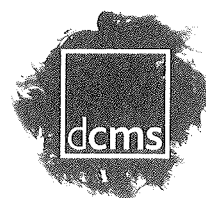


CMS 153845/DC

Amyas Morse  
Comptroller and Auditor General  
157 – 197 Buckingham Palace Road  
Victoria  
LONDON  
SW1W 9SP



department for  
culture, media  
and sport



*host government  
department*

22 September 2010

Dear Mr Morse

Thank you for your letter of 17 September regarding the Coalition's commitment to give the NAO full access to the BBC.

I am delighted that we're able to announce agreement in principle with the BBC Trust on implementing the coalition commitment. This will give the NAO the ability to decide which areas of BBC spending you wish to cover in your value for money programme. Coupled with this significant change will be a general right of access for the NAO to any information required to carry out this programme of work. These changes will be made through amendments to the BBC Agreement.

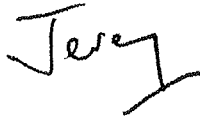
In making this change we envisage the Agreement to include a requirement for the NAO to inform the Trust before deciding on the intended work programme so that the Trust can feed in its views and commission any additional studies it feels appropriate. We also expect the agreement to clarify that the NAO will not question the BBC's editorial policy.

The Parliamentary arrangements will remain as they are now with you submitting your reports to the BBC Trust who will then transmit the report to the Secretary of State for laying in Parliament. I recognise this isn't your ideal outcome but this arrangement offers Parliament the opportunity to exercise full scrutiny of the BBC within the framework of the Charter and Agreement.

I recognise your views on the issue of auditing the BBC's accounts however I do not see this as central to delivering the Coalition agreement. I note that the BBC Trust is happy for the NAO to compete for this role when the current contract expires in 2012, although I understand why you may be reluctant to do so.

I hope you agree this is a major step forward and will deliver the transparency I have been seeking. We will continue to monitor the effectiveness of this solution and no doubt will consider it again in the run up to the next Charter.

The Government is committed to the independence of the BBC and will therefore be making these changes within the framework of the Charter and Agreement. We look forward to involving your officials in developing the detailed changes to the BBC agreement to enact this policy.

A handwritten signature in black ink, appearing to read "Jeremy". The signature is written in a cursive, slightly slanted style.

**JEREMY HUNT**

**Secretary of State for Culture, Olympics, Media and Sport**