

CMS 151488/asg

Sir Michael Lyons
BBC Trust
180 Great Portland Street
London,
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host government
department

23 August 2010

Dear Michael,

In advance of our meeting on 14 September I wanted to set out my views on the National Audit Office's access to the BBC. The purpose of writing now is so that when we meet we can agree a timeframe to make progress quickly.

I would like to start by thanking your officials who have been involved in helpful discussions with DCMS officials over the summer to explore some of the issues that this topic raises. I understand that these have been constructive and I am sure that this will continue. I also want to welcome the way in which the BBC Trust have worked to improve the relationship with the NAO and the measures you have implemented to open up access to the relevant information.

The Coalition is committed to delivering greater access to the BBC and I want to work with you to deliver the best solution to meet that commitment. This forms part of the transparency agenda which is a key element of this Government's desire to open up accountability for the way public money is spent.

The key change I propose is that it should be the NAO that decides which areas of BBC spending they should focus their value for money studies. I understand that there is already more collaboration between the NAO and the BBC Trust on this. I believe that this strengthens the argument to codify the change so that the rights of the NAO to select the areas for study are not purely reliant on the current good relations. I propose that our officials discuss how to amend the BBC agreement to deliver this.

There are compelling arguments both for and against mandating that the NAO will be the financial auditor of the BBC. There are certainly voices which say that anything short of full financial auditing by the NAO will not be transparent enough. Conversely there is an argument to say that the contract for the financial audit should be open to a competitive procurement process.

We can discuss this in more detail on the 14 September but I would like us to reach a consensus on our approach at the end of that meeting.

Yours ever

A handwritten signature in black ink, appearing to read "Jeremy", with a long horizontal stroke underneath.

Rt Hon Jeremy Hunt MP
Secretary of State for Culture, Olympics, Media and Sport