, Gabrielle Cummins, Dr. Niamh Kirk and Adrian Acosta

During 2019 the BAI funded a specific Irish edition of the global Digital Reuters News Report, developed by the Institute for Future Media and Journalism (FuJo) at DCU. The report was launched in June 2019 and provided valuable insight into how Irish people consume their news as well as concerns regarding news accuracy and disinformation.

Elect Check 2019, published in September 2019, examined the political advertising activity of Facebook, Twitter, and Google during the 2019 European Election campaign in the context of the platforms' commitments in the self-regulatory Code of Practice on Disinformation. This report was commissioned by the BAI and undertaken by the FuJo at DCU.

Launch of ElectCheck: Dr. Niamh Kirk, Michael O'Keefe and Dr. Jane Suiter





Launch of the Junior Cycle for Teachers

## Launch of JCT Junior Cycle Online Classroom Resources

In November, Junior Cycle for Teachers launched an exciting new selection of online classroom resources related to the Junior Cycle classroom. Developed in partnership with the BAI and RTÉ, the initiative helped to make interesting content available to schools around the country by using three Irish-produced and publicly funded television programmes, two of which received funding support from the BAI.

Speaking at the launch the BAI Chair, Professor Pauric Travers, welcomed the collaboration and noted that the availability of such quality audiovisual content could act as valuable learning tools for Junior Cycle students.

## Media relations

Along with an active presence on social media, the BAI published 53 media releases on its website in 2019 and where appropriate, promoted its activities in interviews with journalists in the press and across radio and television. As in 2018, the media releases and social media updates covered a wide spectrum of BAI activities, focusing on regular operational areas such as funding decisions, complaint decisions and licensing plans, as well as highlighting JNLR results, and the launch of initiatives such as the Media Research Funding Scheme and the Journalism Graduate Programme.

## Social Media



179

Posted on twitter



5,628

Twitter followers (+458)



89

Facebook posts



2,085

Facebook Likes (+153)

## Sponsorship

During the year the BAI sponsored a range of initiatives and events, helping to raise awareness of the variety of accomplishments and activities happening within, and of interest to, the audiovisual sector and related fields.

The provision of such sponsorship is a central part of the BAI's Communications function, contributing to the delivery of the BAI's strategic objectives and the overall development of the sector.

Following consideration of applications received under the BAI's Sponsorship Scheme, a total of €124,500 funding was allocated to 16 successful applicants in 2019, along with a further €33,000 funding commitment for events / activities under multi-annual sponsorship contracts from 2018. The Galway Film Fleadh, NUIG Conference on Community Media, Fresh Film Festival and the IMRO Radio Awards were among the successful applicants receiving sponsorship support.

## Industry Events and Conferences

Throughout the year, members of the BAI also supported and contributed to a variety of events and conferences relevant to the broadcasting industry by participating in panel discussions, delivering presentations, or speaking at the launch of various initiatives. A sample of such involvement is outlined below.

- **The Galway Film Fleadh – Countdown 5050 x 2020**

Organised by the Equality Action Committee (EAC) of the Writers Guild & Screen Directors Guild and Women in Film and Television Ireland, BAI Executive member Stephanie Comey participated in a panel discussion on the ongoing work for gender equality in the Irish film/TV industry.
- **CRAOL Féile and Achievement Awards 2019**

In October 2019, the BAI took part in the CRAOL Féile and Achievement Awards for community radio. The BAI Chief Executive, Michael O'Keeffe provided the keynote address at the Gala Dinner event and Authority member Dr. Rosemary Day was a guest speaker at this event. Dr. Rosemary Day also participated in a panel discussion while Executive member Ciaran Kissane participated in a workshop and panel discussion on the Community Media Research Project, focusing on ways to measure social benefit in the sector.



- **Radio Journalism Graduate Programme**

In September 2019 the BAI and Learning Waves announced the successful candidates for the inaugural Journalism Graduate Programme. Funded by the BAI, and supported by a variety of broadcasters, this initiative offers journalism graduates from third level institutions an opportunity to become an integral part of a busy radio newsroom.

Speaking at the event, the BAI Chief Executive, Michael O’Keeffe noted that the programme would offer practical skills training necessary for an evolving media and increasingly digital landscape.

## Information Provision

The BAI website continues to be a key communication tool for the organisation, informing the public and other stakeholders of the BAI’s regulatory remit and strategic goals, and providing regular updates on its ongoing work. Throughout the year the BAI published media releases on its activities and information on the consultative processes being undertaken. In addition, the publication of minutes from Authority meetings, and research relevant to the audiovisual media industry, continued to provide transparency and an indication of the breadth of BAI activity.

## IMRO Radio Awards Hall of Fame

The Hall of Fame is a highly regarded event within the Irish radio industry and the BAI once again hosted the presentation to the inductees in September. The inductees for 2019, joining other well-known figures in the industry, were RTÉ Radio 1’s Ronan Collins, Newstalk’s Sean Moncrieff, Chief Executive of Radio Kerry, Paul Byrne, and Seamus McKee from BBC Radio Ulster.

Journalism Bursary Programme Graduates: Niamh O’Reilly, Paul Hyland, Robyn Flanagan, Jenny Murphy Byrne and Emma Hill





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.

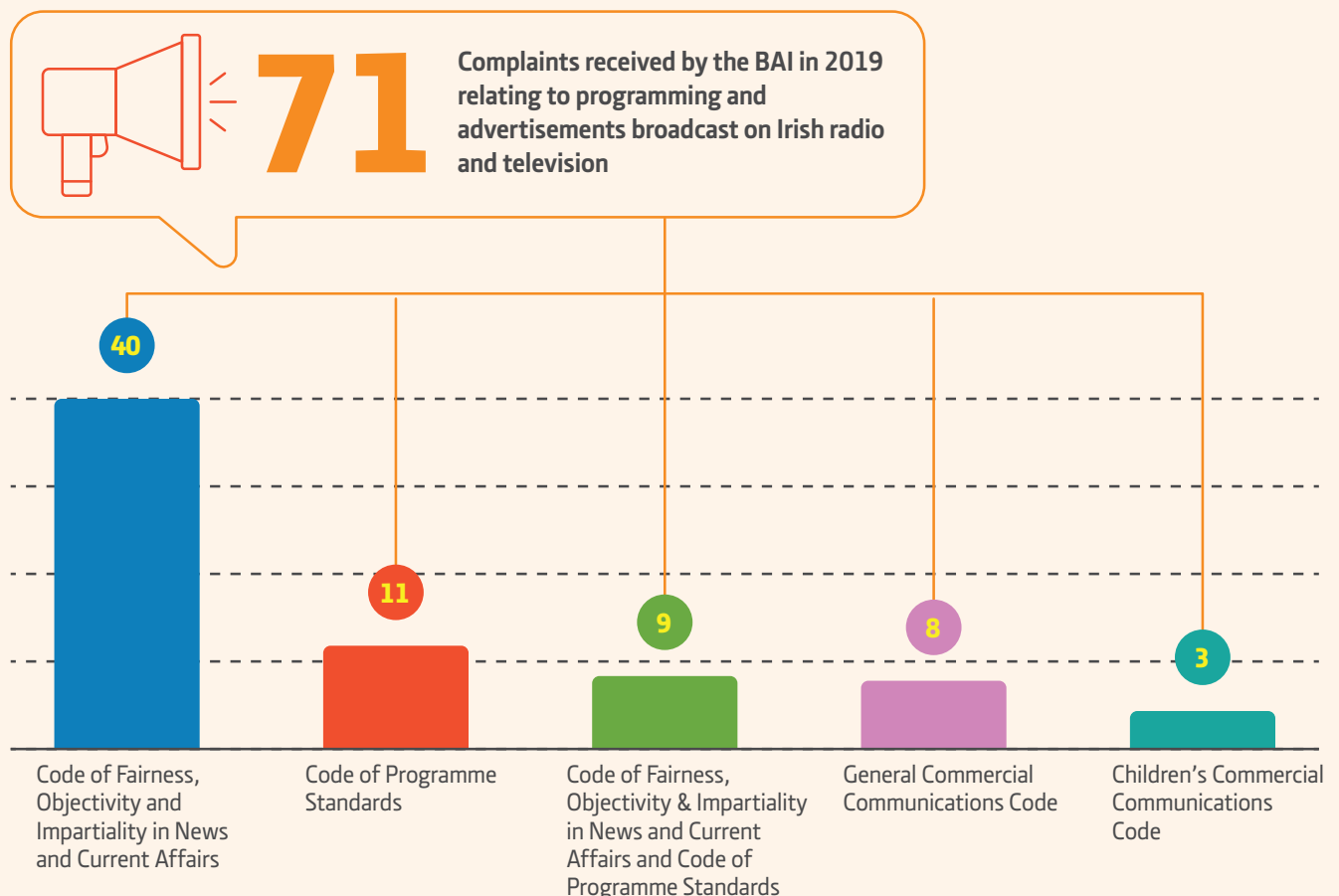
## Codes, Rules and Complaints

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

### Access Rules

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.

A consultation on proposed revisions to the Access Rules was undertaken by the BAI in 2018. The resulting revised Rules, 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. Changes to the Rules included a move to a fixed target for access service percentages, targets for



subtitling during peak time for RTÉ One, RTÉ Two, Virgin Media One and TG4 and the provision of Audio Description and Irish Sign Language on Virgin Media One from 2020 onwards.

## Children's Commercial Communications Code

The Children's Commercial Communications Code sets out the rules that Irish radio and television stations must comply with when it comes to airing advertising, sponsorship, product placement, and other forms of commercial communications aimed at children or broadcast in or around children's programming. The Act requires the BAI to review the effect of a broadcasting code every four years. The BAI undertook a review of the Code during 2019 and this is due to be completed by mid-2020.

71 complaints were admitted into the complaints process during 2019, 29 of which were considered by the Compliance Committee while a further 37 were considered by the Executive Complaints Forum. Five complaints were resolved by way of the complainant being satisfied with the response submitted by the broadcaster, prior to consideration by the BAI.

