

Audit of State incentives and measures to promote the film and audiovisual industry, financial years 2020 and 2021

Compliance

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[FULL REPORT \(ES\)](#)



[SUMMARY \(ES\)](#)



What we assessed and why

We assessed whether cinemas complied with the regulations established by the Institute of Cinematography and Audio-visual Arts (ICAA), which was responsible for the subsidies to mitigate the effects of the COVID-19 pandemic on cinemas.

We assessed cinemas on the application and granting of subsidies, and how well subsidised activities were monitored. Where appropriate, we also assessed the processing of reimbursement and sanctioning procedures.

What we found

To address the economic and social impact of COVID-19, Royal Decree-Law 17/2020 of 5 May 2020 approved both tax measures and measures to support the cultural sector. It established direct aid for cinemas whose business had been suspended. It covered the costs arising from the adoption of health-protection measures, as well as the costs of reopening and promoting their business.

Through the Resolution of 30 July 2020, the Directorate-General of the ICAA announced that these subsidies had a budget of €13.25 million under the fund for the protection of cinematography (Programme 335C). The amount granted was €10.2 million.

Royal Decree-Law 856/2021 of 5 October 2021 provided for exceptional direct aid to keep cinemas open, or, in some cases, to enable their reopening. For this purpose, an additional €10.2 million was allocated under the same budget programme.

For this type of aid, when the amount was €60 000 or above, supporting documents had to be submitted. However, there was no requirement for supporting documents to be validated and stamped. The expenditure they cover could have been compatible with other sources of financing for the same spending purpose. Moreover, the 2020 and 2021 calls provide for a common period of eligible expenditure (1 January to 31 May 2021). This presents the risk of invoices being submitted more than once, to obtain funding from multiple sources.





Beneficiaries had to state that they had received public funding on the website of the cinema. They also had to include the fact that they had received subsidies in all materials produced and for all subsidised advertising, activity or venues, by using the phrase “With funding from the Instituto de la Cinematografía y de las Artes Audiovisuales/Ministerio de Cultura y Deporte/Gobierno de España”. Alternatively, they could add the phrase “With funding from the...” followed by the ICAA logo. They did not have to provide supporting documentation showing evidence they had complied with this obligation. There is no evidence that the ICAA checked this.

In supporting documents submitted by two beneficiaries in 2020 (who received €58 000 and €26 000 respectively), there was no information about the fact they had received funding, or the source of that funding, or the amounts received.

What we concluded

There was no requirement for cinemas to ensure supporting documents be validated and stamped, even though these grants were compatible with other sources of financing obtained for the same purpose and the 2020 and 2021 calls included a common period of eligible expenditure, entailing the risk of double funding.