

EUROSAI TASK FORCE ON MUNICIPALITY AUDIT
EXTERNAL AUDIT SYSTEM OF MUNICIPALITIES
IN FRANCE *(Please specify the name of your region)*

Name of regional external public sector audit institution: **Regional audit chambers**

I. GENERAL INFORMATION

1. Describe the system of local government in your region:

1.1. What are the types of local government units (municipalities or other), their number;

As of 1 January 2016, France comprises 18 regions, of which 13 are in metropolitan France, two are overseas regions and departments, and two are single communities. France also has 101 departments and more than 35,000 communes.

1.2. What is the framework of activities and responsibilities of municipalities, their functions, the role of central government at municipal level;

The first paragraph of Article 72 of the Constitution of France states that: “The territorial communities of the Republic shall be the Communes, the Departments, the Regions, the Special-Status communities and the Overseas Territorial communities to which article 74 applies. Any other territorial community created, if need be, to replace one or more communities provided for by this paragraph shall be created by statute.” This results in the existence of three categories of territorial community depending on whether they fall solely under Article 72 or Articles 73 and 74.

According to paragraph 3 of Article 72, the territorial communities shall be self-governing in the conditions provided for by statute. They are managed by councils or deliberative assemblies elected by way of direct universal suffrage, and by executive bodies that may not be elected. They possess solely administrative competences, which forbids them from having state competences, such as enacting laws or autonomous regulations, or benefiting from jurisdictional powers or their own competences in the conduct of international relations.

The activities of the communes are highly diversified: urban planning (urban planning documents, building permits, urban development zones), health and social care (management of childcare and senior citizen retirement facilities), education (pre-schools and primary schools), culture (libraries, museums, music schools, theatre and music halls), sport and leisure (sports equipment, subsidisation of clubs, tourism), civil registry and electoral functions.

The central administration brings together the services of each ministry under national competence and is primarily situated in Paris. Its decentralised services possess territorial competence and serve to anchor the decisions made by the central administration at the local level. They implement EU and national policies in the territorial context and make up more than 95% of the representatives of the State.

1.3. What is the structure of the municipality, main institutions (legislative, executive etc.), their formation principles and powers.

According to the municipal law of 1884, the communes are managed by the municipal council and by the mayor. The municipal council is elected through direct universal suffrage; it is a deliberative body that is responsible for the affairs of the commune through its deliberations. The communes benefit from the general competence for managing all commune-related matters. Nonetheless, several laws give them identified competences in certain areas (urban planning and land control, housing, social measures).

The mayor, elected by and from the municipal councillors during the first meeting of the new municipal council, has sole responsibility for the administration. Mayors may, however, under their supervision and responsibility, delegate some of their functions to one or more deputies by way of a decree. Mayors and their deputies together make up the executive level. In addition, mayors are representatives of the State in devolved commune constituencies and are therefore in charge of managing the civil registry and organising elections, and have the status of judicial police officers. Mayors are responsible for implementing the decisions of the Municipal Council and act under the control of the latter. They represent the commune in legal proceedings, award contracts, prepare the budget and manage the assets of the commune. They exercise competences delegated by the Municipal Council and are therefore required to report their actions to the latter. Mayors also possess their own powers: with regard to the administrative police, they are responsible for ensuring good order and public health, safety and security. Mayors are also the head of the communal administration and the direct superior of the commune officials; mayors possess the authority to organise services.

The Municipal Council represents the inhabitants. The law of 1884 charges the Municipal Council with regulating the affairs of the commune in several areas through its deliberations. The Municipal Council sets out its wishes for all matters of local interest (voting on the budget, approval of the administrative account) and is responsible for creating and terminating municipal public utilities, deciding on public works, managing the assets of the commune, and granting aid for the purpose of economic development. It exercises its competences by adopting “deliberations”, which are measures that are voted on.

The Council meets at least quarterly, with the mayor bearing responsibility for setting the agenda.

In cases of severe breaches of proper functioning, the Municipal Council may be dissolved by decree in the Council of Ministers.

2. Describe the legal framework of audit and control system at municipal level, i.e. how it is organized and which entities (institutions, departments or other) participate in it (additional illustrations or schemes are also welcome):

2.1. What entities participate in the administrative and financial supervision as well as in the budgetary control (planning and execution of municipal budget) of local authorities? How do they participate?

