



# AUDIT OF DIRECT PUBLIC ASSISTANCE TO INDIVIDUALS

21 October 2016



# INTRODUCTION

## AN ATTEMPT AT A FRAMEWORK

Direct public assistance to individuals may be defined by the nature of the assistance:

➤ Support for or protection of individuals



➤ Financial assistance

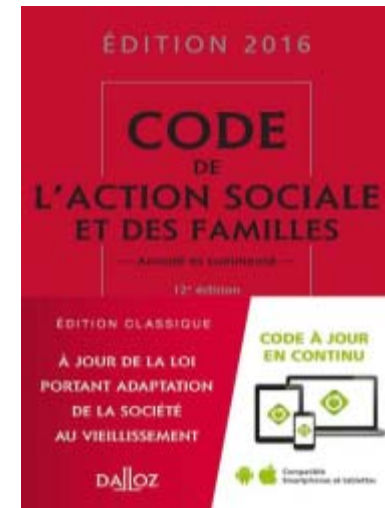


➤ Assistance in-kind





## INTRODUCTION



**Direct public assistance to individuals may be defined by its legal framework:**

**The social action and family code (*Code de l'action sociale et de la famille*, or CASF) in particular addresses statutory public assistance and non-statutory or optional assistance**

➤ **Statutory public assistance:** according to Article L111-1, any person residing in France shall, if he or she meets the legal requirements for the granting of assistance, be entitled to the forms of public assistance as defined in this code.

Chapter II: Family policy. (Articles L112-1 to L112-4)

Chapter III: The elderly. (Articles L113-1 to L113-4)

Chapter IV: Persons with disabilities. (Articles L114 to L114-5)

Chapter V: Fight against poverty and exclusion. (Articles L115-1 to L115-5)

Chapter VI: Social and medico-social action. (Articles L116-1 to L116-3)

Chapter VII: Immigrants and persons of immigrant origin. (Articles L117-1 to L117-3)



## INTRODUCTION



➤ **Non-statutory or optional assistance is left to the discretion of the local authorities in accordance with the responsibilities set out in the general local authorities code (*Code général des collectivités locales*):**

**Article L121-4 of the CASF stipulates that the Departmental Council (*Conseil départemental*, or **CD**) may establish **more favourable** conditions and **amounts than those provided for in the laws and regulations applicable** to the benefits cited in Article L. 121-1. The department bears the cost of these decisions.**

**Articles L123-5 and R 123-2 of the CASF stipulate that the Municipal Social Action Centre (*Centre communal d'action sociale*, or **CCAS**) shall coordinate the general prevention and social development actions in the municipality, in close cooperation with public and private institutions. It may **provide** recoverable or non-recoverable **benefits**.**



## INTRODUCTION

**In 2015, direct public assistance to individuals funded by organisations falling within the jurisdiction of the regional courts of audit represented:**

### departments

- A budget of EUR 18 billion (across France), rising by an average of 4.1% per year over the last five years.
- This consists mainly of three benefits: the earned income supplement or Active Solidarity Income (*revenu de solidarité active*, or RSA) for economically vulnerable individuals, the independence allowance (*allocation pour l'autonomie*, or APA) for the elderly, and the disability compensation benefit (*prestation de compensation du handicap*, or PCH) for persons with disabilities.

### municipal social action centres

- Different types of aid representing EUR 153 million (across France) in direct assistance to individuals.

### other

- Assistance is also provided by Government offices and charities.



