BBC

Opinion on Fair Trading Arrangements

We have assessed the processes and controls established within the BBC to comply with the Fair Trading aspects of Ofcom's Trading and Separation requirements for the year ended 31 March 2026 ('the Fair Trading Arrangements'). Based on the work undertaken, we conclude the BBC is complying with its Trading and Separation Requirements for the year ended 31 March 2026.

Responsibilities of the Board

The Board is charged by Ofcom with establishing and operating a system of internal controls designed to ensure compliance with the BBC's Fair Trading Arrangements for the year ended 31 March 2026, including identifying and assessing risks that could threaten Fair Trading and designing and implementing responses to such risks.

Our Independence and Quality Control

BBC Internal Audit complies with Global Internal Audit Standards of the Institute of Internal Auditors. Our independence, objectivity and quality standards are set out in the BBC Internal Audit Charter which is approved by the BBC Audit & Risk Committee (ARC).

Our Scope of Work

- Development of the Fair Trading Assurance Approach: We developed and agreed our Fair Trading Assurance Approach with management, ensuring full coverage of Ofcom's Fair Trading Requirements and Guidance.
- Documentation of Processes and Controls: We mapped Ofcom requirements to relevant BBC activities and identified the Fair Trading processes and controls. This formed the foundation of our assurance.
- Compliance and Control Testing: As this was our first year of testing, we risk assessed all areas as requiring testing and carried out compliance, design and operating effectiveness testing across all Fair Trading controls, with reference to Ofcom requirements. Our testing found sufficient documented evidence to confirm that all activities complied with the Ofcom requirements.
- Reporting: We have consolidated the results of our work into a formal report issued to management setting out findings, themes and areas for process improvement.
- Independent Assurance: A professional services firm was commissioned to review our approach, specifically to ensure it was in line with expected practice as provided by an external assurance provider.

Inherent Limitations

Every internal control system is subject to limitations, and accordingly the internal controls established by the BBC may not prevent or detect all instances of non-compliance with the Fair Trading Arrangements. Further, because Fair Trading issues require judgements which ultimately might be tested in a court of law, competition authority or elsewhere, there is always a risk of challenge even where the system of internal controls has been followed and decisions have been taken with the greatest care.

Use of our Report

Our report has been made solely to the BBC in accordance with our instructions which were agreed with the ARC on behalf of the BBC. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the BBC for our work, for this report, or for the opinions we have formed.