

PRESS RELEASE

23 May 2019

PUBLIC FINANCES AND ACCOUNTS

CERTIFICATION OF THE GENERAL SOCIAL SECURITY SYSTEM FINANCIAL STATEMENTS Fiscal year 2018

The Cour des comptes has published its thirteenth report on the certification of the social security system financial statements for the 2018 fiscal year. Its opinion on the regularity, fairness and truthfulness of these financial statements provides information on the quality of the collection of social security contributions and the rightful payment of benefits to insured persons and beneficiaries of the social security system.

For the sixth year in a row, the Cour certifies the financial statements of all entities in the general system, while expressing 29 qualifications (compared with 28 for 2017).

Several qualifications were mitigated in 2018, with 28 audit points having been satisfied during the year, concerning, for instance, the participation of medical control services in risk management, the follow-up of recommendations from audits carried out by certain organisations or the inclusion of information systems in risk mapping.

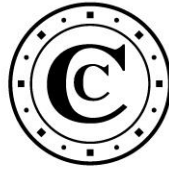
In 2018, the general social security system had a surplus of €0.5 billion (compared with a deficit of €2.2 billion in 2017). The year was marked in particular by the entry into force of the agreements on objectives and management signed between organisations and Central Government for the period 2018-2022, and by the inclusion of self-employed workers in the general social security system.

Limited progress was made with regard to internal control. Most residual financial risk indicators, which provide a measure of the effectiveness of risk management systems after controls have been performed, deteriorated slightly in the benefits branches. In terms of accounting, the certification audit did not reveal any irregular accounting procedures affecting the social security result.

Health insurance, Accidents in the workplace and Occupational illness (AT-MP) and CNAM

The Cour certifies the 2018 financial statements with five qualifications for Health insurance, six qualifications for AT-MP and three qualifications for the annual financial statements of the national health insurance national body (CNAM), including one new qualification due to accounting records which distort the true and fair view that the financial statements should provide of the financial situation and assets.

The strengthening of internal control mechanisms continued in 2018. The certification audit however revealed persistent shortcomings in the risk management systems, particularly in relation to information systems, community healthcare reimbursements and payments made to hospitals. The residual financial risk indicator for daily allowances deteriorated in 2018, revealing that one in ten calculations involves an error having financial implications.



In the AT-MP branch, a new internal control framework was put in place, but there are still some shortcomings in the process for the recognition, pricing and collection of contributions.

Family benefits and CNAF

The Cour certifies the 2018 financial statements of the Family benefits branch with three qualifications and the annual financial statements of the national family allowance fund (CNAF) with two qualifications.

Internal control mechanisms continued to improve, in a changing legislative and regulatory environment. The deterioration in residual risk indicators illustrates the difficulty faced by the branch in ensuring, within this context, control of all the risks to which it is exposed through its activities. Most of the errors relate to the “prime d’activité” (work incentive), the “Revenu de solidarité active” (income support) and housing benefit.

Old-age pensions and CNAV

The Cour certifies the combined 2018 financial statements of old-age pensions with three qualifications and the annual financial statements of the national old-age pension fund for salaried workers (CNAV) with two qualifications.

Efforts made in 2018 to improve internal control did not halt the deterioration in indicators measuring the quality of retirement pension settlements. As such, one in seven pensions settled and paid in 2018 involved at least one error having financial implications.

Collection activity and ACOSS

The Cour certifies the combined 2018 financial statements of the collection activity with three qualifications and the annual financial statements of the Central Agency for Social Security Bodies (ACOSS) with two qualifications.

The 2018 fiscal year was marked by the widening of ACOSS’ remit and by progress achieved in relation to internal control, but the reliability of risk management systems remains limited. The fragility of information systems poses risks to the collection of social security contributions. New audit points have emerged, concerning in particular the recording of adjustments in the accounts, with uncertainties affecting a number of accounting records and estimates.

The Cour has identified three priority areas for improvement for the coming years:

- Enhance internal control mechanisms ;
- Develop automated controls, digital data exchange and IT applications to facilitate the management of benefits and collections ;
- Assess the impact of laws and regulations which could lead to accounting process changes or those aimed at simplifying the preparation of financial statements.

[Read the report](#)

MEDIA CONTACTS:

Ted Marx □ Communications director □ T 01 42 98 55 62 □ ted.marx@ccomptes.fr

Denis Gettliffe □ Media Relations Manager □ T 01 42 98 55 77 □ denis.gettliffe@ccomptes.fr



@Courdescomptes



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