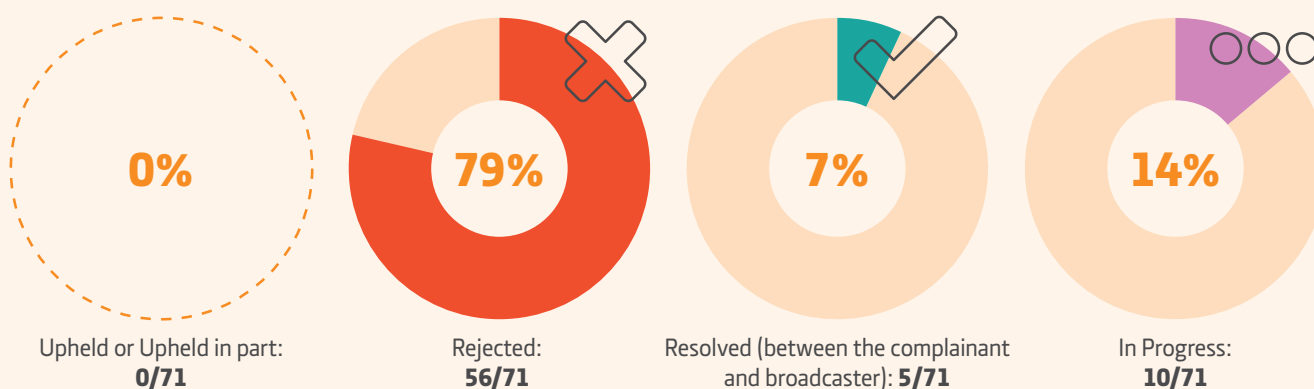
Seven complaints which were submitted to the BAI in 2019, were carried over for consideration in Q1 2020:

## 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.

Both the Compliance Committee and the Executive Complaints Forum (which deals with routine complaints) continued to meet to consider Complaints on a monthly basis. The number of complaints rejected, reflects a strong culture of compliance within broadcasting organisations.

### Complaints Decisions



The figures indicate a high level of compliance by the broadcasting sector with the BAI's Codes.

## Development of Online Complaints Management System

In order to further assist members of the public in making complaints, the BAI completed the development of an online complaints management system. A key implementation by year end was the launch of the new system, aimed to improve the user experience for members of the public and other complaint parties.

After a transition period, the system was rolled out and has provided a streamlined mechanism for members of the public and broadcasters to engage with the BAI in relation to broadcasting complaints. The system has reduced administrative burden for both members of the public and BAI staff, while further improving the user experience for all complaint parties.

Furthermore, the new complaints system offers the BAI additional data-gathering and reporting functions, which may help to inform and support other BAI activities.

## Media Literacy

2019 proved to be a very productive year for the BAI in terms of its media literacy activities. Over the course of the year the BAI continued to facilitate and work with the multi stakeholder network Media Literacy Ireland (“MLI”), to further its Media Literacy Policy, and help empower the public to make informed choices about media content and services that they engage, consume and share. As a key member of MLI’s Steering Group, the BAI engaged with a range of stakeholders to develop cross-sectoral support for MLI initiatives and events, and also funded an MLI website to act as an online resource for members. Highlights of the year’s activities and achievements are as follows.

## Be Media Smart Campaign 2019



The start of 2019 saw the BAI fund and undertake significant work in conjunction with MLI to plan and co-ordinate a national Be Media Smart campaign. Launched in March 2019 to coincide with European Media Literacy Week, the campaign asked people of all ages to Stop, Think, and Check that the information they see, read or hear across any media platform is accurate and reliable. Demonstrating the success of the BAI’s cross sectoral approach to media literacy, a broad range of MLI members and key stakeholders participated, offering their expertise and resources. The campaign roll-out saw radio and television adverts broadcast across RTÉ, TG4, Virgin Media Television and Sky Ireland, as well as a large range of commercial and community radio stations. Likewise there was an active presence on social media platforms such as Twitter and Facebook, and advice in terms of tips and resources on the specifically developed microsite, [www.bemediasmart.ie](http://www.bemediasmart.ie). The campaign generated significant coverage across all media and highlighted both the commitment and ability of MLI and its members to collaborate and further their media literacy goals. It also proved popular with other media literacy and regulatory bodies abroad. In this regard both the BAI and MLI received requests and welcomed the opportunity to share the media assets generated with colleagues in Norway, Czechia, North Macedonia, Bosnia, and Estonia.



## MLI's Annual Conference



Media Literacy Ireland Conference: Professor Brian O'Neill

As in 2018, the BAI took a central role in both organising and providing funding for MLI's Annual Conference. Held in November 2019, the conference was attended by a wide variety of stakeholders. Dr. Aralynn McMane, co-creator and director of The Global Youth & News Media Prize, delivered the keynote speech which focused on her work to encourage news media partnerships for the benefit of children and teenagers. Attendees also had the opportunity to participate in panel discussions, and to meet and hear from a range of other speakers and organisations such as CRAOL, Learning Waves, and Webwise on topics and initiatives relevant to the sector. The conference also offered a mini masterclass; "Using Social Media for Campaigning", which was presented by Ronan Costello, Public Policy Manager at Twitter, and Craig Dwyer, a digital campaigns and strategic communications consultant.

## International Participation

The BAI also continued to share its experience in terms of media literacy development across borders at international fora and conferences. Further to a request by the European Commission, a BAI representative, Stephanie Comey, became a member of the Commission's Media Literacy Expert Group, and presented the BAI's work on media literacy at a meeting of EPRA (European Platform of Regulatory Authorities) in Sarajevo in May 2019. In addition, following a request from the UK regulator, Ofcom, the BAI also presented its approach to media literacy development at the launch of the UK-based network, Making Sense of Media, in July 2019.

Collaboration and partnership with other regulators and media literacy projects are ongoing.

## Participation in Media

Following on from the extensive work carried out with the Community Radio and Television sectors in 2018, the BAI published a Community Media Action Plan in March 2019. The plan set out a number of initiatives which aimed at increasing sustainability and public participation in the sectors. One central action was for the BAI and the community radio network, CRAOL, to develop and pilot a methodology framework focusing on the social benefit demonstrated by community radio stations. The framework was developed by the consultants Nexus, in conjunction with the BAI and CRAOL, and was scheduled to be finalised in the first half of 2020.



Section 4:

# Enhancing Innovation and Sectoral Sustainability

The background of the page is a solid green color. Overlaid on this are several large, flowing, wavy lines in a lighter blue shade. These lines create a sense of movement and depth, resembling stylized waves or the folds of fabric. The lines are more densely packed in some areas, creating a mesh-like effect, and more spread out in others.

## 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 audiovisual sector and across all BAI activities. In 2019 this included the implementation of a wide range of sectoral learning and development initiatives, some of which are highlighted below.

### Sectoral Learning and Development

The BAI supports the industry through a range of initiatives, including the provision of funding support for industry networks, funding of media research, coordination of support schemes for community broadcasters and backing of training and development incentives in partnership with industry experts. A sample of networks and initiatives funded during 2019 is as follows:

## Network Funding



Women In Film and TV Short Film Showreel

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. 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 2019, a total of **€342,850** was awarded to 16 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.

- **CRAOL** – (Community Radio Forum of Ireland) is committed to supporting and empowering the community radio sector. In 2019, the BAI supported CRAOL's National Radio Weekend on 4-6th May, which was celebrated with a range of events throughout the country. The BAI also supported CRAOL's annual Féile on the 18th and 19th of October, in which representatives from the community radio sector came together to share ideas, attend workshops and acknowledge and award outstanding achievements in the community radio sector.

- **Learning Waves** – Between April and October 2019, Learning Waves undertook a Strategic Review of News Output through independent consultants, Harte Media, of a selected number of radio stations: KCLR 96FM, Cork's 96FM, WLR FM and Radio Kerry. The main focus of this review was to enable stations to deliver news and current affairs content that increases audience engagement. Learning Waves also partnered with BBC Belfast on the '*Radio Matters*' Series, a panel-discussion series providing an opportunity for producers from Independent Radio stations in Ireland to meet with producers from BBC Belfast to share ideas, opportunities and challenges.
- **Women in Film & Television Ireland** – In July, Women in Film & Television Ireland hosted a high-profile panel discussion at the annual Galway Film Fleadh entitled "Countdown to 5050 x 2020: Where are we now?" The panel discussed the work achieved by female practitioners in the audiovisual sector and debated outstanding issues relating to gender within the industry. The panel included Stephanie Comey (BAI) and featured industry expert's Dr. Annie Doona, Will Fitzgerald, Liz Gill and Dr. Susan Liddy.
- **Screen Writers Guild** – Throughout 2019, Screen Writers Guild hosted a number of workshops aimed at enhancing women's participation within the industry. These included workshops on understanding contracts, business-related skills development, and advice on approaching funding applications. The BAI also supported 'Polish Your Project', an initiative that took place over the course of several months in which 24 female writers developed their projects through to the funding stage, with expert advice on how to best position their projects for further development.
- **Screen Composers Guild of Ireland (SCGI)** – is a new network which works to improve the rights and status of professional composers in Ireland. The network was launched in February 2019 with BAI's CEO Michael O'Keeffe speaking at the event. Throughout the year SCGI hosted several

training events including a four-part workshop, *Delivering the Music*, which covered an array of subjects including sound post-production, copyright and contracting and negotiations. In November SCGI hosted a Composition Masterclass with renowned composer Patrick Doyle on composing for TV, Animation and Feature Film.

- **Community Broadcasting Support Scheme** – The Scheme is open to all Community and Community of Interest radio and television broadcasters in the country and is designed to offer funding support to enable broadcasters to undertake projects that will advance the organisational development of their stations. Community Radio Youghal was awarded funding in order to carry out training programmes aiming to improve standards and professionalism across the station.

## Media Research Funding Scheme

2019 saw the launch of the research project **Netflix and Binge? Exploring New Cultures of Media Consumption**, a study undertaken by researchers from DCU which sought to identify new ways in which young people are using and consuming media.

The BAI held a funding round in 2019 which saw two applicants awarded grants under the Media Research Funding Scheme. **Broadcasting difference: Diversity in Public Broadcasting** is a collaborative research project between Dublin City University and RTÉ which will examine age, gender, sexual identity, ethnic/cultural identity and disability across a selection of RTÉ's radio, television and online output over a three-month period.

**Auditing gender and diversity change in Irish Media sectors** is a collaboration between Maynooth University, Mary Immaculate College Limerick and University College Dublin. The project will examine how gender and diversity policies are promoted and implemented by broadcasters, training bodies and production companies.

## Sustainable Sectoral Funding Models

### Television Sector

In 2019, the BAI, in partnership with Ofcom NI, held two meetings of the Television Broadcasters of Ireland Group (TBIG), which had been reconvened in 2018. Representatives for the main Public Service and commercial TV broadcasters on the Island of Ireland met with the BAI to discuss a range of issues affecting the sector with further cooperation planned for 2020.

Issues covered during the discussions included: skills and training within the television sector, developments in audience research, Brexit and the impact of the updated Audiovisual Media Services Directive on the sector in Ireland.

