

Cour des comptes



Chambres régionales
& territoriales des comptes

2020 ANNUAL PUBLIC REPORT

Summaries

DISCLAIMER

These summaries are intended to facilitate the understanding and use of the Report produced by the Cour des Comptes.

Only the original Report is legally binding on the Cour des Comptes.

The responses of the administrations, organisations and local government authorities concerned are provided at the end of each chapter.

The order of summaries corresponds to the order of chapters in the Report.

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General Introduction

As is the case every year, the Annual Public Report presents an illustrative sample of the work carried out by the Financial Courts along with information on implementation of their recommendations, which is monitored and measured with the help of a special indicator (I). This year's Annual Report also contains a number of new features and its layout has been modified (II).

An Annual Public Report that reflects the Financial Courts' activities

When it was first published in 1832, and for many years afterwards, the Annual Public Report was the only report issued by the Cour des Comptes. These days, with growing concern for transparency and direct communication with citizens, the Court makes much of its work public, while Regional and Territorial Chambers have always published all their work.

It is accompanied by an **Activity Report** providing an overall view of the work carried out by the Financial Courts during the year it covers, as well as the resources implemented in doing so

By its very nature, the Annual Public Report only provides a partial image of such activity, but nonetheless gives readers an idea of **its diversity and covers the major themes of the year's publications**, the recurrent theme of improvement of public finances and current issues alike.

Activities concerning all public actors

The Annual Report provides a sample of the Financial Courts' work that highlights the variety and specificities of their activity.

Among other things, it underscores that fact that **all types of public actors**, even those private bodies that participate in public action, are monitored, and that their results, good and bad alike, are likely to be made available for all to see. Each and every policymaker may be called upon to account for their actions.

This year's Annual Report recaps the results of investigations concerning **the State and various Ministerial departments** (Ministries responsible for the budget, of course, as well as those responsible for National Education, Higher Education and Research, the Interior, Defence, Agriculture, the Ecological Transition, Transport, Housing, Employment, Health, etc.), and of audits concerning **local government authorities**: regions in the chapter on Brittany's airports; *départements* and municipalities in those on mass catering and abattoirs; and the Corsican regional authority in the chapter devoted to Corsica's agencies and offices.

Other public entities also form the subject of work carried out by the Financial Courts, as may be seen in the chapters devoted to the *École Polytechnique* and *Pôle Emploi*.

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Finally, several chapters focus on **private bodies**: either in association with public actors, such as *habitation à loyer modéré* (HLM – rent-controlled housing) organisations in the case of digitisation of social housing demand, and classification societies authorised to audit the safety of ships and their crews, or acting on their own behalf, such as eco-organisations with regard to recycling, Agirc-Arrco with regard to supplementary retirement pensions, and the Order of Pharmacists, which is responsible for Pharmaceutical Records.

A recurrent concern for the balance and proper use of public finances

While the Annual Public Report provides a good illustration of the diversity of the work carried out by the Financial Courts, it also reflects the major themes dealt with in the many reports published throughout 2019 and their specificities.

In 2019, effort to anticipate in order to facilitate Parliament's work

In May 2019, as is the case every year, through the reports that it communicates to the Government and Parliament, the Cour analysed the way in which the State budget was financed and executed in 2018, along with the resulting balance of public finances.

In June, it went on to analyse the overall situation of public finances for 2018 and 2019, as regards the State, local government authorities and Social Security, along with their prospects for development. This work is complemented every year by a report devoted to local public finances (in September) and a Report on Application of the Social Security Finance Acts (RALFSS – in October).

The financial year 2019 was marked by a special effort on the Court's part to provide Parliament in advance with information on the state of local government authorities' and Social Security's finances, with two new reports, published in June 2019 and bearing on these two subjects.

In an extension to this work, the first chapter of this Annual Report presents the situation of and prospects for public finances based on information available at end January 2020.

In-depth analyses on fraud and European funds

Alongside these "classical" analyses, the focus in 2019 was on revenue optimisation, through a report requested by the Government on fraud in mandatory contributions¹, along with several publications devoted to taxation,

¹ Cour des Comptes, *La fraude aux prélèvements obligatoires*, communication to the Prime Minister, December 2019, available on www.ccomptes.fr.

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in particular social tax expenditure (Annual Report chapter on Application of the Social Security Finance Acts)², tax expenditures with regard to housing (report to Parliament)³ and low-yield taxes (observation to the Government)⁴.

In addition, in this European election year, several reports were devoted to European funds, whose poor management may result in the European Union not reimbursing badly allocated appropriations. One report, communicated to Parliament, bore on the transfer of management of European structural and investment funds to regions⁵, while two observations to the Government focused on direct aid from the European Agricultural Guarantee Fund⁶ and management of European Social Fund appropriations⁷.

Priority given to performance of public expenditures

One of the Financial Courts' ongoing concerns is to ensure compliance with the improvement trajectory set by the Public Finance Programming Acts and with European commitments. It also focuses on measuring the effectiveness and efficiency of public expenditures and improving the performance of public action.

Such is the goal of publications issued in 2019 and devoted to “bricks-and-mortar” subsidies⁸, benefits for disabled adults⁹, the operation of départemental fire and emergency services¹⁰, etc. Several of this Annual Report's chapters have the same goal, including with regard to individual housing benefits and municipal mass catering services.

² Cour des Comptes, “Les “niches sociales”: des dispositifs dynamiques et insuffisamment encadrés, une rationalisation à engager”, *Rapport sur l'application des lois de financement de la sécurité sociale*, La Documentation Française, October 2019, available on www.ccomptes.fr.

³ Cour des Comptes, *La gestion des dépenses fiscales en faveur du logement*, communication to the National Assembly's Finance Committee, March 2019, available on www.ccomptes.fr.

⁴ Cour des Comptes, *Les taxes à faible rendement*, observation to the Government, February 2019, available on www.ccomptes.fr.

⁵ Cour des Comptes, *Le transfert aux régions de la gestion des fonds européens structurels et d'investissement*, communication to the National Assembly's Finance Committee, May 2019, available on www.ccomptes.fr.

⁶ Cour des Comptes, *Les aides directes du Fonds européen agricole de garantie (FEAGA)*, observation to the Government, January 2019, available on www.ccomptes.fr.

⁷ Cour des Comptes, *La gestion des crédits du Fonds social européen*, observation to the Government, September 2019, available on www.ccomptes.fr.

⁸ Cour des Comptes, *Les aides à la pierre : retrouver la finalité des loyers modérés*, observation to the Government, August 2019, available on www.ccomptes.fr.

⁹ Cour des Comptes, *L'allocation aux adultes handicapés (AAH)*, thematic public report, La Documentation Française, November 2019, available on www.ccomptes.fr.

¹⁰ Cour des Comptes, *Les personnels des SDIS et de la sécurité civile*, thematic public report, La Documentation Française, March 2019, available on www.ccomptes.fr.

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And finally, it is one of the two goals of the transformation of public action through **development of digital technology** and one of the reasons for which this particular subject has been chosen as this Annual Report's crosscutting theme.

The work carried out by the Financial Courts at the forefront of public attention

Although the state of public finances and good use of the taxes paid by French citizens is the “common thread” of the work carried out by the Court and Regional and Territorial Chambers, the choice of investigation and audit themes also aims to cover subjects that correspond to topical priorities: themes of everyday life and reforms under preparation alike. This was more than ever the case in 2019 and this Annual Report is also a good example of the fact.

Major attention paid to French citizens' everyday concerns

Many of the publications issued by the Financial Courts in 2019 were devoted to subjects of concern to the population in their everyday lives.

Hence, **housing** was the subject of several publications, focusing on such topics as “bricks-and-mortar” subsidies, tax expenditures, practical implementation of the policy concerned by the State's decentralised departments, and social housing, through the Caisse de garantie du logement locatif social (CGLLS – Social Rental Housing Guarantee Fund) and the Agence nationale de contrôle du logement social (ANCOLS – National Social Housing Agency)¹¹. The same subject is dealt with again in two chapters of this Annual Report, devoted to individual housing benefits and digitisation of social housing applications.

Health also formed the subject of a number of publications, including on the analysis of means and methods of treating and combating various diseases. Hence, 2019 saw publication of reports on HIV (Human Immunodeficiency Virus)¹² and obesity¹³ as well as chapters of the Report on Application of the Social Security Finance Acts (RALFSS) on medically assisted procreation and grafts¹⁴, a subject taken up in this Report in a chapter on chronic kidney disease.

¹¹ Cour des Comptes, *Les aides à la pierre : retrouver la finalité des loyers modérés*, observation to the Government, August 2019; *La Caisse de garantie du logement locatif social*, communication to the Senate's Finance Committee, March 2019; *Le contrôle de la conformité au droit européen des aides publiques au logement social*, observation to the Government, February 2019; available on www.ccomptes.fr.

¹² Cour des comptes, *La prévention et la prise en charge du VIH*, communication to the Senate Social Affairs Committee, juin 2019, available on www.ccomptes.fr.

¹³ Cour des comptes, *La prévention et la prise en charge de l'obésité*, communication to the Social Affairs Committee of the National Assembly, November 2019, available on www.ccomptes.fr.

¹⁴ Cour des comptes, “L'assistance médicale à la procréation: une efficience à renforcer” and “La politique des greffes: une chaîne de la greffe fragile à mieux organiser”, in *Rapport sur l'application des lois de financement de la sécurité sociale*, La Documentation Française, October 2019, available on www.ccomptes.fr.

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Schools also formed the subject of a number of publications that received major media coverage, focusing among other things on the use of digital technology in the classroom and the sports activities organised in them. The Annual Report's chapter on municipal mass catering services also concerns schools. The Annual Report also approaches the subject of national education from a more technical angle, with a chapter devoted to the problems encountered in developing a computer system for human resources managements.

Access to public services in rural areas was the subject of in-depth joint work on the part of the Court and Regional Chambers, which was carried out at the request of Parliament and sought to make an objective assessment of the situation and propose avenues for improvement¹⁷. It was complemented by the chapter in the RALFSS on "Social Security fund services' relations with insureds in the digital era". This Report's chapters on the development of the postal service and dematerialisation of the delivery of passports and other documents add to this analysis.

Finally, the determination to cover problems central to French citizens' priorities and concerns is one of the reasons for the choice of the Annual Public Report's crosscutting theme, **digital technology at the service of public action**, which is have a radical effect on organisation and relations with users, with consequences that may be positive or negative depending on how it is implemented. This subject has also been the focus of numerous works published over the course of 2019 (see introduction to Part 2).

Subjects central to major reforms and public debate

In 2019, while covering subjects concerning French citizens' everyday lives, the Financial Courts published numerous reports bearing on reforms that had been announced or were underway.

The aim of such publications is to make reliable and disputed information available to decision-makers and citizens alike in order to facilitate public debate. They also contain recommendations on implementation of these reforms, often in the form of scenarios as it is not for the Financial Courts to adopt positions on the carrying out of reforms resulting from political decisions.

¹⁵ Cour des Comptes, *Le service public numérique pour l'éducation*, thematic public report, La Documentation Française, July 2019, available on www.ccomptes.fr.

¹⁶ Cour des Comptes, *L'École et le sport: une ambition à concrétiser*, thematic public report, La Documentation Française, Septembers 2019, available on www.ccomptes.fr.

¹⁷ Cour des Comptes, *L'accès aux services publics dans les territoires ruraux*, communication to the National Assembly's Committee for the Assessment and Monitoring of Public Policies, March 2019, available on www.ccomptes.fr.

¹⁸ Cour des Comptes, "La relation de service des caisses de sécurité sociale avec les assurés à l'ère numérique: des transformations à amplifier", in *Rapport sur l'application des lois de financement de la sécurité sociale*, La Documentation Française, October 2019, available on www.ccomptes.fr.

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Hence, the **opening up of the public transport sector to competition**, the rail sector in particular, was the subject of a joint report on Regional Express Transport (TER)¹⁹ drawn up by the Court and Regional Chambers, as well as of an investigation on the SNCF's management of human resources²⁰. This Annual Report focuses on air transport, with a chapter on Brittany's airports.

Work was also carried out on retirement pensions, and a number of reports were published in 2019, including on the special pension schemes implemented by the RATP, the SNCF and the electricity and gas industries²¹. The Report on Application of the Social Security Finance Acts (RALFSS) also contains chapters on this subject, including "Retiring early²²". This Annual Report takes a look at supplementary pensions in the chapter devoted to Agirc-Arrco.

In late 2019, in an entirely different field, the Court published a report on the **Paris Police Prefecture**, following the announcement of its upcoming reform²³.

Lastly, it published a report on the **back-end nuclear cycle**, which was made available to citizens in the context of the public debate that took place in 2019 prior to adoption of the National Plan for Radioactive Materials and Waste Management for 2019-2021²⁴.

An Annual Public Report with significant changes

For this 2020 edition, the Court wanted to renew its Annual Report's content and design. The makeover, which is based on **new orientations with regard to the content of observations** presented by the Financial Courts, along with a change in its form, aims to make it more easily understood by and of greater interest to the general public.

¹⁹ Cour des Comptes, *Les transports express régionaux à l'heure de l'ouverture à la concurrence*, thematic public report, La Documentation Française, October 2019, available on www.ccomptes.fr.

²⁰ Cour des Comptes, *La gestion des ressources humaines de la SNCF*, final observations, November 2019, available on www.ccomptes.fr.

²¹ Cour des Comptes, *Les régimes spéciaux de retraite de la RATP, de la SNCF et des industries électriques et gazières*, communication to the National Assembly's Finance Committee, July 2019, available on www.ccomptes.fr.

²² Cour des Comptes, "Partir plus tôt à la retraite: des dispositifs nombreux et inégalement justifiés, une redéfinition nécessaire", in *Rapport sur l'application des lois de financement de la sécurité sociale*, La Documentation Française, October 2019, available on www.ccomptes.fr.

²³ Cour des comptes, *La préfecture de police de Paris*, thematic public report, La Documentation Française, December 2019, available on www.ccomptes.fr.

²⁴ Cour des comptes, *L'aval du cycle du combustible nucléaire*, thematic public report, La Documentation Française, July 2019, available on www.ccomptes.fr.

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Changes that better respond to French citizens' concerns

The Financial Courts paid close attention to the contributions collected in the context of the Great National Debate held between March and June 2019. The sheer number and diversity of participants in this unprecedented national consultation enabled their opinions to be gathered on a whole range of subjects. Some 15,000 contributions mentioned the Financial Courts.

Among other things, analysis of summaries of the contributions to the debate, along with the changes and events that have marked recent years, revealed:

- a need for information and education on public policies and the institutions that implement them;
- citizens' growing sensitiveness to the quality of public services and its evolution;
- territorial differences that make assessment of public policies' effectiveness a complex task;
- citizens' interest in greater accountability on the part of elected representatives and public decision-makers.

The Financial Courts' work took these various factors into account, in its content and form alike.

In particular, analysis of contributions mentioning the Financial Courts showed that citizens identify implementation of their recommendations as a tool for improving the management and effectiveness of public policies. They strengthen them in their audit missions and, as the case may be, in their work to ensure greater accountability on the part of public managers. However, such contributions also reveal limited knowledge of the work the Courts do, difficulty in accessing and understanding their reports, and the feeling that, as a general rule, citizens' observations and recommendations are not taken enough account of by senior politicians and government officials. The changes in the Annual Public Report take these perceptions into account.

The main changes in the Annual Public Report

There are a number of changes in the 2020 Annual Public Report compared with previous years, some of them in continuation of earlier modifications and others more original. The common aim of all such changes is to make the Annual Report easier to read and more attractive to the general public, while better reporting on the Financial Courts' activities over the past year. Changes made are as follows:

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A more concise and accessible Annual Report

The **Annual Report** has been reduced in size and summaries of its content facilitate access to all the subjects it covers.

In the same spirit and in order to facilitate an overall vision of the Financial Courts' actions, this year's **Activity Report** is in a lighter pamphlet form (some thirty pages instead of the previous 150), focusing on what most marked 2019. Hence, it is more similar to the activity reports published by other public and private institutions. It makes it easier for citizens to understand the Financial Courts' missions, organisation, resources and work.

Finally, the decision to devote a part of the Annual Report to a **crosscutting theme** for the first time enables illustration of a specific aspect of the Financial Courts' work, while highlighting developments in public action and the Court's and Regional and Territorial Chambers' adaptation to such developments. Bringing together a series of chapters on the same subject seen from a variety of viewpoints, this year's subject being "**Digital technology at the service of the transformation of public action**", this innovation seeks to illustrate the interest and diversity of the approaches taken by the Financial Courts in order to assess developments in public action and its tools.

Greater attention paid to services provided through public policies

This concern for the concrete consequences that public policies have for citizens, including in their everyday lives, is certainly not new, but needs to be stepped up. In particular, in the choice of subjects covered in the Annual Report, greater visibility is given to those having to do with public services, by not only paying closer attention to their cost, but also to the **quality of services** and their **performance**.

Such is the case with a good many of this Report's chapters, in the first and second parts alike, including the chapter one on the postal service and those covering questions relating to mass catering services, dematerialisation of delivery of passports and other documents, and Pharmaceutical Records.

Beer account taking of territorial differences

Economic, social and environmental evolutions and decentralisation are increasing territorial diversity and differences which public policies do not always take enough account of. The Financial Courts must be yet more attentive to them, in particular by ensuring that it does not limit itself to consideration of average values of the results of national policies and by paying ever closer attention to **actions carried out in the territories**. This is above all the interest of the chapters devoted to the work carried out by Regional and Territorial Chambers of Accounts (RTCAs) and their joint training programmes with the Court.

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However, the closeness of **municipal elections** and compliance with the related reserve period limited possibilities for recapping work carried out by Regional and Territorial Chambers, in particular in the second part of the Report devoted to the crosscutting theme “digital technology at the service of the transformation of public action”. This year, as regards municipalities and intermunicipal public institutions (EPCIs), it was only possible to publish observations in the Annual Report that had been the subjects of final reports communicated before 30 November 2019.

More systematic monitoring of implementation of recommendations

For many years now, the Public Report has presented the evolution of the **indicator on monitoring recommendations**. It shows that **around 75% of the recommendations** made by the Financial Courts are **fully or partially followed up** by the end of three years (one year in the case of Regional and Territorial Chambers’ recommendations).

Drawing up the indicator requires special work, carried out by all the Financial Courts on a yearly basis, and it is important that its results are disseminated in order to show that the administration pays more attention to their observations and advice than is often thought. They now form the subject of a dedicated **3rd part**, distinguishing the results of monitoring the Court’s recommendations from those made by Regional and Territorial Chambers.

In the same vein, **the Annual Report’s structure** has been modified so that there is no longer a distinction between chapters presenting the results of audits and investigations whose explicit purpose is to monitor earlier work (the former “Volume II”) and other chapters containing observations without reference to earlier work (the former “Volume I”). First of all, there are very few subjects covered that are entirely new, and secondly, it is useful to analyse to what extent the Courts’ earlier recommendations have been taken into account, given developments in the context of public action. Around **three quarters of this Annual Report’s chapters** therefore take a **comprehensive approach, referring back to earlier work and the follow-up** provided as well as new observations and recommendations.

²⁵ Due to the March 2020 municipal elections and in view of the provisions of Articles L. 243-6 and R. 243-12 of the Financial Courts Code, so-called “suspension” rules were applied to all work carried out by the Financial Courts. They concerned municipalities and related bodies (education offices, municipal social action centres, etc.), intermunicipal public institutions, local semi-public and public companies, municipal and intermunicipal social housing bodies, tourist offices and municipal public service delegations. For all such bodies, final observation reports had to be communicated before 30 November 2019 in order to be mentioned in the 2020 APR’s chapters.

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Hence, contrary to the way it is often perceived, the Annual Report does not seek to “pin down” a public policy or body in each of its chapters and highlight its failings and shortcomings. Quite the opposite, here as in all their work, the Financial Courts take care to **balance their messages** and make every effort, whenever possible, to stress the advances made by the administrations and bodies concerned, and highlight **best practices**.

In this Annual Report, such concern has resulted in the emphasis being put on positive developments on a case-to-case basis (Agirc-Arrco, eco-organisations, etc.), even though continued unfavourable economic developments may still lead to further strong recommendations (the postal service), acknowledgement of efforts made while considering them still insufficient (auditing the safety of ships, and housing subsidies, for example), or severe criticism of the total or almost total absence of implementation of the Financial Courts’ recommendations (terminal chronic kidney disease, and public abattoirs).

Part One

Public finances, policies and management

Introduction

Public policies, public action in the territories and public management

A wide range of subjects

A wide range of subjects is covered here, focusing first of all on amounts of money involved. For example, in the case of Agirc-Arrco supplementary pension plans for salaried employees, contributions and benefits represent large sums of money, to the tune of €75.3 billion and €79.4 billion respectively in 2018, almost a quarter of mandatory retirement expenditures. Individual housing benefits cost over €15 billion a year, while treatment of terminal chronic kidney disease costs over €4 billion a year. However, the concrete reality of public action leads to examination of subjects often involving much lower sums when their importance in terms of public policies justifies it. For instance, the École Polytechnique's budget is less than €200 million a year.

Likewise, a wide variety of types of actors is included. Certain subjects concern the State and its operators, in the areas of sovereignty (military aerial drones), social assistance (individual housing benefits) and education (the École Polytechnique). But the Annual Public Report gives wider coverage to public administrations as a whole. There are chapters on social protection (Agirc-Arrco supplementary pensions and treatment of terminal chronic kidney disease), local government authorities (Brittany's airports, municipal mass catering services, public abattoirs, and Corsica's agencies and offices), and State and private companies (the postal service and eco-organisations).

The Financial Courts' approach

Prioritising the quest for effectiveness and efficiency

As in previous years, the Financial Courts propose avenues for improving the effectiveness and efficiency of expenditures.

Although the current state of public finances makes economies necessary, many of the following chapters of this Annual Report bear on fields where the main priority is to improve the performance of public action.

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The subjects of public policies cannot be analysed from the financial angle alone. This is true, for example, for treatment of terminal chronic kidney disease. In this particular case, grafts, which are also a good deal less costly for *Assurance Maladie*, are more beneficial than dialysis for patients who can undergo them in the absence of contraindications.

