

Cour des comptes



Chambres régionales
& territoriales des comptes

The audit of the UEFA 2016 Euro stadiums: a national approach for heterogeneous objects

EURORAI seminar

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THE AUDIT WAS PROPORTIONATE
TO THE EVENT



UEFA 2016 EURO : AN INTERNATIONAL EVENT ORGANIZED ALL OVER FRANCE

The Union of European Football Associations (UEFA) organizes a championship between the European nations every four years since 1954.

- Third world athletic event in terms of audience
- 2.5 millions spectators and 150 millions viewers

France already organized the 1960 and 1984 championships, and was chosen for 2016 on the 28th of May 2010.

- 24 national teams played 51 games during a month, between the 10th of June and the 10th of July.
- 10 cities were chosen to host the games (Paris, Lyon, Marseille, Nice, Toulouse, Bordeaux, Lille, Saint-Etienne, Lens, Saint-Denis).

People's expectations have (almost) been satisfied :

- The FIFA 1998 World Cup and UEFA 1984 Euro were a success and the championships were won by the French team.
- The safety in the stadiums and the fluidity of public transport have been provided.
- The French team lost the final game.





Les stades de la compétition

EURO2016



AFP



Source : UEFA
Euro 2016, les camps de base des équipes © Idé



THE ACCOUNTS CHAMBERS TRACKED THE EVENT

Starting point : the 2008 “big stadiums” commission, hosted by the president of the Cour des comptes (national court of audit).

- The aim was to evaluate the feasibility of the French candidacy for the 2016 Euro.
- The Government and the French Football Federation (FFF) accepted and appropriated the conclusions of the commission :
 - 1. The candidacy is an opportunity only if it's based on a national commitment to build or to renovate stadiums to make them bigger and more modern.
 - 2. It's also the opportunity to turn the business model of the French stadiums into a private and commercial model handled by the football clubs.



These objectives can be checked by the audit of the accounts chambers



THE ACCOUNTS CHAMBERS TRACKED THE EVENT

An innovation : a real time audit.

- The French accounts chambers normally decide an audit on achieved events or projects.
- Testing of a contemporary audit, during the preparation of the event and the event itself :





AN AUDIT LIMITED TO THE COMPETENCE AND SKILLS OF THE ACCOUNTS CHAMBERS

The accounts chambers are enabled to control public entities:

- State (Sports, Safety, Finance, DIGES)
- French Football Federation (FFF)
- Cities that host the games
- Cities that host the national teams

The national court of audit (Cour des comptes) controls the State and the FFF ; the regional accounts chambers (chambres régionales des comptes) control the cities.

- ➡ **Audit in partnership, under the procedures of the national court of audit.**
- ➡ **Investigation made by a team of judges from the national court and the regional chambers.**
- ➡ **Report written by a mixed collegiality.**
- ➡ **Single public report that synthetizes the conclusions.**



AN AUDIT LIMITED TO THE COMPETENCE AND SKILLS OF THE ACCOUNTS CHAMBERS

The accounts chambers didn't proceed to a global review of the cost or gain of the 2016 Euro and the stadiums for the French economy (impact on the GDP).

- The State asked the court to make such an analysis.
- The court and the regional chambers don't have the tools and the skills.
- Critical opinion of the economic analysis that was made by the university of Limoges (Centre du droit et de l'économie du sport) and payed by the UEFA.

The audit was focused on a financial balance for public entities, therefore for the taxpayer.



TWO GUIDELINES OF AUDIT : THE ORGANIZATION OF THE EVENT AND THE MODERNIZATION OF THE STADIUMS

Two guidelines consistent with the objectives of the 2008 “big stadiums” commission.

Short-term : organization of the event

- Management by the State and the FFF
- Balance of power with the UEFA to negotiate the specifications
- Financial balance for the State and the cities

Long term : cost and business model of the stadiums

- Public or private property ?
- Building costs
- Nature of management and risk allocation
- Involvement of the professional club that currently plays in the stadium



TWO GUIDELINES OF AUDIT : THE ORGANIZATION OF THE EVENT AND THE MODERNIZATION OF THE STADIUMS

The audit of the organization of the event meets a common methodology that the accounts chambers currently use to control a project management.

The audit of the stadium required to develop a dedicated manual, that allows at the same time an homogeneous approach with general conclusions and a precise analysis of the specific features of each model. This guideline fits with the topic of the current seminar.