### Commercial Radio sector

The BAI continued to engage with the Irish commercial radio sector to explore how it could support initiatives to promote radio as a medium and enhance the sustainability of this sector generally.

### Community Media Sector

As mentioned in the section relating to Participation in Media, during 2019 the BAI was involved in a number of different actions, emanating from the Community Media Action Plan. The actions focused on Key Deliverables 12 and 13 of the BAI's Strategy Statement and the main outputs of the work were developed in 2019 and are expected to be completed in 2020. This will include the Social Benefit Framework toolkit for Community Radio Stations and a Compendium of Stories, which saw one of the new methodologies explored as part of the Social Benefit Framework applied across the community radio sector.

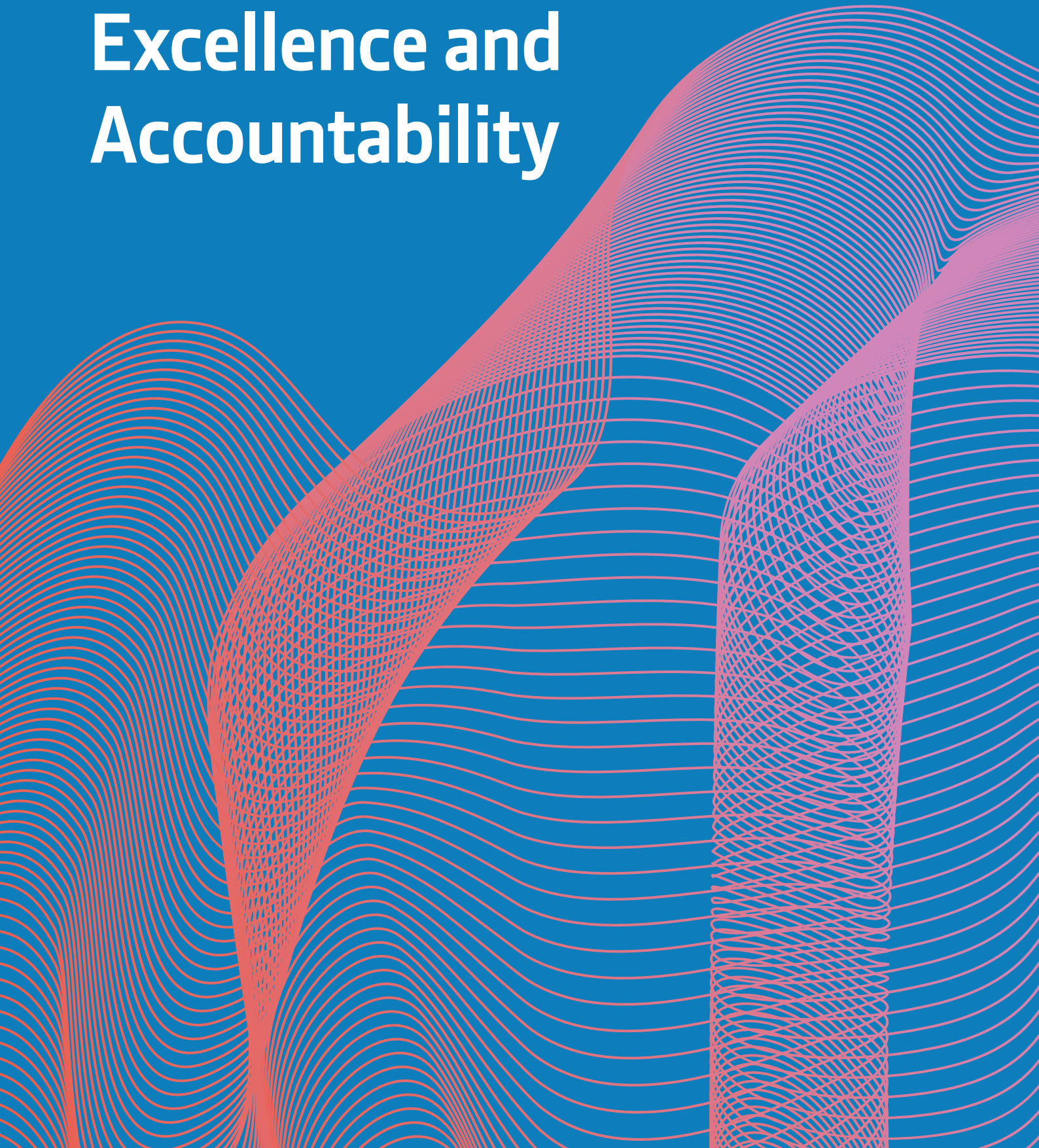
Other actions included in the Plan were; the further development of the BAI's structural relationship with CRAOL and the further development of the BAI's strategic relationship with Pobal (which included a submission from the BAI to the Review of the Community Services Programme being undertaken by Pobal).

The Plan also included the extension of Cork Community TV (CCTV) and Dublin City TV (DCTV)'s respective licences. The extensions were agreed in 2019 and the licences will now run until April 2022.



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 2019, focus centred on the rolling out 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 is also considered by the Authority.

## 1. Statutory Reporting

Work in this area in 2019 included 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 Works requirements of the AVMSD.

### Public Service Broadcasters

Section 102 of the Broadcasting Act 2009 requires that each Public Service Broadcaster prepares an **Annual Statement of Performance Commitments (ASPCs)**. These statements outline high level performance commitments for the coming year and must be in accordance with the broadcaster's statutory objects, statements of strategy and public service statements.

The BAI also carries out an **Annual Review of Performance and Public Funding** of each Public Service Broadcaster (PSB), which assesses performance against their commitments for the previous year and makes recommendations to the Minister on any adjustments in the level of public funding that the PSBs should receive.

- **RTÉ's Annual Statement of Performance Commitments 2019**

The Authority assessed the commitments set out by RTÉ for 2019 and was satisfied that they were in line with the objectives of RTÉ's current Strategic Plan. The Authority noted that RTÉ had significantly restructured their commitments and targets and had taken on recommendations for the previous Annual and Five-Year processes. The commitments were also considered sufficient to facilitate an assessment for 2019 and assist the BAI in fulfilling its regulatory role.

- **TG4's Annual Statement of Performance Commitments 2019**

The Authority assessed the commitments set out by TG4 for 2019 with regard to performance commitments, audience targets, content and the promotions and development of the Irish language and culture. The Authority were

satisfied that the commitments were in line with TG4's statutory objects, its statement of strategy and Public Service Statement. The Authority was satisfied that these commitments would serve the BAI in facilitating an assessment for 2019.

- **2018 Annual Review of Performance and Public Funding of RTÉ and TG4**

The BAI reviewed the performance of RTÉ and TG4 against their commitments and considered the sufficiency of public funding available for both the PSBs to meet their objectives. It was noted that neither PSB had been able to implement fully their objectives due to lack of additional funding. The BAI expressed the view that in the current climate a stable and sustainable public service broadcaster is more necessary than ever and noted that the PSBs needed to be adequately funded in order to become modern, digitally connected and accessible. The review was completed with the support of external consultants, Mediatique, who presented an overview of its findings and recommendations arising from the review. The Authority endorsed the recommendations set out by Mediatique as follows:

- The Authority was satisfied that both RTÉ and TG4 had broadly delivered on their performance commitments in respect of 2018.
- The Authority agreed that neither PSB had been in the position to implement fully their objectives due to lack of the required level of funding.
- The BAI recommendation that TG4 receive a funding increase of €5.557m per annum and that RTÉ should receive an increase of €12.1m per annum.

The final report and its associated recommendations were submitted to the Minister in December 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 codes, specifically those related to commercial communications. The BAI is required to present a report to the Minister on the findings of the review.

The BAI's review covering the 2018 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.

## **Compliance of Irish Licensed Television Broadcasters with the European 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 Audiovisual 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 upon request on a biennial basis.

In September 2019, having considered the compliance review for 2017 and 2018, the Compliance Committee approved the report and the results were submitted to the Minister.

## **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 and Virgin Media are also required to provide Irish Sign Language and Audio Description, while Oireachtas TV is also required to provide Irish Sign Language.

The BAI carried out several activities during 2019 to assess compliance with the Access Rules. These included monitoring of broadcaster output, meetings with broadcasters and with the BAI User Consultative Panels to elicit their views on the quality and reliability of subtitles, Audio Description and Irish Sign Language. While the Access Rules set quantitative targets for subtitling, ISL and Audio Description, which are assessed and reported on an annual basis, the User Consultative Panel continue to highlight issues of quality and reliability being experienced. Efforts continue to be made to track these issues, some of which can arise due to technical reasons outside of the control of broadcasters.

In accordance with the Rules, a report was prepared for the Compliance Committee outlining the performance of the broadcasters during the period and their compliance with the Rules. While overall compliance with the targets set in the Rules was good in 2019, certain broadcasters experienced difficulties and did not achieve these targets. Virgin Media Two and Virgin Media Three did not meet the combined subtitling target in 2019 but plan to address this in 2020. A compliance notice was issued to RTÉ for failure to meet Irish Sign Language targets on RTÉjr in 2018 and 2019.

Several broadcasters did not hold meetings with users for a variety of reasons. Engagement with user groups is essential, especially for public service broadcasters and those broadcasters who receive complaints about access service provision, and the BAI will continue to work with broadcasters in this regard.

The BAI also notes the extensive work undertaken by Oireachtas TV in the provision of Irish Sign Language which ensures that the work of the Oireachtas is made available to as much of the population as possible.

## 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 commitments outlined in contractors respective Programme Policy Statements, while also promoting a culture of compliance within the broadcasting sector.

### Programme Monitoring

Focus in 2019 was on monitoring of services contained in the BAI licensing plans and for statutory requirements outlined above. Monitoring was also carried out where possible breaches were identified, or complaints were received about a service.

During the year, monitoring was primarily undertaken on radio stations with four commercial and five community services included in the plan. Arising from this work, three warning notices and three compliance notices were issued to contractors for various occurrences of non-compliance relating to broadcasting output.

### Technical Audits

Further to their contractual obligations and ComReg issued licences, all broadcasters are required to adhere to certain technical requirements. The BAI undertakes monitoring for compliance with these requirements. During 2019, 90 radio transmitters were audited for this purpose. Overall there was a very high level of contractual compliance recorded for the period.

