



PRESS RELEASE

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FINANCES AND PUBLIC ACCOUNTS

THE QUALITY OF ACCOUNTS FOR GOVERNMENT AGENCIES

Summary of the reports from external auditors (financial years 2014 to 2016) and opinion

The Cour des comptes (the French Court of Auditors) is publishing a report on the quality of accounting for government agencies that are required to have their accounts certified by an external auditor, pursuant to Article L. 132-2-2 of the French Financial Jurisdiction Code. This exercise is part of the constitutional mission conferred upon the Cour to ensure that the accounts of government agencies are 'regular and accurate' and that they 'give a faithful representation of the result of their management, their assets, and their financial situation'. The report is for financial years 2014 to 2016. It includes a summary of the reports from external auditors, as well as the opinion of the Cour on the reliability of the accounts of the government agencies in question.

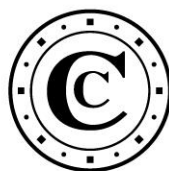
A broader, more consistent scope

The scope of public entities included in this report was made more consistent since the last report from the Cour (published in 2014 and relating to the 2013 financial year). It now covers 450 entities out of the 867 subject to certification, representing €310 billion in gross expenses. The scope covers nearly all public entities with significant accounting matters to handle.

Improved reliability of accounts

Between financial years 2013 and 2016, the number of negative observations expressed by external auditors for entities audited by the government decreased, showing the effectiveness of efforts undertaken to improve the reliability of their accounts. In total, 202 entities had their accounts certified without material qualifications, versus 145 in financial year 2013.

Notably, progress was made on recording fixed assets. However, the greatest share of negative observations expressed for financial year 2016 still came from shortcomings found in regards to the recording of property. Furthermore, internal control remains insufficient, in particular for social services entities.



The trend of improving reliability of accounting for scientific, cultural, and employment-related public entities continued. However, this category of entities still receives the largest number of negative observations.

Specific challenges for social services government agencies

The accounts of social services agencies face major challenges: social security authorities and collection agencies because of the high amount of gross contributions that they collect; public health establishments because of their recent incorporation into the process of certification by an external auditor.

The accounts of social security insurance authorities and collection agencies saw no change in the numbers of negative observations. At the same time, the widespread incorporation of hospitals into the scope of certification was accompanied by a progressive decrease in the number of negative observations over the financial years.

Conclusion


In light of the progress made, the Cour finds that the challenge of improving the reliability of accounting for government agencies no longer relies solely on the elimination of residual reserves; rather, it also relies on the certification of entities that, although they may have significant impacts on public finances, are not yet subject to the obligation to have their accounts certified.


[Read the report](#)

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