It is not the Financial Courts' job to make the necessarily political choices on the nature and levels of public interventions. However, it is their duty to report cases in which public money is used in non-optimal fashion, in other words, when economies are possible without affecting service quality, or when it is possible to provide better services at the same cost. The chapters that follow illustrate the Financial Courts' frequently repeated observation that considerable room for progress is shown to exist if the usefulness of each euro spent is measured. The abovementioned case of terminal chronic kidney disease is a particularly striking example of this: there is increasing preponderance of methods of dialysis that are the most taxing and constraining for patients (dialysis in centres and medical dialysis units), while home dialysis continues to stagnate at a relatively low levels

Making services provided to users central to analysis

The Financial Courts do not restrict their approach to budgetary and financial issues, but are also interested in results and services provided.

Hence, four chapters cover public services with large numbers of users. Such is the case in particular with the chapter on the postal service, which concerns almost all our fellow citizens. A chapter is also devoted to Agirc-Arrco, to which some 18.2 million employees subscribed at end 2017. Individual housing benefits are paid to 6.6 million households (over one in every five). In 2017, local government authorities served some 720 million meals in mass catering programmes. Usually without knowing it, consumers are indirect users of eco-organisations created and funded by producers in accordance with the "polluter pays" principle, and which are responsible for processing some 40% of household waste.

Sometimes, even if the service has few users, it may nonetheless be of vital importance, as is the case with treatment of terminal chronic kidney disease.

Does the service provide users with what they have a right to expect, especially given the public money devoted to it? Could procedures be simplified for users? Could they be better satisfied? These are some of the questions that the Financial Courts do their best to answer in the various chapters.

In doing so, they propose avenues for improving services provided to users. For example, in the case of individual housing benefits, it would be helpful to simplify methods of taking account of changes in recipients' situations in order to improve foreseeability of such benefits. Likewise, in the case of the postal service, the Court recommends developing interactivity with users in order to facilitate delivery of monitored items (registered post delivery preferences, information to addressees on their next distribution, etc.).

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Taking account of the territorial aspect of policies

The territorial aspect is increasingly becoming an essential factor in developing public policies. Determining optimal levels of service in each territory is not the Financial Courts' responsibility; it is a political choice. However, the Financial Courts – Regional and Territorial Chambers of Accounts in particular – may contribute to the debate.

For example, while volumes of mail, which decreased from 14 billion items in 2012 to 9 billion in 2018, could well fall to 5 billion in 2025, it is certainly painful for users, and even taxpayers in general, to know that the earnings of the universal postal service – i.e. distribution of mail in D+1, six days out of seven, everywhere on French soil – were in deficit for the first time in 2018.

Likewise, do the service they provide justify upkeep of public abattoirs, which are in deficit overall? As regards Brittany's airports, does their use still justify their existence, given the cost, above all with regard to the smallest of them?

In a number of cases, maintenance of a quality local service is only possible if changes are made. In the case of municipal mass catering services, the many aims that they are now having to fulfil assume collaboration between the State and local government authorities, in particular as regards implementation of tools enabling accurate monitoring of achievement of the goals set in the context of the most recent changes in the law.

Emphasising progress and best practices

Naturally enough, the Financial Courts tend to focus on areas where gains in efficiency are potentially the greatest.

However, their mission is not just to highlight failings, it is also to emphasise successes. Hence, as regards Agirc-Arrco, social partners have been taking measures that seek to unify the system and provide it with multiannual management rules since 2015, in order to restore its sustainability and improve its efficiency, which should enable the system to absorb the reform of retirement pensions under good conditions.

In the cases of individual housing benefits and the postal service, the Court highlights the major efforts already made, even though more work needs to be done. The chapters on mass catering and public abattoirs also highlight best practices.

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Monitoring implementation of the Financial Courts' recommendations

Eight chapters in this part²⁶ follow on from previous work by the Financial Courts, almost all of which was carried out between 2012 and 2017²⁷.

In two cases – Agirc-Arrco and eco-organisations – measures recommended by the Financial Courts were implemented overall.

In three cases, however, reforms were clearly inadequate. With regard to chronic terminal kidney disease, most of the recommendations published by the Court in 2015 were not implemented. Home dialysis has not been developed although it is more widespread in comparable countries, less constraining for patients and less expensive for *Assurance Maladie*. Nor are the revised prices of dialysis sessions low enough to put an end to *Assurance Maladie*'s clearly excessive funding of dialysis sessions compared with their cost price.

In the case of public abattoirs, the Court notes that little progress has been made since the findings published in its 1990 and 1996 Annual Public Reports, and once again calls the maintenance of these public services into question, as, generally speaking, they are uneconomic and are now used by the meat industry almost as if they its own private facilities. As regards the École Polytechnique, there is still an ongoing need to define an overall strategy, as recommended by the Court in 2012.

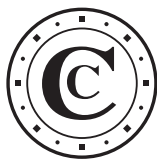
Finally, it often happens that the Financial Courts' recommendations are only partially implemented. Hence, as regards auditing the safety of ships and their crews, a field assessed by the Court in 2012, a few positive developments have been noted, but a reform planned to be implemented in the months to come has led the Court to issue four recommendations to ensure its success.

In the case of individual housing benefits, which were the subject of a report published by the Court in 2015, their funding has been simplified, but further progress remains to be made as regards clarity, equality and management. As regard the postal service, to which the Court devoted a chapter in its 2016 Annual Public Report, although far-reaching changes have been undertaken over the course of the last few years, the rapid decrease in volumes of mail requires that yet wider reforms are implemented.

²⁶ Besides the chapters on the situation of public finances, the exceptions are those on *military aerial drones, Brittany's airports, mass catering and Corsica's agencies and offices*.

²⁷ In 1990 and 1996 in the case of *public abattoirs*.

The situation of public finances



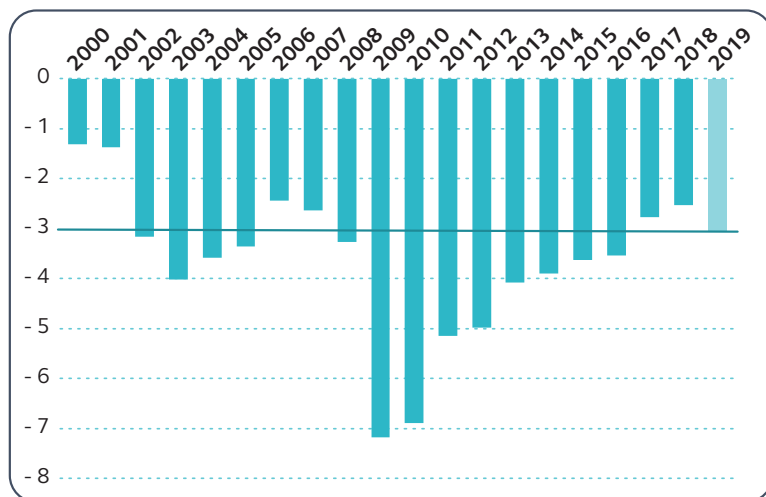
The situation of general government finances (at end January 2020)

In 2019, the general government deficit remained structurally high and the public debt to GDP ratio had still not been reduced

According to the Government's most recent forecast, the general government deficit should stand at 3.1 GDP points in 2019, up by 0.6 points compared with 2018. This rise comes as no surprise: the 2019 deficit includes a large sum

resulting from temporary measures which have increased it, due in particular to the transformation of the Crédit d'Impôt pour la Compétitivité (CICE – Competitiveness and Employment Tax Credit) and the related reduction in social contributions. But the deficit was also increased by measures taken following the recent social unrest, whose net cost for public finances was estimated at €9 billion in 2019, 0.4 GDP points, and is likely to increase to around €17 billion in 2020, 0.7 GDP points.

Balance of general government (in GDP points)



Source: Cour des Comptes, based on INSEE data up to 2018 and the Government forecast for 2019

²⁸ In 2019, companies benefited from the CICE for 2018 wages as well as reduction of contributions on wages in 2019. This aggregated loss of public revenue in 2019 led the Government to classify the €20.1 billion resulting from the CICE (0.8 GDP points) as an exceptional temporary measure.

The situation of general government finances (at end January 2020)

The structural balance, calculated by neutralising the effect of exceptional temporary measures and economic conditions, only improved slightly in 2019, by 0.1 GDP points according to

the Government's estimation. This being so, France is still a long way from its medium-term goal of achieving a maximum structural deficit level of 0.4 GDP points.

Public balance and its breakdown

In % of GDP	2017	2018	2019
Headline balance =	-2.8	-2.5	-3.1
Cyclical component	-0.3	0.0	0.0
+ One-off and other temporary measures	-0.1	-0.2	-0.9
+ Structural balance	-2.4	-2.3	-2.2

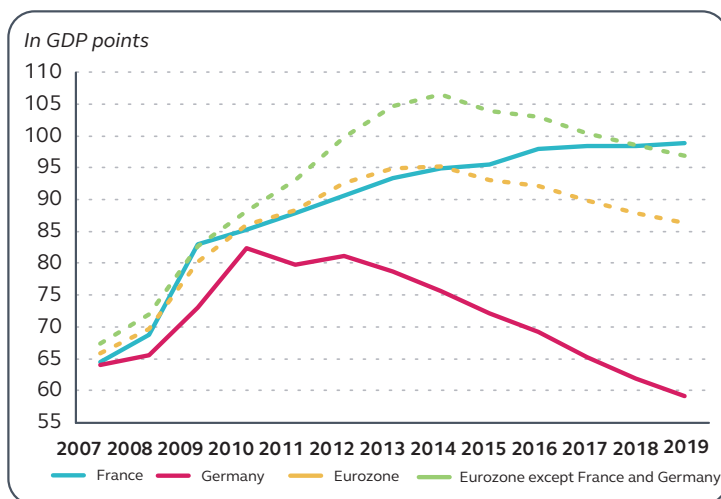
Source: Cour des Comptes based on the 2019 Initial Finance Act and information provided by the Ministry of Economy and Finance

Note: as figures are rounded to the nearest tenth of a percent, there may be slight variances in the results of operations..

A consequence of the continuing general government deficit, the public debt remains close to 100% of the GDP, and the ratio showed no signs of decreasing in 2019.

There is a clear contrast with our partners' average situations: over the past five years, the public debt to GDP ratio has decreased by over 9 points in the Eurozone except in France and Germany. In Germany, the debt fell below 60% of the GDP in 2019.

Public debt (in GDP points)



Source: Cour des Comptes, based on INSEE and Eurostat data up to 2018, and the Government's and European Commission's forecasts for 2019 (Ameco database)

The situation of general government finances (at end January 2020)

No progress is expected in 2020 regarding structural consolidation

According to the Government's projections in the Finance Act, the general government deficit should decrease to 2.2 GDP points in 2020. The improvement would be almost completely due to the "technical" repercussions of the CICE's transformation, which increased the deficit in 2019.

However, there is unlikely to be any improvement in the structural deficit in 2020. It should stay unchanged at 2.2 GDP points.

Hence, the recovery of public finances, which was only gradual in previous years, is currently on hold and the public debt is still unlikely to decrease in 2020.

The Government has prioritised reducing mandatory contributions, which has a significant impact on the pace at which accounts improve.

The total cost of the net decreases in mandatory contributions stands at around €10 billion in 2020, 0.4 GDP points. The three main measures for 2020 are reduction of income tax, the final tranche of the abolition of the housing tax for 80% of households, and the continued reduction of the corporate tax rate.

The increase in public expenditures provided for in financial legislation should stand at +1.7% in value, similar to that expected in 2019.

The Government's forecasts are by no means free of risks. The economic scenario adopted is based on the hypothesis of 1.3% growth of the GDP. Although this scenario is plausible overall, it is still subject to unfavourable external factors, as is the opinion of the Haut Conseil des Finances Publiques (HCFP – High Council for Public Finances (HCFP)²⁹. The anticipated control of public expenditures also requires special vigilance as far as its implementation is concerned.

²⁹ Opinion of 23 September 2019 bearing on the 2020 Finance and Social Security Finance Bills..

The situation of general government finances (at end January 2020)

Main measures affecting mandatory contributions in 2020

<i>In €Bn</i>	Yield (+) or cost (-)
<i>Households</i>	
<i>Reduction of income tax</i>	-5.0
<i>Housing tax rebate for 80% of households (3rd tranche)</i>	-3.7
<i>Exemption from income tax for overtime hours (effect on the 2019 income tax balance)</i>	-0.8
<i>Companies</i>	
<i>Reduction of the corporate tax rate</i>	-2.5
<i>Abolition of tax and social tax expenditure</i>	0.6
<i>Abolition of the Payroll Tax Credit (CITS)</i>	0.6

Source: Cour des Comptes based on information from the 2020 Finance Bill

A medium-term public finance strategy that needs redefining

Choices made over the last two years have led to deviation from the multiyear orientations set by the Public Finance Programming Act of January 2018.

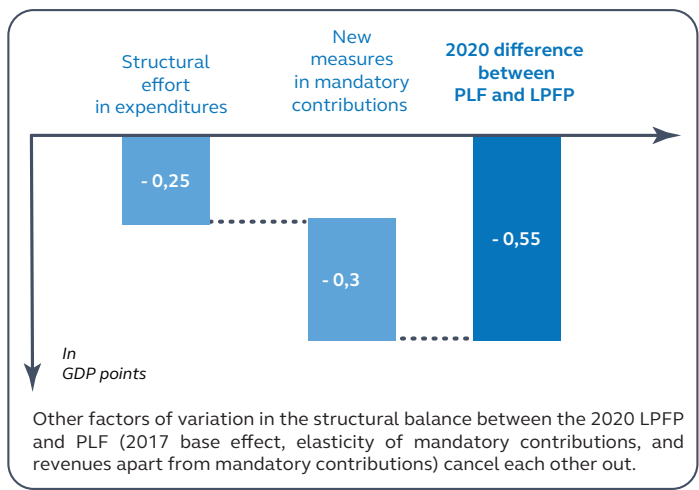
As a result, in 2020, the general government deficit should stand at almost $\frac{3}{4}$ of a GDP point higher than the programmed level (2.2 GDP points as against 1.5 GDP points).

The structural deficit should stand at over $\frac{1}{2}$ a GDP point higher than the programmed level (2.2 GDP points as against 1.6 GDP points).

The slower than programmed reduction in the structural deficit may be partly explained by the increased reduction of mandatory contributions and partly by weaker than expected efforts to moderate expenditures.

The situation of general government finances (at end January 2020)

Breakdown of the variance in the 2020 structural balance between the 2020 Finance Bill (PLF) and the Public Finance Programming Act (LPFP) of January 2018



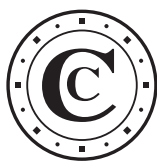
Source: *Cour des Comptes*, based on the 2020 Finance Bill and the Public Finance Programming Act of January 2018

The Government has stated its intention of presenting a new Public Finance Programming Act in the first half of 2020. It is essential that it provides for an ambitious reduction in the structural deficit, consistent with France’s European commitments,

and does not postpone most of the required efforts to the end of the period it covers. In complement, revision of the multiyear programming’s framework, with a view to making it more effective, would lend credibility to such a commitment

Public policies

1. Individual housing benefits: inadequate evolution, reform required
2. End-Stage Renal Disease: treatment that needs reforming to the benefit of patients
3. Auditing the safety of ships and their crews: changes that need to be extended and implemented
4. Military aerial drones: a poorly executed strategic change



1 Individual housing benefits: inadequate evolution, reform required

Individual housing benefits account for over 40% of public expenditures on housing. They aim to reduce housing costs for their 6.6 million recipient renter households. In 2015, they were the subject of a communication from the Court to the Senate's Finance Committee.

Simplified funding and savings made, but less clarity

Funding of individual housing benefits, which previously required complex calculations between the State's and Social Security's budgets, was simplified in 2015: the State's budget is now responsible for over 80% of such funding.

In parallel, a range of savings measures enabled corresponding public expenditure to be limited to €18 billion and then reduced to €17 billion. The 2020 Finance Bill provides for a total of €15.3 billion.

The multiplication of highly diverse and sometimes poorly prepared or coordinated savings measures nonetheless entails risks (some of the measures affect all recipients without distinction, even those

with few resources), in legal terms (account-taking of wealth in particular, as it is not applied in uniform fashion to all recipients) as well as with regard to budget forecasting (relations with providers of social housing require periodic renegotiation of parameters for reduction of solidarity rents).). The complexity of contemporary account-taking of resources was also underestimated, leading to postponement of its implementation and loss of savings estimated at €642 million in the 2018 Finance Act.

The overlapping of these measures has made calculation of benefits yet more complex and barely understandable. It is essential that current thought on the universal activity income enables clarification of the system's purposes, stabilisation of calculation methods and reduction of management costs.

Finally, the economic effects of these benefits on rent levels have been little studied, and conclusions vary in consequence. More targeted work is now essential if such phenomena are to be better understood.

Individual housing benefits: inadequate evolution, reform required

Housing benefits are still sources of unequal treatment of their recipients

A number of situations serve to demonstrate inequitable effects in terms of households' resources.

For comparable income levels, simulations show that some recipients of transfer incomes are left with more money to live on than actively employed individuals.

Some households that should have the right to individual housing benefits do not request them. The non-take-up rate may be low, but work must continue on identifying such households.

Benefits are automatically paid to students whatever their resources: therefore, they indirectly benefit well-off families and, in some areas, may lead to an increase in rents to the advantage of lessors. This being so, students' financial and tax situations vis-à-vis their parents need to be clarified.

Complex management of the scheme generates undue payments, risks of fraud and high management costs, but could be improved

The highly complex way in which benefits are calculated has not been simplified; it have even become yet more complex following budgetary

measures implemented over recent years, a situation that generates errors and undue payments. The total of undue payments detected by paying agencies with regard to individual housing benefits came to over €1 billion in 2018, even though there is a 96.7% recovery rate. In parallel, the cost of managing these benefits, even though it is lower than it used to be, is still higher than the average costs of all benefits taken together.

Likewise, in 2017, fraud related to housing benefits was estimated as costing some €470 million (2.7 % of the total paid out), up by 67 % compared with 2013. Fraud detected in 2018 came to €60 million, with an 83% recovery rate.

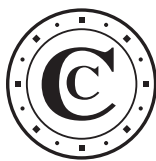
Even though it would not resolve the difficulties inherent in the complexity of the system's management, linkage of files in order to take contemporary account of resources is essential if undue payments and fraud are to be prevented. The aim of interfacing housing databases also needs to be achieved, in particular in order to better identify cases of inadequate housing and overcrowding.

The Court therefore reiterates and modifies a number of its recommendations made in 2015 to the Ministers responsible for housing and the budget.

Individual housing benefits: inadequate evolution, reform required

Recommendations

1. Appraise the possible inflationist effect of individual housing benefits on small housing units in the most overstretched areas.
2. Reinforce budgetary management of housing benefits by improving knowledge of real determinants of such expenditure.
3. For students, when the request is submitted, implement the obligation of choice between direct reception of individual benefits and attachment to the parental tax household.
4. Simplify ways in which recipients' changes in situation are taken into account (calculation of monthly benefit totals, impact of changes in professional situations).
5. Implement interfacing of housing, income and wealth databases as soon as possible so as to be able to combat fraud, and inadequacy and overcrowding of housing units.



2 End-Stage Renal Disease: treatment that needs reforming to the benefit of patients

In 2015, the Court turned its attention to treatment of End-Stage Renal Disease (ESRD), which is the final stage in chronic kidney disease (CKD). At the time, it found that there was insufficient use of kidney transplants even though they are of most benefit to patients, that modes of dialysis that are the most expensive and constraining for patients (dialysis in centres and medical dialysis units) – predominated to the expense of home dialysis and self-care dialysis, and that the costs of dialysis to the National Health Insurance Fund were excessive..

As a result, the Court recommended rebalancing expenditure in favour of prevention, giving fresh impetus to transplantation, reducing the price of dialysis sessions, and developing home dialysis. For the most part, its recommendations were not sufficiently followed up.

Limited progress in a major public health issue

In 2017, there were 87,725 patients suffering from ESRD, 20% more than in 2013. With 165 new cases per million inhabitants in 2016, the incidence of ESRD in France is among the highest in Europe, with marked territorial and social disparities. Despite the improvements

made to the Renal Epidemiology and Information Network (REIN), it is still unknown exactly how many individuals currently suffer from the first stages of chronic kidney disease, although the number is somewhere between 3 to 5.7 million.

Patients suffering from ESRD benefit from total coverage of related costs by the National Health Insurance Fund. In 2017, these expenditures reached €4.18 billion, making an average annual increase of 2.4% since 2013. Dialysis accounted for over 80% of expenditures (€3.36 billion, including €2.4 billion for dialysis sessions and €0.7 billion for transport), for 55% of patients treated, whereas transplants accounted for less than 20% (€0.8 billion), for 45% of patients.

During the year following a kidney transplant, the annual cost for a patient is 4.5 times lower than for a dialysed patient (average expenditures of €62,140 in 2017).