Paragraph 6 of Article 72 of the Constitution states that “In the territorial communities of the Republic, the State representative, representing each of the members of the Government, shall be responsible for national interests, administrative supervision and compliance with the law.” Nonetheless, this control must respect the principle of free administration of the communities (Article 72 paragraph 3), which also has constitutional value. According to the laws of 2 March and 16 July 1982, this control constitutes control

of legality. It is exercised on the acts and, under certain conditions, on the deliberative bodies of the communities that may be dissolved by decree.

As set out in Articles L. 1612-1 to L. 1612-20 of the General Territorial Communities Code (sometimes also mentioned as General Local Authorities Code) (*Code Général des Collectivités Territoriales*, CGCT), budgetary control is exercised *a posteriori* by the prefect, in cooperation with the regional audit chambers (*chambres régionales des comptes*, CRCs), with the aim of ensuring compliance with the rules that apply to the creation, adoption and execution of the budgets of the territorial communities and their public institutions (initial budget, supplementary budget, amending decision and administrative account). Created by the law of 2 March 1982, the control of budgetary acts replaces financial supervision, which constituted an *a priori* control. It is expected if the budget is not adopted by the legally prescribed date; if the budget is not balanced in real terms when adopted; if a deficit is found in the statement of accounts; in the case of omission or insufficiency of the budgetary appropriations corresponding to compulsory expenditures (expenditure prescribed by the law or resulting from a legal decision or contractual engagement). In this four cases, the regional audit chamber is approached by the prefect, the community public accountant or a third party with an interest. Within one month, the chamber then issues an opinion, a proposition or a formal notice. If the adopted budget is not balanced in real terms, the prefect will enter supplementary revenues or reduce the expenditures. In the event that a budget is not adopted within the prescribed time frame, the prefect will “regulate” the budget, in other words will adopt it and make it enforceable.

These controls affect the communes, departments, regions and local public institutions, among them the public establishments for cooperation between local authorities.

Budgetary control falls under the sole competence of the prefect (Article 72 of the Constitution and the CGCT), who alone is authorised, in the cases provided for by the CGCT and following the opinion of the CRCs, to reform the budgetary documents under the prefect’s power of substitution, which makes it possible to automatically settle the budget of a community and to make it enforceable.

In accordance with the code of the financial jurisdictions, the regional and territorial audit chambers (CRCTs) exercise, first and foremost, a three-fold competence over the territorial communities and their public institutions: judicial examination of accounts of the public accountants; auditing of accounts and their management; auditing of budgetary acts.

2.2. Is there an audit committee in the municipality? If yes, what are its functions and role in the audit system at municipal level?

No, the municipality does not have an audit committee.

2.3. How is the internal audit system of local government organized? What is its relationship with the external audit system?

The territorial communities are not required to have an internal auditing system, but they must however submit themselves to certain internal control procedures. The accountants of the territorial communities are representatives of the Ministry of Finance and have the monopoly on handling the community funds, as well as the obligation to perform various controls of conformity, in particular before paying expenditures.

2.4. How is the external audit system of local government organized? What entities participate in it (SAI, regional/local audit institutions, private auditors etc.)?

The external audit of the local administration is carried out by the regional and territorial audit chambers which exercise, first and foremost, a three-fold competence over the territorial communities and their public institutions: judicial examination of accounts of the public accountants; auditing of accounts and their management; auditing of budgetary acts. They also participate in the evaluation of public policies implemented locally within the framework of thematic investigations conducted in close cooperation with the (national) Court of Audit. Through their observations, they make sure that irregularities are corrected and management mistakes are resolved. They therefore help to ensure transparency of the public management activities. Private auditors may be engaged by the local communities, but this does not fall within the scope of competence of the Court of Audit.

3. Was any analysis, audit or other research of the external audit system of municipalities carried out in your country (by SAI, other institutions or organizations)? If yes, please outline the main findings of such a research.

No, there has not been any study of the external audit system of municipalities in France.

4. Describe if there are any ongoing changes or plans to improve the existing external municipal audit system in your country.

The certification of the local public administration accounts is in its infancy. The implementation of the certification of local public accounts has led to an experimental phase of certification of the accounts of large communities (Constitution, Art. 47-2, paragraph 2), organised by the law on the new territorial organisation of the Republic (*Nouvelle Organisation Territoriale de la République*, NOTRe) (art. 110). This phase is voluntary and is based on an agreement between the Court of Audit and the local community in question.

