



EURORAI SEMINAR

Dresden, 23 October 2015

**Auditing in the field of culture:
the promotion of 'high art'.
The experience of the Audit Office of the
Autonomous Community of Valencia**

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Cultural activities

- Theatres
- Museums
- Opera
- Auditoriums

'high art' / elitist
vs
show / mass-production



Main features of the promotion of high art

- **‘Centrifugal tendencies’ in the governance and management of Public Administration**
- **Large containers**
- **Transformation into spectacle**
- **Economic crisis**



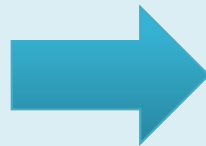
‘Centrifugal tendencies’ in Public Administration

- ‘Escape’ from administrative law
- Creation of trading corporations, consortiums, foundations, etc.
- Initially legal uncertainty as to applicable regulations concerning procurement
- Problems in the field of purchasing/ procurement
- Problems with the recruitment of staff
- Relaxation of internal control



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- **Apply criteria and general principles of good administration.**
- **Recommend good practices.**
- **EU regulation and case-law.**
- **Risk-focusing**



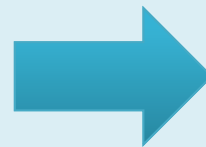
Large containers

- ‘Pharaonic’ investments
- Budgetary deviations
- Problems with the valuation of properties
 - Financial charges
 - Site development costs
- Under-utilisation of assets
- Indebtedness



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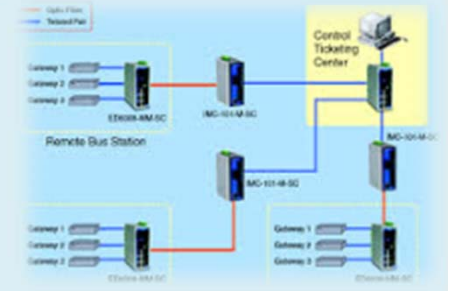


- **Analysis of the sustainability/ economic and financial viability**
- **Accounting standards (IPSAS)**
- **Analysis of infrastructure projects, public contracts and allocation of costs**
- **Waste of resources**





Audit of the revenue



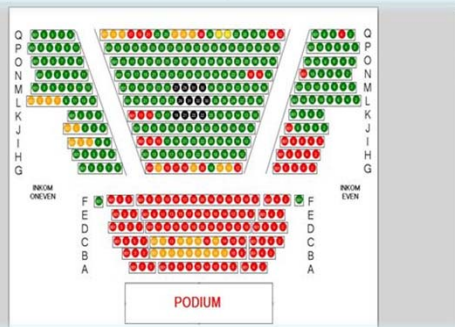
Types of income and risks:

- Subsidies/public transfers
- Sponsors
- Sales of tickets
 - *E-commerce / PCI DSS*
 - *Cyber-risks/IT Audit*
 - *Interfaces with banks and accounting*
 - *Access controls (to the event)*



Internal audit

1. Tone at the top
2. Risk of fraud and waste of resources
3. Logical access controls to systems and privileges
4. Artistic and cultural activities



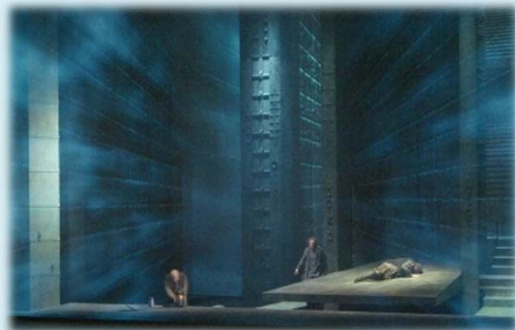
Purchases of 'artistic or cultural' goods and services

- Difficulties for competitors and for the determination of market prices.
- Difficulties in applying the principles of merit and ability when signing artists
- Unique and exclusive characteristics of goods and services purchased.
- Lack of transparency at the level of 'market' remunerations



Economic crisis

- Reduction in the budgets and activities
- Deterrent of investments
- Payment of the debt
- Deficit and debt target



**Thank you
any questions?**