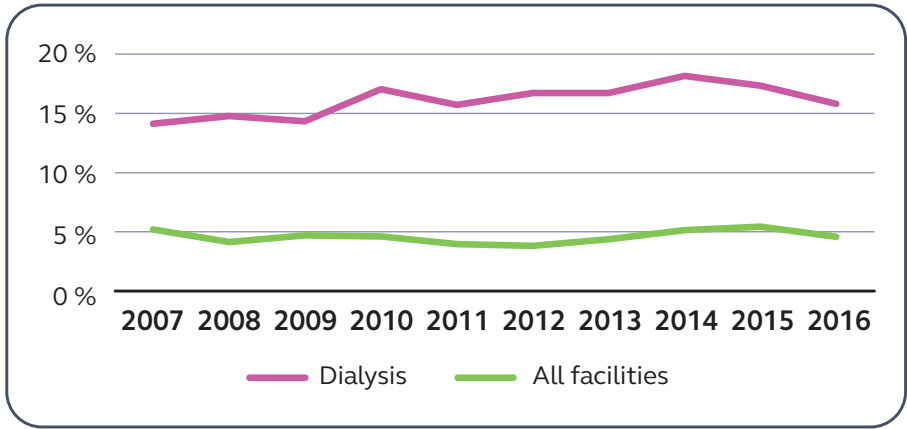
For patients who are able to benefit from them, kidney transplants give them longer life expectancy and better quality of life. Even so, the relative share of transplants in treatment of ESRD has not risen. Furthermore, after increasing continuously, the number of kidney transplants fell in 2018 and did not return to its 2017 level in 2019

End-Stage Renal Disease: treatment that needs reforming to the benefit of patients

(3,641 transplants in 2019, comprising 3,133 from deceased donors and 508 from living donors). Given the overall shortage of available kidneys, waiting times for transplants are increasing: at the end of 2017, 18,793 patients were on the national kidney transplant waiting list, 75% more than in 2013. In addition, equal access to transplants is still affected by heterogeneous registration practices on the part of nephrologists.

The Ministry of Health has reduced the prices of dialysis sessions. But most such reductions currently concern sessions in specialised centres and are too small (€25 to 30 million a year) to impact the abnormally high profitability of dialysis. In 2016, the operating income recorded by private for-profit centres focusing entirely on dialysis may be estimated as standing at 15% of their turnover, 10 points higher than the average for all private for-profit facilities taken together.

Operating income / turnover of private for-profit dialysis centres compared with all private for-profit facilities between 2007 and 2016 (in %)



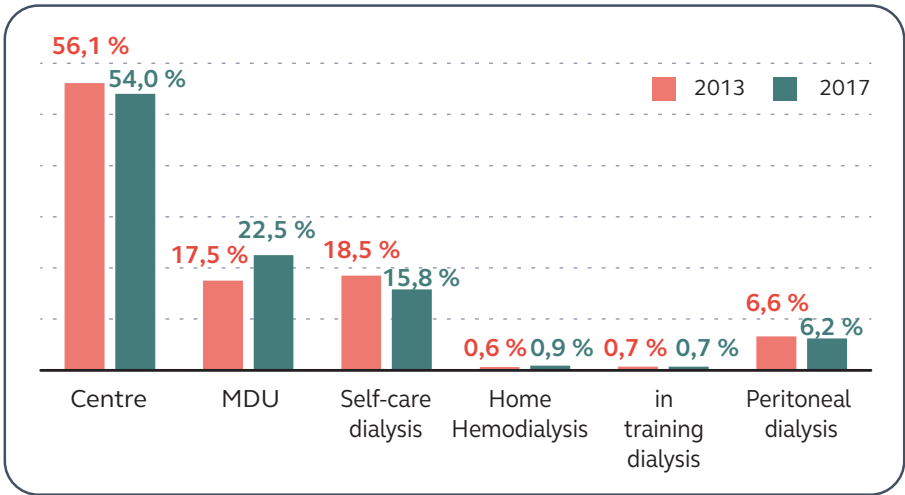
Source: Court des Comptes, based on the national register of health facilities (FINESS) data for the dialysis activity and on data from the Directorate of Research, Studies, Evaluation and Statistics of the ministry of Health (DREES) for operating income percentages of all bodies' turnovers

Far from reducing their predominance, dialysis methods that are the most expensive and constraining – dialysis in centres and medical dialysis units – attract a growing number of patients (76.5% in 2017 as against 73.6% in 2013), although it is true that centres have been overtaken by medical dialysis units (MDUs).

Self-care dialysis is dwindling while home dialysis is stagnating at low levels (less than 8%). Yet home dialysis provides patients with greater everyday comfort, is less expensive than in centres or MDUs, and is also more common in other comparable countries (over 20% in Sweden and Denmark).

End-Stage Renal Disease: treatment that needs reforming to the benefit of patients

Share of different modalities of dialysis, in % of number of patients, in 2013 and 2017



Source: Cour des Comptes graph based on data from the Renal Epidemiology and Information Network (REIN) register

Note to the reader: haemodialysis training is undertaken by the patient before treatment in a self-care dialysis unit or at home.

Treatment that needs to be more effective

There must be more screening for chronic kidney disease among individuals presenting special risk factors. Given that almost 30% of patients are first given dialysis as an emergency treatment and that 40% of them had not seen a nephrologist beforehand, the “pre-replacement” phase needs to be better organised with a view to slowing down the disease’s progress towards the end stage and directing patients to the most appropriate treatment. In this respect, flat-rate funding of monitoring of and assistance to patients by multiprofessional teams prior to dialysis or transplants, introduced in 2019, shows that some progress at least is being made.

In order to improve access to transplants, use of living donors is a way forward worth encouraging in a context where traditional sources of transplants (CVAs and road deaths) are dwindling. In addition, the National Transplant Agency (Agence de la biomédecine) should analyse the causes of the major territorial disparities with regard to family opposition to procurement from deceased donors. In order to make access to transplants more equitable, it should also continue to improve conception of transplant allocation scores.

In order to promote modalities of dialysis best suited to their situations, patients need to be better informed and trained. It is also essential to remove obstacles to development

End-Stage Renal Disease: treatment that needs reforming to the benefit of patients

of home dialysis, by orientating a minimum percentage of patients towards this treatment method, including it in nephrologists' training, entrusting nursing staff with more responsibilities, and developing a reference framework for dialysis treatment.

Finally, dialysis funding needs to be reformed in order to adapt it to the reality of patients' needs and costs. With this in view, it will be necessary:

- to implement a single price per patient depending on their state of health, and therefore independent of the modality of dialysis;

- meanwhile, to continue lowering prices for dialysis sessions in centres and medical units so that the National Health Insurance Fund no longer has to pay out excessive sums for dialysis sessions given their actual cost, and in order to put an end to the profiteering that has become all too apparent;

- to put a stop to unusually high billing for consultations on the part of a number of nephrologists, by clarifying applicable rules and stepping up checks by the National Health Insurance Fund.

End-Stage Renal Disease: treatment that needs reforming to the benefit of patients

Recommendations

1. By 2023 at the latest, replace the various remuneration packages currently in force with a single fee per patient undergoing dialysis, incorporating increases and decreases depending on the patient's state of health (age, autonomy, multiple pathologies, stability of health situation, etc.) and the results of healthcare quality indicators defined by the National Health Authority (HAS). It should also integrate transport costs, biological examinations and nutritional supplements prescribed to remedy the deficiencies resulting from treatment (Reiterated) (General Directorate for Healthcare Provision (DGOS)).

2. Meanwhile, in 2021, make significant reductions in prices of dialysis sessions in centres and medical dialysis units, with a view to promoting treatment of patients by more efficient facilities, and make private facilities' communication of accounting data to the Technical Agency for Information on Hospital Care (ATIH) compulsory (Reiterated) (DGOS).

3. Communicate to the general public on the risks, screening and possible treatments of chronic kidney disease, matching the intensiveness of such communication to the territorial epidemiological disparities

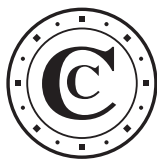
(Directorate-General of Health (DGS), National Health Insurance Fund (CNAM)).

4. Achieve an initial goal of 15% more patients at national level undergoing home dialysis over the next three years:

- by enabling Regional Health Agencies (ARSs) to make the activity authorisations they grant to centres and medical dialysis units conditional on their orientating a minimum percentage of their patients to facilities dispensing self-care dialysis or home dialysis (DGOS, ARS);

- by drawing up a reference framework for dialysis treatment in order to objectivise orientation towards modes of dialysis envisaged (HAS, DGOS).

5. Specify the regulations applicable to procedures and consultations carried out by non-salaried nephrologists in centres and medical dialysis units, with a view to putting a stop to excessively high invoicing of the National Health Insurance Fund (DGOS, CNAM)..



3 Auditing the safety of ships and their crews: changes that need to be extended and implemented

Missions incumbent upon the State in the maritime sector include checking the proper application of the rules governing the safety of ships and their crews. The sinking of the *Grande America* in the Bay of Biscay in March 2019, an event that brought back memories of other recent maritime disasters that our country has suffered (the sinking of the *Erika* in 1999 and of the *Prestige* in 2002), highlights the importance of such auditing. It focuses on the design and construction of ships, their operation under satisfactory conditions as regards seaworthiness, preservation of the environment, and sailors' working conditions. It not only concerns the 14,000 vessels registered in one of the French flag's six registers (including almost 9,000 fishing boats) but also foreign ships stopping off in French ports (about 6,000 a year).

In France, monitoring of compliance with requirements (most of them international or European) is mainly carried out by around fifteen Centres de Sécurité des Navires (CSNs –

Ship Safety Centres), specialised services under Direction des Affaires Maritimes (DAM – Directorate of Maritime Affairs). However, this mode of organisation is about to see far-reaching modifications. The DAM has developed an ambitious reform project entitled “Affaires maritimes 2022”, with a component on the auditing of the safety of ships and their crews that will result in a refocusing of State action. This is therefore the right time to make a fresh assessment, seven years after the Court's publication of a report devoted to action taken under this public policy³⁰.

Unequal progress

The Court notes that significant progress has been made since 2012 as regards the auditing of foreign ships stopping off in French ports; France now complies with all the rules and objectives set at European level. However, there continue to be inadequacies in the auditing of vessels flying the French flag, as some services fail to meet all their obligations.

³⁰ Cour des Comptes, La sécurité des navires et des équipages: des résultats inégaux, un contrôle inadapté, Thematic Public Report, La Documentation Française, November 2012, available on www.ccomptes.fr.

Auditing the safety of ships and their crews: changes that need to be extended and implemented

The investigation also highlighted services' continuing failure to adapt to the needs of such audits. Although the tasks incumbent upon CSNs have become significantly more varied and complex, in particular due to the enforcement of new environmental and social rules, the inspectors responsible for ensuring compliance with them have not been adequately prepared or trained. Furthermore, the recommendations that the Court had made in 2012 in order to mitigate the disadvantages of having two separate groups of entities carrying out audits – CSNs for ships and Directions Départementales des Territoires et de la Mer (DDTMs – Départemental Directorates for Territorial and Maritime Affairs) for their crews – are yet to be followed up.

The DAM modernised its information systems in line with the recommendations communicated to it. Hence, the database that records the results of audits of vessels flying the French flag has become increasingly reliable, new functionalities have been integrated into it and its use is now universal. In parallel, the DAM has added a decision-making information system (DIS) with major potential as regards knowledge and management of CSNs' activities. However, neither the DAM nor the Directions Interrégionales de la Mer (DIRMs – Interregional Directorates for the Sea), although they are responsible for overseeing CSNs' activities, has yet made use of it in order to adapt resources to needs in optimal fashion.

Conditions for the reform's success

In the context of the “*Affaires Maritimes 2022*” project, the DAM plans to further extend delegation of visits to private classification societies for delivery of regulatory documents and certificates concerning large ships. The reform also provides for abolition of the validity period of safety documents and certificates concerning small vessels. These measures are based on the principle of increased accountability of shipowners. Their implementation will also be accompanied by a change in the positioning of the State's services, whose audits will no longer be carried out *a priori*, but *a posteriori*.

The administration has certainly identified the measures that need to be taken alongside the reform, but is yet to specify exactly how they will be carried out or ensure their effective implementation. They consist of reinforcing second-level audits of classification societies authorised to audit large vessels, and of defining a policy and developing instruments for targeted auditing of small vessels.

For large and small vessels alike, the new system will only be credible if a real threat of heavy penalties hangs over shipowners' heads if they do not comply with the rules in force. The issue is a sensitive one but crucial nonetheless, especially in the fishing sector, where there are high accident rates. On this essential point, the reform seems to have been inadequately undertaken and prepared.

Auditing the safety of ships and their crews: changes that need to be extended and implemented

It will also have to be followed by specialisation of crews and reorganisation of the services responsible for overseeing and carrying out audits, whose scope the DAM is yet to decide upon.

The Court makes the following four recommendations, which the DAM should implement as quickly as possible given the schedule of the reform.

Recommendations

1. Assign enough specially trained inspectors to second-level audits of classification societies authorised to carry out inspections of and visits to large vessels on behalf of the State..

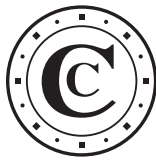
2. Define the focuses of and develop instruments for a policy of targeted auditing of small vessels, accompanied by effectively enforced penalties.

3. Provide Ship Safety Inspectors with specialised training that takes full account of the increasing diversity

and complexity of their missions, above all in environmental and social fields.

4. Reorganise auditing systems:

- either by putting CSNs under the authority of DIRMs;
- or by attaching them to an inspectorate or department with national competence, and responsible for the safety of ships and their crews.



4 Military aerial drones: a poorly executed strategic change








Accessible and varied equipment

In just a few years, aerial drones have become essential tools in all branches of the armed forces, and even in various parastatal groups. In addition to the cost of the technology involved, which makes it easy to acquire, maintain and employ, drones can be put in the air

at any time and are able to operate in hostile environments as there are no crews aboard. Useful in obtaining intelligence, they can also be employed for opportunity³¹ strikes. There is a wide range of varieties whose characteristics determine which category they belong to, in accordance with a segmentation inspired by NATO (North Atlantic Treaty Organisation)

³¹ An “opportunity strike” takes the opportunity to attack an enemy force in the context of a mission not initially intended for such purpose.

Military aerial drones: a poorly executed strategic change

Segmentation of aerial drone systems					
Drone system category	Weight	Typical range	NATO category	Examples	
Attack drones	Over 600 kg	> 150 km (satellite link)	Strike/ combat	Prototypes (X45, X47, Neuron)	
Strategic drones			HALE (High altitude long endurance)	Global Hawk	
Theatre drones			MALE (Medium altitude long endurance)	Reaper Harfang Heron TP	
Tactical drones	150 to 600 kg	< 150 km	Tactical	Sperwer Watchkeeper Patroller	
Close-range drones	< 150 kg	= 80 km	20 kg < Small < 150 kg	ScanEagle Luna Hermes 90	
		= 25 km	20 kg < Mini < 2 kg	Skylark DRAC (drone de reconnaissance au contact)	
		= 5 km	Micro anNano < 2 kg	Black Widow Black Hornet	

- X... : Type of drone depicted in the photo opposite
- : drone segments operated by the French armed forces

Source: Cour des Comptes according to NATO classification

Military aerial drones: a poorly executed strategic change

Hesitant, overdue acknowledgment of their usefulness

Although France deployed its first drones during the First Gulf War in 1990-1991,, it was not until the late 2000s and the engagement of “interim” systems in Afghanistan that the interest of using drones in military operations was finally acknowledged. In addition to the reasons highlighted by the Ministry for the Armed Forces, other cumulative and more deep-seated causes explain France’s delay in acquiring such capacities, including:

- cultural resistances, especially in the air force;
- a lack of consistency in the public authorities’ industrial, capability and diplomatic choices;
- rivalries between industrial concerns, which led to fierce intra-European competition;
- absence of strategic vision, which slowed down optimisation and harmonisation of acquisitions.

Inadequate national reaction in view of the issues involved

Despite increasing acquisitions, France’s military drone fleet is still limited and, in certain segments, ageing.

The army, which pioneered their employment, is now equipped with tactical drones for intelligence and target acquisition missions, and close-range drones for field reconnaissance. Following extensive renewal of its

equipment as from late 2019, it will have taken just over twenty years for it to expand its fleet from the single type of drone employed before 1995 to a dozen types in 2020.

For the air force, faced with the urgent necessity of intervening in Mali in 2013, France chose an American drone, the Reaper – a decision that met the armed forces’ immediate needs but limited France’s autonomy. In addition to logistical considerations related to the storage of materials, restrictions on their use made deployment of the first such UAVs, which were manufactured on production lines dedicated to the US air force, conditional on prior authorisation by the Americans for deployment outside the Sahelo-Saharan strip.

Although the navy has long been equipped with submarine drones used for mine-hunting, deliveries connected with the programme on provision of tactical rotary-wing unmanned aircraft are not expected before 2028, although the interest of such UAVs is clear as regards stepping up its surveillance capacities in such fields as the fight against drug trafficking and control of fisheries

As a result of the growing interest in drones, expenditures have accelerated over recent years, concentrating above all on acquisition of Reapers for a total of around €800 million. Funding dedicated to drones is therefore likely to increase in the years to come: financing will have to meet requirements and needs be well enough anticipated to avoid purchase of foreign equipment under unfavourable conditions.

Military aerial drones: a poorly executed strategic change

Several challenges to overcome

The necessary development of France's capacities as regards drones will only be fully achieved if the following conditions are met: clarification as to conditions for use of UAVs, availability of appropriate human resources, and effective modalities of European cooperation.

The decision to weaponise French drones³² must be accompanied by clarification of the legal and ethical conditions for their use.

Regulations governing drone air traffic over national soil must be relaxed, in particular to facilitate the training of teams and use of drones in territorial surveillance missions.

As regards human resources, the armed forces will need to make substantial modifications to their recruitment and

training policies in order to ensure the development of specialised professional branches to accompany the increasing use of UAVs.

Finally, following numerous failed attempts since the early 2000s, current cooperation on development of a European medium-altitude long-endurance (MALE) drone, which enjoys European Union funding to the tune of €100 million, will serve as a test of the credibility of European defence. Furthermore, with new uses for UAVs continuing to emerge, due to the ongoing development of artificial intelligence and acceleration of innovation, Europe must not let itself lag behind as regards proficiency in such technologies.

³² The decision was announced by the Minister for the Armed Forces on 5 September 2017.

Military aerial drones: a poorly executed strategic change

Recommendations

Au ministère des armées :

1. Secure the ramp-up of the Air Force's MALE drone capabilities, as well as those of tactical aerial drones of the Army and the Navy, by adapting the rules for full integration in combat and civilian air space.

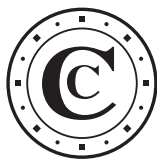
2. Accompany the decision to arm French intelligence and surveillance drones with a doctrine for their employment, ensuring full transparency on their conditions of use in compliance with the laws of armed conflict.

3. Consolidate the professional streams intended for piloting drones by providing training and simulation equipment that meets the requirements of the armed forces, by recruiting suitable profiles consistent with the need and by developing attractive career paths.

4. In order to safeguard Europe's strategic interests, lose no time in concluding a financially sustainable agreement between partner countries and industrial concerns on the medium-altitude long-endurance (MALE) drone programme, financially sustainable and in line with operational needs.

Public action in the territories

1. Brittany's airports: a necessary reconfiguration
2. Municipal mass catering services: unequal control of costs, new expectations
3. Public slaughterhouses: charges to taxpayers that are seldom justified
4. Corsica's agencies and offices: a necessary reform



1 Brittany's airports: a necessary reconfiguration

In Brittany, a total of eight airports accommodate regular commercial flights, which carried some 2,3 million passengers in 2018. However, 80% of traffic is concentrated on the Brest and Rennes platforms.

Such density is due to the region's peninsular configuration, which has long made Brittany's economic development dependent on air transport.

Today, the cost of this model, the prospect of changes in European regulations and growing environmental concerns necessitate revision of the regional mobility strategy.

An economic model that is expensive for public finances

The public authorities paid out €45 million in aid to airport managements and airlines between 2012 and 2017.

Almost half of this sum was allocated to airlines scheduling regular Lorient-Lyon and Lannion-Orly flights in the context of a subsidised public service obligation (PSO), assessment of which has proved disappointing. Flights under the same PSO system

have nonetheless just been scheduled between Quimper and Orly, in parallel with a high-speed rail link.

The region's small airports remain very much dependent on public aid. Despite the extent of such financial support, however, the future of some of them is far from certain in view of declining ridership and competition from rail transport.

A rapidly changing airport environment

The high-speed railway line has linked Brittany's main conurbations to Paris since 2017: complementarity between the different modes of transport therefore needs to be sought. As regards the Notre-Dame-des-Landes project, its abandonment coincided with the development of the Rennes platform.

Possible upcoming changes in European regulations could well lead to the tightening up of conditions for granting public aid to small airports and raise the question of their economic viability.

Brittany's airports: a necessary reconfiguration

Environmental concerns are increasingly voiced in public debate, and air transport is by no means the most virtuous as far as greenhouse gas emissions are concerned. It is national domestic flights, which Brittany's airports have significantly developed, that are above all called into question.

Yet these altogether legitimate concerns have not been the subject of any in-depth studies comparing the positive economic impact of air transport and its financial and environmental consequences; furthermore, local authorities have yet to fully apprehend the need for a multimodal approach to mobility.

Necessary revision of the regional mobility strategy

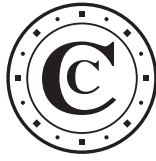
Brittany's local government authorities' airport strategy, the regional strategy first and foremost, has long been supported by arguments focusing on territorial development.

Recommendation

To the State and Brittany's local government authorities:

Develop an economically sustainable airport strategy by clarifying the issues involved in provision of services and

territorial planning, looking at such issues in the light of their financial and environmental impacts, and incorporating them into a region plan providing for complementarity of different modes of transport.



2 Municipal mass catering services: unequal control of costs, new expectations

Mass catering is one of the oldest forms of local public services. Although they are not obliged to do so, municipalities –and occasionally their groupings – provide this service to primary schools, whose pupils account for 85% of its users, early childhood facilities, senior citizens in homes or at home, and

administrative restaurants open to municipal employees.

Twelve Regional Chambers of Accounts audited management of mass catering among a sample group of 80 municipalities and local public bodies, representing 3.9 million inhabitants and 28.8 million meals provided in 2017.

Summaries of the Cour des comptes 2020 Annual Public Report

Types of entities:

- Municipalities
- Municipal social action centres
- Public intermunicipal cooperation intercommunale
- Intermunicipal syndicates
- Associations
- Other entities

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GéoAtlas-SRPP - DL - Décembre 2019
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Source: Cour des Comptes

Municipal mass catering services: unequal control of costs, new expectations

Numerous constraints on production and management

The law imposes major obligations on managers of mass catering services, who must guarantee their accessibility, the quality and variety of meals produced, and food hygiene and safety. New requirements have been added regarding the fight against poverty, health education and the ecological transition, all of which increase the service's already heavy financial burden.

