

SUMMARY

Summary of Report 28/2018, relating to the broadcasting company Corporació Catalana de Mitjans Audiovisuals, SA, programme production, year 2016

Barcelona, 30 January 2019

The Public Audit Office for Catalonia has issued Report 28/2018, relating to programme production by the broadcasting company Corporació Catalana de Mitjans Audiovisuals, SA (CCMA, SA) in year 2016, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Jordi Pons i Novell, was approved by the Audit Office Board at its meeting on 12 December 2018.

The purpose of the audit was to check that CCMA, SA's financial statements for year 2016 had adequately reported transactions relating to programme production; to analyse the deviations between budgeted and actual costs; to verify compliance with internal regulations governing their management; and to assess the systems and procedures put in place by CCMA, SA to monitor, manage and oversee them. To this end the audit analysed direct expenditure items allocated to programme production.

In year 2016 expenditures for CCMA, SA's programme fund came to €172.01m, which is equivalent to 55.94% of all expenditures on the company's Profit and Loss Account.

The Conclusions section of the report presents the most significant findings arising from the audit carried out, of which the following can be highlighted:

- At its meeting on 10 February 2016, the Board of Governors approved the Rules Applying to Procedures for Selecting and Procuring Audio-Visual Content for the broadcasting media owned by the Catalan Audio-Visual Media Corporation. The audit work carried out brought to light various findings relating to compliance with these rules, regarding the deadlines set for presenting proposals, the content of the proposals presented, certain clauses relating to how revenues from productions were to be distributed, the final returns from productions, the reception of delivered materials and the results from external audits of productions.
- With six programmes significant cost increases occurred, which CCMA, SA justified because of market pressures and audience figures, for the most part. There was also a significant cost increase in the contract held with Intracatalònia, SA for the supply of various services.

- Some professional staff were hired as artists instead of being employed through a standard labour contract.
- Revenues from the sale of programmes remained low in year 2016. And in 2017, although they did increase, they were still very low.

Finally, in the Conclusions section of the report various recommendations are made which, in the view of the Audit Office, would help to resolve some of the issues mentioned in the Findings section. Of these recommendations the following can be highlighted:

- CCMA, SA needs to ensure that there is strict compliance with its Rules Applying to Procedures for Selecting and Procuring Audio-Visual Content; these rules should be revised and adapted, to streamline them and facilitate management.
- The report recommends giving more emphasis to the use of production audits and assessing the possibility of making it a requirement to present a final audited report for certain productions.
- The Audit Office recommends, as it has done in previous reports, promoting the sale of programmes produced in-house. Recouping part of programmes' costs by selling them on would enable an increase in programme production and funding for new projects, without the need to increase contributions of public money.

This summary is solely for information purposes. The audit report (in Catalan and Spanish) can be consulted at www.sindicatura.cat.