

THE STATE TELEVISION AND RADIO FUND

This audit concerns the State Television and Radio Fund, into which television fees paid by households and licence fees paid by broadcasters are collected. The Finnish Communications Regulatory Authority is responsible for collecting fees and managing the fund. The fund's assets are used to finance the activities of the Finnish Broadcasting Company.

The audit materials were documents concerning the fund's activities. Interviews were also conducted with officials at the Ministry of Transport and Communications, the Ministry of Finance and the Finnish Communications Regulatory Authority as well as representatives of the Finnish Broadcasting Company. The goal was to obtain an overall picture of the fund's activities and meet Parliament's information needs regarding off-budget funds.

The audit sought to answer the following questions:

1. How well did the fund achieve its statutory tasks in 1999-2004 in
 - arranging financing for the Finnish Broadcasting Company,
 - collecting fees and covering costs resulting from monitoring compliance with regulations concerning television and radio broadcasting, and
 - promoting television and radio broadcasting?

The audit indicated that the fund has done a relatively good job in financing the Finnish Broadcasting Company's activities by providing a fairly steady stream of financing.

Funds are paid to the Finnish Broadcasting Company in instalments approved by the Ministry of Finance according to the operational plan and the company's financial requirements. The Finnish Broadcasting Company sends a letter every other month to the Ministry of Finance outlining its financial requirements. In the opinion of the State Audit Office, the Finnish Broadcasting Company could

make requests for payments less often, for example at half-year intervals.

The audit showed that the Ministry of Transport and Communications has not set separate performance and operational objectives for the fund. In the opinion of the State Audit Office, performance objectives concerning the use of funds should still be reported in the fund's annual report and separate performance and operational objectives should also be set and reported in the annual report.

The audit showed that objectives have not been set on financing provided to the Finnish Broadcasting Company with regard to activities or effectiveness. In order to ensure the efficient, effective and proper use of funds, the Finnish Broadcasting Company's financial requirements should be analysed in the draft operational plan and the fund's annual report should describe how well these have been met.

2. What objectives has Parliament set for the State Television and Radio Fund and how well have these objectives been met?

In its statement on the 2004 Government report on its activities and measures undertaken in response to parliamentary decisions, the Parliamentary Transport and Communications Committee noted that measures taken on the basis of Parliament's statements and explained in the Government's report were adequate or had become unnecessary.

3. How expedient is it to use the fund to finance the Finnish Broadcasting Company's activities?

The audit evaluated the efficiency and expedience of the Finnish Broadcasting Company's financing process from the viewpoint of the State Television and Radio Fund by seeing whether the Ministry of Transport and Communications has investigated alternative ways to arrange financing for the Finnish Broadcasting Company. A working group appointed by the Ministry of Transport and Communications has concluded that television fees are still the best way to finance the Finnish Broadcasting Company's activities.

According to information obtained in interviews, the fund has guaranteed long-term and fairly steady financing regardless of business cycles. The fund is viewed as a simple, light and efficient fi-

nancing system that allows the Finnish Broadcasting Company to maintain political independence and promotes freedom of expression.