In the majority of cases (59% of meals served in 2016³³), mass catering services are managed directly by local government authorities, who take responsibility for all meal production and distribution procedures using their own resources. However, they may also decide to entrust management to a (usually private) operator via a public service delegation contract, or purchase meals from a third party in the context of a procurement contract.

These various modes of management each have their own constraints. When managing the service themselves, local authorities are directly responsible for compliance with all meal hygiene, food safety and nutritional quality standards, which vary depending on recipients. They must undertake the delicate task of managing employees who are often underqualified and required to perform physically arduous tasks. In addition, difficulties in recovering tariff revenue may sometimes lead to high default rates.

Although recourse to the private sector removes a number of such management constraints, it is by no means risk-free. Outsourcing results in local authorities losing some measure of control over the quality of meals served. In addition, most public service delegation contracts contain major imbalances to the disadvantage of delegators. In particular, they make it possible for delegates to sell some of the meals produced in local authorities' central kitchens to third parties at bargain prices, and increase their turnover substantially by doing so.

Lastly, local authorities generally bear the cost of investing in central kitchens, whether they operate them themselves or delegate their use. These expensive and often old facilities frequently require major work to bring them into compliance with current standards. Their adaptation requires accurate estimation of users' future needs, or else municipalities may find themselves bearing extra costs due to oversized facilities.

Significant but poorly discerned costs

In 2018, the overall costs of operating municipalities' mass catering services came to around €5.3 billion, two thirds of which was devoted to payroll expenditures. The average gross cost of a meal at national level stood at €7.33 in 2017.

³³ Source: Xerfi France, La Restauration collective, November 2016, p.6. This study bears on public and private mass catering. There is no consolidated data on this subject concerning municipalities alone.

Municipal mass catering services: unequal control of costs, new expectations

This cost varies considerably from one local authority to another. Although disparities may be the result of exogenous constraints, most of them are due to differences in organisational efficiency and proficiency in management. Managers seldom have a consolidated vision of their service's financial performance.

On average, users' participation in funding meals is much lower than the service's cost price, with which actual prices – which are equally variable – are rarely correlated. Three-quarters of the cost of mass catering is borne by local budgets, and therefore finally by taxpayers.

There are ways to improve the service's performance. In order to reduce numbers of unsold meals, some local authorities have set up systems for payment upon reservation and increases in prices in the event of noncompliance with the rules. Pooling of foodstuff purchases and reorganisation of the services concerned are also avenues for improvement.

National policy requirements that are hard to meet

Mass catering is central to a whole range of national priorities. The longstanding imperatives of universal accessibility and protection of health through nutritional balance and food hygiene have been complemented by new requirements, resulting above all from the so-called “EGalim” Act of

30 October 2018. They aim to improve meal quality and make mass catering a lever for ecological transition and promotion of various agricultural sectors.

However, these aims are difficult to achieve by local authorities alone. The low prices that have long been charged in many municipalities are not enough to ensure high levels of frequentation by the most disadvantaged sectors of the public, and other factors also play a role.

Likewise, in spite of some progress, the use of quality products is still well below the objectives set as from 2022 by the EGalim Act. In addition, the often-expressed determination to obtain supplies from local producers must take account of the regulations governing public procurements, which do not authorise selection of candidates according to their geographical location. It requires major administrative engineering whereas local authorities are not necessarily producers' priority customers. Finally, there is still unequal and seldom measured progress in combating waste.

As performance of mass catering services is rarely monitored, the results obtained in terms of the various objectives are seldom known. As certain requirements will take a considerable time to meet and are potentially burdensome, it is difficult for local authorities to anticipate their cost.

Municipal mass catering services: unequal control of costs, new expectations

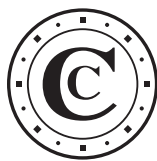
Recommendations

To municipal authorities:

- 1. Develop pooling of the support functions necessary to mass catering, purchases in particular.

To local authorities and the State:

- 2. Draw up a reference framework for mass catering costs, in order to provide local public managers with tools enabling better management of the service.
- 3. Measure achievement of the EGalim Act's quantified objectives.



3 Public slaughterhouses: charges to taxpayers that are seldom justified

The Financial Courts carried out an extensive investigation bearing on the 80 (municipal and intermunicipal) public slaughterhouses for meat animals (bovines, ovines and porcines) in nine regions. With 90% of production and slaughter now in the hands of five private industrial operators, the role of such public facilities has become residual (accounting for 7.2% of total production in 2017), their economic situation has deteriorated and their management by local authorities has become extremely expensive.

Deficits too often borne by local authorities

Due in particular to major dependence on a small number of customers, the prices charged by public abattoirs do not take sufficient account of their real production costs or their obligations with regard to bringing facilities in line with the standards in force (over €36.37 million between 2014 and 2017 for all public abattoirs). This results in deficits that are all too often borne by local government authority budgets. Furthermore, oversight of such facilities requires mobilisation of not insignificant resources by the State's central and decentralised departments.

In the late 2000s, in the face of the trend reversal observed in meat consumption, which was

beginning to decrease, a plan was implemented along with creation of an Observatoire National des Abattoirs (ONA- National Observatory for Abattoirs), six interregional abattoir commissions and an agricultural office, FranceAgriMer, responsible among other things for providing financial support to projects promoted by abattoirs. The plan's goals were not achieved, however: the ONA ceased activity in 2015, the interregional committees were disregarded by local authorities, and only nine projects promoted by abattoirs were funded by FranceAgriMer.

Arguments for maintaining public facilities that have lost their force

Developing short distribution channels, having local facilities available for special modes of slaughter, and supporting not directly profitable quality sectors: the arguments traditionally put forward to justify the existence of public abattoirs have now lost their force. Proximity of abattoirs is not necessary to promotion of "short distribution channels", emergency slaughter is much less frequent, and the market share of quality branded meats remains very low.

Although local economic development and regional territorial planning, in particular in connection

Public slaughterhouses: charges to taxpayers that are seldom justified

with support to specific sectors, may come to justify some form of public intervention. New slaughter methods and management practices should enable implementation of solutions replacing public abattoirs funded solely by the State and local government authorities (agricultural equipment cooperatives (CUMAs), cooperative companies of collective interest (SCICs), on-farm slaughter, mobile slaughter, etc.).

Changes to be made at regional level

Whatever the case, such changes will have to be made at regional level. Since the Act of 7 August 2015 bearing on the Republic's new territorial organisation (the so-called "NOTRé" Act), regional authorities alone have competence in matters of economic development and territorial planning.

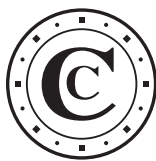
Recommendations

To regions and the State:

1. Reactivate the ONA in order to enable the State to fulfil its role of regulating the slaughter of meat animals on national soil.
2. See that interregional abattoir commissions' jurisdictions correspond with the boundaries of the

new regions and make sure that their work and conclusions are disseminated to local actors.

3. Promote development of new management modes such as CUMAs and SCICs, rather than restrict economic support and management of local slaughterhouses to the public sphere alone.



4 Corsica's agencies and offices: a necessary reform

Corsica's eight agencies and offices are public bodies most of which were instituted in the context of the special status assigned to Corsica by Parliament in 1991. Responsible for implementing the public policies decided upon by the Corsican regional authority, these bodies are distinct from their continental equivalents (when they exist) in that they enjoy the same status as *Établissements publics industriels et commerciaux* (EPICs – Public Utility Companies).

ATC: Agence du Tourisme de la Corse (Corsican Tourist Agency)

OTC : Office des Transports de la Corse (Corsican Transport Office)

OFC: Office Foncier de Corse (Corsican Land Office)

AUE: Agence d'Aménagement Durable, d'Urbanisme et d'Énergie de la Corse (Corsican Sustainable Development, Urban Planning and Energy Agency)

ADEC: Agence de Développement Économique de la Corse (Corsican Economic Development Agency)

OEC: Office de l'Environnement de la Corse (Corsican Office for the Environment)

ODARC: Office du Développement Agricole et Rural de la Corse (Corsican Office for Agricultural and Rural Development)

OEH: Office d'Équipement Hydraulique de Corse (Corsican Hydraulic Equipment Office)

By virtue of their status, these entities should be provided with wider governance and their own budgetary resources.

Such is not the case in practice.

First of all, their respective deliberative bodies are forums for dialogue, mainly between the Corsican Assembly's elected members, who tend to keep them in check, and socioprofessionals. Other local government authorities and State departments are underrepresented in them or not represented at all. The supervising authority appoints their governing bodies (chairpersons and directors).

Secondly, seven of the eight agencies and offices develop almost no commercial activities. Only the OEHC possesses real commercial resources, which account for over half of its operating revenue, while the OFC receives its own resources via transfer of tax revenues and from the Exceptional Investment Programme (PEI) for Corsica implemented by the State and local government authorities. The six other entities are over 85% funded by annual subsidies from the Corsican regional authority. This situation is largely due to their essentially administrative activity, mainly focusing on management of aid schemes instituted by the regional authority, which results in their being characterised as spending departments, annexes of the Corsican regional authority.

Corsica's agencies and offices: a necessary reform

In essence, these “false EPICs” constitute administrative public services, as the administrative court has had more than one occasion to point out.

The Corsican regional authority needs to take action to rectify the situation, by carrying out a statutory reform of the agencies and offices, adapted to the profile of each of them, as the legislature authorises.

The issues here are to ensure that their activity is in line with their status and that substantial budgetary savings are made for the Corsican regional authority and its satellites.

First of all, the Court recommends that the Corsican regional authority itself replace three of the operators (AUE, OTC and OEC) by taking over their missions and employees. All three are characterised by competences that overlap with the regional authority's. The main consequence would be that all such employees' contracts would thenceforth be under public law. Their subjection to the public rules of human resources management would foster better supervision of recruiting, remuneration, promotions and work time. In addition, abolition of the three bodies would eventually result in substantial savings being made, through the grouping together of support functions and administrative management of requests for public aid. Such replacement would also generate budgetary savings to the tune of €1.2 million, with the end of these public bodies' liability to payroll tax.

Secondly, it is recommended that the ODARC, ATC and ADEC be transformed into Établissements Publics Administratifs (EPAs – Public Administrative Bodies), and their employees redesignated as public officials; the latter two agencies could well be merged, given the similarity of their activities concerning provision of support to the economy. If the Corsican regional authority had made such a choice earlier, its wage bill would have been €1.4 million a year lower. Likewise, it would not have been required to pay retirement benefits, which are not applicable to EPAs, and would therefore have made savings of €0.8 million between 2011 and 2018. Nor would the three bodies have been liable to payroll tax, with savings of €1.2 million a year.

Thirdly, the Court recommends that EPIC status be maintained for the OEHC and OFC, given the existence of own resources. However, it also recommends that their staffs' statuses be harmonised in order to help rationalise rules governing pay, promotion and work time.

In addition, the Court notes that, apart from stepping up monitoring of recruitment in the agencies and offices, the Corsican regional authority has not applied the measures it decided on with a view to strengthening their management. The objectives and performance agreements provided for with each of the bodies are still only in the experimental stage. The Commission for Control and Evaluation of Agencies and

Corsica's agencies and offices: a necessary reform

Offices instituted by Corsica's Assembly has only met twice since 2013, and audits of the eight bodies' budgetary execution and management are late in being implemented even though disparities are systematically noted between their budget execution and forecasts.

The ongoing 60% increase in the agencies' and offices' staff costs over the last 10 years is partly the result of measures highly favourable to employees. This can be seen in

particular in the high salary levels and promotion schemes that take no account of employees' individual performances and whose financial impact is neither measured nor controlled beforehand.

The Court makes three recommendations, whose implementation will need to be accompanied by development of a culture of performance, a source of substantial savings for the Corsican regional authority and its satellites.

Recommendations

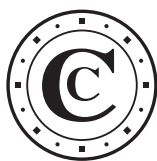
1. Substitute the Corsican regional authority for the OTC, AUE and OEC (*Corsican regional authority*).
2. Turn the ODARC, ATC and ADEC into EPAs, and merge the latter two

bodies (*State, Corsican regional authority*).

3. Harmonise the statuses of OEHC and OFC staff (*Corsican regional authority*).

Public management

1. The postal service confronted with a decrease in mail: changes to continue with
2. Eco-organisations: performance needing confirmation, regulation needing reinforcement
3. The École Polytechnique: an uncertain strategy, management in need of reform
4. Agirc-Arrco supplementary pensions: a need for continued improvement and streamlining

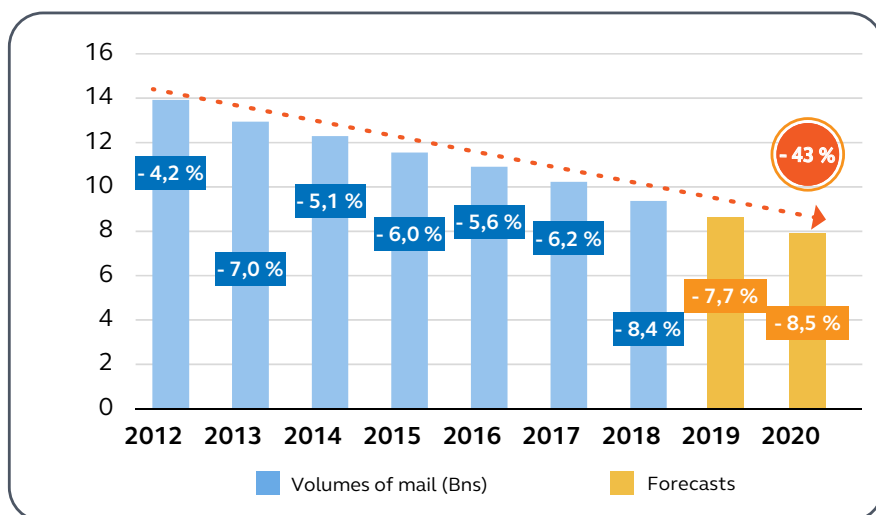


1 The postal service confronted with a decrease in mail: changes to continue with

The volume of mail in France fell from 18 billion letters in 2008 to a little over 9 billion in 2018, and, if

the trend continues, could well fall to 5 billion in 2025.

Evolution of volumes of mail (in billions of letters and in %)



Source: Cour des Comptes based on data from the French Post Office. Volumes taken into account are items of personal correspondence, including overseas flows, election mail, and import correspondence except subscribed press

In its 2016 Annual Report, the Court stressed that this situation made far-reaching adaptations essential. The new investigation it carried out showed that, although significant changes have been undertaken, the magnitude of the challenges to be met requires the implementation of wider reforms.

Commitment to modernisation

The Post Office's general effort to reduce its turnover's dependence on traditional forms of mail is mainly focused on the Branche Services-Courrier-Colis (BSCC – Services-Mail-Parcels Business Unit), on development of parcel post and

The postal service confronted with a decrease in mail: changes to continue with

local services. In parallel, the Unit's employees, including some 70,000 postpersons, have made significant efforts in terms of productivity and service quality.

Efforts to improve productivity

Industrial and logistical facilities have been optimised: automation of mail sorting covered almost 80% of volumes in 2018; nearly half of which corresponds to complete sorting "in postbag order". Organisation of work has also been adapted and new rounds introduced.

These changes required postal workers to make considerable efforts to adapt. In addition, numbers of permanently employed postpersons, in FTE, fell by around 10% between 2014 and 2018.

Efforts over service quality

In order to better measure user satisfaction, a new indicator has been monitored since 2016: the net recommendation rate (i.e. the gap between the proportion of customers regarded as "promoters" and the proportion regarded as "detractors"). It rose by over twelve points between 2016 and 2018. Since 2017, post-office managers have also received detailed recaps, by round, of complaints sent in by users ("The Customer's Voice"). Lastly, a new mail monitoring service has been on offer to users since 2018.

Further progress is required, however, in order to facilitate delivery of monitored items, for example, by informing addressees on the next registered-letter delivery or enabling

users to express their delivery-day preferences in advance. In addition, the deployment currently underway of a delivery-slot announcement service for parcels delivered against signature and the development of the customer database are likely to improve service quality and optimise distribution costs.

A number of strategic challenges

The Group's strategy of optimising distribution costs, counting on price rises and developing local services faces several challenges.

Less traffic and predominating fixed costs

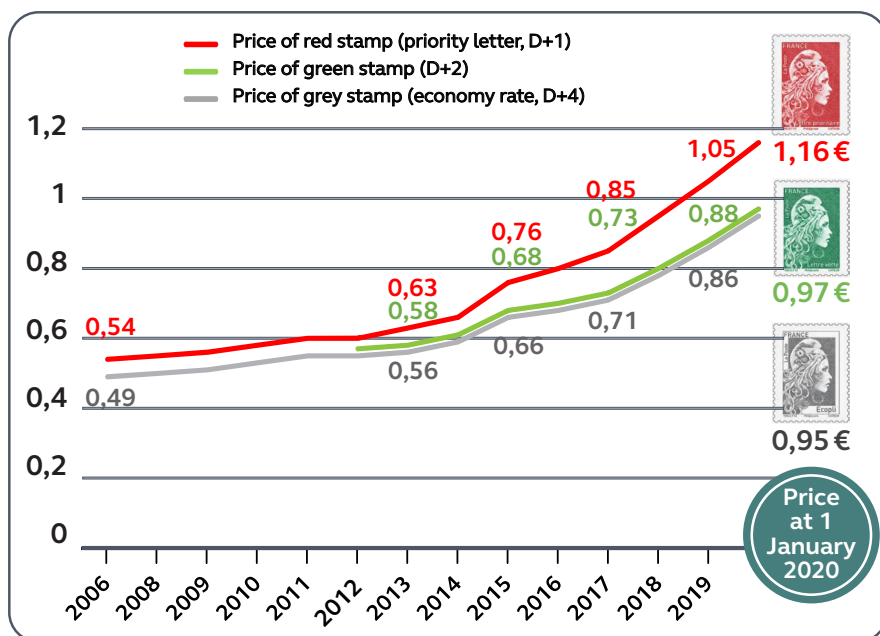
The mail handling and distribution network is characterised by the predominance of fixed costs. The drop in traffic, which decreases turnover from mail by some €600 million a year, is consequently happening more rapidly than the drop in costs. The foreseeable worsening of the situation makes it necessary to step up the search for gains in productivity.

Increased competition

As regards mail, the significant price increases that have been introduced in recent years can no longer continue with impunity, given the risk of aggravating the drop in volumes, in a context of increasing digitisation of correspondence including in the form of e-registered letters.

The postal service confronted with a decrease in mail: changes to continue with

Evolution of postage stamp prices since 2006 (in euros)



Source: Cour des comptes

The parcel market is growing, due to the development of e-commerce, but there is lively competition that limits margins achieved; in France, the Post Office Group's activity represents around half the total market, apart from small international parcels. In addition, a new delivery-upon-request market has developed over recent years, with a good many operators involved, some of them of international scale, but based on economic and social models very different from the Post Office's.

Drivers of growth that need confirming

Local services are a strategic focus for the Post Office in order to compensate the impact of the decrease in mail and keep postpersons in their jobs.

They include the new services entrusted to postpersons, such as "Veiller sur mes parents" (Watch over my parents), a service designed to facilitate keeping elderly people at home, and "Recygo", which organises collection of office waste, etc. They require postpersons to be versatile and may well lead to major changes in their profession.

The Post Office is also developing homecare services essentially intended for senior citizens, although this evolution is mainly coming about through acquisition of companies, so far without involving postpersons.

Although these local services' contribution to the Group's turnover is growing, their share is still only marginal (1% in 2018) and their profitability is yet to be confirmed.

The postal service confronted with a decrease in mail: changes to continue with

A series of levers to mobilise

Pooling of fixed costs and employment of new technologies in need of reinforcement

Several distribution networks coexist within the Post Office Group. Cooperation between them enables pooling of fixed costs, as the example of Chronopost parcel delivery by postpersons shows: its parcel numbers increased from 270,000 in 2014 to just over 16 million in 2018. This effort should be continued and all industrial synergies likely to improve productivity should be made use of, while ensuring compliance with the specificities of each offer.

Although they are the cause of the reduction in volumes of mail, digital technologies provide the Post Office with an opportunity to find new growth drivers and improve customer satisfaction.

All postpersons are equipped with “Facteo” smartphones, which manage registered mail and parcels, and integrate the new services. However, further development of their onsite-assistance functionalities could simplify and optimise their work

Mail distribution and collection costs that need to be optimised

Postpersons often have considerable journeys to make inside properties in order to get to their letterboxes. As the Court recommended in 2016, facilitating postpersons’ access to private individuals’ letterboxes could help optimise distribution costs. To this end, the Group prepared a Postal Connection Charter in 2019, which now needs to be widely disseminated and its implementation assessed.

As regards collection of mail from street letterboxes, the number of such receptacles is decreasing, but less so than numbers of letters sent; France’s has more public letterboxes than almost any other country in Europe, and their number needs to be adapted to the present situation.

A universal postal service requiring re-examination

The postal services provided by the Post Office, its obligations with regard to collection and distribution in particular, are defined in a European Directive and by law. In 2018, the balance of the universal postal service’s revenues and expenditures was in deficit for the first time (by €365 million in full costs).

The postal service confronted with a decrease in mail: changes to continue with

In the face of similar difficulties, a number of European postal operators have reduced their service offer (changing from 6 to 5 distribution days, distribution on alternate days, etc.) without such action being regarded as a relaxation of the rules laid down in the Postal Directive of 15 December 1997. In France, however, the universal postal service's main characteristics have remained unchanged.

Under the terms of the business contract for 2018-2022, the State and the Post Office are set to get together in 2020 for a progress report. The Post Office is also preparing a new strategic plan. In this context, modifications of universal postal service implementation methods could well be considered, drawing on costed scenarios, with a view to ensuring economic balance and consequent sustainability of the postal distribution network.

The network of postpersons: an asset to make better use of

In parallel to development of local services, it is essential that the Post Office Group position its postpersons on the most strategic delivery markets.