# COMPLEXITY PERSONIFIED



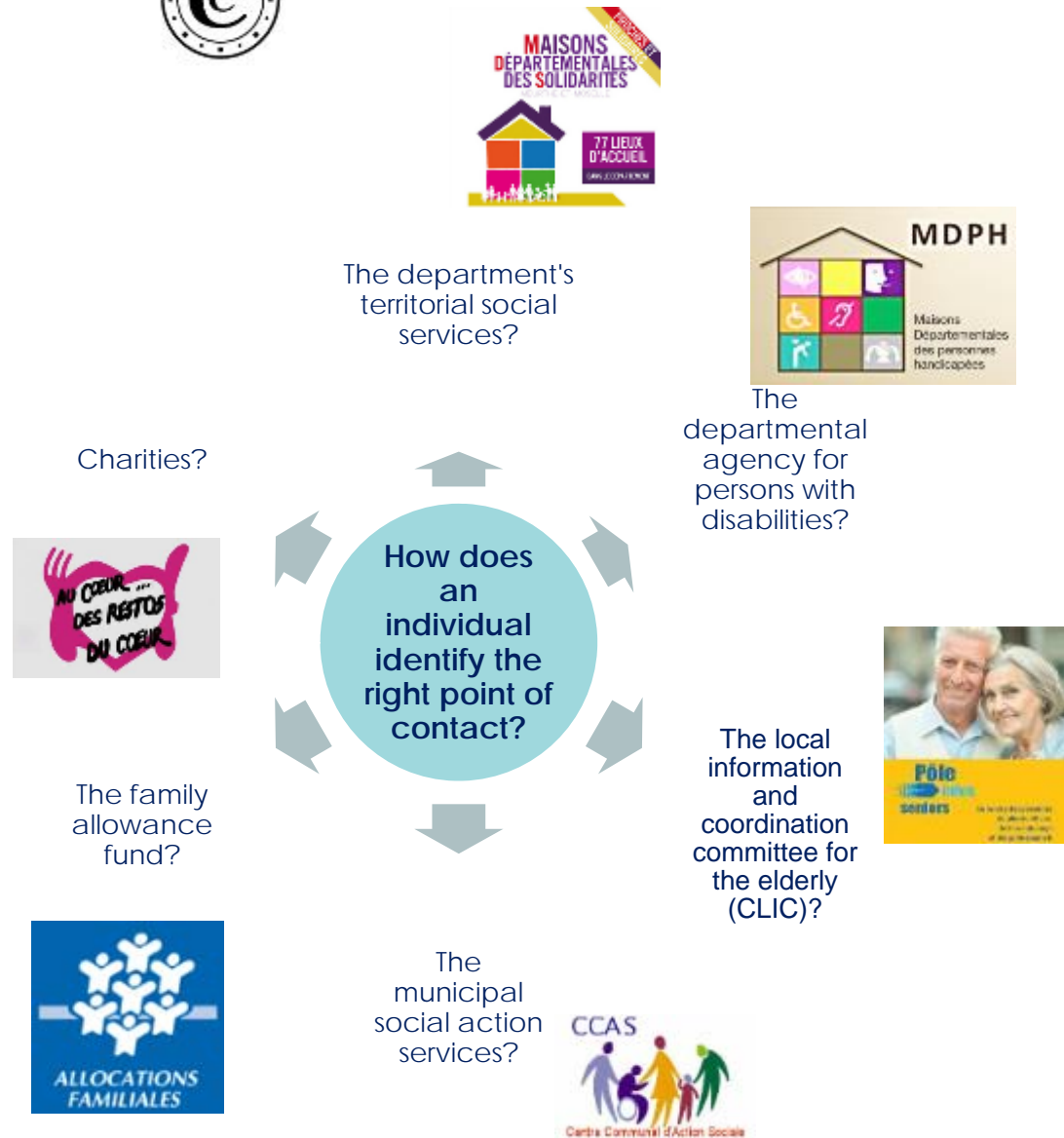
## THE VERY DEFINITION OF COMPLEXITY

- **For the recipient of direct assistance:**
  - ✓ Numerous offices to visit
  - ✓ Numerous types of direct assistance
- **For the auditor:**
  - ✓ The allocation of responsibilities among organisations results in an allocation of audits within the financial courts
  - ✓ The example of the earned income supplement



# FOR THE RECIPIENT

The allocation, in legislation, of responsibility for social policies concerns numerous public and private agencies, and direct assistance, whether financial or in-kind, is delivered by a complex network of institutions: each of these entities could potentially offer direct assistance...







## FOR THE RECIPIENT

**There are many direct assistance programmes and their purpose and allocation criteria vary widely.**

**How the public finds out about direct assistance programmes:** each social policy and each public authority, each charity is able to offer one or more statutory and/or optional direct assistance programmes.

**The family allowance fund (*Caisse d'allocation familiale*, or **CAF**) offers:** Parenting assistance, Integration assistance, Assistance enabling recipients to stay in their homes, Assistance to improve quality of life, Assistance to give families an opportunity to vacation in an approved centre, Assistance enabling children and young people to go on vacation, Assistance to purchase household items, Loans to young people to help them join the workforce, Vouchers for recreational activities, Vacations for children, Assistance enabling families to go on vacation, Assistance in purchasing a caravan;

**The municipal social action centres** offer numerous programmes, with 19 programmes identified for the city of Angers and more than 27 for Paris, that have their own names and purposes: the city of Nantes offers “Coup de Pouce” (helping hand) assistance, “Aide Accompagnée” (stopgap assistance for a specific need), the “Stabilité” (stability) loan, the “dispositif des véhicules incendiés ou dégradés” (programme for vehicles that have been burned or damaged), etc.





