



Cour des comptes



Chambres régionales  
& territoriales des comptes

AUDIT SCOTLAND

# The reform and restructuring of regional audit chambers (RACs) in France

## First assessment and implications for audits

Edinburgh

24th October 2014



## THE 2012 REFORM

**The Act of 13 December 2012 establishes that the number of RACs shall not exceed 20, when the number of regions in France is 22 (in addition to the overseas regions). This implied that 7 metropolitan RACs were to be abolished: Auvergne, Champagne-Ardenne, Franche-Comté, Limousin, Lower Normandy, Picardy and Poitou-Charentes**

### **The three reasons for this reform:**

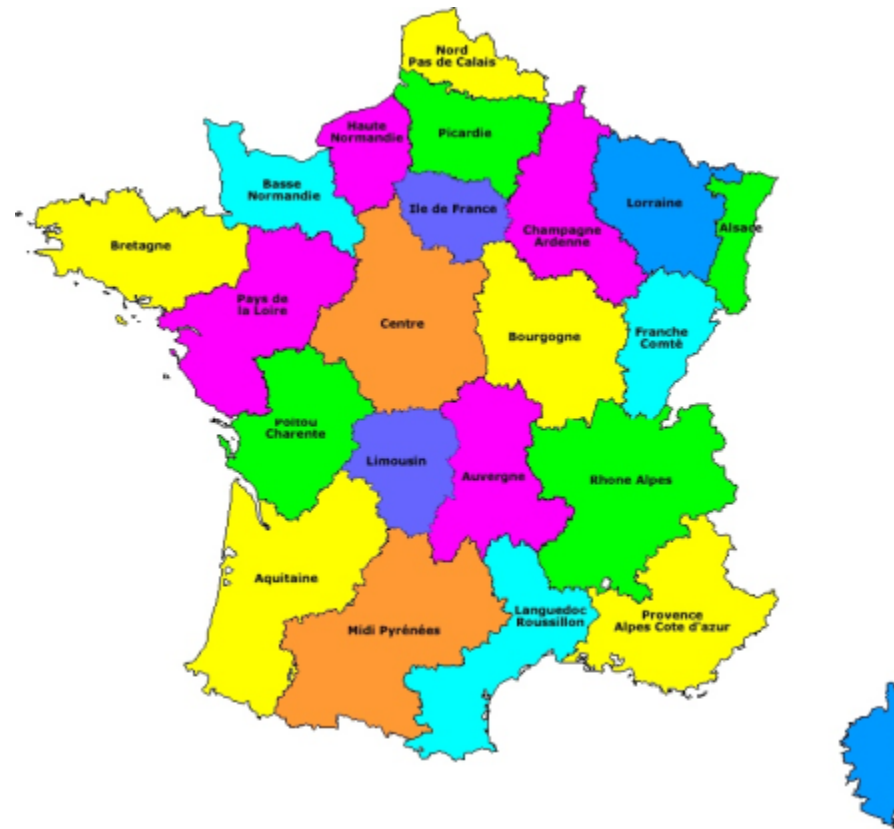
- To improve the efficiency of audits: attain a sufficient size to be able to perform complex audits (the smallest RACs just had between 4 and 9 magistrates)
- To improve the quality of audits: increase the homogeneity of audit methods and comparisons among regions
- To ensure economies of scale by sharing resources and support functions

### **The concerns expressed at the time by the opponents of the reform:**

- Negative consequences for employees of abolished RACs
- Weakening of local control due to a lesser proximity
- The cost of the reform