Every possible effort must be made to ensure that postpersons distribute a larger proportion of parcels. It is up to the Group to analyse the conditions under which they could be involved, both as regards the logistics of local services (delivery of objects, meals, etc.), which are on the rise, and in urban logistics (smooth, carbon-emission-free movement of flows of goods that enter, leave and circulate in the city).

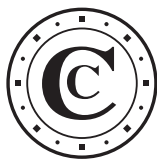
At the same time, special attention should be paid to internal policies aiming to develop competences, facilitate internal and external mobility, and, in general, support and accompany teams. The changes that the Post Office has undertaken and the challenges it faces involve (in particular for postpersons) modifications in organisation and evolutions in professions and mobility alike.

The postal service confronted with a decrease in mail: changes to continue with

Recommendations

To the Post Office:

1. Develop interactivity with users in order to facilitate delivery of monitored items (delivery preferences for registered letters and provision of information to addresses on their next distribution, etc.).
2. Develop digital tools for provision of assistance on the ground, designed to simplify and speed up postpersons' rounds.
3. Reinforce synergies between the BSCC, Chronopost and DPD France.
4. Adapt the number of street letterboxes to the decrease in volumes of mail.
5. Improve management of human resources, in particular by extending the BSCC's social audit to include specific data on postpersons.



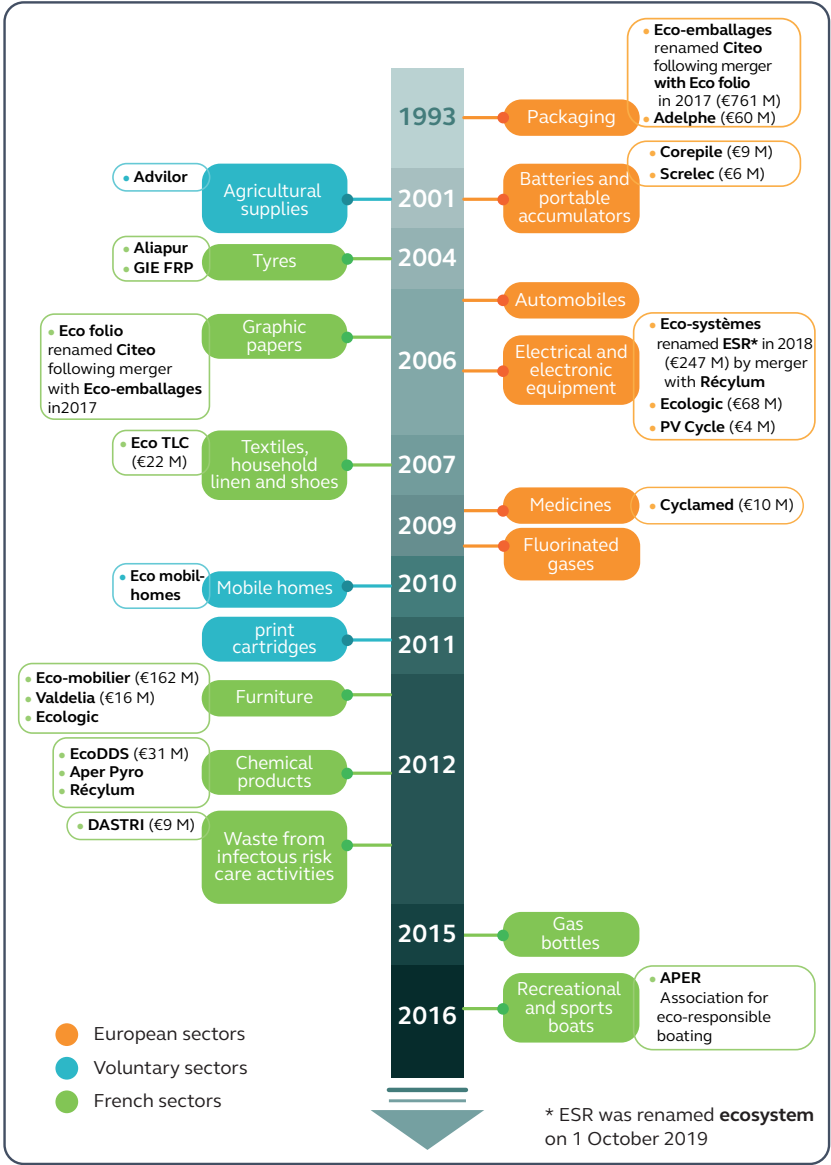
2 Eco-organisations: performance needing confirmation, regulation needing reinforcement

Eco-organisations, entities under private law to which producers delegate their responsibilities regarding management of waste from the products they market (the “extended producer responsibility” or EPR principle), have become waste management operators in their own right. Given the total sums they receive in contributions (€1.4 billion

in 2018), along with the proportion of waste they deal with, special attention needs to be paid to the results of their activities. The Court published an initial series of analyses in its 2016 Annual Public Report; it then audited three new eco-organisations in 2018 and 2019 and examined the extent to which their 2016 recommendations have been followed up.

Eco-organisations: performance needing confirmation, regulation needing reinforcement

EPR sectors, eco-organisations created and totals of eco-contributions received in 2018 (in €M)



Source : Cour des comptes

Eco-organisations: performance needing confirmation, regulation needing reinforcement

Unequal results, sometime falling short of goals

Although volumes of waste collected by eco-organisations in the eight main EPR sectors increased by 46% overall between 2014 and 2018, less than half the waste produced in certain sectors is finally collected.

As regards collection and treatment, a number of targets are yet to be achieved: in 2018, for example, in the textiles/household linen/shoes sector, the collection rate was 10 points lower than the target, and in the household packaging sector, the recycling rate (69.7%) was still below the 75% target set for 2012.

Following the observations made by the Court in 2016, eco-organisations have for the most part improved their management: the staff costs/eco-contributions ratio is tending to decrease, as are total provisions for future costs, which were previously excessive.

Ongoing difficulties encountered by the State in fulfilling its missions

Improvement of EPR sectors' management first of all requires that recent objective data be available, which is not the case today.

In parallel, the consultative bodies set up need to be significantly simplified and their work better organised (collection of reasoned written contributions and increased recourse to electronic consultation). The procedure for drawing up specifications governing eco-organisations needs to

be improved, and their content should prioritise obligations of result rather than consist of an enumeration of obligations of means.

Finally, in consideration of the increased accountability of producers and eco-organisations, sanctions should be reinforced in cases of noncompliance with their obligations.

The need for greater involvement of producers and consumers

In order to increase eco-organisations' share in waste collection, producers' obligations need to be reinforced and consumers assisted in carrying out effective waste sorting.

Producers need to improve their products' eco-design through more incentivising eco-modulation of their contributions to eco-organisations, and information provided to consumers on products' environmental characteristics needs to be clarified. Finally, new separate collection channels need to be developed for all forms of distribution.

In order to help consumers sort their waste properly, information provided on products or their packaging should be as clear as possible, which is by no means always the case. Hence, the "Triman" symbol is of no direct use to them and few of them are aware that sorting information (Info-tri) is provided on most packaging. The national communication campaigns funded by eco-organisations and those carried out at local level by local government authorities should therefore do their utmost to deliver concrete messages.

Eco-organisations: performance needing confirmation, regulation needing reinforcement

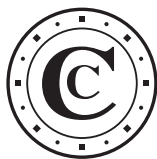
Recommendations

To the State and eco-organisations, with a view to improving knowledge of sources of waste and improving waste sorting on the part of consumers:

1. In order to ensure reliability of indicators based on sources of waste and improve management of EPR sectors, carry out studies of such sources on a more regular basis.
2. Develop operational messages appropriate to national and local communication campaigns, giving practical encouragement to efficient sorting on the part of consumers.

To the State, in order to help it better accomplish its management and monitoring missions with regard to EPR sectors:

3. Differentiate lengths of eco-organisation accreditations, and, as need dictates, consider their extension depending on sector maturity.
4. Simplify the content of eco-organisations' specifications and incorporate obligations of result into them.
5. Simplify the procedure and basis for sanctions against eco-organisations and producers that do not comply with the obligations incumbent upon them in the context of their extended responsibility, and see that they are applied.



3 The École Polytechnique: an uncertain strategy, management in need of reform

The École Polytechnique was established in 1794. Still a highly prestigious institution rooted in the history of the Republic, it wanted to get out of a situation that its international developments in the academic world made increasingly untenable. The Court has made an initial assessment of the changes it has undertaken since 2016, accompanied by the State's commitment to increase its subsidy by €60 million between 2017 and 2021. It emphasises the paradoxical character of the procedure undertaken, in which this flagship of our grandes écoles wishes to align itself on international academic standards while preserving its traditions as a military school, and the uncertainties attached to its ambitious transformation project.

The historical model's limitations

Historically, the École Polytechnique is distinguished by its military status, its training of polytechnic engineers and its links with the State's technical corps. However, these attributes have gradually lost their coherence.

Its link with the armed forces is increasingly tenuous and its supervision by the Ministry for the Armed Forces' can hardly be called diligent and is largely passive. The future of such supervision on the

part of a single Ministry will become increasingly uncertain as the École's academic nature continues to assert itself. The polytechnic engineering course, although still attractive in France, does not enable the École to position itself in international competition, due to its four-year duration. Finally, following their graduation, very few of its students actually join the State's corps (69 students out of the 400 in a year group), very much in contrast to the situation that prevailed 30 years ago.

Nevertheless, the École Polytechnique wants to preserve its specificities, which raises a problem of positioning. Despite the fact that the polytechnic engineering course is supposed to incarnate the spirit of Republican meritocracy, recruitment of engineering students remains highly restricted socially speaking and the situation as regards diversity is deteriorating: fewer scholarship holders and the preponderance of a few Parisian preparatory classes, two of which are private and paying.

A 2015 reform modified the system for reimbursement of study costs and living expenses (also known as "pan-toufle"). However, there is a risk that the new system will prove impossible to implement. Monitoring of professional careers is already inadequate and new modalities are of almost

The École Polytechnique: an uncertain strategy, management in need of reform

insurmountable complexity. All in all, the growing disconnection between the École and the public sphere cannot but raise the question of the pertinence of students' remuneration and military status.

Reform that has been late in coming and poorly defined

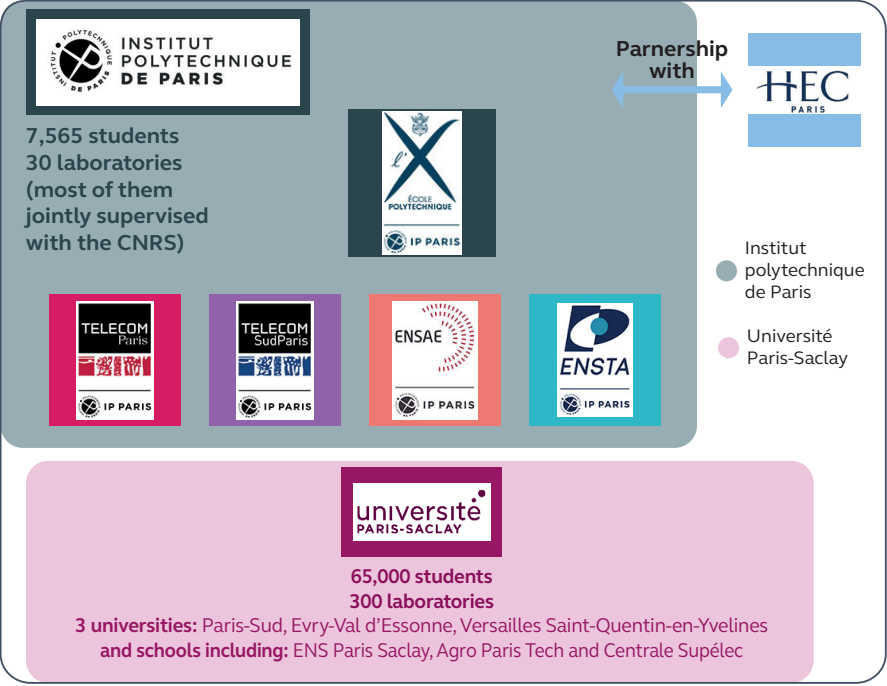
The École Polytechnique has not remained passive in the face of the ongoing changes in higher education and research. Since 2016, in order to become competitive at international level, it has been developing new training programmes on the Bologna Process' Bachelor-Master-Doctorate (BMD) model: the Bachelor's degrees and Master's degrees in Science and Technology. It also now delivers qualifying continuing training programmes. However, these new ventures (the oldest of which has only been in existence for three years) have yet to achieve financial equilibrium. Overall, the changes being made are expensive and their pertinence remains to be demonstrated.

The École Polytechnique also wants to develop its research effort and give its laboratories' activities greater visibility, in particular so as to obtain higher ranking in the ARWU (the so-called "Shanghai Ranking"), in which it is currently positioned very low. However, its research strategy remains unclear and is largely dependent on the bodies that fund such activity (the CNRS in particular, to the tune of 56%).

The École Polytechnique refused to join the Paris-Saclay grouping (unlike such other *grandes écoles* as Centrale Supélec, Agro ParisTech and the École Normale Supérieure Paris-Saclay). Instead, it undertook creation of the Institut Polytechnique de Paris (IP Paris), so cutting itself off from funding by investments for the future targeting initiatives of excellence (IDEXs). It was an odd and highly demanding choice to make. It now remains to be seen whether IP Paris is anything more than an ad hoc grouping intended to justify its absence from Paris-Saclay.

The École Polytechnique: an uncertain strategy, management in need of reform

Institut Polytechnique de Paris and its environment on the Saclay Plateau



Source: *Cour des comptes*

Management that does not match the École's ambitions

The École's administration is not organised in such a way as to ensure the success of its ambitious growth strategy.

There is a major disparity between the IP Paris project's ambitions and the École's deteriorated financial situation. After five loss-making fiscal years running, from 2014 to 2018, 2019 was also in financial deficit.

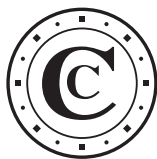
Management quality needs to be greatly improved: forecasts regarding wage bills, control of operating costs, remuneration practices, etc. The whole field has sadly been neglected.

Real-estate programming is non-existent, although the campus is ageing, with negative impact on its attractiveness, above all in the eyes of international students.

The École Polytechnique: an uncertain strategy, management in need of reform

Recommendations

1. Enlarge the pool of candidates for new training programmes (Bachelor's, Master's in Science and Technology and Executive Master's) and reassess their tuition fees (*École Polytechnique*).
2. Formalise the strategy on and goal of research at the École Polytechnique (*École Polytechnique*).
3. Ensure better monitoring of former students' career paths (*École Polytechnique*).
4. Make changes in engineering students' status, including in the principle of their remuneration (*École Polytechnique, Ministry for the Armed Forces, Ministry of Higher Education, Research and Innovation*).
5. Take immediate internal measures to ensure the École's return to financial equilibrium (*École Polytechnique*).



4 Agirc-Arrco supplementary pensions: a need for continued improvement and streamlining

In France, most workers from the private sector benefit from a basic pension (General Scheme) and a mandatory supplementary pension.

Mandatory supplementary pensions for private sector employees account for almost a quarter (€79.4 billion in 2018) of mandatory pension expenditures. They are managed by social partners via the Agirc-Arrco federation and supplementary pension institutions (IRCs) of social protection groups (GPSs) that are also involved in competitive insurance activities

The Agirc-Arrco regime is a pension scheme financed on a “pay-as-you-go” basis: retirees’ pensions are funded every year by contributions deducted from workers’ salaries fund retirees’ pensions every year: each year, insure acquire a number of points, depending on the total amount of contributions paid out and a point’s “purchasing value”. When they retire, their pensions are determined by the total number of points acquired during their career, to which a point “service value” is applied, and then evolve during their retirement as the service value increases.

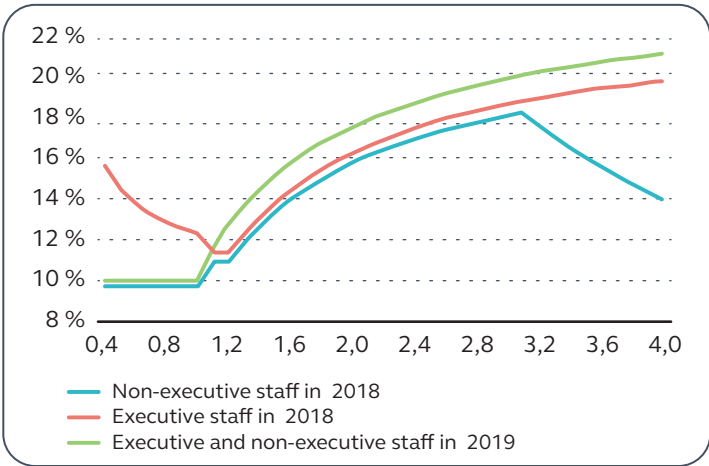
A unified regime with multiannual management rules

Faced with the prospect of Agirc’s and Arrco’s accumulated reserves running out, social partners adopted three agreements in 2015, 2017 and 2019, aiming to merge the Agirc and Arrco schemes, adjust parameters in order to improve the scheme’s financial prospects, and implement multiannual management rules fostering its sustainable balance.

Before the merger on 1 January 2019, the point’s service values was adjusted below the rate of inflation, and increased less quickly than its purchasing value. The contribution system was reviewed and the effective contribution rate, which compares contribution totals to wages, increased in 2019, except for low-salaried management staff. Since 2019, temporary coefficients applied to pension totals have encouraged postponement of retirement with respect to the General Scheme’s age for obtainment of the full rate.

Agirc-Arrco supplementary pensions: a need for continued improvement and streamlining

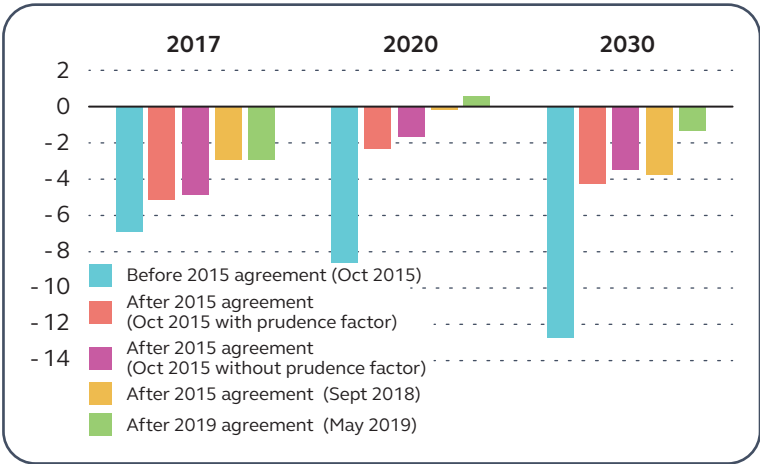
Effective contribution rate before and after merger, according to wage compared with the social security ceiling



Source: Cour des Comptes, according to Agirc-Arrco regulations

These measures led to improvement of the scheme’s financial situation, which should return to balance in 2020. The agreements also provide for review of the scheme’s parameters every four years in order to maintain a minimum total of reserves over the long term.

Agirc-Arrco’s technical balance before and after the agreements of 2015 and 2019 (€Bn 2018)



Source: Cour des Comptes, according to Agirc-Arrco projections

Note: hypothesis of indexation on points’ purchasing and service values as from 2019 in scenarios prior to the 2019 agreement. The dates in brackets correspond to the date of realisation of projections.

Agirc-Arrco supplementary pensions: a need for continued improvement and streamlining

A quest for efficiency that needs to continue

Concentration of social protection groups (GPSs) has continued in conjunction with the merger of the Agirc and Arrco schemes, but their organisation remains complex and there is inadequate separation of the GPSs' management of supplementary pensions and their competing activities. Furthermore, the Agirc-Arrco federation has a limited ability to ensure proper management.

Management costs have decreased significantly, in line with the Court's recommendation in its 2014 Report. There is still room for improvement, however, in order to further reduce costs, minimise delays in, and improve the quality of liquidation, and streamline collection of contributions by entrusting it to *Unions de Recouvrement des cotisations de Sécurité Sociale et d'Allocations Familiales* (URSSAFs – Social Security and Family Benefit Contribution Collection Offices).

Management of financial reserves (around €60 billion) is shared between the federation and GPSs, which may lead to diverging placement strategies and not give the federation enough say in their management.

Issues of simplification and transparency

The changes in the scheme must be continued with. In the current system, the structure of contributions could be simplified; in particular by standardising contributions that do not generate points, which are intended to finance the solidarity part of the scheme. The differences in rules between Agirc-Arrco and the General Regime (pension payment and revaluation dates, and the temporary coefficients that de facto lower the full-rate age for supplementary pensions) are sources of complexity for insurees and need to be reviewed-examined.

In the context of the universal pension system proposed by the Haut-Commissaire à la Réforme des Retraites (HCRR – High Commissioner for Pension Reform) in July 2019, the Agirc-Arrco scheme would be incorporated into the single system and the question of coordination between basic and supplementary pensions would no longer arise. Such incorporation must ensure conditions of equity, transparency, visibility and sustainability.

The transition period should be put to good use in order to improve the supplementary scheme's efficiency and prepare the unification of management bodies via a forecast plan for workforce and skills management. The question of future use of reserves must also be addressed.

Agirc-Arrco supplementary pensions: a need for continued improvement and streamlining

Recommendations

To Agirc-Arrco:

1. When the task of collecting employees' supplementary pension contributions is transferred to URS-SAFs, as provided for by the 2020 Social Security Finance Act, maintain individualisation of contributions by employee and extend it to the General Regime.
2. Improve forward-looking workforce and skills management in order to take account of the changes underway.

3. Increase management savings, given recent and upcoming reforms and by highlighting benchmarking between IRCs, and transfer administrative management and social action financial reserves to the technical financial reserve.
4. Re-examine the placement policy in line with the scheme management horizon, and increase the federation's role in management of reserves.

Part Two

Digital technology at the service of transformation of public action

Introduction

For the first time, the Annual Public Report includes a series of chapters examining a single **crosscutting theme** from a variety of angles.