## FOR THE AUDITOR

The financial courts audit direct public assistance based on the organic criterion:

### Cour des Comptes

- **audits the national agencies:**
- the government administrations responsible for social policies, the social protection organisations, in particular the *Caisse d'allocations familiales*, Pôle emploi and charities such as Restos du cœur, Le secours catholique, etc.

### Regional and territorial courts of audit

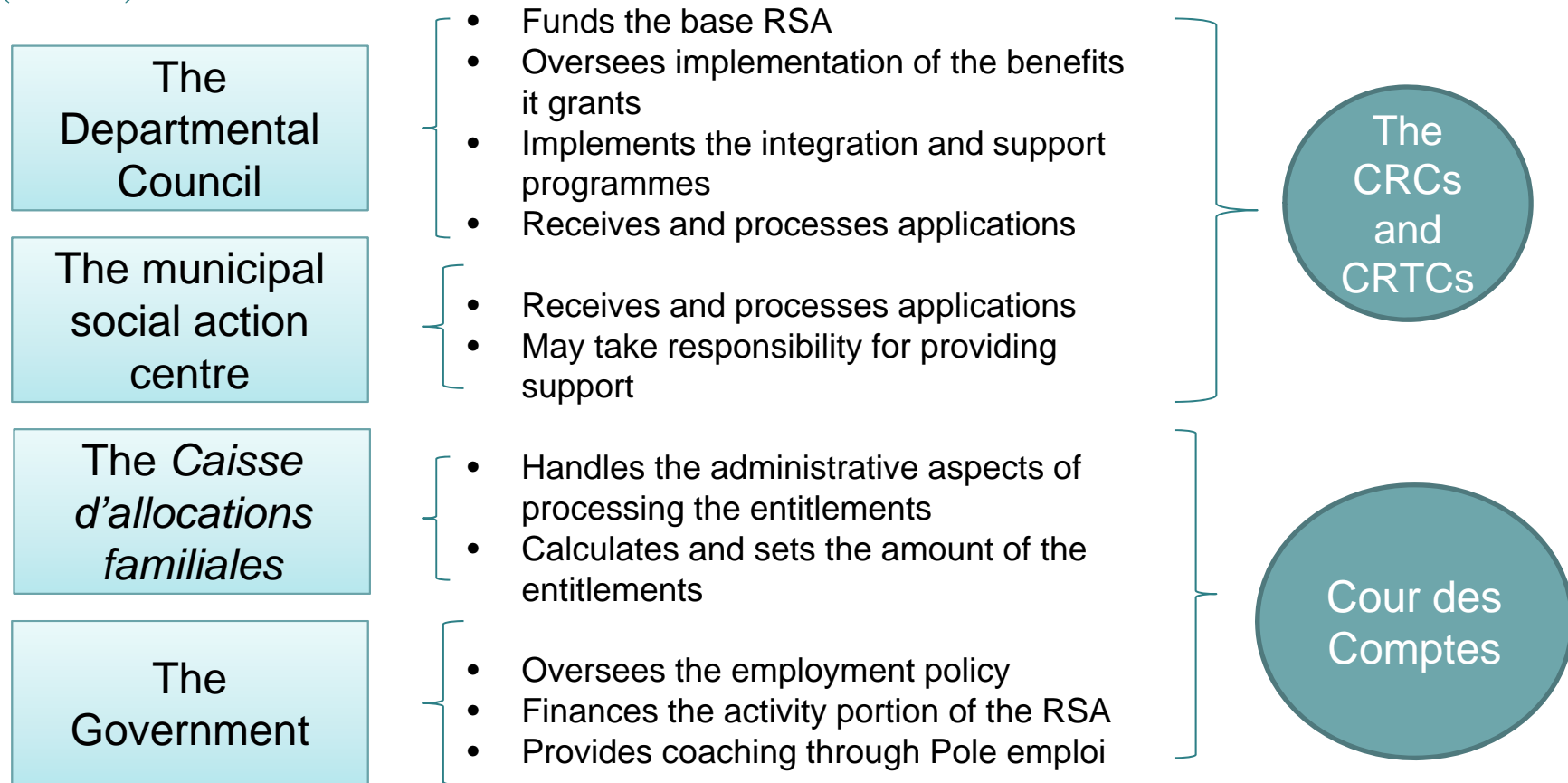
- **audit the local agencies:**
- These consist of the local authorities with, first, the departmental council responsible for social action, the municipal social action centres (local public institutions) and the local associations involved in providing assistance to individuals. There are 100 departments, 36,000 municipalities and 36,000 social and medico-social services institutions that manage direct assistance to individuals

