



## PRESS RELEASE

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### THEMATIC PUBLIC REPORT

# THE INSTITUTE OF FRANCE AND THE FIVE ACADEMIES

Standardising management and restoring financial balance

**The Institute and the academies operate freely and are financially independent under the sole control of the Court of Auditors. Honouring for the second time the mandate it is set by law, the Court again examined the management of the Quai de Conti institutions and the use of their heritage between 2014 to 2020.**

**In its previous report, released in 2015, the Court noted a worrying situation in many respects. Since then, progress has been made in some areas. However, this progress remains limited and the movement to restore order is recent. The Quai de Conti institutions are now faced with an unbalanced financial situation. The Court makes 19 recommendations.**

### **Fragmented governance**

The Institute and the academies form a unique group of institutions, serving important scientific, cultural, philanthropic and advisory missions. The Institute and the academies are separate legal entities, but are linked to each other. This interdependence is reflected in the role of the Institute of France which is responsible for managing a number of support functions for the group (finances, human resources management, etc.) as well as its own assets. However, the Institute's integration of management functions is still inadequate because of the reluctance of the academies, which set great store by their autonomy. The collective organisation of this group of institutions appears, moreover, confused and dated, with a multitude of stakeholders and bodies, sometimes with poorly defined functions, and a large number of layers that have stacked up over time in the decision-making process. Already requested by the Court during its previous audits, further integration and pooling of the support functions is necessary in order to professionalise the management of the Quai de Conti institutions.

### **Insufficiently professionalised management**

Despite recent efforts to restore order, the full impact of which has yet to be felt, the Court identifies all kinds of weaknesses in the way in which the Quai de Conti institutions manage donations and bequests and run themselves. This ongoing management is a concern. Among the foundations sheltered by the Institute and the academies, just over a thousand in 2019, many of the oldest are today subject to escheat. Clarification work is necessary as well as greater selectivity when accepting gifts.

The management of the Institute's and academies' exceptional real estate assets is also suffering from an administration which is still insufficiently qualified and equipped. Two prestigious operations, the acquisition of a building at 17 quai de Conti and the construction of the auditorium, were carried out for approximately €46 M, of which nearly €25 M was to be paid by the Institute, while, at the same time, restoration work on the Conti Palace (at an estimated cost of around €25 M) was not carried out. A recent report from the heritage inspectorate of the French Ministry of Culture, conducted at the Institute's request, highlighted the poor archiving management and the fire risks of the storage areas in the Conti Palace.

## **An exceptional artistic and cultural heritage, partly neglected**

The Institute and the academies possess an exceptional cultural heritage, mainly gathered together in eighteen sites open to the public or of heritage interest. Some sites, such as the Giverny house and gardens or the Marmottan Monet museum, are maintained and operated in an exemplary manner. However, much of the Institute's and academies' cultural heritage has been neglected for several decades, through lack of resources or attention, which is particularly the case as regards the Villa Éphrussi in Saint-Jean-Cap-Ferrat (Alpes-Maritimes), the Kerazan manor house (Finistère) and the Chaalis Estate (Oise). Collection valuation and conservation issues and, more generally, those related to museums and other cultural heritage sites are addressed very differently depending on the organisation responsible for them. It is essential that, in the future, professional standards and scientific conservation obligations which should be attached to the heritage of the Institute and the academies are more systematically respected.

## **An unbalanced financial position**

Due to the lack of timely maintenance and restoration work on their historical heritage, the Institute and the academies are now faced with an "investment wall".

The lack of genuine financial solidarity among the Quai de Conti institutions distorts the assessment that each may have of their own and the Institute's situation. The Institute must, in fact, assume the operating costs of the support functions it manages for the academies and which the reimbursements made by the academies are far from covering. It also has to cover, by itself, the expenditure to be incurred on its many museums and the Conti Palace, even though the palace houses not only the Institute but also the academies. The funding mismatch can be assessed, for the Institute, at around €54 million over the next five years, including €25 million for the renovation work to be undertaken on the Conti Palace. It would be unrealistic to think that this mismatch only concerns the Institute, because of the interdependence between the Quai de Conti institutions.

The Institute and the academies must thoroughly reconsider their financial strategy in order to free up the necessary resources for the professionalisation of their management and the maintenance of their artistic and cultural heritage.

The State has just provided exceptional and significant support to the Chantilly Estate (at least €4.5 M) to cover the consequences of the health crisis and the withdrawal of the Aga Khan. Such support is a major change from the rule that the Institute and the academies, which are very richly endowed, are supposed to meet their borrowing requirements from the income of their assets. The State's exceptional support highlights, if proof were necessary, the urgent need for the Institute and the academies to reform their management.

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