The aim is to highlight the importance of a major evolution in public action and present it under a variety of aspects, as revealed by the Financial Courts' audits, bearing in mind that the Courts themselves have often had to adapt their own work to the changes underway. Such presentation should first of all enable illustration of public actors' capacities for change, progress made and best practices implemented, and secondly, emphasise the difficulties encountered and risks that audits have revealed. There is no attempt at exhaustiveness in the Report's coverage of the subject, but rather a desire to show the many different ways in which the same theme can be approached.

The subject selected for this first series is "digital technology at the service of the transformation of public action", because the development of digital technology constitutes a major evolution in our societies, which public actors are gradually appropriating. As the digital transformation goes well beyond simple computerisation of procedures and also involves an evolution in services, their organisation and methods, it is of particular interest to examine the conditions for such projects' success from the point of view of citizens and in inclusive fashion.

Improving services provided to citizens through use of digital technology

The digital transformation enables improvement of services provided to users and even the implementation of new services.

Computerisation of procedures, for example, should make users' lives easier by removing the need to travel, not subjecting them to the constraints of office opening hours, and enabling them to monitor the progress made in processing their requests remotely. Such is the case, for example; with digitisation of the procedure for identity card applications.

Development of digital technology also enables provision of **new services**.

Remote cooperation and dissemination was one of the first vectors of such progress. The chapter on *the Ministry of Higher Education and Research's digital infrastructures* highlights the digital technology tools conditioning development of online courses and examinations and exchanges between users.

Introduction

These days, use of mass data provides the administration with fresh opportunities to create new services. The database used for forecasting floods, *Vigicrues*, is simple to use and highly intuitive. It has a great many users (12 million visitors over the past three years).

Although the opening of mass data and facilitation of its use are of key importance to the “Platform-State” initiative³⁴, observations made in this part of the Annual Public Report show that there is still considerable progress to be made in this respect.

In particular, public actors still find it hard in general to achieve a balance between protection of privacy and openness of data: as a result, shortcomings in application of the provisions of the General Data Protection Regulation (GDPR) are noted in the chapters on digitisation of social housing applications, *Pôle Emploi’s digital services* and *Pharmaceutical Records*.

Using digital technology to improve the efficiency of public action

Several chapters show that good use of digital technology may significantly improve public actors’ efficiency.

By improving **circulation of information** and speeding up exchanges with users, digitisation of procedures has structuring effects. It can lead to rationalisation of organisation and simplify procedures. The cost of examining a digital application for social housing, for example, is three times less than for examination of a request made at a “physical” counter. Automation of processing allocation requests at Pôle Emploi has also led to a significant decrease in the cost of unemployment benefits.

Gains in efficiency resulting from the digital transformation, essentially due to reduction of staff devoted to management of procedures, may be used in a variety of ways: staff involved are sometimes reassigned to other priority missions such as combating identity fraud at prefectures or providing jobseekers with advice at Pôle Emploi. Likewise, dematerialisation of applications for urban-planning authorisations should enable time to be freed up for provision of advice to applicants.

In addition, **artificial intelligence** and better use of databases currently available or yet to be created help make new tools available to public actors in their implementation of public policies. Hence, for better detection of epidemics, the Court encourages clarification of the legal framework governing health-monitoring data from Pharmaceutical Records and better articulation between this database and those on the health data platform created in 2019.

³⁴ The Platform-State consists of envisaging the State as making resources available to civil society and leaving private actors free to develop finished goods and services with the help of such resources.

Much of the production of mass data is the result of the development of the “Internet of Things”. For example, thanks to sensors aboard drones and in stockbreeding equipment, private data is available, which, cross-referenced with public data, should help improve management of public policies on agriculture.

Bringing together the conditions necessary to the digital transformation’s success

However, the subjects tackled in several chapters show that the digital transformation’s positive impacts, both on services provided to users and organisational efficiency, are not always felt, and that the transformation’s aims may come up against weaknesses that need to be dealt with without delay.

Despite certain financial ministries’ successes in the field of digital technology (impôts.gouv.fr, deduction at source, etc.), the chapter on them emphasises their digital departments’ lack of **qualified staff**, uneven distribution of staff to such departments at the expense of high value-added functions, and structural factors explaining their lack of appeal to young graduates.

The success of an administration’s transformation is also conditioned by the improvement of **conditions under which digital projects are carried out**.

The chapter on the abandonment of the SIRHEN programme highlights the faults inherent in a number of large-scale projects: too many steering bodies, high management costs and loss of control of the project due to the number of outsourced services. The Court will come back to this in a report on the State’s handling of large-scale digital projects, set to be communicated to the Senate’s Finance Committee in June 2020.

Digital technology does not always play the largest part in project development. Without **simplification of procedures**, their digitisation risks being largely ineffective and even making them yet more complex. The subject of dematerialisation of delivery of documents shows clearly enough how integral digitisation of such complex procedures requires prior in-depth work on their simplification.

The success of the administration’s digital transformation also requires **major investments**. Hence, the chapter on the *Ministry of Higher Education, Research and Innovation’s digital infrastructures* emphasises the need for acquisition of more powerful and more secure data calculators and storage equipment, while the chapter on *Pôle Emploi* stresses that investment in acquisition of new equipment and development of new software should not result in failure to maintain older software forming the basis of an organisation’s information systems, as was also highlighted in the Court’s recent report on the Directorate-General of Public Finance (DGFIP).

Finally, the success of an ambitious digital transformation depends on **the assistance** provided both to employees in the services concerned and to their users. As regards *social housing applications*, the Court cannot but condemn

Introduction

the weaknesses (poor ergonomics and difficult navigation in particular) that tend to have a negative impact on the quality of service provided to users less at ease with digital technology. In the case of digitisation of procedures, the abolition of physical counters penalises some users, mainly due to their age, place of residence and training, as is shown, for example, in the chapter on *dematerialisation of documents*.

Organisation of substitution and support solutions is yet to be perfected, as has already been emphasised in the Financial Courts' report on access to public services in rural areas³⁵. In this report, published in March 2019, the Court stressed the need to organise access to services by implementation of a "multichannel" strategy, distinguishing stages in procedures (consultation, declaration, advice and individualised expert assessment) and adapting degrees of dematerialisation to them.

In addition, dematerialised services have a hard time resolving problems that were not anticipated during digitisation of procedures, whereas counter staff had got users accustomed to rather more flexibility. Hence, the chapter on *Pôle Emploi's digital transformation* stresses the need to avoid delegation of all follow-up of users' requests to the computer system.

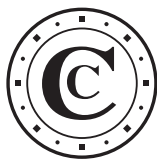
Finally, although development of digital technology can play a positive role in the **ecological transition**, by reducing the need to travel, for example, and through its problem-solving abilities, which are far superior to human calculation capacities, it also has a major environmental impact, in particular due to the energy consumption it generates. The chapter on the MESRI's infrastructures makes it clear how little account higher education institutions take of energy consumption issues, the environmental footprint connected with equipment, or management of their ecological footprint using digital technology ("smart campus" rationale).

Even the Ministry for the Ecological and Inclusive Transition, although it is in charge of the ecological transformation, has not yet implemented a system for managing its digital activities' carbon footprint, and the Court requests it to do so with a view to its universalisation to all administrations.

³⁵ Cour des Comptes, *L'accès aux services publics dans les territoires ruraux*, communication to the National Assembly's Committee for the Assessment and Monitoring of Public Policies, March 2019, available on www.ccomptes.fr.

Digital technology's contribution to services provided to users

1. Gains in productivity and service quality: dematerialisation of document delivery by prefectures
2. The digital transformation at the Ministry for the Ecological and Inclusive Transition: a commitment requiring confirmation
3. The Pharmaceutical Record: a tool for public health



1 Gains in productivity and service quality: dematerialisation of document delivery by prefectures

The “*Plan Préfectures Nouvelle Génération*” (PPNG – New Generation Prefecture Plan), whose core content was implemented in 2017 and 2018, consisted of taking full advantage of digital technologies with a view to reassigning a percentage of employees to inadequately staffed missions and improving their qualifications. Digital procedures and platforms referred to as “*centres d’expertise et de ressources des titres*” (CERTs – Document Expertise and Resource Centres) replaced counter reception and prefectures’ and subprefectures’ processing of requests for and delivery of national identity cards (CNIs), passports, driving licenses and vehicle registration certificates (“*cartes grises*”). The lessons learned from this experiment should enable better exploitation of the possibilities provided by dematerialisation, and result in user service quality being considered as of key importance in future reforms.

Goals achieved despite inadequate preparation and difficult implementation

There can be no doubt that the plan was inadequately prepared, partly because of timetabling constraints. The difficulties that certain sectors of the population experience in accessing

digital services were not taken fully into account. The need for providing users with assistance by telephone was initially underestimated, and the cost of dematerialisation was not properly assessed. As regards prefectural services, the number of tasks not handled by CERTs themselves was underestimated and the plan was not seen as an opportunity to rationalise the territorial network.

Although implementation of IT projects proved difficult, dematerialisation of procedures was completed within the planned deadlines. However, as regards delivery of *cartes grises*, poor management of the project resulted in considerable extensions of processing periods before a crisis unit set the matter to rights. For driving licenses, the transition succeeded but the system remains obsolete. For CNIs and passports, the optional online pre-application procedure is an illustration of the natural speed of adoption of a dematerialised service: after three years, 50% of pre-applications are made online.

The goals of restructuring prefectural services were achieved overall. Consultation with officers and the close attention paid to their expectations facilitated the plan’s implementation. 1,300 jobs were abolished in three

Gains in productivity and service quality: dematerialisation of document delivery by prefectures

years in “documents” services. Almost 1,500 employees were assigned to CERTs and 1,000 others were or will be transferred to prefectural missions whose reinforcement is deemed to be of priority importance. A highly ambitious restructuring of the jobs concerned, designed to turn basic jobs into higher category jobs, is underway up until 2020. Although initial feedback varies considerably, it will take a year for the full effect of reallocation on gains in productivity to be properly assessed.

Underuse of dematerialisation’s potentialities

In general, access to the service has been improved by dematerialisation, which has provided most users with the opportunity to undertake the procedure when they so choose; these days, half of all *carte grise* requests are made outside prefectures’ classical opening hours. Nonetheless, websites’ ergonomics require improvement and ongoing adaptation, and the system as a whole is weakened by the fact that the *Agence Nationale des Titres Sécurisés* (ANTS- National Agency for Secure Documents) has no plan covering continuation of operational activity in the event of an outage of its information systems. For CNIs and passports, the identity data acquisition system network is still underused, above all in a number of densely populated *départements*, and there may be lengthy waiting periods for appointments at town halls; such best practices as creation of tools pooled

among municipalities should be universalised. Waiting times for delivery of the 22 million documents produced every year (including 11.5 million *cartes grises*) are acceptable but geographically disparate.

Increased attention needs to be paid to users in the future. More steps need to be taken to alleviate the difficulties encountered by users least at ease with digital technology. There must also be continued improvement of telephone reception quality, which had been seriously affected. The “*cartes grises* crisis” also shows that regulations should have been simplified before digitisation was undertaken, which the PPNG’s implementation timetable did not allow for. The considerable backlog as regards the processing of foreign licenses also needs to be cleared through decisive reorganisation measures.

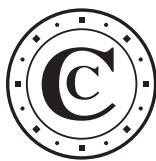
The digital transition helps step up the fight against document and identity fraud, which is often the first step towards other forms of fraud. With dematerialisation of the documents involved, threats of digital fraud can be better anticipated. New securement and detection tools have recently been deployed but there still needs to be a strategic aspect to their use. The digital transition also opens new fraud possibilities. Ultimately, although creation of a genuine antifraud network is one of the PPNG’s major advances, the resources it requires in order to be truly effective need to be further increased.

Gains in productivity and service quality: dematerialisation of document delivery by prefectures

Recommendations

To the State:

1. In 2021, carry out an assessment of the PPNG's implementation, enabling verification that, in an ever-changing context, the necessary resources have been allocated to the four missions designated as priorities in 2016.
2. Prepare and test out, under real conditions, an activity continuity plan and a return-to-activity plan for systems and procedures involved in production of secure documents.
3. Reallocate underused identity data acquisition systems territorially, and promote the use of mobile acquisition systems.
4. Prioritise simplicity for the user in the design of the new *carte-grise* and driving-license delivery systems that are set to be deployed.
5. Reconsider free exchange of foreign licenses and free establishment of international licenses, and take stock of the policy on exchange of foreign driving licenses.
6. Define a national strategy on combating identity, registration and driving license fraud, which above all ensures deployment and reinforcement of digital control and detection tools, with special attention paid to "trusted third parties".



2 The digital transformation at the Ministry for the Ecological and Inclusive Transition: a commitment requiring confirmation

The digital transformation is leading to profound modification of administrative organisation; it has introduced new methods and relationships between users, citizens and administrative staff, brought about by tools, products and services based on innovative digital solutions.

The Ministry and its operators' commitment to the digital transformation

The *Ministère de la Transition Écologique et Solidaire* (MTES – Ministry for the Ecological and Inclusive Transition) and its main operators are also committed to digital transformation: the MTES, which has drawn up a plan for the 2018-2022 period, has already implemented efficient information systems at the service of the environment. Examples include the water information system (SIEau), which enables sharing and availability of data on France's water resources, and Géoportail, a platform for dissemination of geographic information developed by the *Institut National de l'Information Géographique et Forestière* (IGN – National Institute of Geographic and

Forest Information), which provides access to IGN maps, aerial photographs, cadastral parcels, relief maps, etc.

The Ministry has set up its own “digital factory”, an incubator developing such innovative solutions as “*Kelrisks*”, which provides immediate information on risks of soil pollution in given areas, and “*Trackdéchets*”, a solution currently under development designed to monitor companies' waste

Ongoing dematerialisation of procedures at the service of users

Despite the MTES's and its operators' commitment, in summer 2019 only 12% of administrative procedures on offer to users were carried out via a structured teleservice. Yet, in the context of the “Public Action 2022” programme, all ministries should have achieved 100% of procedures accessible online by 2022. The MTES is still a long way from achieving this goal, even though its digital transformation plan provides for acceleration of dematerialisation initiatives benefiting users.

The digital transformation at the Ministry for the Ecological and Inclusive Transition: a commitment requiring confirmation

A need for more structured monitoring of initiatives and measurement of their ecological impact

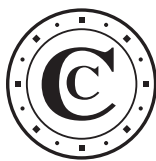
It is up to the Ministry to systematically submit its future ministerial projects to impact and efficiency studies and measure the ecological footprint of

its own digital transformation, which would be a good indicator of the effectiveness of its choices with regard to the environmental objective. The MTES should oversee development of a method for assessment of digital transformation projects' ecological footprint – a method to initially be applied to itself before being universalised to all administrations.

Recommendations

To the Ministry for the Ecological and Inclusive Transition:

1. By 2022 at the latest, systematise impact and efficiency studies for all the Ministry's and its operators' digital transformation projects.
2. By 2022 at the latest, make measurement of digital transformation projects' environmental impact a universal practice at the Ministry.



3 The Pharmaceutical Record: a tool for public health

A professional tool for pharmacists, the *Dossier Pharmaceutique* (DP – Pharmaceutical Record) was instituted by law in 2007 with a view to improving quality of care and securing the dispensing of medicines. It was developed by the *Conseil National de l'Ordre des Pharmaciens* (CNOP – National Council of the Order of Pharmacists), which has since been responsible for its implementation and management, for a cost of €4.3 million in 2018.

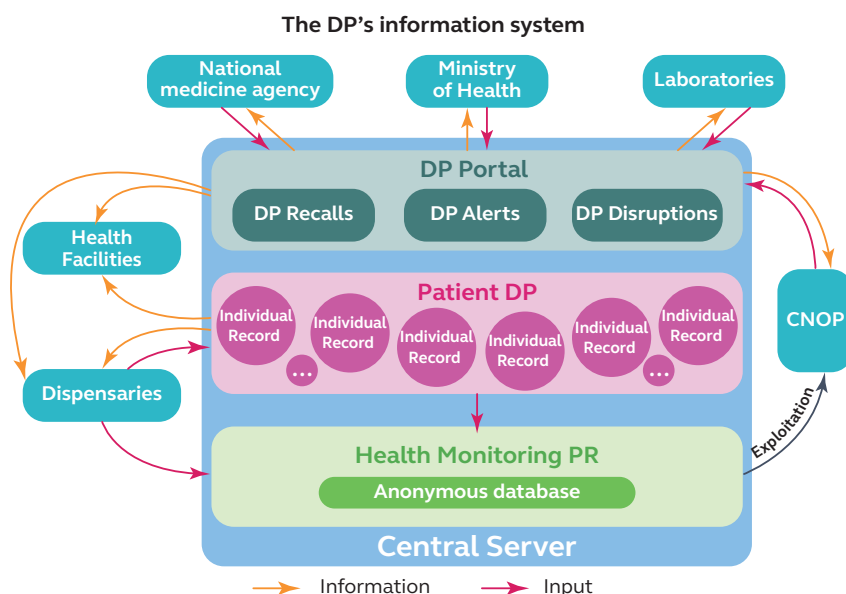
The Pharmaceutical Record has rapidly grown in importance and its uses have diversified

The success and rapidly increasing coverage of the Pharmaceutical Record may be explained in particular by the CNOP's proactive oversight, development of a quality IT system, and a progressively balanced budget, thanks to funding mainly provided by pharmacists' membership fees, pharmaceutical laboratories and health facilities.

These days, the DP covers individual patient records and provides an infrastructure for communication between stakeholders in the drug supply chain for health security purposes.

Upon presentation of a Vitale (healthcare) Card, individual records provide access to the list of medicines dispensed to patients over the previous four months. The intended purpose is to combat undesirable drug effects, by improving detection of drug interactions, overdoses and misuses. The DP is especially useful for patients suffering from chronic diseases or who use more than one pharmacy. It also enables securement of the dispensing of medicines when patients forget their prescriptions. Almost 99.9% of dispensaries are currently connected and there are over 45 million individual records.

The Pharmaceutical Record: a tool for public health



Source: *Cour des comptes*

The CNOP has drawn on the secure information system for individual records in order to develop other functionalities, enabling collaboration with other health authorities with a view to disseminating health alerts to pharmacists, carry out drug batch recalls, and inform them on disruptions in supply. The information collected is included in an anonymous database which the CNOP uses in carrying out public health studies.

Nevertheless, the initiative's success has also been facilitated by acceptance of a number of shortcomings: there is little coverage of self-prescribed medicines, the DP's impact on public health has not been adequately assessed, and compliance with the procedure aiming to ensure patients' consent to their records being opened is difficult to document.

Development of the DP should be continued, while preparing its coordination with the Shared Medical Record

Use of individual DPs should be universalised by making their creation automatic unless a patient objects. Doing away with the obligation to use the patients' Vitale Cards to access them and extending the period of access to the list of drugs dispensed beyond the current four months would also facilitate the inclusion of drugs dispensed without prescription and longer-lasting treatments.

Use of the DP should henceforth be made mandatory in health facilities, which currently make little use of it. The interest of the record as regards drug batch recalls and disruptions in supplies makes improvement on

The Pharmaceutical Record: a tool for public health

information exchange essential, along with universalisation of use of its functionalities by wholesale distributors.

Originally designed as the “medicine” section of the *Dossier Médical Partagé* (DMP – Shared Medical Record), the DP has developed independently, due to major delays in the DMP’s implementation. Now that the

National Health Insurance Fund (CNAM) is in charge of relaunching the DMP, interconnection of the two records should be regarded as a priority. Costly duplicating of functionalities needs to be avoided, and suchw coordination should enable rapid availability of information that can be understood by professionals and patients alike.

Recommendations

To the National Council of the Order of Pharmacists, the Ministry for Solidarity and Health, and the National Health Insurance Fund:

1. By 2021 at the latest, ensure that the DP is in full compliance with the General Data Protection Regulation (GDPR), and in particular carry out studies of its impact on privacy.
2. Strengthen the DP by inscribing all its purposes in the Public Health Code..
3. Facilitate creation and extend use of individual DPs by authorising their automatic creation except when patients object, doing away with the obligation to use patients’ Vitale Cards to access them, and increasing the data consultation period.

4. Make the inclusion of data in the DP mandatory in health facilities, for handover activities as well as batch withdrawal and recall procedures.

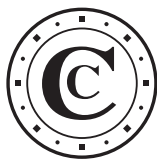
5. In order to secure the drug chain, make use of the DP-Ruptures (Disruptions) and DP-Rappels (Recalls) functionalities mandatory for wholesale distributors, and improve information exchanged on supply disruptions.

6. Foster use of data from the DP by improving data quality and integrating the anonymous database into the health data platform.

7. Make it a priority to connect the DP to the DMP and the digital health space.

Digital resources at the service of public actors' efficiency

1. Pôle Emploi's digital services a strategic transformation, major challenges
2. Digitisation of social housing applications: a simplified procedure for applicants, a need for more reliable management
3. The Ministry of Agriculture and Food's data: potential that could be better exploited



1 Pôle Emploi's digital services: a strategic transformation, major challenges

Pôle Emploi has made digital transformation one of its main levers for adaptation to management of mass unemployment and implementation of its strategic orientations. Begun in 2015, its digital transformation has led to major changes in the service provided to the public as well as in the organisation and content of its activities. Although the strategy has numerous benefits, Pôle Emploi now needs to deal with a number of major technical weaknesses.