### Financial courts organised as an “inter-court panel”

- collaborate to conduct joint investigations, as there is a particularly high level of interaction among public assistance actors. (RSA, assistance enabling the elderly to remain in their homes)



## THE EXAMPLE OF THE EARNED INCOME SUPPLEMENT (RSA)





# RISK ANALYSIS



# RISKS RELATING TO THE ASSISTANCE MANAGEMENT PROCESSES

## Assessment of an individual situation:

- Is the needs assessment performed by experts? Based on objective criteria?

**2014 Report on the Aquitaine MDPH (departmental agency for persons with disabilities):** “Departments differ sharply in terms of benefit amounts granted”

- The quality of the evaluation for determining eligibility: what procedure do the evaluators use/what internal controls are in place/how are the evaluators trained

**Report on the Aquitaine MDPH** “The PCH evaluation procedures have not been harmonised yet” -  
**2016 Report on the Aisne Departmental Council** “if the procedure is to ensure all applicants are treated equally, it must be covered by a guide”



## RISKS RELATING TO THE ASSISTANCE MANAGEMENT PROCESSES

### Assessment of an individual situation:

- Effectiveness of the benefit: Does the organisation monitor effectiveness?

*2015 Report on the Departmental Council of Maine et Loire “for the independence allowance in 2014, 1,316 checks were performed out of a total of 4,800 recipients. A quarter of these checks resulted in a request for recovery (overpayment due to admission to an institution, unreported deaths, etc.)*

- Risk of fraud:

*2016 Report on the Departmental Council of Seine Saint Denis “to combat benefit (PCH) fraud, develop an automated system to detect anomalies in the management applications”*

7 agents concerned, €2.044 million misappropriated between 2006 and 2014 – 39 recipients



## RISKS RELATING TO THE ASSISTANCE MANAGEMENT PROCESSES

### Limits of direct assistance:

- Non-use: are steps taken to promote access to certain types of direct assistance? Are they effective?

**Report by the CRC for the Hérault department:** “For the RSA, the structure (partnerships developed with the CAF) selected does not, however, bring into the system users who are not known to the network”

- Duration of the assistance and improved financial situation: are changes in the individuals' situation taken into account? Is there effective management and collection of overpayments?

**Report by the CRC for the Doubs department:** “since 2013, the department has made an effort...has a rate of 0.7% versus mainland France's average of 0.5% –(overpayments/gross RSA expenses)”

**Report by the CRC for the Ain department:** “the department does not book provisions (...) for doubtful accounts, in particular for overpayments of assistance to individuals”.





## RISKS RELATING TO THE ASSISTANCE MANAGEMENT PROCESSES

### Limits of direct assistance:

- Innovations in assistance programmes: a dual trend

Simplification and tightening of statutory direct assistance (*merger of the RSA and API (single-parent benefit)*)

Diversification in optional assistance: *driving licence in Angers, purchase of a caravan for the CAF, the "Carte Blanche" in Nantes for access to entitlements and to sports, culture and recreational activities, etc.*

- Budget constraints: the sharp rise in expenses associated with direct assistance can cause an organisation to underestimate its budget forecasts.

***Report on the Municipal Social Action Centre of Dunkerque***: record a provision for bad debts



## RISKS RELATING TO THE EFFECTIVENESS AND IMPACT OF DIRECT ASSISTANCE

### For the programme manager:

- Are the management costs known?
- Have the expected outcomes been defined?
- Has the effectiveness of the direct assistance been assessed? Can a causal link be established between the direct assistance and a change in the individual's situation?

### For the recipient:

- Have their needs been taken into account?

Assessing social needs is an obligation (Article R 123-1 of the CASF) that is not always met or not sufficiently met

- Have their rights been respected?

Does the Optional Public Assistance Regulation specify the rights and guarantees afforded to users of the public service (professional secrecy, right to access records, right of redress)?

**2016 Report on the Departmental Council of Haute Loire:** *“inadequacies in the decisions to grant APAs, failures to meet deadlines...lack of information about the frequency of reviews”*



I HAVE A DREAM:  
ONE POINT OF CONTACT/ONE FORM  
OF DIRECT ASSISTANCE!