## Contractual Variations

The operational area of Contractual Variations concerns requests from licensed broadcasters who are seeking approval to amend certain aspects of their contracts. The proposed changes being sought generally concern a station's programming commitments, or ownership, management or operational structure. In 2019, the BAI processed 31 such requests. Examples of the types of requests considered include:

### i. Commercial Broadcasting Services

- The Broadcasting Services Strategy permits a derogation from the statutory news and current affairs requirement for certain broadcasters. In 2019, the regional youth service iRadio was granted a derogation and is now permitted to broadcast 15% news and current affairs programming during primetime and over the total broadcast day.
- The regional youth service, Beat 102-103 FM, was permitted to modify its programming commitments to facilitate network news bulletins at certain times during the weekend.

### ii. Community Broadcasting Services

- An expansion in broadcasting hours for Kilkenny Community Communications Cooperative Society Limited, trading as Community Radio Kilkenny City.

## 3. Performance Reviews

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

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 2019 with five Community and four Commercial performance reviews being carried out. This included Ros FM, Athlone Community Radio, West Limerick 102FM, Phoenix FM, Cork City Community Radio, Classic Hits, Radio Nova, Spirit Radio, and Q102.



## 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.

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 to ensure ongoing compliance with its provisions. 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.

### Promotion of good governance practices to the broadcasting sector

To support better governance, compliance work has been carried out with the community radio sector over the last number of years. BAI Sectoral Learning and Development also offers funding to Community and Community of Interest radio and television broadcasters through the Community Broadcasters Support Scheme to facilitate initiatives aimed at advancing organisational development, including governance development, analysis of governance practices and adherence to good financial management practice.

## Broadcasting Sustainability Network

In March 2019 the Authority approved a plan developed to address the BAI's sustainable development responsibility. This included the development of a Broadcasting Sector Sustainability Framework and the establishment of a Broadcasting Sustainability Network. Following a tender process Sustainability Works Limited were appointed as the Sectoral Sustainability Co-ordinator to assist the BAI in the implementation of the plan with the aim to finalise the Framework and establish the Network in the first quarter of 2020.

## Screen Greening



Screen Greening Launch

In 2018, as part of the plan to address the BAI's sustainable development responsibility the BAI joined the Screen Greening Coalition. This coalition involved cross industry bodies including the BAI, RTÉ, Screen Ireland, Screen Producers Ireland, TG4, and Virgin Media Television. The role of this coalition was to fund and introduce the BAFTA Albert Carbon Calculator to Film and TV production in Ireland. The BAFTA Albert Carbon Calculator, already used by industry in the UK, allows producers to understand a productions' environmental impact. The aim of the calculator is to enable every part of the screen industry to eliminate waste and carbon emissions from production. The BAFTA Albert Carbon Calculator was launched in Ireland by Screen Greening in October 2019.

## Energy Consumption and Waste Reduction

The BAI again achieved a status of green from the SEAI in its 2019 Annual Report on Public Sector Energy Efficiency Performance and is on track to achieve targets set for 2020. In addition, the BAI has removed the use of single use plastics and agreed to improve recycling processes from early 2020.

## 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.

## Irish Language Scheme III

In August 2019 the BAI sought submissions from all interested parties in the context of a review of the BAI Irish Language Scheme II and the preparation of a new draft scheme in accordance with Section 15 of the Official Languages Act 2003. The proposed new Scheme was submitted to the Department of Culture, Heritage and the Gaeltacht in October 2019. Some of the new commitments for the new scheme included: availability of digital resources and glossaries for BAI staff members, copies of BAI speeches if delivered in Irish and an increase in use of Irish for all BAI social media communications. The new Scheme will come into effect in 2020.

## Freedom of Information (FOI) requests and decisions

**17** FOI requests were received

Records were released in response to 13 of those requests, either in full, in part or the records were already publicly available and were provided to the requester outside the FOI process.

**13**

requests that had records released

**1**

ongoing request

**1**

request withdrawn by the requester

**2**

refused requests

## Freedom of Information

Accountability is one of the BAI's core values and one way in which this is demonstrated is by the BAI making its records available under the Freedom of Information (FOI) Act. The BAI handled 17 FOI requests in 2019.

## 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.

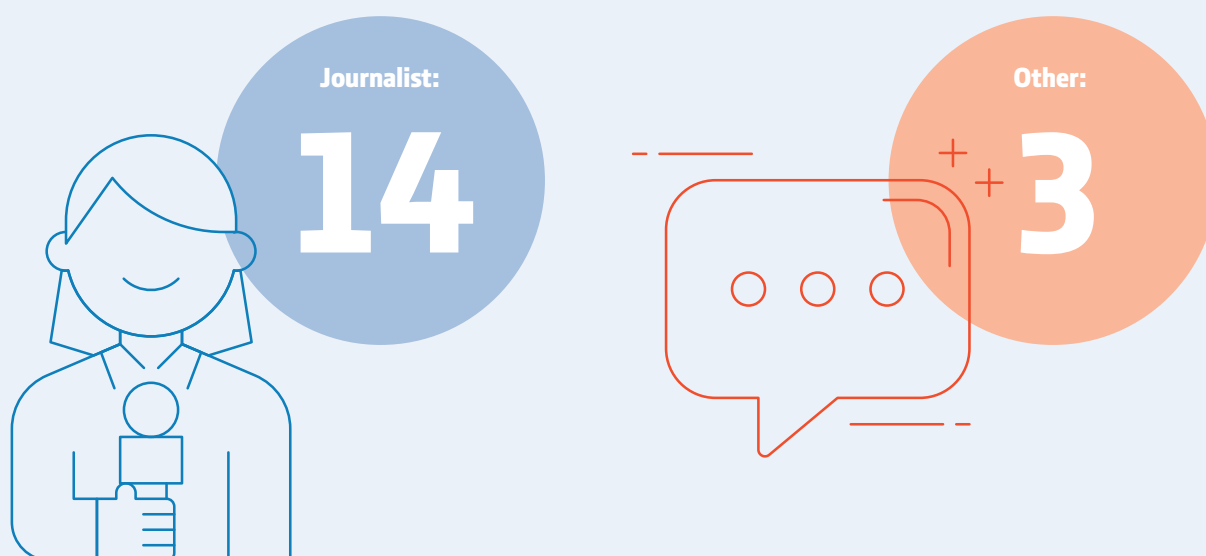
## Organisational Structures and Culture

As 2019 was the final year of the BAI Statement of Strategy 2017-2019, BAI staff primarily set organisational objectives aiming to finalise the Strategy. Many of these objectives are incorporated into each individual staff member's BAI Performance Management and Development process.

From the Strategy flows the corporate workplan, the implementation of which is monitored by the Office of the CEO, with regular reporting to the Authority. The BAI operates a matrix structure whereby staff work flexibly across all areas of work activity according to business needs. This organisational structure enables people to gain useful skills and exposure to new areas on an ongoing basis, deepening internal knowledge of processes and procedures.

A key challenge for the BAI in recent years has been staffing and resourcing. In 2019, following some movement of staff both internally and externally, the BAI filled a number of existing positions, delivering tailored induction programmes to both new entrants and promoted staff, which include briefings, coaching and mentoring, job shadowing and on-the-job learning. Staff training and development continues to form an essential part of the BAI culture and is ongoing, 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. This suits the matrix organisational structure as well as providing potential career pathways for individuals.

### Category of FOI requester 2019



## Risk Management

Throughout 2019, the Authority and the FAR Committee oversaw the development of an updated Risk Appetite Statement for the BAI. The Statement was developed via a number of workshops held with the BAI Executive, the FAR Committee and the Authority. The workshops were facilitated by EY, the BAI's internal auditors. A revised Risk Appetite for the BAI was agreed by the Authority at their meeting in late November. The Statement identifies five risk themes and the Authority has agreed its risk appetite for each. Risk Appetite Reporting will commence in 2020. 2019 also saw the implementation of a revised Risk Management Policy and risk reporting to the FAR Committee and the Authority on both operational and corporate risks continued in 2019 in line with the revised policy.



Broadcasting Authority of Ireland

# Financial Statements

## For the year ended 31 December 2019



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## Authority Information

### Authority Members

Pauric Travers

Alan McDonnell

Grace Smith

Denis Wolinski

Seán Ó Mordha

Rosemary Day

Maeve McDonagh

Mary Curtis

Vivien McKechnie

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### Solicitors

Byrne Wallace  
88 Harcourt Street  
Dublin 2

Ivor Fitzpatrick & Company  
Solicitors  
44-45 St Stephen's Green  
Dublin 2

Philip Lee  
7/8 Wilton Terrace  
Dublin 2

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### Bankers

Ulster Bank  
Baggot Street Lower  
Dublin 2

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### Auditors

Comptroller and Auditor General  
3A Mayor Street Upper  
Dublin 1

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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 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 Chief Executive 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 Chief Executive 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 Chief Executive, 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 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 year-end review of the BAI Statement of Strategy 2017-2019 at its January 2020 meeting. A full review of the 2017 -2019 Strategy commenced in 2019 and will inform the development of the next strategy which will be finalised in 2020.

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 2019.

On the 10th January 2020, the Minister for Communications, Climate Action and Environment published the General Scheme of the Online Safety and Media Regulation Bill 2019. This Bill outlines measures required to be transposed under the revised Audiovisual Media Services Directive and includes online safety proposals. The Bill envisages that the Broadcasting Authority of Ireland (BAI) and its Statutory Committees will be dissolved and replaced by a multi-person Media Commission. On the 14th January 2020 the Dáil was dissolved and further developments in relation to the Bill must await the formation of a new government. The Financial Statements of the BAI and the Broadcasting Fund are prepared on a going concern basis and do not reflect any provisions relating to the proposed dissolution.

The COVID-19 pandemic has had a significant impact on the finances of the independent broadcasting sector since March 2020. In recognition of this, the Minister for Communications, Climate Action and Environment requested the Authority to consider waiving the levy on independent radio stations for the first six months of 2020. The Authority considered this request at its March 2020 meeting and agreed to the waiver. In order to bridge the cash and income reductions resulting from this waiver, the BAI is pursuing a number of cashflow management and budgetary strategies. As a result of these measures, the Authority is satisfied that the cash and income reductions resulting from the waiver will be sufficiently bridged for the BAI to continue as a going concern.

