



PRESS RELEASE

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PUBLIC FINANCES AND ACCOUNTS

QUALITY OF PUBLIC ADMINISTRATION ACCOUNTS 2013 Financial Year

In accordance with Article L. 132-6 of the French Code of Financial Jurisdictions, for the second year running the *Cour des comptes* issues its opinion regarding the quality of the accounts of public administrations subject to the requirement to have their accounts certified by an External Auditor.

This opinion, which covers the 2013 financial year, is part of the task entrusted to the *Cour des comptes* to ensure that public administration accounts are "true and fair" and that they "give an accurate view of the results of their management, their assets and their financial situation".

Scope of mandatory certification to be streamlined

75% of the €1,514 billion global gross expenses of public administrations are now certified either by the *Cour des comptes* (€829 billion of gross expenses), or by external auditors (€302 billion). This opinion, which concerns the accounts certified by external auditors, therefore focuses on significant financial masses, but this scope appears incomplete.

Thus, many other central government bodies with significant financial issues are not yet included in this scope, such as the Old-Age Solidarity Fund, the National Agency for the Improvement of Habitat, the National Institute of Agronomic Research, or major cultural agents such as the Louvre and the National Centre for Cinema. This is also the case of various local government agencies, such as water agencies or public land and development corporations, while smaller entities, such as apprenticeship training centres or of trade and crafts chambers, are subject to certification.

The *Cour des comptes* invites the public authorities to make the scope of certification more uniform and consistent, so that it may encompass public administrations comparable in terms of accounting risk profile and financial mass.

Quality of accounts improved in 2013

As was the case in 2012, the 2013 accounts of the independent workers' social security scheme had their certification rejected. Among the audit reports reviewed by the *Cour des comptes*, this is the only case this year, whereas four sets of accounts had been denied certification last year.

However, the quality of the accounts may be better appreciated in view of the existence and content of the qualifications than certification refusal. Of the 561 reports included under this review, 87% were



issued an unqualified certification and 13% contain at least one qualification (for a total of 140 qualifications). These figures reflect an improvement over the rate of 81% unqualified reports recorded for the 2012 financial year.

The majority of qualifications are related to the accounts of public bodies of a scientific, cultural and professional nature, mainly those attached to universities.

The majority of qualifications stem from deficiencies in the recognition of intangible assets.

To effectively accomplish this audit engagement while ensuring the optimal use of its resources, the *Cour des comptes* will in the future express an opinion on the basis of a combination of three financial years. Its next review will be made in 2017 on financial years 2014, 2015 and 2016.

[Read the report](#)

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