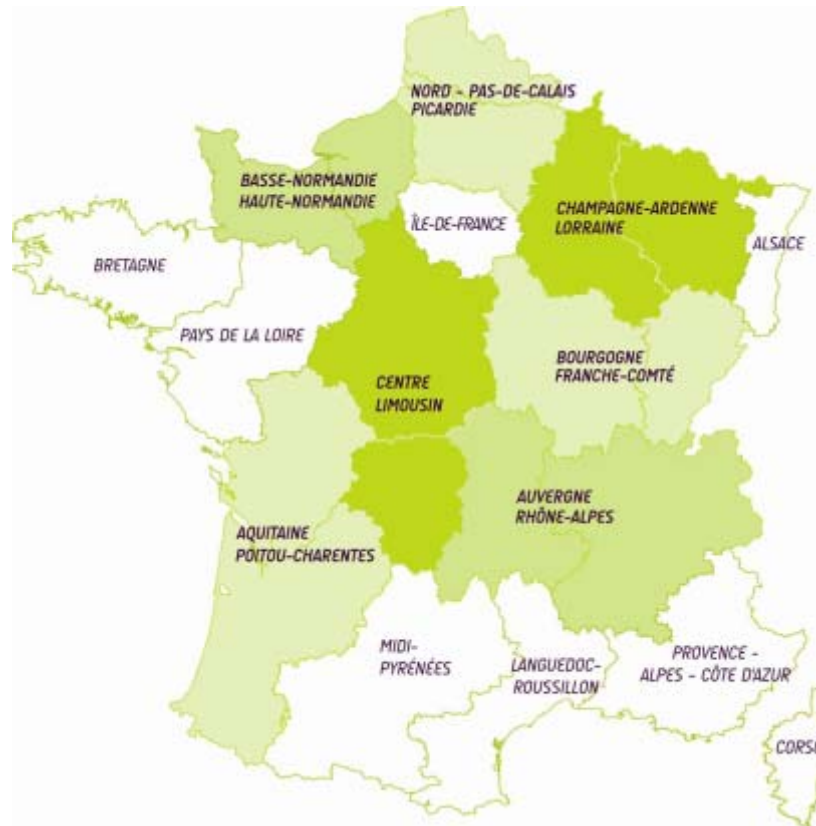


## THE MAP OF THE 22 METROPOLITAN REGIONS BEFORE THE REFORM





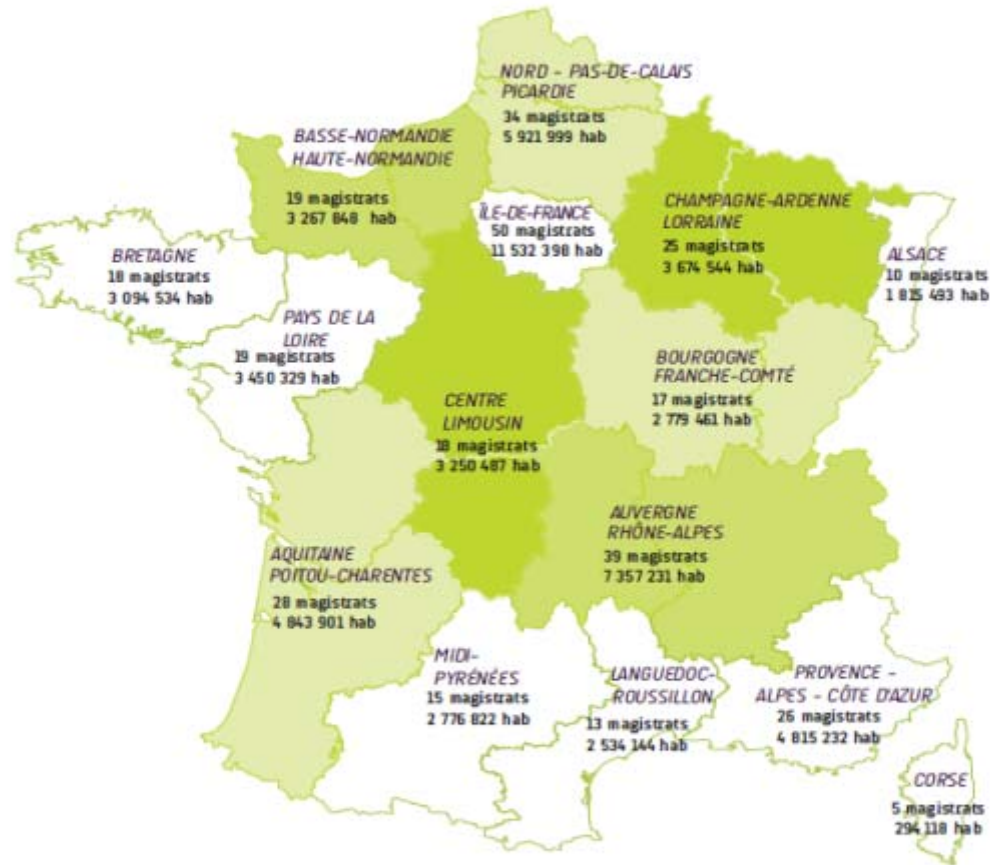
## THE 15 METROPOLITAN RACs AFTER THE DECREE OF 23 FEBRUARY 2012



20 chambres régionales des comptes (dont 15 en métropole)  
 carte conforme au décret du 23 février 2012  
 effectifs théoriques au 31/12/2011