## 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 Act. 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.

Authority Member	Role	First Appointed	Reappointed	Expiry Date
Pauric Travers	Chairperson	02/12/2014	02/12/2017	01/12/2020
Alan McDonnell	Ordinary Member	02/12/2014	02/12/2019	01/12/2022
Grace Smith	Ordinary Member	02/12/2014	02/12/2019	01/12/2022
Denis Wolinski*	Ordinary Member	17/02/2015		16/02/2020
Seán Ó Mordha*	Ordinary Member	17/02/2015		16/02/2020
Rosemary Day*	Ordinary Member	17/02/2015		16/02/2020
Maeve McDonagh*	Ordinary Member	17/02/2015		16/02/2020
Mary Curtis	Ordinary Member	13/01/2017	02/12/2019	01/12/2022
Vivien McKechnie	Ordinary Member	20/03/2018		19/03/2023

\*Originally appointed by the Government in February 2015, having been nominated by the Joint Committee on Communications, Climate Action and Environment. In accordance with the provisions of Section 8 (2) of the Act, the Minister wrote to the JOC in late 2019 and indicated that it was his intention to reappoint this member to the Authority. The JOC did not have an opportunity to consider this request prior to the dissolution of the Dáil on Tuesday 14th January. Accordingly, the terms of office of this member was not renewed.

In February 2020 the terms of office of four members expired and at the date of signing the financial statements these vacancies remained unfilled, pending the formation of a new government and the re-establishment of a new Joint Oireachtas Committees who will have the power to recommend the appointment of new members. The consequence of this is that the Authority only has five members from that date. Section 13 (7) of the Act states that the quorum for meetings of the Authority shall be five, thereby requiring all members to be present for decision making purposes. In line with the BAI's Conflict of Interest procedures, members of the Authority who also serve as the Authority's nominees on the statutory Committees recuse themselves as a matter of course from all deliberations and decisions relating to recommendations from the statutory Committees. In order to ensure that all members are present for decision making purposes, the Authority agreed in January 2020 that it would not nominate any Authority members to the Compliance Committee and Contract Awards Committee until such time as the complement of members of the Authority is increased to allow for such nomination.

The Authority carried out a self-assessment of Board Effectiveness and Evaluation Review in May 2019.

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 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 Chief Executive 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 2019, the members of the Finance Audit and Risk Committee were Alan McDonnell (Chairperson), Denis Wolinski and Vivien McKechnie. 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 2019 is set out below including the fees and expenses received by each member.

	Fees	Expenses	Attendance
	€	€	
<b>Authority Members</b>			
Pauric Travers	11,970	-	10/10
Alan McDonnell	7,695	-	10/10
Grace Smith	7,695	-	10/10
Denis Wolinski	7,695	1,401	9/10
Seán Ó Mordha	7,695	-	10/10
Rosemary Day	-	2,028	10/10
Maeve McDonagh	-	588	8/10
Mary Curtis	7,695	-	9/10
Vivien McKechnie	7,695	-	9/10
<b>Compliance Committee</b>			
Kevin Rafter	-	-	6/6
Nigel Heneghan	7,695	-	5/6
Orlaith Carmody	2,484	-	2/2
Rosemary Day	-	2,788	5/6
Grace Smith	-	-	5/5
Eileen Maher	7,695	-	6/6
Neil O'Brien	-	-	6/6
Anne O'Brien	-	-	5/6
<b>Contracts Awards Committee</b>			
Ercus Stewart	11,970	-	10/10
Eimer McGovern	7,695	-	9/10
John Hogan	7,695	774	9/10
Clodagh O'Donnell	7,695	-	9/10
Mary Curtis	-	-	6/9
Sean Ó Mordha	-	-	9/10
Celene Craig	-	-	9/10
Ciarán Kissane	-	-	9/10
<b>Finance, Audit and Risk Committee</b>			
Alan McDonnell	-	-	4/4
Dermot O'Riordan	-	-	4/4
Denis Wolinski	-	-	2/4
Vivien McKechnie	-	-	4/4
	111,069	7,579	



## 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 and Committees 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

*Compliance Committee:* Grace Smith was appointed to the Compliance Committee from 1st January 2019 and Orlaith Carmody was appointed on the 3rd September 2019

*Contract Awards Committee:* Mary Curtis was appointed to the Contracts Awards Committee from 1st January 2019.

*Finance Audit and Risk Committee:* Vivien McKechnie was appointed to the Finance Audit and Risk 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	2019	2018
€60,000 - €69,999	4	6
€70,000 - €79,999	3	1
€80,000 - €89,999	3	4
€90,000 - €99,999	-	1
€100,000 - €109,999	1	-
€110,000 - €119,999	-	-
€120,000 - €129,999	1	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 for services to the BAI Finance Function (Nil in 2019; €25K in 2018).

	2019	2018
	€ '000	€ '000
Auditing & Monitoring	33	49
Policy, Codes and Rules	244	326
General Consultancy	283	266
IT Consultancy	41	45
Total Consultancy	601	686

	€ '000	€ '000
Legal Advice (General in nature)	73	81
	73	81

## Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2019	2018
	€ '000	€ '000
<b>Authority/Committee Members</b>		
Domestic	7	10
Foreign	1	1
<b>Employees</b>		
Domestic	15	18
Foreign	49	33
	<u>72</u>	<u>62</u>

Note that in the Financial Statements Employees travel and subsistence expenditure is recorded as an Administrative Cost (2019: €64K; 2018 €51K) and Authority and Committee Member travel and subsistence expenditure paid directly to Authority/Committee members is recorded as a Authority/Committee Members' Fees & Expenses (2019: €8K; 2018: €11K).

## Hospitality Expenditure

The Statement of Income and Expenditure includes hospitality expenditure of €14K (€13K in 2018). This included €13K for staff hospitality (€12K in 2018) and €1K for client hospitality (€1K in 2018). 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 during 2019.



**Professor Pauric Travers**

Chairperson

25th June 2020



**Alan McDonnell**

Member of Authority

25th June 2020

# 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 31st December 2019 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 four times in 2019.

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.

Resulting from an internal audit on the BAI's risk management policies and procedures in 2018, the Authority approved a new Risk Management Policy in January 2019 for the management of both organisation-wide and project/operational-specific risks at the BAI. The Policy provides information on how the BAI defines and understands risk and details the roles, responsibilities, processes and procedures, standards, tools and documentation which give the Policy practical effect.

Specifically, the Policy:-

- Links risk to the organisation's strategic objectives;
- Provides a clear and explicit risk policy statement with appropriate risk management objectives;
- 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;
- Describes the risk reporting process to ensure full visibility of all identified risks and the actions planned to deal with the risks;
- Sets out roles and responsibilities of the Authority, BAI statutory committees and BAI staff with regard to risk management;
- Sets out an implementation and monitoring plan that ensures that BAI staff fulfil their responsibilities regarding risk and the agreed actions;
- Sets out what supports are in place to maintain a risk-aware culture (e.g. training).



The Policy has been issued to all staff and training on risk management is provided to all staff on an annual basis. In 2019, specific training on the development of a BAI Risk Appetite Statement was provided to members of the Authority and the FAR Committee and, separately, to the BAI senior management team.

In 2019, the BAI Authority also approved a new Risk Appetite Statement for the BAI. Previously, the Authority's Risk Appetite Statement was included in the BAI's Risk Management Framework/Policy. The development of this new Statement was a recommendation from the 2018 internal audit. The Risk Appetite Statement sets out the methodology to be used by the BAI to establish and manage risk appetite. The Statement identifies five risk themes for the BAI which link to the BAI's Strategy Statement. A risk appetite level has been identified for each of the five themes. In addition, risk tolerances have been established, as have key risk indicators and related metrics. The Risk Appetite Statement incorporates risk management into the organisation's strategic planning process.

In its Terms of Reference, the FAR Committee commits to a review of the Policy on an annual basis and the Policy is then submitted to the Authority for approval.

## **Risk and Control Framework**

The Risk Management Policy describes a risk control framework which ensures risk based decision making having regard to the risk appetites and related tolerances identified in the Risk Appetite Statement; and outlines the processes in place to identify, assess and report key risks as well as the internal controls and ongoing actions being taken to manage and, to the extent possible, to mitigate those risks.

The BAI's Risk Management Policy identifies risk registers as key 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 rated 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 Plans and Operational Risk Register. The Corporate and Operational Risk Registers also detail the controls and actions designed to mitigate risks and assigns responsibility for the operation of controls or implementation of actions to specific staff.

The Corporate Risk Register is reviewed by the FAR Committee on a quarterly basis and the Chief Risk Officer provides a risk update at each Committee meeting. The Operational Risk Register is also reviewed, at a minimum, biannually by the FAR Committee. The Corporate and Operational Risk Registers are 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 Chief Executive. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed at an acceptable level.

The FAR Committee ensures identified risk tolerances contained in the Statement are adhered to by reference to, inter alia, the agreed key risk indicators and associated metrics. From 2020, the Risk Appetite Statement will be reviewed on a quarterly basis by the FAR Committee as part of the risk management and reporting processes set out in the BAI Risk Management Policy.

## Control Framework

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.

During 2019, four operational audits were carried out by the Internal Auditor who reported their findings and recommendations to the Finance, Audit and Risk Committee. The operational areas reviewed included:

- Review of Corporate Governance
- Review of ICT Infrastructure and Resiliency
- Review of People Management
- Review of Effectiveness of Internal Controls (including Financial Controls)

During a routine ICT maintenance process a data breach resulting from the unauthorised access to two BAI email accounts from an unknown external source was identified. A series of additional ICT security measures were introduced in order to strengthen the existing ICT internal controls operating in the BAI. This breach impacted a relatively low number of data subjects, minimal personal data and did not include any special category of personal data. All affected data subjects were made aware of the nature of the breach and the actions taken by the BAI. The Data Protection Commission (DPC) was immediately notified of the breach (within the statutory limit of 72 hours) and the BAI has since been in ongoing correspondence with the DPC on this matter.

## 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 2019 the BAI complied with those procedures, with one exception originally disclosed in the 2018 Statement on Internal Control.

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 at the time of the public service recruitment moratorium during a period of critical under-resourcing in the BAI in 2010, and came to an end in 2019 when the staff member retired. The BAI maintained this arrangement from 2010 to 2019 as the staff member's experience, expertise and organisational knowledge and insight developed over the years assisted the BAI in its organisational objectives. Expenditure of €30,569 was expended on this service during 2019 (€30,727 in 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, and the senior management within the BAI responsible for the development and maintenance of the internal control framework.

We confirm that in June 2020 the Authority conducted an annual review of the effectiveness of the internal controls for 2019. This review was informed by work carried out by the internal auditor in December 2019 and approved by the Finance, Audit and Risk Committee in February 2020.



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**Professor Pauric Travers**

Chairperson

25th June 2020

## Internal Control Issues

No weaknesses in internal control were identified in relation to 2019 that require disclosure in the financial statements, with exception to the procurement issue raised above.