II. ROLE OF REGIONAL AUDIT INSTITUTIONS IN EXTERNAL MUNICIPALITY AUDIT

1. Describe the legal framework and provide general information about the regional external public sector audit institution:

1.1. Which authority establishes this institution, appoints its heads, employs staff and provides funding?

Every regional and territorial audit chamber is independent in terms of its control functions. However, the management and operation of the regional and territorial audit chambers largely falls under the authority and services of the Court of Audit:

- the First President of the Court of Audit is the President of the Superior Council of the Regional Audit Chambers; in this capacity, he/she assigns the magistrates in the chambers;
- the General Prosecutor at the Court of Audit supervises the actions of the financial prosecutors of the CRTCs;
- according to the statutory framework, the presidents and vice presidents of the CRTCs are magistrates of the Court of Audit, seconded in terms of employment status;
- the management of the budgetary and human resources of the chambers is overseen by the Court of Audit;
- the Court of Audit is charged with the mission of continuous inspection of the regional and territorial audit chambers.

The Court of Audit is the appeal judge for judgments of the regional and territorial audit chambers. In jurisdictional matters, the same procedures are implemented in the Court and in the regional and territorial audit chambers.

The control personnel are made up of the magistrates of the Court of Audit and the CRTCs, from various recruitment pathways (Ecole Nationale d'Administration (ENA), external pathways, secondments, direct competitions in the CRCs, integration of military personnel), but also external rapporteurs (in particular civil and territorial administrators, engineers and hospital directors), and auditors (agents primarily of category A who assist magistrates and rapporteurs), as well as experts (contract agents from the private sector) who assist the Court in its certification mission.

The Court and the CRTCs are funded through a specific budgetary programme (programme 164 – *Court of Audit and other financial jurisdictions*).

The expenditures of the financial jurisdictions are financed through budgetary allocation, to which is added the product of the revenues connected to the exercising of the function of statutory auditors for certain international bodies.

The budget of the Court of Audit is voted on and controlled by Parliament. The budgetary programme dedicated to financial jurisdictions is subject to performance indicators that are monitored as part of the examination of the finance laws.

1.2. Which authority is the institution accountable to? How is the accountability organized (by submitting annual reports etc.)?

In accordance with Article 47-2 of the Constitution, the Court and, consequently, the CRTCs, contribute to keeping citizens informed and assist Parliament and the Government, who may request that the Court investigate specific matters.

2. Define the mandate of the regional audit institution prescribed by law in what concerns the auditing of municipalities:

2.1. What types of local government entities may be audited by the audit institution (including municipality-owned enterprises etc.)?

The scope of the auditing functions of the regional and territorial audit chambers includes territorial communities, their grouping, and the local public institutions. In addition and primarily at the request of the prefects, they are also mandated to audit the budgetary acts of these communities and their public institutions. The CRTCs may also examine social and medical-social institutions, as well as private-sector health institutions where, in accordance with Article 109 of law 2016-41 of 26 January 2016 on the modernisation of the French healthcare system and its implementing decree no. 2016-1696 of 12 December 2016, the accounts and the management may be examined by the Court of Audit or the regional and territorial audit chambers if they are funded by the State, the territorial communities or their public institutions. Under powers delegated by the Court of Audit, the CRTCs are also competent to evaluate the accounts of certain national public institutions.

2.2. What types of audits may be carried out (performance, financial, compliance etc.)?

The CRTCs examine the management of the public communities within their jurisdiction. The auditing of the accounts and management focuses on the regularity of the management acts, the economy of the means employed, and the evaluation of the results obtained in relation to the objectives set by the deliberative assembly or body. The CRTCs give their opinion on the reliability of the accounts, the

financial equilibrium of the operations and management activities, the regularity and economy of the means employed and their effectiveness. The auditing of the management of an entity or activity consists of appraising, in an independent, objective and documented manner, the regularity and the performance of the management activities.

The CRTCs also audit the budgetary acts, which constitutes a contemporaneous control that is intended to help the communities in question to overcome budgetary difficulties. They also examine the accounts of the bodies within their jurisdiction.

2.3. What is the scope (subject matter) of each type of audit (municipal budget execution, financial statements, use and management of municipal assets etc.)?