□ Chambre régionale dont le ressort n'est pas modifié

POPULATION  
 AND NUMBER  
 OF  
 MAGISTRATES





## FINANCIAL COST OF THE REFORM

M€	Expenditure on staff *(forecast)	Other expenses	Total
2012	1,57	1,47	3,04
2013	1,10	1,91	3,01
2014	0,27	0,33	0,60
2015	0,27	0,00	0,27
2016	0,27	0,00	0,27
<b>TOTAL</b>	<b>3,48*</b>	<b>3,71</b>	<b>7,19</b>



## NATURE OF COSTS INCURRED

- 50% of expenditure on staff (195 persons concerned):
  - Compensations for voluntary separation, aid for the restructuring of the service, allowance for employee or spouse mobility
  
- 50% other expenses:
  - Construction works (interior fixtures and fittings at the absorbing audit chambers )
  - Installation expenses (archives...)
  - Adaptation of computer and telephone networks
  - Moving expenses and closure expenditure of former RACs
  - Travel expenses and compensations for change of residence



## SOCIAL SUPPORT LINKED TO THE REFORM

**18% of total staff of RACs have been affected by the reform, that is to say, 195 persons:**

- 51 magistrates
- 144 administrative staff (audit assistants and support staff)

**A protocol of social support has been prepared:**

- Compensatory and social support measures for geographical mobility
- On-the-spot reclassification scheme in other administrations
- Compensatory scheme for voluntary separation

**A support mission and a monitoring committee were set up**

**The principles:**

- Assignment, as of right, to the absorbing institution
- Or assignment to another audit chamber (three possible choices)
- Or a mobility aid to another administration





## RESULTS IN TERMS OF HUMAN RESOURCES

### **Half of the staff obtained the assignment chosen at the financial jurisdictions:**

- 94 persons accepted internal mobility (48,2% of all movements)
  - 26 magistrates joined the absorbing audit chamber and 18 obtained their first choice at another audit chamber, which represents an internal mobility rate of 86,2%
  - 32 administrative staff joined the absorbing audit chamber and 19 the assignment of their choice, that is to say, an internal mobility rate of 35,4%
  
- 101 persons did not wish this mobility:
  - Reintegration of officials on secondment in their home administration for 30 staff
  - Assignment to another on-site administration (mainly General Directorate of Public Finances) for 68 staff
  - Voluntary departure for 2 staff members
  - Early retirement.



## EXPECTED SAVINGS FROM THE REFORM

**Basically the savings have been in terms of property with the closure of 7 regional audit chambers**

- For a full year, from 2014 on, the savings should be of 0,95 M€, from which 0,77 M€ on the rents, 0,15 M€ on fluids and 0,03 M€ on building services

**The cost of the reform which has been carried out using the same level of resources throughout its implementation will be amortized in 4 years (excluding expenditure on staff which will be completed in 2016)**

**However, the objective of the reform is a question of improving the quality of audits rather than making budgetary savings**



## IMPLICATIONS FOR AUDITS

**Little impact on the quantitative output in 2012 / 2013. Just a small decline in 2012, the year before the implementation of the reform:**

	2011	2012	2013
Number of audits issued	639	629	661

**Other activities such as the number of transfers to the judicial authority have not declined:**

<b>Transfers of criminal proceedings</b>	<b>24</b>	<b>22</b>	<b>34</b>
--	-----------	-----------	-----------