Development of the digital services offer: a major strategic focus, points requiring vigilance

For Pôle Emploi, as for other public services, developing digital services enables provision of responses to the management of growing numbers of users. The number of individuals receiving benefits and assistance increased in line with the rise in the number of unemployed workers between 2012 and 2018. Numbers of jobseekers requiring

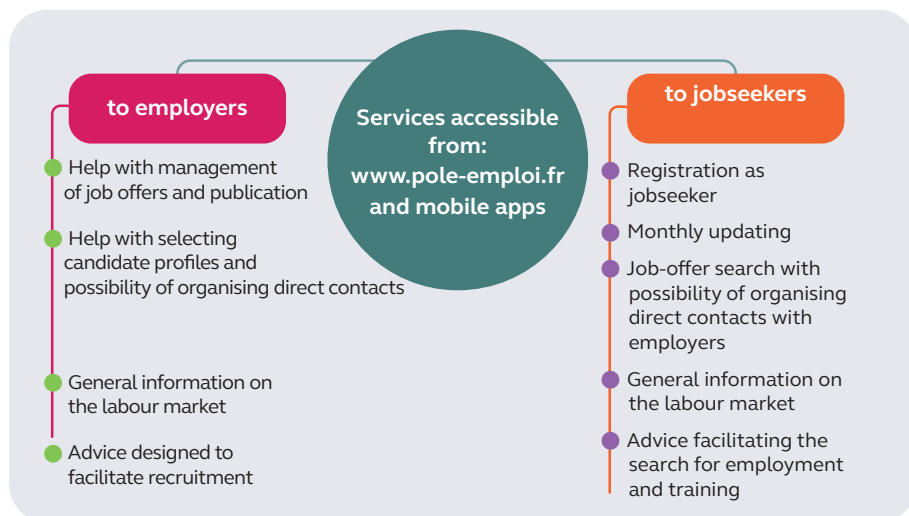
assistance increased from 4.9 million to 5.9 million (+21.1%) and numbers of individuals receiving benefits rose from 2.8 million to 3.2 million (+11.8%).

In this context, digital transformation has played a key role in Pôle Emploi's strategy, which aims in particular to modulate the intensiveness of assistance provided to jobseekers in line with their needs, improve the ways in which assistance is provided to unemployed workers most in difficulty, and make those capable of being so autonomous. This approach requires that Pôle Emploi offload a number of actions it previously carried out itself, by transferring them wholly (registration and updating) or in part (assistance) to recipients.

In addition to availability of registration, updating and funding services (similar to those provided by other public services), Pôle Emploi has developed a varied digital offer designed to facilitate the search for employment, for jobseekers, as well as recruitment, for companies.

Pôle Emploi's digital services: a strategic transformation, major challenges

Main digital services provided by Pôle Emploi



Source: *Cour des comptes*

Pôle Emploi has turned its digital offer into a laboratory for innovation and highlights its collaboration with startups, which is at the origin of many of the services now available to the public. It applies new project-design methods, inspired by startups and promoted by its own employees: intrapreneurship.

Its digital strategy has tended to modify Pôle Emploi's role and positioning: as regards jobseekers deemed to be self-sufficient, its obligation of means is now based not so much on return to work itself but rather on the tools made available to them. Hence, its digital transformation has resulted in significant modifications to its relationship with its users and the modalities of services provided.

The strategy has helped improve service quality. Nonetheless, two important points for vigilance need emphasising. Upstream detection of individuals ill at ease with use of digital technology is of particular importance as such people run the risk of exclusion from Pôle Emploi's services. Detection of such difficulties needs to be improved during initial diagnosis of jobseekers, in order to adapt the services they will be provided with.

In addition, although use of basic digital services (updating, submission of offers, searches for jobs and candidate profiles, etc.) is high (45 million visitors a month for pole-emploi.fr), use of job-search assistance services is still low and little supervised. The only relevant available data is to be found

Pôle Emploi's digital services: a strategic transformation, major challenges

in the Emploi Store (Job Store), a free platform bringing together a wide range of applications and websites. Conceived as a privileged gateway, the “Job Store” provides access to a great many job-search assistance services, created either by Pôle Emploi (63) or by its partners (248). In May 2019, the number of visits actually resulting in use of an application was still very low, scarcely over 200,000 in all. It has become essential to implement real management of this particular digital offer and to focus it on the most useful services.

Organisational transformation, technical weaknesses

Its digital transformation has also led to major changes within Pôle Emploi itself, sources of productivity gains and qualitative improvements. The registration procedure is now fully dematerialised. In-branch reception processes have been optimised: reception of the public en masse is limited to mornings, while afternoons are devoted to scheduled appointments with jobseekers and job-search assistance workshops. Lastly, an increasing share of management of benefits is now fully automated (42.6% of applications in 2018), so significantly reducing processing times.

Most productivity gains are concentrated in the benefit management activity. Such gains have enabled the stepping up of resources devoted to provision of assistance. Between 2014 and 2018, Pôle Emploi recorded a decrease of 1,157 FTEs (-12.6%) in the benefit management activity and an increase of 1,750

FTEs (+9.6%) in the “monitoring and assistance” activity. Many counsellors previously responsible for allocation of benefits were assigned to assistance functions. However, Pôle Emploi is unable to provide an accurate measurement of assistance resources redeployed to help jobseekers most in difficulty, even though it is one of its digital strategy's priorities. In view of the many internal quantitative and qualitative gains due to development of automated processing and digital services, it is essential to measure them fully, all the more so as use of artificial intelligence will enable further increases in them.

The development of digital services has also brought about significant changes in the profession of counsellor. The need for personalisation, as well as for automation of various low value-added tasks, has resulted in the profession's specialisation, in line with professionalisation of the service provided. Counsellors now specialise in two fields: employment counselling (with three possible focuses: placement, company, and job-search monitoring) and rights management counselling.

Finally, Pôle Emploi must provide appropriate responses to two major technical issues. Its data-processing, application and technical platform, which handles a number of sensitive tasks (registration, updating, and benefits management), was designed thirty years ago. It is essential that it be renovated in order to avoid risking endangering its continued maintenance and slowing down any adaptations required (connected with changes in the rules on benefits,

Pôle Emploi's digital services: a strategic transformation, major challenges

for example). In addition, digital development has led to a significant increase in the quantity of data processed, which is still inadequately structured, however. Pôle Emploi will have to implement management of this data in collaboration with the State and the Union Nationale

Interprofessionnelle pour l'Emploi dans l'Industrie et le Commerce (UNÉDIC–National Interprofessional Union for Employment in Industry and Commerce), enabling it to improve overall management of its activities.

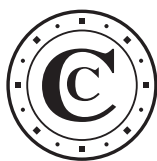
Recommendations

- in favour of the operator and its users:

1. Improve early detection of individuals who have difficulty using digital services (*Pôle Emploi*).
2. Improve management of the digital services offer and focus it on the most efficient job-search tools (*Pôle Emploi*).

- on the operator's internal operation and organisation:

3. Measure all quantitative and qualitative gains obtained in internal operation through development of information systems and digital services (*Pôle Emploi*).
4. Prioritise modernisation of application and technical assets (*Pôle Emploi*).
5. Implement an action plan on data management, in collaboration with the State and UNÉDIC (*Pôle Emploi, social ministries, UNÉDIC*).



2 Digitisation of social housing applications: a simplified procedure for applicants, a need for more reliable management

Ensuring that social housing applications are recorded in reliable and transparent fashion is of major importance given the two million applications made every year and the difficulty in obtaining a social housing unit, in particular in areas facing high market tension. Hence, digitisation of the application registration procedure was a significant step forward for all stakeholders – applicants, social housing providers, and local government authorities responsible for housing policies. However, as results achieved so far do not fully match up to expectations, digitisation must be more secure and better accompanied if it is to be universalised.

Digitisation has made it easier to apply for social housing

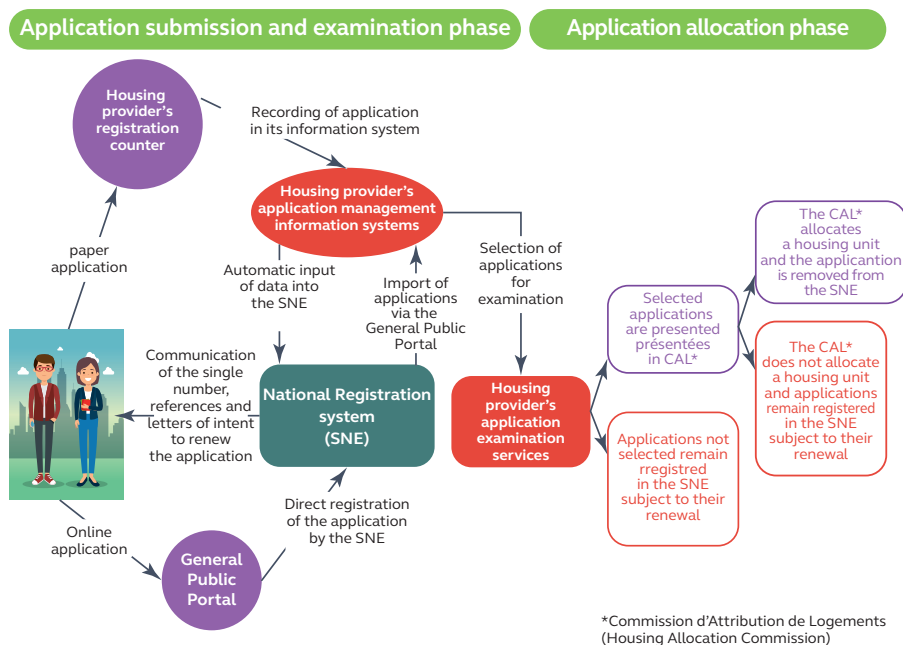
Digitisation, initiated in 2009 with the *Système National d'Enregistrement* (SNE – National Registration System), enabled standardisation of the application procedures and protection of

rights connected with how long ago an application was made through allocation of a single *départemental* registration number. The SNE now enables applicants to submit, renew and update their applications directly on an Internet portal, which nonetheless is still used unequally from one region to another. Registration of applications on the portal has not replaced the procedure for making paper submissions at counters, which is still used for 65% of initial applications.

A source of budgetary savings as well as simplification for users, such digitisation should also provide greater transparency, equity and security.

Digitisation of social housing applications: a simplified procedure for applicants, a need for more reliable management

A social housing application's route



Source: Cour des comptes

But there are weaknesses in the management of transition to digital technology

Although the SNE helps provide statistics on housing, the applications it contains are declarative, incomplete and may be made by ineligible applicants. Applications are only checked during their examination, and as a result, data reliability is by no means guaranteed. Furthermore, the same household can submit applications in several départements. Consequently, the SNE's managers acknowledge that the number of applicants may be overestimated by up to 20% (400,000). It is true that the Equality and Citizenship Act of February 2017

provided for the institution of a single national application number that should enable elimination of duplicate applications, but this provision, which was not allotted any timeframe, was not always being implemented at end 2019.

The Ministry responsible for housing's implementation of the General Data Protection Regulation (GDPR), application of which has been mandatory since May 2018, has not followed its provisions to the letter, which has undermined the processing of applicants' personal data.

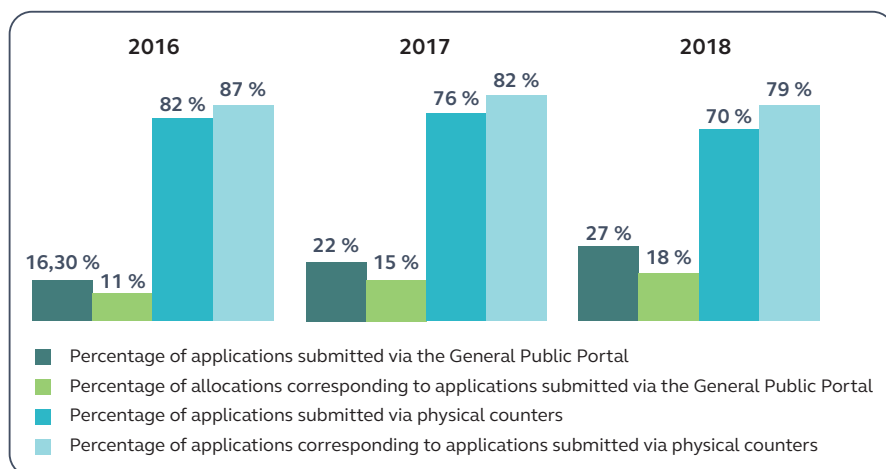
The Internet portal's ergonomics could well slow down its development, in particular on mobile phones:

Digitisation of social housing applications: a simplified procedure for applicants, a need for more reliable management

difficult browsing, complex language level and inadequate online support. In addition, as social housing providers do not supply enough data, applicants cannot follow their applications' progress online, although this functionality is provided for by law.

According to the SNE's statistics, applicants who submit their applications online have less likelihood of being allocated a housing unit than those who submit them at physical counters; in addition, when they succeed in obtaining a housing unit, the waiting period for its allocation is longer.

Breakdown of allocations according to application submission method



Source: Cour des Comptes based on data from the Ministry responsible for housing

No objective difference between Internet portal users and physical counter users, in terms of socioeconomic profile (income, family composition or membership of a legally priority applicant category) or behaviour (a possible greater tendency of online applicants to turn down offers, for example) goes to explain the disparities noted. And with no

evidence suggesting otherwise, the lack of reliability of data entered into to the digital portal, so often alluded to by social housing providers, is no better explanation. Given these conditions, the administration needs to identify the factors that explain such disparities in allocation, and take corrective measures if there appears to be no good reason for them.

Digitisation of social housing applications: a simplified procedure for applicants, a need for more reliable management

Once these weaknesses have been resolved, extension of digitisation to all social housing allocation procedures is to be desired, as long as it is accompanied by social support

In the absence of efficient automation of data exchanges, social housing providers make little use of the information available in the SNE, turning to their own information systems in order to manage applications.

However, if greater fairness is to be ensured, it would be desirable for housing providers to be required to consult all applications in the SNE so that their preference for personal contact penalises online applicants to a lesser extent.

SNE data is also made little use of by Commissions d'Attribution des Logements (CALs – Housing Allocation Commissions) managed by social housing providers, although they are supposed to develop shared management of applications at intermunicipal level. Applicative tools do not enable identification of priority sectors of the public, with the exception of those eligible for the enforceable right to housing, a fact which makes automated interfacing

with systems operated by promissory purchasers of housing (prefectures and Action Logement) necessary. In addition, interfacing the SNE with Family Allowance Funds' (CAFs) and the DGFIP's systems would enable securement of data on income, in compliance with the GDPR.

The SNE is unable to fulfil its legal statistical mission at the service of public housing policies reliably, as it still contains too many errors regarding applicants' resources and the exact number of applications, which, among other things, has impaired identification of priority households in the first income quartile and calculation of the real-estate market stress index in order to apply the Solidarity and Urban Renewal (SRU) Act on the requirement to build social housing.

Universalisation of online applications, which the State has yet to decide upon but which has been carried out in a number of départements, would require taking into account those sectors of the public least at ease with administrative procedures, by drawing inspiration from practices that have had conclusive results such as simplification of language, and personalised support adaptable to observed needs.

Digitisation of social housing applications: a simplified procedure for applicants, a need for more reliable management

Recommendations

To the Minister responsible for housing:

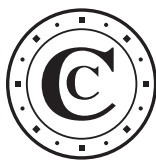
1. Secure and increase the reliability of data recorded in the SNE, and bring the system into compliance with the GDPR.

2. Lose no time in implementing the national single number provided for since 2017, in order to facilitate procedures for users and increase the reliability of SNE data.

3. Enable applicants to follow their applications' progress on the General Public Portal.

4. Ensure equal treatment of social housing applications, whatever procedure has been used.

5. Amend Article R. 441-9 of the Building and Housing Code in order to make exploitation of SNE data mandatory during CALs' examination of applications.



3 The Ministry of Agriculture and Food's data: potential that could be better exploited

The *Ministère de l'Agriculture et de l'Alimentation* (MAA – Ministry of Agriculture and Food) and its operators both produce and use massive quantities of data, including on farms and food products, European agricultural aid, crops and livestock.

Highly diverse production of big data

The MAA's most recent digital transformation plan, in summer 2018, identified over 300 datasets.

Such data has multiple uses, including production of statistics and scientific knowledge; decision support, monitoring of markets and sectors, control and monitoring of policies implemented (health security, management of vine-planting rights, and veterinary controls), and management and monitoring of European and national aids.

A search for balance between openness of data and protection of secrecy

The data's growing diversity and significant increase in volume, along with the complexity of the legal regimes that govern it, oblige the MAA

to implement a coherent policy that reconciles circulation of data and protection of secrecy, private life included – an obligation all the more incumbent upon it given the General Data Protection Regulation (GDPR), which came into force in 2018

For example, in order to ensure the public was fully informed, an express legal provision in the Rural Code authorised publication of the results of health inspections of catering establishments (mass catering included) and food retailers; which in principle are covered by business secrecy. As a result, the "Alim'confiance" app enables the public to view these results through simple geolocalisation.

Exploiting data, a necessity in order to improve the Ministry's action

Efficient use of data is based on three focuses: the administration's effective management of data making use of existing procedures, exploitation of mass data in order to innovate and improve public policies, and making it available to third parties external to the Ministry in order to encourage its reuse.

The Ministry of Agriculture and Food's data: potential that could be better exploited

Better employing data in order to modernise and simplify administration

A number of applications now facilitate procedures for users: for example, “Arpent” enables online enrolments for examinations in the field of agricultural education and remote consultation of results, while “Vitiplantation” enables winegrowers to obtain planting authorisations electronically.

Exploiting data, a source of innovation for public policies

Exploitation of data held by the MAA and its operators can also be a source of innovation and improvement of public action. Such is the case with the “iAlim” project, which is intended to improve the targeting of food safety checks on restaurants.

Promoting reuse of private data in complete safety

In the agricultural sector, the “Internet of Things” produces mass data on crops and stockbreeding via sensors installed on farming equipment, drones, stockbreeding facilities and cattle. This private data (relating, for example, to crop yields, inputs, or livestock health) could well help improve the conduct of public policies, in particular by cross-referencing it with public data. The agricultural sector's major industrial and service companies have already understood the importance of data exploitation. There is therefore genuine public interest in guaranteeing the safety and sovereignty of reuse of public

agricultural data and farmers' private data, and protection of the latter's interests. This is why the MAA launched an initiative designed to inform farmers on the issues involved in the sharing and reuse of their data: API-AGRO. Intended for all agricultural sectors, API-AGRO acts as a broker or intermediary between data producers and users, and also provides services facilitating reuse of data, made available via a dedicated platform.

Still too little use of data

The MAA still does not know enough about the data exploited by agricultural operators and which could form the subject of exchanges between information systems. It lacks an overall vision of data already published and the publication methods employed. Completion of projects currently underway is set for 2022; yet in mid-2018, they had only just begun to be implemented.

So far, there has only been limited exploitation of data's potentialities within the Ministry, in particular because the resources and skills it devotes to data management and governance seem inadequate given the challenges involved. For example, the MAA does not possess expertise in the processing of big data or in artificial intelligence (its digital technology delegation only consists of four officers), although it will require such skills, for example, in order to assess the effects of public aid and monitor sectoral economy.

The Ministry of Agriculture and Food's data: potential that could be better exploited

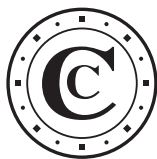
Recommendations

1. Increase use of resources with expertise in artificial intelligence and exploitation of mass data (MAA).

2. Regulate and secure exchanges via application programming interfaces (APIs) between public operators (*Interministerial Digital Directorate (DINUM)*).

Conditions for success of the digital transformation of public action

1. Possessing qualified staff in order to ensure successful digital transformation: the example of the Economic and Financial Ministries
2. National Education's human resources information system: modernisation in an impasse
3. Higher Education and Research's digital infrastructures: consolidation required



1 Possessing qualified staff in order to ensure successful digital transformation: the example of the Economic and Financial Ministries

The *Ministères Économiques et Financiers* (MEFs – Economic and Financial Ministries), which include two major directorates with their own networks, the *Direction Générale des Finances Publiques* (DGFIP – Directorate-General of Public Finance) and the *Direction Générale des Douanes et Droits Indirects* (DGDDI – Directorate-General of Customs and Excise), are among the administrations making most use of information technologies, with such recent projects as universalisation of online tax declarations and deduction at source. For their managements, the success of their digital projects is therefore now more than ever of major strategic importance.

In the face of an overall shortage of digital talents and in the absence of an “employer brand”, the MEFs face problems of recruitment and retention of information and communication system specialists, tenured and contract staff alike.

Recruitment and retention difficulties

With 5,331 employees in their information systems, the MEFs are the State’s leading civil employer of this professional sector. 73% of them work at the DGFIP, 10% at the Secrétariat-General, and 9% at the DGDDI.

The two network directorates manage their own corps of State-employed IT engineers almost autonomously, with the exception of 49 information and communication system engineers (ISICs), an interministerial corps managed by the Ministry of the Interior.

The competitive examinations for such positions attract too few candidates and there are a great many vacancies: 35% of the programming posts open to competitive examination at the DGFIP over the last three years, and 80% of Categories A and B computer engineering posts at the Customs

Possessing qualified staff in order to ensure successful digital transformation: the example of the Economic and Financial Ministries

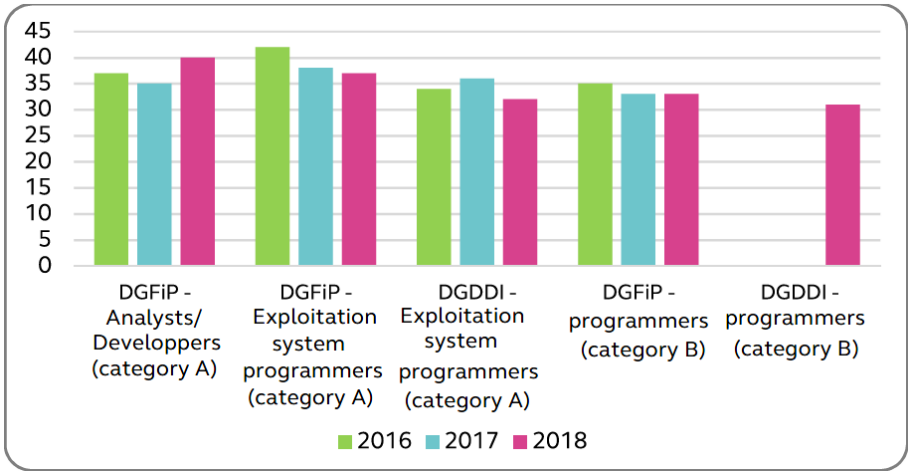
opened in 2018. In a study carried out in early 2019 among engineering students, half of the 229 questioned stated that they had never considered working for the Economic and Financial Ministries.

