



## PRESS RELEASE

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Communication to the Senate Finance Committee

### THE WORK OF THE DIRECTORATE GENERAL OF PUBLIC FINANCES WITH LOCAL AUTHORITIES

**The Directorate General of Public Finances (DGFIP) is responsible for both taxation (assessment and collection of taxes and other public revenues) and public management (control and payment of expenditure by the State, local authorities and hospitals). It employs around 93,000 staff, 85 % of whom work in its decentralised network, which is mainly focused on local public management and tax-related activities. The DGFIP has undertaken to restructure its decentralised network, with the aim of reducing the number of units in France to 1,761 by 2025. At the request of the Senate Finance Committee, the Court examined the DGFIP's work with the local authorities (municipalities and intermunicipal authorities for cooperation between local authorities (EPCI)), paying particular attention to relations with rural municipalities.**

#### **Numerous services provided to local authorities by the DGFIP**

The DGFIP is a major player in the financial operations of local authorities and their public establishments. It handles revenue collection, pays their expenses, keeps their accounts and manages land registry records. These tasks are all the more important given that most local authorities have few management resources of their own in these areas. A survey of local authorities carried out by the Court shows that they are satisfied with the provision of advance payments of direct local taxes, as well as with payment times for expenditure. However, local authorities regret that, when drawing up their budgets, they do not always know the amount of the grants that will be allocated to them. They also express a strong expectation of support from the DGFIP in carrying out modernisation projects to improve the reliability of their accounts. They also expect to see an improvement in the services provided by the tax authorities in property management and land registry matters, particularly in terms of response times.

#### **The impact of the “new local network”**

On 6 June 2019, the minister for public accounts announced the introduction of a “new local network” (NRP) for the DGFIP. The aim is to modernise the service provided to users and to complete the incomplete reorganisation of the decentralised network, marked before 2019 by the closure of “small” local finance offices. The NRP has been designed to better meet user needs for local services and rebalance the regional network of the DGFIP. This reorganisation

has set targets for units to be set up in almost 3,000 municipalities by the end of 2023 and for the number of accounting positions to be halved by 2025. New accounting management services (SGC) have been set up to bring together the former local finance offices, and the role of advisor to local decision-makers (CDL) has been created to provide support to elected representatives. The Court also notes the development of DGFIP points of service at France Services spaces, as well as the partnership entered into with the tobacconists' network to enable users to settle their tax liabilities.

### **A comprehensive, multi-year, concerted approach in line with objectives and on schedule**

The reorganisation launched with the NRP is more ambitious than previous attempts. It is based on quantified targets for the establishment of new units by 2026. These departmental targets were the subject of extensive consultation with local elected representatives, trade unions and DGFIP staff. This has enabled the maintenance of some units in sparsely populated areas, or in the creation of temporary or permanent branches. Overall, the NRP is being rolled out in line with the objectives of the reform and the planned schedule. At the same time, the number of smaller entities has fallen significantly, boosting the DGFIP's ability to guarantee a more uniform quality of service. At the same time, the DGFIP's involvement in the "France services" network is also in line with forecasts: by the end of 2023, it is scheduled to have a presence at more than 2,601 official locations. All local authority bodies should eventually have an advisor to local decision-makers (CDL), whose work in budgetary, tax and financial analysis matters is valued by 90 % of the local authorities surveyed.

### **Further action to meet the expectations of local authorities and users**

This reform has resulted in an in-depth transformation of the DGFIP's decentralised network. It has been accompanied by the introduction of new points of contact for local elected representatives and more diversified forms of DGFIP presence in the regions. While it is too early to draw up a definitive assessment of the restructuring operations, the scale of the transformations carried out are worthy of note. The local authorities consulted by the Court nevertheless expressed reservations about the closure of small local finance offices, as well as expectations in terms of training and support for council officials in budgetary, accounting and financial matters. The Court stresses that if the project is to be completed successfully, an assessment will have to be made in 2024 of the deployment of the CDLs and their links with the accounting management services, in the light of the expectations of local elected representatives.

**[Read the report](#)**

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