## WHAT ABOUT THE QUALITY?

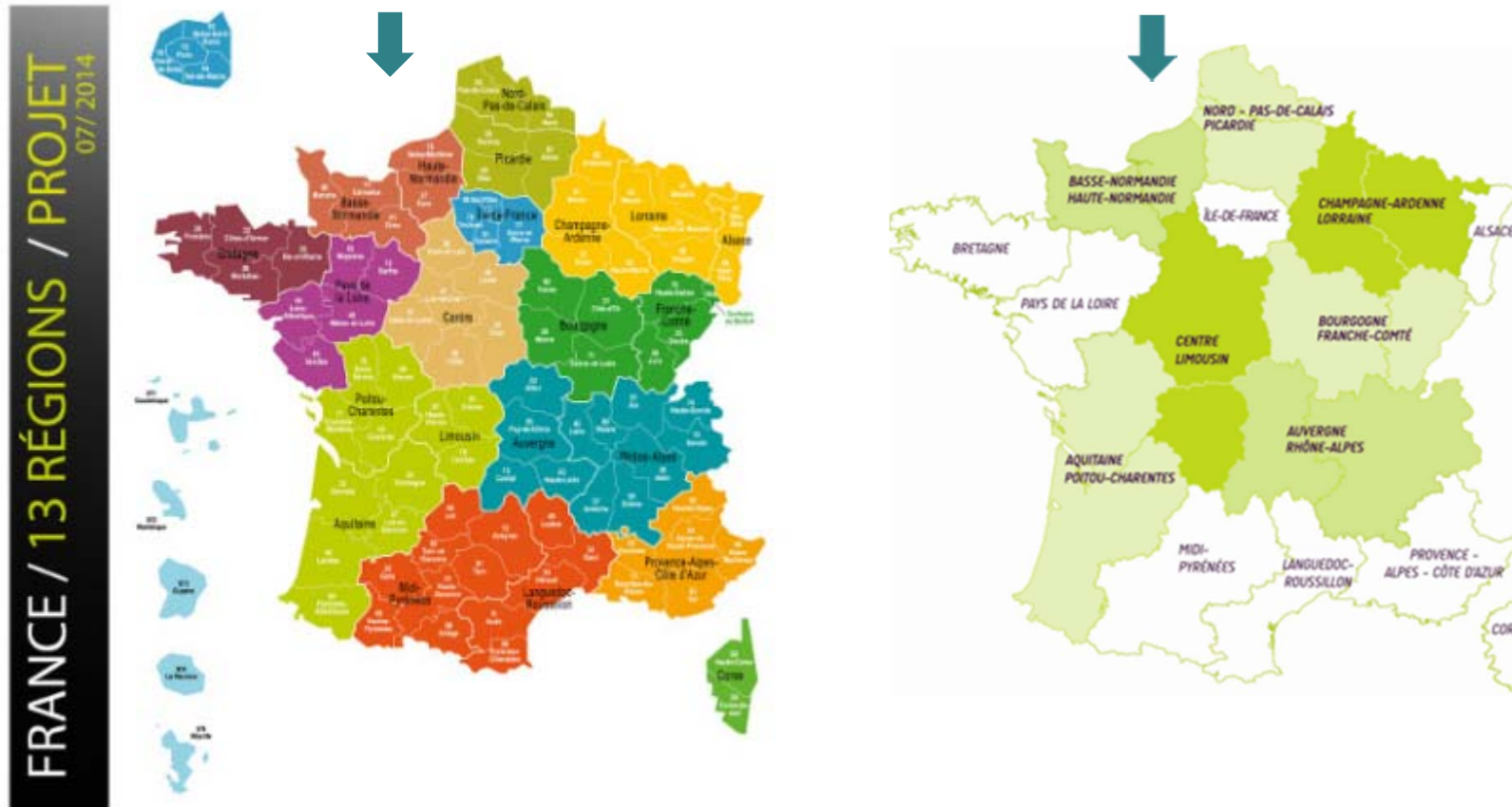
**The consequences of the reform for the quality of audits cannot be measured yet (2014 is the first year of an orderly implementation of the reform)**

**Along with the restructuring of the system, other reforms have been carried out in order to improve the quality of audits:**

- **Adoption of professional standards in 2014**
- **New modalities of cooperation between RACs and the National Court of Audit (interinstitutional bodies to carry out common work, in particular in the field of public policy evaluation and not just as regards financial audit or performance audit)**
- **Setting up of a training centre in the National Court of Audit and the regional audit chambers at the end of 2012 (sharing of good practices, development of standards, development of tools and audit support methodologies, pooling of knowledge...)**



# A PREMONITORY REFORM? THE PROJECT PASSED IN JULY VS THE MAP OF THE 15 RACs





THANK YOU FOR YOUR ATTENTION