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**Alan McDonnell**

Member of Authority

25th June 2020



## 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 2019 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 2019 and of its income and expenditure for 2019 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.

**Orla Duane**  
For and on behalf of the  
Comptroller and Auditor General

29 June 2020



## 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 2019

	Note	2019 € '000	2018 € '000
<b>Income</b>			
Levy	2	5,109	4,863
Licensing Fees	3	46	38
Other Income	4	723	702
<b>Gross Income</b>		5,878	5,603
Transfer (from)/to Capital Account	15	(71)	12
		5,807	5,615
<b>Expenditure</b>			
Staff Costs	5	2,373	2,176
Retirement Benefit Costs	17(c)	322	312
Authority/Committee Members' Fees & Expenses		119	126
Consultancy Fees	7	601	711
Legal Expenses		73	81
Advertising		41	30
Administrative Expenses	8	438	463
Auditors' Remuneration		13	12
Grant & Development Payments	9	555	484
Premises & Related Expenses	10	790	752
Depreciation		48	16
Bad Debts		4	1
Bank interest and charges		7	7
		5,384	5,171
<b>Surplus Income over Expenditure</b>		423	444
Refund of Levy	2	(377)	(405)
<b>Surplus after refund of Levy</b>		46	39
<b>Retained Revenue Reserve</b>			
Balance at the beginning of the year		682	643
Surplus after refund of Levy		46	39
<b>Balance at the end of the year</b>		728	682

**The Statement of Cash Flows and Notes 1–21 form part of these Financial Statements.**

The Financial Statements were approved by the Authority on 25th June 2020 and signed on its behalf by:



**Professor Pauric Travers**  
Chairperson  
25th June 2020



**Alan McDonnell**  
Member of Authority  
25th June 2020



**Michael O'Keefe**  
Chief Executive  
25th June 2020

# Statement of Comprehensive Income

For the year ended 31 December 2019

	2019	2018
	€'000	€'000
Surplus after Refund of Levy	46	39
Experience gain/(loss) on retirement benefit scheme liabilities	(1,121)	216
Changes in assumptions underlying the present value of retirement benefit scheme obligations	(1,501)	114
Total actuarial (loss)/gain in the year	(2,622)	330
Adjustment to deferred Exchequer Retirement Benefit funding	2,622	(330)
<b>Other Comprehensive Income for the year</b>	<b>46</b>	<b>39</b>

**The Statement of Cash Flows and Notes 1–21 form part of these Financial Statements.**

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**Professor Pauric Travers**

Chairperson

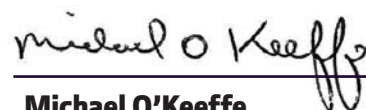
25th June 2020



**Alan McDonnell**

Member of Authority

25th June 2020



**Michael O'Keeffe**

Chief Executive

25th June 2020

# Statement of Financial Position

As at 31 December 2019

	Note	2019 € '000	2018 € '000
<b>Fixed Assets</b>			
Property, Plant and Equipment	11	112	41
<b>Current Assets</b>			
Receivables	12	861	998
Cash and cash equivalents	13	1,397	1,266
		2,258	2,264
<b>Current Liabilities</b>			
Payables (amounts falling due within one year)	14	(1,530)	(1,582)
		(1,530)	(1,582)
<b>Net Current Assets</b>		728	682
<b>Total Assets less Liabilities before Retirement Benefits</b>		840	723
Deferred retirement benefit asset	17	15,666	12,092
Retirement benefit liabilities	17	(15,666)	(12,092)
<b>Net Assets</b>		840	723
<b>Representing</b>			
Retained Revenue Reserves		728	682
Capital Account	15	112	41
		840	723

**The Statement of Cash Flows and Notes 1–21 form part of these Financial Statements.**

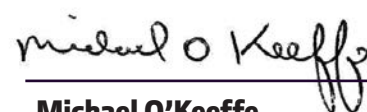
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**Professor Pauric Travers**  
Chairperson  
25th June 2020



**Alan McDonnell**  
Member of Authority  
25th June 2020



**Michael O'Keeffe**  
Chief Executive  
25th June 2020

# Statement of Cash Flows

For the year ended 31 December 2019

	2019	2018
	€ '000	€ '000
<b>Net Cash Flows from Operating Activities</b>		
Surplus for the Year	46	39
Depreciation Charge	48	16
Transfer from Capital Account	71	(12)
Decrease/(Increase) in Receivables	137	198
Increase/(Decrease) in Payables	(52)	(116)
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	<b>250</b>	<b>125</b>
<b>Cash Flows from Financing Activities</b>		
Loan (Repayment)/Drawdown	0	(500)
<b>Cash Flows from Investing Activities</b>		
Payments to acquire Property, Plant and Equipment	(119)	(4)
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>	<b>131</b>	<b>(379)</b>
Cash and Cash equivalents at beginning of year	1,266	1,645
<b>Cash and Cash equivalents at end of year</b>	<b>1,397</b>	<b>1,266</b>



# Notes to the Financial Statements

## 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 2019 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

#### Nature of Schemes

The Broadcasting Authority of Ireland operates the following defined pension schemes in respect of employees:

- Employees appointed before 1st January 2013 are members of the BAI Superannuation Scheme and its Spouses and Children's' Pension Scheme. These scheme structures are based on the Public Service Model (the Model Scheme).
- Employees appointed after 1st January 2013 are members of the Single Public Service Pension Scheme, which provides consumer price index-linked defined benefit pensions based on career-average pay (the "Single Scheme").

The schemes are unfunded by the Authority, with pension benefits payable by the Exchequer. The Authority's arrangements have a number of specific characteristics:

- The Authority makes agreed contributions to the Department of Communications, Climate Action and Environment (for the Model Scheme) and to the Department of Public Expenditure and Reform (for the Single Scheme)
- The contributions for both schemes comprise an employee element along with an employer element. The employer contributions, paid by the Authority, for the Model Scheme amount to 16.66% of gross pay. The employer contribution paid by the Authority to the Single Scheme amount to three times the employee contribution

- There is a commitment from the Department of Communications, Climate Action and Environment, with the agreement of the Department of Public Expenditure and Reform, that the Exchequer will meet the cost of benefits as they fall due
- An asset corresponding to the unfunded deferred liability for retirement benefit on the Single Public Service Pension Scheme is recognised on the basis of the provisions of Section 44 of the Public Service Pensions (Single Scheme and other provisions) Act 2012

In substance, the Authority considers that the obligation to pay pension benefits remains with the Authority, but that the Exchequer will provide the Authority with sufficient funds to settle any such obligations as they fall due, on the basis that the Authority pays over employees' and the employer's contributions at rates specified by the Minister for Public Expenditure and Reform.

Accordingly, the financial statements recognise both a deferred pension benefit obligation and a deferred exchequer pension funding receivable and full details of Superannuation benefit payments are included in the financial statements as an expenditure item and there is a corresponding income representing Exchequer Retirement Benefit.

### **Schemes actuarial gains or losses**

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised for the year in which they occur and a corresponding adjustment is recognised to the balance for deferred exchequer retirement benefit funding. Pension costs in the statement of income and expenditure and retained revenue reserves comprise the employer's contribution in the year.

### **Schemes liabilities**

Scheme liabilities represented by the present value of future payments earned by Authority employees to date are measured on an actuarial basis using the projected unit method. Pension costs reflect pension benefits earned by employees. The amount to be included in the financial statements for the deferred exchequer benefit funding amount is estimated at an amount equal to the estimate of the obligation for the pension scheme liabilities.

Further information on the schemes is provided in note 17.

### **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.

In making this assessment, the Authority has considered the impact of COVID-19 and do not consider that the impact will be so significant as to cast doubt on BAI's ability to continue in operational existence.

## 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 schemes, 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 or the Department of Public Expenditure and Reform, the Authority has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice.

income for 2018. Broadcasters will be subsequently issued with an invoice or a credit note for this adjustment.

The levy reconciliation processes for 2018 was carried out during 2019; the total levy refunded to broadcasters was €405,457. This amount was recognised in the 2018 Financial Statements. A refund of €376,309 is due to broadcasters in respect of the 2019 levy year and has been recognised in the 2019 Statement of Income and Expenditure and Retained Revenue Reserves.

## 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 2019 was €5,109,452 which included interest of €3,030. The net amount was based on the Authority's budgeted expenditure for levy purposes for 2019 and broadcasters' qualifying income for 2018. 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 2019 Authority expenditure for levy purposes has been approved and broadcasters have provided their actual qualifying

### 3. Licensing Fees

	2019	2018
	€'000	€'000
Television	46	38
	<b>46</b>	<b>38</b>

### 4. Other Income

	2019	2018
	€'000	€'000
Other	1	-
Broadcasting Fund Income	722	702
	<b>723</b>	<b>702</b>

Other income includes expenditure incurred by the Broadcasting Authority of Ireland and which is recharged to the Broadcasting Fund. This includes salaries of €494,227 (2018: €453,544), general overheads of €158,445 (2018: €161,012), BFS sponsorship contribution of €56,305 (2018: €74,070) and investment advice €13,000 (2018: €13,000).

### 5. Remuneration

#### a. Aggregate Employee Benefits

	2019	2018
	€ '000	€ '000
Staff short-term benefits	2,191	2,014
Employer's contribution to social welfare	183	162
	<b>2,374</b>	<b>2,176</b>

In 2019, Staff Costs include €494,227 (2018: €453,544) which is recharged to the Broadcasting Fund and is recognised in Other Income.

There were four people (2018: 1) working in the BAI during 2019 employed via an agency. The gross cost to the BAI in respect of agency personnel in 2019 was €63,951 (2018: €30,359).

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

	2019	2018
Senior Management	10	9
Other Staff	26.54	29.34
Actual Full-time Equivalent	<b>36.54</b>	<b>38.34</b>
Actual Full-time Equivalent at 31 December 2019	36.74	37.64
Employment Control Framework (ECF) at 31 December 2019	<b>35</b>	<b>35</b>

## b. Additional Superannuation Contribution

From 1 January 2019 onwards, members of public services defined benefit pension schemes pay an Additional Superannuation Contribution (ASC) arising from the Public Stability Agreement (2018 – 2020) and the Public Pay and Pensions Act 2017. ASC has replaced the Pension-Related Deduction (PRD) which ceased at the end of 2018. While PRD was a temporary emergency measure, ASC is a permanent contribution. ASC deductions of €82,824 (2018 PRD was €89,062) were made from staff salaries during the year and were submitted to the Department of Communications, Climate Action and Environment (DCCAE).