Other recruitment sources fail to meet needs. There is major use of contract staff in the Secretariat-General's IT and digital departments (41%), although this is much less the case in the DGFIP (2.1%) and DGDDI (8.2%). Yet, in spite of efforts to better remunerate contract employees upon their recruitment, no related career path has been developed

and there are fewer pay rises than in the private sector. Consequently, contract employees do not tend to stay on. In addition, in 2018, the DGFIP employed 51 apprentices in its information system branch, the Customs 7, and the Secretariat-General only one.

IT engineers have an average age of over 49 (with 12% over 60 y/o at the DGFIP), higher than that of the staff as a whole. And the average age of individuals recruited by competitive examination in 2018 is also high: 40 y/o for the analyst/ developer examination at the DGFIP.

Average age of staff recruited by competitive examination



Source: Cour des Comptes based on DGDDI and DGFIP data
 Note: the DGDDI's competitive examination for programmers (Category B) was created in 2018.

Turnover among staff responsible for information systems, which stands at 9% in other administrations, is contained at the DGFIP (7.1 %) but high at the DGDDI (14% in 2018), where it generates

recurrent job vacancies. The Directorate only managed to replace 84.4% of departures in 2018 (96% in other administrations). Some posts remain vacant for as long as 18 months.

Possessing qualified staff in order to ensure successful digital transformation: the example of the Economic and Financial Ministries

The Economic and Financial Ministries' lack of appeal as employers

These days, there are major tensions in the IT sector's labour market, caused by a shortage of qualified personnel. Consequently, employers – companies and administrations alike – are actively involved in the “war for talent”, a war in which the MEFs are severely handicapped.

First of all, recruitment timeframes (a minimum of 14 months for tenured staff and 11 months for contract employees) are not adapted to a market under tension and leave the administration little chance in the face of the competition provided by the private sector, which recruits young people immediately after they graduate.

A number of ministries have introduced innovative recruitment methods, with implementation of so-called “flash” accelerated exams (admissibility based on a file submitted by the candidate, and admission by oral examinations conducted by recruitment departments), or

initial recruitment with contract-employee status while waiting to take the required examination, with provision of help in preparing for it.

Secondly, young engineers are unaware that the Economic and Financial Ministries recruit. There is little communication on the fact, in particular on social networks, and little presence at student fairs or in schools. There are no actions similar to the “challenges” organised by large companies, which would enable them to spread knowledge of their activities and identify and recruit talents. Yet the Ministries have a good many advantages they could well promote (development of open-source software, a wide range of challenging projects, etc.).

Thirdly, the work environment is not well enough adapted to the criteria currently sought by young engineers: a collaborative managerial mode, culture of experimentation (“labs”, “intrapreneurship”, etc.), work in project mode, and telework, which the MEFs make very little use of.

Possessing qualified staff in order to ensure successful digital transformation: the example of the Economic and Financial Ministries

Recommendations

To the Minister of Economy and Finance and the Minister of Public Action and Accounts:

1. Create a competitive examination for IT engineers open to students at second-year university level (Bac+2) and entitling successful candidates to the status of paid trainee civil servant in return for their commitment to work in the administration for a minimum period.

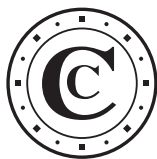
2. Increase recourse to the interministerial corps of information and communication system engineers (ISICs) as well as to contract employees.

3. Increase the number of apprentices in the information system branch and facilitate recruitment

of the best of them via competitive examination (special or under ordinary law) or contracts following completion of their training.

4. For all Economic and Financial Ministries, entrust the Secretariat-General with communication on IT professions, recruitment and assignment of ISICs and contract employees, and coordination of management of staff responsible for information systems.

5. Improve the Economic and Financial Ministries' attractiveness as employers, by making use of all possible levers over and above questions of pay alone – employer brand and work environment in particular.



2 National Education's human resources information system: modernisation in an impasse

In a 2016 observation to the Government, the Court recommended that the Ministry of National Education take urgent steps to remedy the SIRHEN programme's deficiencies. Three years later, the programme was finally stopped. The Court urges the Ministry to get out of the impasse.

An ambitious programme finally abandoned after expenditures of €400 million

In 2007, the Ministry launched the SIRHEN programme intended to modernise its human resources management system, which had been created in the 1980s, was divided up into 900 databases, and had finally run out of steam. Planned for development over a five-year period at a cost of €60 million, the new software was supposed to manage the pay and all other aspects of the 1.1 million individuals employed by the Ministry, which, contrary to its usual way of doing things, chose to delegate its design and construction to outside companies. In 2011, following an initial audit that came to highly critical conclusions, the budget was increased and the timeframe extended.

In 2014, 4,000 members of education authority inspectorates were transferred to SIRHEN, followed in 2015 by 14,000 management staff.

Despite these encouraging initial results, doubts remained. In 2016, new organisation was decided upon with the support of the Direction Interministérielle du Numérique et du Système d'Information et de Communication de l'État (DINSIC – Interministerial Directorate for Digital Technology and the Government Information and Communication System): SIRHEN was now to be completed in 2020 with a budget capped at €496 million, taking all expenditures together.

In early 2018, a delay of at least nine months and new risks of budgetary slippage (between €30 and 100 million) were identified. In July 2018, the Ministry decided to put a stop to the programme, which had thus far cost €400 million.

A programme handicapped by persistent deficiencies in its conduct

The Court identified most of the causes of the programme's failure in a 2016 observation to the Government, in which it pointed out the deficiencies in its conduct. Lacking monitoring tools, the Ministry's oversight of the work being carried out by the companies involved was inadequate, while the work carried out by its own teams – too few in number to be able to set a compromised situation to rights – was poorly managed. It showed itself

National Education's human resources information system: modernisation in an impasse

incapable of ensuring compliance with the successive timetabling and budgetary frameworks, which were unrealistic in the first place anyway.

It failed to build on the success of the transfer of 18,000 of its employees to SIRHEN. Although problems were noted during the software's deployment, improvements were made in 2018, which, although rather late in coming, satisfied users, who continue to use it. In general, the current staff who manage and use SIRHEN are disorientated and will have to be remobilised.

A return to the point of depart 12 years after the programme was launched

The arguments that led to the stopping of the SIRHEN programme did not provide sufficient clarification on what the future might hold. The operational consequences of putting an end to SIRHEN were not gone into, while there was an ongoing risk of the original information system collapsing once and for all (fortunately, the

Ministry has since taken steps to secure the old tools still in use). It was deemed possible to develop a new tool, reducing its budget by half, although what alternative technology was to be adopted was unknown. Finally, it was suggested that a part of the work carried out might be recovered. Ultimately, there can be no doubt that the Ministry will lose the €400 million invested since 2007, as the replacement programme will be launched on completely new bases. All in all, SIRHEN was stopped without definition of a replacement strategy.

Hence, the Ministry had to devote 2019 to consulting experts and giving thought to definition of a new modernisation trajectory. A complete financial assessment will eventually have to be made, in order to compare the future cost of modernisation with what it would have cost had the SIRHEN programme been completed, as estimated when it was stopped (around €200 million), as well as to add up the total expenditures made since the modernisation programme was launched in 2007.

National Education's human resources information system: modernisation in an impasse

Recommendations

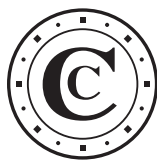
To the Ministry of National Education and Youth:

1. Ensure securement of the original HRISs in order to prevent any major accident risks, deploying all the human and financial resources required for the task.

2. By the end of the first half of 2020 at the latest, in order to take account of it in the next budget, define a new

trajectory and, whatever its target architecture, accompany it with credible goals as regards timeframes and costs and provide it with simple tools for monitoring progress and expenditures.

3. Via broad, responsive communication, remobilise all HRIS operators and users, ensuring the transparency of all decisions taken..



3 Higher Education and Research's digital infrastructures: consolidation required

The digital infrastructures used by Higher Education and Research – i.e. equipment enabling transport, processing and storage of data – are essential levers of scientific and educational excellence. Their performance and reliability are of primordial importance for higher education institutions and research bodies in the face of the digital transformation currently underway.

So far, France's digital infrastructures have succeeded in adapting to changing needs. Nonetheless, the huge increase in volumes of data to be processed and the new uses to which it is put require modernisations that are imperative if service quality is to be ensured and a change of scale sustained. In this context, their funding arrangements, which are patchy and fluctuating at best, no longer appear adequate given the ongoing development of digital technology's uses.

Investments in the hands of a few operators

In France as in most other European countries, the particularities of research needs have led to the setup of infrastructures specific to the field of higher education and research, in order to process volumes of data far exceeding usual practices. Under the

impetus of a few major operators, national initiatives have developed an underlying structure that is viewed positively by users, along the lines of the Réseau National de l'Enseignement Supérieur et de la Recherche (RENATER – National Higher Education and Research Network) for very high speed network connections, and the civil company Grand Équipement National de Calcul Intensif (GENCI – National Supercomputing Equipment) for acquisition of very high level supercomputers. Each institution has also organised its own equipment in order to ensure that users are served “to the last mile”

So far, these infrastructures have met the scientific and academic communities' evolving needs, despite the heterogeneity of final service quality, which varies considerable from one institution, site and laboratory to another. The sector's management at national level leaves much to be desired. The Ministère de l'Enseignement Supérieur, de la Recherche et de l'Innovation (MESRI – Ministry of Higher Education, Research and Innovation) does not have an overall vision of existing resources and, despite a strategy that has been in place since 2015, it is having a hard time implementing its objectives with regard to rationalisation and pooling of infrastructures.

Higher Education and Research's digital infrastructures: consolidation required

An underprepared change of scale

These infrastructures are now faced with a change of scale that seems largely underprepared. While volumes of data, research data in particular, are rapidly increasing, the issues involved in their management, along with the challenges posed by ensuring information system security, are yet to be fully assimilated by academic and scientific institutions and communities.

In addition, resources are scattered across the territory and between operators. Rooms housing equipment are still too many and too small to guarantee top-quality service: according to the data that the Court collected from higher education institutions, their average surface area is scarcely 25 m². And there is still too little sharing of scientific computing resources in combined centres (the so-called “meso-centres”) and coordinated with GENCI's national resources. Finally, the need to ensure continuous reliability of connections – to enable examinations to be held online, for example – requires that guarantees be reinforced as regards networks, in particular in order to sustain the quality of service promoted by RENATER.

To this end, the MESRI is continuing with its pooling and consolidation objectives, which the Court shares. However, the Court also considers that sites recognised as initiatives of excellence in the context of the Programme d'investissements d'avenir (PIA-Investment Programme for the Future) should replace the target of pooling resources so far adopted, at least at regional le-

vel, and that its objectives should be supported by financial mechanisms, without which the Ministry's efforts will come to nothing.

A need for long-term funding

Modernisation of digital infrastructures will only be possible if its funding is reorganised to take account of ongoing long-term needs. In order to do so, it is first of all necessary to know how much digital technology and its infrastructures cost and what economic models best relate to them. Up until now, such costs have not been the subject of any analytical monitoring of institutions or of consolidation at national level. As regards modes of funding infrastructures, they are currently inadequate, based as they are on laboratories' acquisition of resources in the context of calls for projects, research contracts, or through “investment for the future” programmes and State-Region Plan contracts. De facto, such modes lead to laboratories keeping such resources for themselves rather than promote shared solutions, and do little to prepare for renewal and modernisation of existing equipment and capacities.

Institution of new management dialogue between the Ministry and institutions, the enforcement of the next Multiyear Research Programming Act and the new generation of State-Region contracts all provide opportunities to improve the programming of the MESRI's digital equipment, ensuring identification of recurrent appropriations and the financing of current technologies, with the new generation of supercomputers and artificial intelligence at the top of the list.

Higher Education and Research's digital infrastructures: consolidation required

Recommendations

To the public authorities and operators:

1. Retain sites recognised as initiatives of excellence as targets of the Ministry's "data centre" certification initiative as from 2020; create parallel certification of a network of combined scientific computing centres ("meso-centres"), and condition State funding on obtainment of such certification (*MESRI*).

2. Subject RENATER to security audits carried out by the *Agence Nationale de la Sécurité des Systèmes d'Information* (ANSSI – National Cybersecurity Agency),

with a view to designating it as an "Essential Services Operator" (*MESRI, ANSSI, RENATER*).

3. Devote recurrent funding to maintenance and renewal of digital infrastructures, by including appropriations for such purpose in the next Research Programming Act, and initiate management dialogue with supervised institutions and bodies with a view to following up such expenditures (*MESRI*).

4. Provide the scientific community with a portal listing existing digital public services (*MESRI*).

Part Three

Monitoring implementation of the Financial Courts' recommendations

- Monitoring the Cour des Comptes' recommendations
- Monitoring the Regional and Territorial Chambers of Accounts' recommendations

Introduction

In order to assess the effects of their work, the Financial Courts monitor follow-up of the recommendations that they make in their reports. Pursuant to the provisions of the Financial Courts Code, a yearly summary in their Annual Public Report records the results of these monitoring exercises. The degree to which the Financial Courts' recommendations are implemented is also one of the performance indicators devoted to them for the State budget programme.

Generally speaking, analysis of follow-up of the Financial Courts' recommendations testifies to the efforts made (sometimes in relatively short periods) by audited bodies, and highlights the significant improvements that have been made.

Evolution of the indicator of the number of Financial Courts' recommendations monitored for the last three years

	Monitoring 2017	Monitoring 2018	Monitoring 2019
Number of recommendations monitored (a)	2,264	2,504	2,808
recommendations partially or fully implemented (b)	1,763	1,970	2,108
<i>i.e.</i>	77.9%	78.7%	75.1%

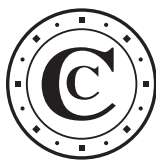
Source: *Cour des comptes*

Note: the indicator for 2017 and 2018 was recalculated on the basis of the definition of the indicator modified in 2019, *i.e.* on the monitoring of year *n-3* publications. It therefore covers the monitoring of recommendations in publications issued in 2014 for the 2017 monitoring exercise, and recommendations in publications issued in 2015 for the 2018 monitoring exercise.

This indicator summarises action taken on 626 recommendations made by the Court in its communications published during 2016 and on 2,182 recommendations made in the Final Observation Reports communicated by Regional and Territorial Chambers of Accounts (RTCAs) to local government authorities and presented to their deliberative assemblies between 1 October 2017 and 30 September 2018.

The number of recommendations monitored is increasing, for the Court and RTCAs alike, mainly due to the increase in the number of publications issued by the Court and in the average number of recommendations per report for RTCAs.

The overall monitoring rate is slightly lower than for the previous two years but is still in line with the **75%** target set in the Annual Performance Project (APP) for all the Financial Courts.



Monitoring of the Cour des Comptes' recommendations

The Cour des Comptes' work aims to ensure the compliance, effectiveness and efficiency of management of public policies. This being so, its reports contain recommendations whose implementation it checks up on during the audits it carries out, as well as in the context of a systematic annual monitoring campaign for recommendations contained in its publications. Article L. 143-9 of the Financial Courts Code stipulates that each Annual Public Report must include a presentation of the campaign, drawn up on the basis of reports that recommendation addressees are obliged to communicate to the Court.

Between 2012 and 2018, monitoring exercises concerned all recommendations made in reports and observations to the Government (apart from budget execution notes) over the course of the three previous years (from n-3 to n-1). Hence, every year, the Court was informed on the degree to which more than 1,500 of its recommendations had been implemented – some of them having been issued very recently and each one of them taken into account three years running.

2019 was marked by a revision of the monitoring exercise's scope following more general thought on how to improve its conduct, given that it is of key importance in checking and bearing witness to the Cour des Comptes' ability to take an active part in the improvement of public policies and management.

The Court decided that the annual monitoring of recommendations should only bear on those made over the course of a single year, n-3, and therefore, in 2019, on recommendations made in publications issued in 2016. This new scope enables the Court to check on the application of its recommendations in their quasi-“definitive” state of implementation, in a time horizon that gives their addressees enough leeway to apply them or at least undertake the reforms they require.

It was in this new context that the Cour monitored 626 recommendations made in its final communications published between 1 January and 31 December 2016.

³⁶ The Amending Finance Act of 29 July 2011 institutionalised monitoring of the Court's interventions by creating obligations to be fulfilled by addressees and the Court itself.

Monitoring of the Cour des Comptes' recommendations

Evolution of the indicator of the number of Financial Courts' recommendations monitored over the last three years

	2017 Monitoring of recommendations made in 2014	2018 Monitoring of recommendations made in 2015	2019 Monitoring of recommendations made in 2016
Number of recommendations monitored (a)	561	553	626
recommendations partially or fully implemented (b)	418	431	473
i.e (b/a)	74.5%	77.9%	75.6%
Reminder: indicator's former monitoring scope	72.7%	72.4%	-

Source: Cour des comptes

Note: the indicator for 2017 and 2018 was recalculated on the basis of the definition of the indicator modified in 2019, i.e. on the monitoring of year n-3 publications. It therefore covers the monitoring of recommendations in publications issued in 2014 for the 2017 monitoring exercise, and recommendations in publications issued in 2015 for the 2018 monitoring exercise.

At constant scope, the **increase in the number of recommendations monitored in 2019**, given that it was more or less stable during the previous two years, may be largely explained by the fact that there were more publications in 2016. The Court's work cycle had led it to publish more than in previous years, as numbers of thematic public reports and reports to Parliament vary from one year to another.

The increase in the number of recommendations to be monitored

has no direct consequence on the level of the monitoring indicator, which is slightly lower in comparison with the previous year. Hence, **75.6% of recommendations have been fully or partially implemented**, as against 77.9% in 2018, at identical scope. However, the indicator is slightly higher than that observed in 2017 (74.5%).

The 2019 result is in line with the target set by the Annual Performance Project (APP), which is 75% for all the Financial Courts.

Monitoring of the Cour des Comptes' recommendations

Rating of recommendations monitored by the Cour des Comptes over the course of the last three fiscal years

Rating	2017 Monitoring of recommendations made in 2014		2018 Monitoring of recommendations made in 2015		2019 Monitoring of recommendations made in 2016	
	Number	%	Number	%	Number	%
Fully implemented	180	32.1%	193	34.9%	196	31.3%
Implementation underway	134	23.9%	139	25.1%	175	28.0%
Incomplete implementation	102	18.2%	99	17.9%	102	16.3%
Not implemented	88	15.7%	72	13.0%	81	12.9%
Become irrelevant	17	3.0%	15	2.4%	32	5.1%
Implementation refused	40	7.1%	37	6.7%	40	6.4%
Total	561	100%	553	100%	626	100%

Source: Cour des comptes

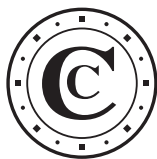
Note: the indicator for 2017 and 2018 was recalculated on the basis of the definition of the indicator modified in 2019, i.e. on the monitoring of year n-3 publications.

In 2019, three years after their publication, 473 recommendations were either **fully implemented (31.3%)** or partially implemented, whether such **implementation was underway (28%)** or **incomplete (16.3%)**.

The proportion of **fully implemented recommendations** is slightly lower than in the previous year, but stands at an average of **one third** of re-

commendations monitored over the average of the three previous years.

81 recommendations (12.9%) are regarded by the Court as not having been implemented; the Court also notes the refusal to implement 40 recommendations (6.4%) on the part of the ministries or institutions concerned.



Monitoring of Regional and Territorial Chambers of Accounts' recommendations

Pursuant to the provisions of Article L. 243-9 of the Financial Courts Code, introduced by Article 107 of the Act of 7 August 2015 on the Republic's new territorial organisation (the so-called "NOTRé" Act), within a period of one year as from their presentation to its deliberative assembly, a local authority's Executing Authorising Officer or the President of an intermunicipal public institution with separate tax status (EPCI) must present a report before the same assembly, detailing the actions undertaken in order to comply with them.

These reports are communicated to the RTCAs, which in turn send summaries of them to the Court focusing in particular on the monitoring of their recommendations, which are presented in the Annual Public Report, pursuant to the second subparagraph of Article L. 143-9 of the Financial Courts Code.

The period adopted this year by Regional and Territorial Chambers of Accounts in order to decide on the local government authorities and EPCIs

concerned in the monitoring of their recommendations therefore ran from 1 October 2017 to 30 September 2018, the period during which the 348 Final Observations Reports forming the subject of the monitoring exercise were presented to deliberative assemblies.

The RTCAs received 332 monitoring reports from Executing Authorising Officers, which provided the basis for each of the RTCA's summaries, which themselves provided material for this Annual Report's summary, which bears on a total of 2,182 recommendations monitored.

As with the Court, a rating mechanism highlights follow-up on the part of the bodies audited: the scale aims to distinguish between recommendations fully implemented and those whose implementation is underway, incomplete or non-existent.

This year, **74.9%** of recommendations monitored by the Chambers were fully or partially implemented (**78.9%** for the previous year).

Monitoring of Regional and Territorial Chambers of Accounts' recommendations

Rating of recommendations monitored by RTCAs
in 2016, 2017 and 2018

Rating	Number of recommendations monitored		In % of number of recommendations	
	2016-2017	2017-2018	2016-2017	2017-2018
Fully implemented	802	969	41.1 %	44.4 %
Implementation underway	611	567	31.3 %	26 %
Incomplete implementation	126	99	6.5%	4.5 %
Not implemented	331	402	17 %	18.4 %
Become irrelevant	45	58	2.3 %	2.7 %
Implementation refused	36	87	1.8 %	4 %
Total	1,951	2,182	100 %	100%

Source: *Cour des comptes*

Analysis of reports on follow-up shows that **significant improvements in management** have been made by the local authorities and bodies audited, **sometimes in very short periods of time**.

Almost 43% of recommendations were fully implemented within a year of their proposal by RTCAs. In some cases, changes were made very soon after recommendations were issued. This was the case in such fields as

accounting, in which it is possible to act very quickly in order to achieve tangible results.

Assessment of compliance with Article L. 243-9 of the Financial Courts Code would therefore seem relatively satisfactory, even though only future audits by the RTCAs will enable knowledge of the real impact of their recommendations and their effects on the quality of local public management.