In the first instance, the CRTCs judge the accounts of the bodies within their jurisdiction (local communities and local public institutions). The chambers ensure that the accounts are regular and that the accountants duly accomplish the tasks assigned to them.

The auditing of the accounts and management focuses on the reliability of the accounts, the financial equilibrium of the operations and management activities, the regularity and economy of the means employed and their effectiveness, by comparing these to the results obtained.

The auditing of the budgetary acts concerns the execution of the municipal budget and is intended to guarantee that the local communities are provided with a budget within the legal time frame, that this budget is balanced in real terms when approved, that the execution of the budget will not lead to an abnormally high deficit, and that it provides the necessary budgetary appropriations for the payment of compulsory expenditures.

The work carried out by the CRTCs in connection with the performance examination may also make it possible to assess the financial position of the local public administrations as a whole and the major problems faced by local managers, taking into consideration the changes in their revenues and the factors determining their expenditures, their funding conditions and the quality of their management.

Within the context of their mission to audit the accounts and the management of the communities and institutions within their competence, the regional and territorial audit chambers ensure the reliability of their financial statements.

3. Describe how the regional audit institution implements the audit mandate in practice according to the type of audit:

3.1. Financial audit

3.1.1. Describe the main aspects of planning and organizing the financial audit in municipalities;

The CRTCs are responsible for auditing the budgetary acts and the execution of the budgets of the territorial communities and their public institutions. This audit is carried out under the conditions defined in the General Territorial Communities Code.

A distinction can be made between several cases where budgetary auditing is initiated:

- Budget adopted after deadline: if the budget is not adopted within the legal time frame, the representative of the State shall immediately approach the regional and territorial audit chamber (CRTC) which, within the month and by way of public notice, will formulate proposals in order to “regulate” the budget. The opinion of the CRTC will be sent to the prefect, who will have 20 days to settle the budget and make it enforceable by way of a prefectural order. If the prefect does not agree with the CRTC’s proposals, he/she shall attach an explicit explanation to his/her decision. If such an explanation is not provided, the administrative judge may cancel the prefectural order.

- Unbalanced budget adopted: if the budget of a local community is not balanced in real terms upon adoption, the prefectural authority shall approach the CRTC within 30 days from submission of the budget. Once it has confirmed that the budget is not balanced, the CRTC will propose to the community the measures needed to balance the budget. It will also request that the deliberative body conduct a new deliberation. Should this fail to satisfy the recommendations of the CRTC, the prefect shall adjust the budget.

- Unbalanced administrative account adopted: the CRTC, approached by the representative of the State, shall propose to the community the measures strictly required to balance the budget within one month of referral of the matter to the CRTC. The representative of the State shall then send the preliminary budget to the CRTC for the subsequent reporting period. If, upon examining the preliminary budget, the CRTC notes that the community in question has not adopted sufficient measures for eliminating the deficit, it shall, within a period of one month, propose the necessary measures to the representative of the State, who will then settle the budget and make it enforceable. If this representative does not agree with the CRTC's proposals, he/she must attach an explicit explanation to his/her decision.

- Compulsory expenditures not included in the local budget: the territorial communities must include in their budget the appropriations corresponding to the compulsory expenditures, which are the expenditures needed to discharge outstanding debts and those which are expressly stipulated by law. If the appropriations needed to cover a compulsory expenditure are not included in the budget, the CRTC may be approached either by the representative of the State, or by the relevant public accountant, or by any person having an interest. Once approached, the CRTC shall have one month to issue an opinion.

3.1.2. Is the financial audit carried out in all local authorities of the region or only in selected ones? Is the financial audit performed annually? What is the approximate number of financial audits per year?

The budgetary auditing concerns the following: the communes, departments, regions and local public institutions, among them the public establishments for cooperation between local authorities. It does not concern the associations for the development of farmland and forests (*Associations Foncières d'Aménagement Foncier Agricole et Forestier*) and the authorised syndicated associations (*Associations Syndicales Autorisées, A.S.A.*), or public institutions of an administrative nature that are not connected to a territorial community. The financial audits are not conducted annually because they depend on referral to the prefect.

3.1.3. Is the financial audit performed separately or together with the compliance (or other) audit?

The oversight carried out by the prefectural authority (control of legality of common law) is exercised on the acts that have a financial impact (including payment requisitions) and is combined with the budgetary auditing.