## c. Staff Short-Term Benefits

	2019	2018
	€ '000	€ '000
Basic pay	2,191	2,014
Overtime	-	-
	<b>2,191</b>	<b>2,014</b>

No termination payments were paid in 2019.

## d. 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 2019, staff contributions to the Single Scheme totalled €26,967 (2018: €19,457). The BAI's liability for employer contributions to the Single Scheme was €80,903 (2018: €58,370).

## e. Key Management Personnel

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

	2019	2018
	€ '000	€ '000
Salary	758,694	716,127
	<b>758,694</b>	<b>716,127</b>

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 Single Scheme or the Model 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.

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 no legal fees in relation to this matter in 2019 (€1,474 in 2018). Total fees incurred to the end of 2019 by the BAI were €14,980 (total in 2018 was €14,980).

The Chief Executive was employed at a rate of €132,646 per annum at 31st December 2019 (2018: €127,623). The total value of remuneration of the Chief Executive in the year ended 31st December 2019 was €129,774 (2018: €125,314) and an employer's superannuation contribution was made of €21,629 (2018: €20,866). 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 2019.

## 7. Consultancy Fees

	2019	2018
	€ '000	€ '000
Auditing & Monitoring	33	49
Policy, Codes and Rules	244	326
General Consultancy	283	266
IT Consultancy	41	45
Services to BAI Finance Function	-	25
	<b>601</b>	<b>711</b>

## 8. Administrative Expenses

	2019	2018
	€ '000	€ '000
Travel & Subsistence	66	54
Human Resources	58	44
Telephone & Postage	41	47
Office Expenses	114	188
Professional Affiliations & Subscriptions	20	21
Information Technology	139	109
	<b>438</b>	<b>463</b>

In 2019, staff foreign travel of €49,001 (2018: €33,553); staff domestic travel of €15,164 (2018: €17,735) and non-staff travel costs of €1,881 (2018: €2,722) are included in Travel & Subsistence costs. Costs of €19,359 (2018: €14,873) relating to staff and other BAI catering are included in Office Expenses.



## 9. Grant & Development Payments

	2019	2018
	€ '000	€ '000
Network Funding	387	326
Broadcasting Innovation Scheme	49	10
Community Broadcasting Support Scheme	11	-
Sponsorship	107	148
	<b>554</b>	<b>484</b>

## 10. Premises & Related Expenses

	2019	2018
	€ '000	€ '000
Rent, Rates, Service Charges & Building Maintenance	687	655
Security & Cleaning	86	81
Light & Heat	17	16
	<b>790</b>	<b>752</b>

## 11. Property, Plant and Equipment

	<b>Total</b>	<b>Computer Software &amp; Equipment</b>	<b>Office Equipment</b>	<b>Fixtures &amp; Fittings</b>	<b>Leasehold Improvements</b>	<b>Audio/ Technical Equipment</b>	<b>Motor Vehicle</b>
	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>
<b>Cost</b>							
<b>At 01.01.2019</b>	<b>3,977</b>	<b>343</b>	<b>84</b>	<b>687</b>	<b>2,630</b>	<b>173</b>	<b>60</b>
Additions	119	119	-	-	-	-	-
Reclassification	(114)	(47)	(4)	(54)	-	(9)	-
Disposals	(130)	(42)	(28)	-	-	-	(60)
<b>At 31.12.2019</b>	<b>3,852</b>	<b>373</b>	<b>52</b>	<b>633</b>	<b>2,630</b>	<b>164</b>	<b>0</b>
<b>Depreciation</b>							
<b>At 01.01.2019</b>	<b>3,936</b>	<b>339</b>	<b>73</b>	<b>681</b>	<b>2,611</b>	<b>172</b>	<b>60</b>
Charge for Year	44	36	3	2	3	-	-
Reclassification	(112)	(47)	(4)	(52)	-	(9)	-
Disposals	(128)	(40)	(28)	-	-	-	(60)
<b>At 31.12.2019</b>	<b>3,740</b>	<b>288</b>	<b>44</b>	<b>631</b>	<b>2,614</b>	<b>163</b>	<b>0</b>
<b>Net Book Value</b>							
<b>At 01.01.2019</b>	<b>41</b>	<b>4</b>	<b>11</b>	<b>6</b>	<b>19</b>	<b>1</b>	<b>0</b>
<b>At 31.12.2019</b>	<b>112</b>	<b>85</b>	<b>8</b>	<b>2</b>	<b>16</b>	<b>1</b>	<b>0</b>

During 2019 Fixed Assets with a cost of below €1,000 were reclassified and removed from the Fixed Asset Register. Assets with a Net Book Value greater than zero were expensed during 2019 to the Statement of Income and Expenditure and Retained Revenue Reserves. This reclassification was in line with a 2018 revision to the BAI Fixed Asset Policy.

## 12. Receivables

	2019	2018
	€ '000	€ '000
Debtors	472	754
Prepayments	189	170
Broadcasting Fund	194	55
Others	5	19
	<b>860</b>	<b>998</b>

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

	2019	2018
	€ '000	€ '000
Short Term Deposits	279	279
Cash at Bank	1,118	987
<b>Total</b>	<b>1,397</b>	<b>1,266</b>

## 14. Payables (amounts falling due within one year)

	2019	2018
	€ '000	€ '000
Trade Creditors	76	99
Levy Refundable to Broadcasters	377	405
Superannuation Contributions	85	74
Accruals	484	507
Revenue Commissioners	275	334
Deferred Income	229	157
Other	4	6
	<b>1,530</b>	<b>1,582</b>

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. Capital Account

	2019	2018
	€ '000	€ '000
Balance as at 1 January	41	53
Transfer (to)/from Income and Expenditure Account:		
Funding of Asset Additions	119	4
Amortisation in line with Asset Depreciation	(44)	(16)
Disposal	(2)	-
Reclassification	(2)	-
<b>Transfer (to)/from Income and Expenditure Account</b>	<b>71</b>	<b>(12)</b>
<b>Balance as at 31 December</b>	<b>112</b>	<b>41</b>

## 16. 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 €530,000 were made in 2019 (2018: €536,000).

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 2019 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 Statement of Income and Expenditure Account is €530,000 (2018: €536,000).

### Lease Commitments

	2019	2018
	€	€
Under 1 Year	530,000	530,000
Between 2-5 Years	530,000	1,060,000
Over 5 Years	-	-
	<b>1,060,000</b>	<b>1,590,000</b>

## 17. Retirement Benefit Costs

### a. Retirement Benefits

The Broadcasting Authority of Ireland operates the following defined pension schemes in respect of employees:

- Employees appointed before 1st January 2013 are members of the BAI Superannuation Scheme and its Spouses and Children's' Pension Scheme. These scheme structures are based on the Public Service Model (the Model Scheme).
- Employees appointed after 1st January 2013 are members of the Single Public Service Pension Scheme, which provides consumer price index-linked defined benefit pensions based on career-average pay (the "Single Scheme").

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 2019 is €15.666M (2018: €12.092M). 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 2019. This valuation was carried out by a qualified independent actuary.



## b. Principal Actuarial Assumptions

The principal actuarial assumptions were as follows:	2019	2018
Rate of increase in salaries	2.50%	2.80%
Rate of increase in pensions in payment	2.00%	2.30%
Discount Rate	1.20%	1.90%
Inflation Rate	1.50%	1.80%

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 2019 and 2039.

Year of attaining age 65	2019	2039
Life expectancy – male	21.50	23.90
Life expectancy - female	24.00	26.00

## 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:

	2019	2018
	€'000	€'000
Employer contribution paid to DCCAE/DPER	322	312
Current service cost	727	708
Interest on retirement benefit scheme liabilities	230	231
Adjustment to deferred retirement benefit funding	(957)	(939)
	<b>322</b>	<b>312</b>

## d. Movement in net retirement benefit obligations during the financial year

	2019	2018
	€'000	€'000
Opening balance	12,092	11,491
Current service cost	727	708
Interest on retirement benefit scheme liabilities	230	231
Actuarial Loss/(Gain)	2,622	(330)
Benefits paid	(5)	(8)
Net retirement benefit obligation at 31st December	<b>15,666</b>	<b>12,092</b>

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

	Financial year ending in				
	2019	2018	2017	2016	2015
	€'000	€'000	€'000	€'000	€'000
Defined benefit obligation	15,666	12,092	11,491	10,476	7,575
Deficit	(15,666)	(12,092)	(11,491)	(10,476)	(7,575)
Experience loss/(gains) on plan liabilities	(1,501)	(216)	358	59	(178)
Experience gains as percentage of plan liabilities	(10%)	(1.8%)	3.4%	(0.6%)	(2.3%)

## 18. Capital Commitments

There were no capital commitments at 31 December 2019.

## 19. Related party disclosure

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 and Committees during the year.

There were no transactions in the year in relation to the Authority's activities in which any Authority members had any beneficial interest. Please refer to Note 6 for the Chief Executive details and to the Governance Statement and Authority Members Report for Authority Members fees and expenses.

## 20. Events after the Reporting Period Note

On the 10th January 2020, the Minister for Communications, Climate Action and Environment published the General Scheme of the Online Safety and Media Regulation Bill 2019. This Bill outlines measures required to be transposed under the revised Audiovisual Media Services Directive and includes online safety proposals. The Bill envisages that the Broadcasting Authority of Ireland (BAI) and its Statutory Committees will be dissolved and replaced by a multi-person Media Commission. On the 14th January 2020 the Dáil was dissolved and further developments in relation to the Bill must await the formation of a new government. The Financial Statements of the BAI and the Broadcasting Fund are prepared on a going concern basis and do not reflect any provisions relating to the proposed dissolution.

The COVID-19 pandemic has had a significant impact on the finances of the independent broadcasting sector since March 2020. In recognition of this, the Minister for Communications, Climate Action and Environment requested the Authority to consider waiving the levy on independent radio stations for the first six months of 2020. The Authority considered this request at its March 2020 meeting and agreed to the waiver. In order to bridge the cash and income reductions resulting from this waiver, the BAI is pursuing a number of cashflow management and budgetary strategies. As a result of these measures, the Authority is satisfied that the cash and income reductions resulting from the waiver will be sufficiently bridged for the BAI to continue as a going concern.

## **21. Approval of Financial Statements**

The financial statements were approved by the Authority at its meeting on 25th June 2020.