- Identification of the stakes and audit themes.
- Standard plan for the reports.
- List of information and documents to ask for.
- Table of costs and resources to fill in.
- Standard questionnaire.

- ➡ Check if the objectives of the 2008 “big stadiums” commission have been reached.
- ➡ Check the sustainability of the new / renovated stadiums for public finances.



THE AUDIT OF THE STADIUMS AND
THEIR SUSTAINABILITY FOR PUBLIC
FINANCES



A FRENCH TRADITION OF PUBLIC STADIUMS

Football grew in France as a popular sport.

The first “big stadiums” were built in the 1920-1930’s in a context called “city socialism”:

- Mayor’s will (Lescure stadium in Bordeaux, Gerland stadium in Lyon, municipal stadium Toulouse).
- Support of local factories in industrial cities (Casino in Saint-Etienne, Compagnie minière in Lens, Michelin in Clermont-Ferrand).
- City velodromes converted in stadiums for a world athletic event (Colombes for the 1924 Olympic, Marseille and Paris for the FIFA 1938 world cup, Stade de France for the FIFA 1998 world cup).

The economy of football in France is still too weak to transfer the building and exploitation of the big stadiums to the clubs (ex. Arsenal and Bayern Munich).

 ***Prevailing model of the local stadium***



Stade Gerland, Lyon



Stade Geoffroy-Guichard, Saint-Etienne



Stade Vélodrome, Marseille



THE LIMITS OF A GLOBAL AND HOMOGENEOUS APPROACH

The diversity of the legal vehicles chosen for the construction or renovation of the stadiums :

- Public-private partnership
- Public property and work control
- Private property and work control

Type of works

- New construction
- Heavy renovation
- Light renovation

Varying involvement of the home football clubs in the management of the stadium.



diversity of the audited business models



METHODOLOGY

Shared stakes

- Choice of the hosts cities, UEFA specifications and club's needs.
- Special contribution of the State (152 M€) and its distribution.
- Risks supported by the local authorities.
- Stadium fee payed by the clubs.
- Legacy on the territory.

Specific stakes:

- **Public-private partnerships** : choice of the model, legality and cost of the model (inquiry in Nice and Lille), distribution of risk, interaction between the partner and the club.
- **Public property** : invitation to tender for the construction, financial situation of the local authorities, cross financing.
- **Private property (Lyon)** : price of the development lands, financing of the service and access, place in the urban planning.



METHODOLOGY

Reports published by the regional accounts chambers :

- Audits of the construction or renovation of the stadiums of Lille (2 October 2010), Nice (26 June 2015) and Marseille (31 July 2013).
- Data and analysis to update.

Specific regional reports about the other stadiums, made for the national audit:

- Complete audit of the construction/renovation of the stadiums in Lyon, Lens, Bordeaux, Saint-Etienne, Paris, Saint-Denis and Toulouse.

Audit of the national coordination :

- National plan to ease the modernization of the big stadiums.
- Report to the EU Commission.



METHODOLOGY

Audit themes for each stadium :

- Justification of the choice of the model.
- Cost of the operation, immediate and delated consequences for public resources and spending.
- Legality of the process, specially the invitations to tender.
- Economic equilibrium of the model and risks supported by each investor (public or private).
- Long term sustainability of the exploitation of the stadium for the local authorities and fort the clubs.



Standard grid applied whatever the business model



A FEW ANSWERS...

A synthetic national report and a regional report for each stadium and host city.

- Ratio between the public spending and the repercussions ?
- Distribution of the risks and costs between the UEFA, the private investors and the local and national authorities ?
- Coherence between the UEFA specifications and the club's needs ?
- From the city stadium to the *business stadium* ?



Final conclusions in July ... please wait !



CONCLUSION

➤ **Advantages :**

- A global knowledge of the costs of the UEFA 2016 Euro for the taxpayers.
- The publication of analysis and a balance short after the event.
- The opportunity to improve the governance during the preparation of the event and, if any, to spare public money.

➤ **Disadvantages :**

- The financial data are not all definitive and must be updated short before the publication.
- The investigation can interfere with the preparation of the event by the organizers.
- A real-time (and critical ?) investigation is sensitive provided that the topic is current, international and politically tricky.