



## PRESS RELEASE

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### PUBLIC FINANCES AND ACCOUNTS

# CERTIFICATION OF THE FRENCH GENERAL SOCIAL SECURITY SYSTEM FINANCIAL STATEMENTS FOR 2013

**The *Cour des Comptes* – French Supreme Audit Institution - hereby issues its eighth audit opinion of the French General Social Security System Financial Statements for the year 2013.**

**France is one of the very few Nations in the euro zone to have committed to a certification for its public administrations accounts, according to principles that are similar, and sometimes even identical, to those applicable to companies. The fact that the *Cour des Comptes* verifies that public accounts of the principal Social Security system meet the principles of consistency, accuracy and fairness constitutes an advantage for the public finances in terms of openness and reliability.**

**For the first time, the *Cour des Comptes* certifies the accounts of all the entities of the General Social Security System, but with increased reservations with regard to the Family and Health branches**

The *Cour des Comptes* sets out its position with regard to the validity and genuineness of nine series of financial statements (income and expenditure accounts, balance sheets and appendices to the accounts) and the faithfulness of the image they provide:

- the combined accounts of Collection Activities for each of the four branches of the general system (Health, Industrial Accidents - Occupational Diseases (AT-MP / *accidents du travail – maladies professionnelles*), Family and Old-age);
- the annual accounts of the four national bodies concerned: the CNAMTS French National Health Insurance Fund for Employees (*Caisse nationale d'assurance maladie des travailleurs salariés*), the CNAF Social Security Fund for Families (*Caisse nationale des allocations familiales*), the CNAVTS State Old-age Pension Fund for Employees (*Caisse nationale d'assurance vieillesse des travailleurs salariés*) and the ACOSS Central Agency of Social Security Bodies (*Agence centrale des organismes de sécurité sociale*).

In 2013, the financial aggregates coming within the scope of certification by the *Cour des Comptes* came to €415.9bn in expenditure (20.2 % of GDP) and €501.4bn in income (24,3 % of GDP), of which part is collected on behalf of entities other than the general Social Security.

For the first time, the *Cour des Comptes* certifies the accounts of all the entities of the General Social Security, with some reservations. In view of the increased reliability of the list of disputes for which means are to be set aside, it certifies the 2013 accounts of the Industrial



Accidents-Occupational Diseases (AT-MP) branch, though with some reservations, whereas it found itself unable to do so in 2012. Additional progress enables it to reduce the number of its reservations concerning the accounts for the Old-age Pensions branch and Collection Activities. On the other hand, its reservations with regard to the accounts of the Family and Health branches have increased. For all entities, major changes remain necessary in order to make income and expenditure secure as far as the applicable legal norms are concerned and to improve the quality of the accounts.

### **The Healthcare and AT-MP Branches and the CNAMTS**

The *Cour des Comptes* certifies the 2013 accounts for the Healthcare branch with four reservations (as was the case in 2012), those of the Industrial Accidents and Occupational Illnesses (AT-MP) branch with five reservations (after having found that it was unable to certify them in 2012) and the annual accounts of the French National Health Insurance Fund for Employees (CNAMTS) with two reservations (as compared with three for 2012).

It emphasises the inadequacies of the internal auditing system, and in particular the financial impact of errors in the allocation of payments for services in kind to health professionals and insured patients, to the detriment of the national health insurance system. It calls upon the CNAMTS to render the financial assessment of these errors (as well as those concerning daily indemnities) reliable as from 2014 and to implement major corrective measures.

### **The Family Branch and the CNAF**

The *Cour des Comptes* has certified the 2013 accounts of the Family branch with six reservations (as compared with four for 2012) and the annual accounts of the Social Security Fund for Families (CNAF) with three reservations (as compared with two for 2012).

In 2013, due in part to unsuitable design, the internal auditing system was not in a position to prevent a marked increase in the financial impact of anomalies and errors affecting legal benefits, estimated at a total of €1.4bn, as compared with €1.15bn for 2012. The *Cour des Comptes* calls upon the CNAF to implement major corrective measures in 2014.

### **The Old-age Branch and the CNAVTS**

The *Cour des Comptes* certifies the 2013 combined accounts of the Old-age branch, with four reservations (as compared with six for 2012), and the annual accounts of the State Old-age Pension Fund for Employees (CNAVTS), with two reservations (as compared with three for 2012).

Errors affecting the calculation of newly-allocated and revised retirement pensions fell markedly (in 2013, 7.2% of pensions were affected by financial errors as compared with 9.1% in 2012). The *Cour des Comptes* calls upon the CNAVTS to further intensify the actions aimed at reducing them in 2014.

### **Collection Activities and the ACOSS**

The *Cour des Comptes* certifies the 2013 combined accounts for Collection Activities with four reservations (as compared with six for 2012) and the annual accounts of the Central Agency of Social Security Bodies (ACOSS) with three reservations (as in 2012).

Henceforth, the whole of the income and the predominant part of the debts are properly established. On the other hand, difficulties remain with regard to accounting estimates and internal auditing. Despite considerable new progress in their management processes,



general uncertainty still affects Social Security contributions for self-employed workers in 2013.

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**PRESS CONTACTS:**

**Ted Marx** ■ Head of communication ■ T +33 1 42 98 55 62 ■ [tmarx@ccomptes.fr](mailto:tmarx@ccomptes.fr)

**Denis Gettliffe** ■ Head of Press Relations ■ T +33 1 42 98 55 77 ■ [dgettliffe@ccomptes.fr](mailto:dgettliffe@ccomptes.fr)

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