3.1.4. What types of documents does the audit institution prepare for reporting the result of the financial audit (audit report, opinion etc.)? Which are the entities these documents are submitted to?

The CRTCs formulate proposals for the settling of the budget by way of public notices. They also publish an annual activity report. The documents are sent to the administrative authority that referred the case to the CRTC, as well as the territorial communities concerned.

3.2. Compliance audit:

- 3.2.1. Describe the main aspects of planning and organizing the compliance audit in municipalities. Is the compliance audit performed separately or together with financial or performance audits?
- 3.2.2. If the compliance audit is performed separately:
 - Does the audit cover one topic in all local authorities of the region or in several of them (horizontal audit), or is the scope of audits limited to one local authority (municipality)?
 - Is the compliance audit performed annually? What is the approximate number of audits per year?
- 3.2.3. What types of documents does the audit institution prepare for reporting the result of an audit (audit report etc.)? Which are the entities these documents are submitted to?

3.3. Performance (Value for money) audit:

- 3.3.1. Describe the main aspects of planning and organizing the performance audit in municipalities;

The auditing of the accounts and management is defined by the code of the financial jurisdictions. Audits may be initiated in response to a reasoned request by the prefect or the local authority, or on the initiative of the regional audit chamber as part of its annual verification programme. This examination may involve observations, the final wording of which has been made public since 1990.

The auditing of the accounts and management is announced by way of a letter from the president of the chamber and is subject to professional secrecy until the final report is published. It comprises in particular an instruction carried out on the basis of records and on the spot by a reporting magistrate, who must hold a meeting with the authorising officer of the community before submitting the report. The report is submitted for deliberation among the chamber, which issues a provisional observational report. At each stage of the procedure, the individuals involved may be assisted or represented by a lawyer and may ask to be heard by the chambers' committee responsible for establishing a final observational report. This report is communicated to the persons involved and may be subject to written responses. It is then submitted to the first meeting of the deliberative assembly (or the collegiate decision-making body) after it has been received. It may then be communicated to third parties.

- 3.3.2. What are the types of performance audits according to the audit scope:
 - audits that cover one topic in all local authorities of the region or in several of them (horizontal audit);
 - audits whose scope is limited to one local authority (municipality);
 - other.

The audit may relate to all the communities and all the local public institutions situated in the geographical area of competence of the CRTC. It may apply to a large number of bodies, with or without a public accountant. If these bodies have a public accountant, the examination of the management activities is generally coupled with the judicial examination of the accounts.

However, the examination of the management activities is not limited to the single area of finance and accounting. This examination focuses on the regularity but also on the quality of management. The chambers are not asked to evaluate the appropriateness of the political choices of the elected representatives.

3.3.3. Is the performance audit carried out annually? What is the approximate number of audits per year?

The performance audit is not carried out annually. In 2017, 638 final observational reports were published by the French CRTCs.

3.3.4. What types of documents does the audit institution prepare for reporting the result of the performance audit (audit report etc.)? What are the entities these documents are submitted to?

The chamber sends a provisional observational report (*rapport d'observations provisoires*, ROP) to the authorising officer, who is invited to respond to this report within two months. Once a response has been received or the two-month period has elapsed without a response, the chamber adopts a final observation report (*rapport d'observations définitives*, ROD), to which a new response may be submitted.

The final observation report ends the examination of the management activities. It is established following a confidential, written and oral contradictory procedure, which includes the written responses of the individuals being questioned. It comprises a summary, findings and recommendations and may, within a period of one year, be subject to a request for rectification from any person being questioned in the report explicitly or by name. This request is submitted for a decision by the regional chamber.

The audit of the management activities may also serve as the basis for the report on local finances which is submitted to Parliament and the Government.

3.4. Other audits in municipalities (if other than those mentioned in 3.1-3.3 are performed).

3.4.1. Describe the main aspects of planning and organizing the audit;

Judicial auditing is carried out by the CRTCs on the accounts of the public accountants of the territorial communities and their public institutions, subject to an appeal before the Court of Audit and an upstream administrative audit conducted on the management accounts by the competent authorities of the State. Administrative settlement also relates to the authorised syndicated associations and land consolidation associations, as well as local public educational institutions. According to the law of 28 October 2008 amending the relevant procedure for the judicial examination of accounts, discharging is now done by way of a decree. The CRTCs may refer to the accounts in order to rule on them themselves and to amend (within specific deadlines) the discharge orders issued by the competent authorities of the State. They alone are authorised to give a final decision on deficits and fines and to evaluate the de facto management activities.