The Broadcasting Fund

# Financial Statements

## For the year ended 31 December 2019



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## Authority Information

### Authority Members

Pauric Travers

Alan McDonnell

Grace Smith

Denis Wolinski

Seán Ó Mordha

Rosemary Day

Maeve McDonagh

Mary Curtis

Vivien McKechnie

### Solicitors

Byrne Wallace  
88 Harcourt Street  
Dublin 2

Ivor Fitzpatrick & Company  
Solicitors  
44-45 St Stephen's Green  
Dublin 2

Philip Lee  
7/8 Wilton Terrace  
Dublin 2

### Bankers

Ulster Bank  
Baggot Street Lower  
Dublin 2

### Auditors

Comptroller and Auditor General  
3A Mayor Street Upper  
Dublin 1

## 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 2019, 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

25th June 2020



**Alan McDonnell**

Member of Authority

25th June 2020



## 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 2019 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 2019 and of its income and expenditure for 2019 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.

**Orla Duane**  
For and on behalf of the  
Comptroller and Auditor General

29 June 2020

## 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 31 December 2019

	Note	2019 € '000	2018 € '000
<b>Income</b>			
Oireachtas Grant	3 (a)	14,793	14,513
Recoupment of Income from Funded Projects	2	42	57
Interest Receivable		6	21
Total		<b>14,841</b>	<b>14,591</b>
<b>Expenditure</b>			
Grants and Awards	3	12,089	12,587
Staff Costs	5	497	457
Legal Fees		0	9
Administration Costs	6	398	416
Audit Fee		8	7
Assessment Costs		71	61
Consultancy Costs	7	146	69
Total		<b>13,209</b>	<b>13,606</b>
<b>Surplus of Income over Expenditure</b>		<b>1,632</b>	<b>985</b>
<b>Balance at beginning of year</b>		<b>21,209</b>	<b>20,224</b>
<b>Balance at end of year</b>		<b>22,841</b>	<b>21,209</b>

**The Statement of Cash Flows and Notes 1–13 form part of these Financial Statements.**

The Financial Statements were approved by the Authority on the 25th June 2020 and signed on its behalf by:



**Professor Paucic Travers**  
Chairperson  
25th June 2020



**Alan McDonnell**  
Member of Authority  
25th June 2020



**Michael O'Keeffe**  
Chief Executive  
25th June 2020



# Statement of Financial Position

As at 31 December 2019

	Note	2019 € '000	2018 € '000
<b>Current Assets</b>			
Receivables	9	28	15
Cash and cash equivalents	8	10,758	6,944
Other short term deposits	8	12,250	14,300
		<u>23,036</u>	<u>21,259</u>
<b>Current Liabilities</b>			
Payables (amounts due within one year)	10	(195)	(50)
		<u></u>	<u></u>
<b>Net Assets</b>		<b>22,841</b>	<b>21,209</b>
<b>Representing</b>			
Retained Revenue Reserves		22,841	21,209
		<u>22,841</u>	<u>21,209</u>

**The Statement of Cash Flows and Notes 1–13 form part of these Financial Statements.**

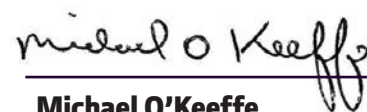
The Financial Statements were approved by the Authority on the 25th June 2020 and signed on its behalf by:



**Professor Pauric Travers**  
Chairperson  
25th June 2020



**Alan McDonnell**  
Member of Authority  
25th June 2020



**Michael O'Keeffe**  
Chief Executive  
25th June 2020

# Statement of Cash Flows

For the year ended 31 December 2019

	2019	2018
	€ '000	€ '000
<b>Net Cash Flows from Operating Activities</b>		
Surplus for Year	1,632	985
Returns on Investments	(6)	(21)
Decrease in Receivables	(13)	(10)
Increase in Payables	145	(298)
<b>Net Cash Inflow /(Outflow) from Operating Activities</b>	<b>1,758</b>	<b>656</b>
<b>Cash Flows from Investing Activities</b>		
Interest Received	6	21
Invested in Short-term Deposits	2,050	(9,000)
<b>Net Cash Flows for Investing Activities</b>	<b>2,056</b>	<b>(8,979)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>3,814</b>	<b>(8,323)</b>
<b>Cash/Cash Equivalents at 1 January</b>	<b>6,944</b>	<b>15,267</b>
<b>Cash/Cash Equivalents at 31 December</b>	<b>10,758</b>	<b>6,944</b>

# Notes to the Financial Statements

## 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 2019 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 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

	2019	2018
	€ '000	€ '000
Recoupment of Income from Funded Projects	42	57

A recoupment clause is included in Sound & 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 during the year in relation to three productions previously funded. Amounts recouped are accounted for on a cash receipt basis.

## 3. Broadcasting Funding Scheme

- 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 2019 Oireachtas Grant was included in subhead B6 of Vote 29 for the Department of Communications, Climate Action and Environment.
- The BAI currently operates two approved Schemes.

The first of these is the **Sound & 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 current Scheme to the end of 2019.

The Authority submitted the draft Sound & Vision 4 Scheme to the Minister for approval on the 11th December 2019 and on the 6th March 2020 the Minister approved the new scheme for a three year period.

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 is effective for a five-year period (2018-2022).

### c. Broadcasting Fund Commitments

#### Sound & Vision Scheme

	2019	2018
	€ '000	€ '000
<b>Opening Commitment Figure</b>	12,630	13,652
Awards made	11,685	11,854
Grants paid	(11,409)	(12,237)
Grants repaid	58	10
Grants de-committed	(213)	(649)
<b>Closing Commitment Figure</b>	<b>12,751</b>	<b>12,630</b>

#### Archiving Awards Scheme

	2019	2018
	€ '000	€ '000
<b>Opening Commitment Figure</b>	3,439	1,901
Awards made	1,338	1,898
Grants paid	(737)	(360)
Grants de-committed	-	-
<b>Closing Commitment Figure</b>	<b>4,040</b>	<b>3,439</b>

#### Total Closing Commitments

16,791

16,069



## 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 €494,227 (2018: €453,544), general overheads of €158,445 (2018: €145,974), BFS sponsorship contribution of €56,305 (2018: €74,070) and investment advice €13,000 (2018: €13,000). The Broadcasting Fund recharge is detailed further in Notes 5 and 6 below.

## 5. Staff Costs

	2019	2018
	€ '000	€ '000
Wages and Salaries	397	364
Social Welfare Costs	31	29
Pension Costs	66	61
<b>Staff Costs Recharged to BAI</b>	<b>494</b>	<b>454</b>
Temporary Staff	3	3
<b>Total Staff Costs</b>	<b>497</b>	<b>457</b>

There are no employees directly employed by the Broadcasting Fund. Temporary staff were employed via an agency for a short period in May 2019 and in November 2019. The gross cost to BAI in respect of agency personnel in 2019 was €2,498 (2018: €3,388).

A number of Broadcasting Authority of Ireland employees spend a proportion of their time working on Fund-related matters. In 2019, this equated to 7 (2018: 7) full-time equivalents.

## 6. Administration Costs

	2019	2018
	€ '000	€ '000
Overheads:		
Rent & Rates	102	102
Premises costs	27	29
Office expenses	22	14
Staff training	9	5
<b>Subtotal overhead costs</b>	<b>160</b>	<b>150</b>
<b>Sponsorship</b>	<b>56</b>	<b>74</b>
Direct costs:		
Sound & Vision /Archiving Schemes	99	97
Professional fees	13	13
Public Awareness	4	10
IT licence and support costs	48	66
Translation	4	3
Other	14	3
Subtotal direct costs	182	192
<b>Total Administration Costs</b>	<b>398</b>	<b>416</b>

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 2019 17%; in 2018, 17%) of the total staff complement of the BAI in the period. During 2019, €174,235 (2018: €174,012) was recharged by the Broadcasting Authority of Ireland to the Broadcasting Fund for administration expenditure relating to the Broadcasting Fund.

## 7. Consultancy

	2019	2018
	€ '000	€ '000
General	92	13
Auditing and Monitoring	54	56
	146	69

## 8. Deposits and Cash/cash equivalents

	2019	2018
	€ '000	€ '000
<b>a.</b> Short Term (maturity less than 3 months)	8,000	5,600
Other (maturity between 3 and 12 months)	12,250	14,300
Cash at bank and on hand	2,758	1,344
	<b>23,008</b>	<b>21,244</b>
<b>Cash/cash equivalents</b>		
Movement in Short Term Deposits		
Balance at 1 January	5,600	14,108
Additions	2,700	300
Withdrawals	(300)	(8,808)
Cash at bank and on hand at 31 December	2,758	1,344
<b>Cash and cash equivalents at 31 December</b>	<b>10,758</b>	<b>6,944</b>
<b>b.</b> Movement in Other Short Term Deposits		
Balance at 1 January	14,300	5,300
Additions	-	9,000
Withdrawals	(2,050)	-
<b>Balance at 31 December</b>	<b>12,250</b>	<b>14,300</b>

- 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.

## 9. Receivables

	2019	2018
	€ '000	€ '000
Accrued Interest	11	15
Other	17	-
	<b>28</b>	<b>15</b>

## 10. Payables

	2019	2018
(Amounts falling due within one year)	€ '000	€ '000
Broadcasting Authority of Ireland	195	55
DIRT (Receivable)/Payable	-	(5)
	<b>195</b>	<b>50</b>

## **11. Capital Commitments**

There were no capital commitments at 31 December 2019.

## **12. Events after the Reporting Period Note**

On the 10th January 2020, the Minister for Communications, Climate Action and Environment published the General Scheme of the Online Safety and Media Regulation Bill 2019. This Bill outlines measures required to be transposed under the revised Audiovisual Media Services Directive and includes online safety proposals. The Bill envisages that the Broadcasting Authority of Ireland (BAI) and its Statutory Committees will be dissolved and replaced by a multi-person Media Commission. On the 14th January 2020 the Dáil was dissolved and further developments in relation to the Bill must await the formation of a new government. The Financial Statements of the BAI and the Broadcasting Fund are prepared on a going concern basis and do not reflect any provisions relating to the proposed dissolution.

The authority has assessed the impact of the COVID-19 pandemic on the Broadcasting Fund's activities as a non-adjusting event after the reporting date. The COVID-19 pandemic developed rapidly in 2020 and its impact on grants awarded under the Broadcasting Fund are still being assessed by the Authority. Grants under the Broadcasting Fund impose specific future performance-related conditions on the recipients. Due to the COVID-19 pandemic the Authority is considering on a case by case basis any requests by grant recipients to update these specific future performance related conditions.

## **13. Approval of financial statements**

The financial statements were approved by the Authority at its meeting on the 25th June 2020.







**Broadcasting Authority of Ireland**

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