The CRTC must verify, on the basis of records and on the spot, the regularity of the expenditures and revenues described in the accounts, and to ensure that credits, monies and other assets have been properly used. Accountants who fall within the jurisdiction of a CRTC must submit their accounts to it. In fact, the CRTC is authorised to judge on the accounts submitted

to it by persons who it has declared to be de facto accountants, where such persons must provide their accounts to the CRTC by the deadline set by the latter.

3.4.2. Is this audit performed annually? What is the approximate number of audits per year?

3.4.3. What types of documents does the audit institution prepare for reporting the result of an audit (audit report etc.)? What are the entities these documents are submitted to?

According to law no. 2015-991 of 7 August 2015 concerning the new territorial organisation of the Republic, the Court of Audit shall submit an annual report to the Government and to Parliament that describes the financial situation and the management of the territorial communities and their public institutions.

4. Describe which entities recommendations can be addressed to after the audit. Can the regional audit institution adopt any measures with regard to the audited municipalities (drawing up administrative acts, starting legal proceedings or other)?

The regional audit institution may send recommendations to the local communities and institutions audited or to any third parties involved.

The reports by the CRTCs must propose potential avenues for progress with regard to management of the communities, in the form of observations and recommendations. According to the NOTRe law of 7 August 2015, these observations should be followed up over the long term. Article 107 of the law states that, within a period of one year from the presentation of the final observational report to the deliberative assembly, the authorising officer of the territorial community or the president of the public institution for cooperation between local authorities with its own tax status shall present, in a report for the attention of this same assembly, the actions that have been taken in response to the observations made by the CRTC, to whom this report is submitted.

The personal and pecuniary liability of the accountants may be invoked when examining the accounts judicially. These audits result in rulings that make it possible to obtain from the accountant the recovery of revenues or the repayment of sums wrongly paid. If the production of the accounts is delayed, the chamber may also impose a fine on the public accountant.

The CRTCs may bring to the Budget and Finance Disciplinary Court (*Cour de discipline budgétaire et financière*, CDBF) any irregularities concerning public finances committed by the authorising officers or public managers and, through the financial prosecutor, may submit to the public prosecutor any observations relating to facts that may be considered as criminal offence.

A magistrate, representing the General Prosecutor at the Court of Audit, shall carry out the duties of the public prosecutor at the regional chamber. He/she shall be responsible in particular for ensuring that accounts are produced and the relevant procedures are observed. The magistrate shall, in his/her conclusions, rule on the basis in law of the observations or charges proposed by the reporting magistrate. He/she may appeal against the

judgments made by the chamber and may also involve the prosecuting authorities should the magistrates discover facts that may give rise to criminal charges. He/she shall inform the General Prosecutor at the Court of Audit of such a situation.

5. Is there a practice of evaluation of the quality control systems of the regional audit institution in order to improve it (i.e. is there a legal requirement to appoint institutions to conduct peer reviews, does the regional institution initiate peer reviews and does it invite other institutions to perform this task on a voluntary basis etc.)? Please describe shortly.

The Court of Audit has an internal control, internal audit and inspection service, and a mission to inspect the regional chambers and accounts. The CRTCs presidents give an annual report on their management and performance by way of a management discussion. Where the fulfilment of the auditing mission is concerned, the Court initiates peer reviews, which are generally carried out by a team of foreign general auditors. The Court of Audit is charged with the mission of continuous inspection of the regional and territorial audit chambers.

6. Describe other functions of the regional audit institution and types of documents issued within the municipal sphere that are not related to audit

- 6.1. What additional functions (other than auditing) related to municipalities are exercised by the regional audit institution? What documents does the institution prepare in order to implement these functions (for example, an opinion on the draft budget, the findings necessary for the municipality to take decisions regarding taking-out loans etc.)? Are these functions imposed by legal acts or are they carried out upon the initiative of the institution itself?

In addition to the investigations published in the annual public report, the CRTCs are increasingly associated with the work of the Court of Audit or carry out work among themselves, through their participation in thematic investigations in particular concerning public policies shared between the State and the territorial communities. These investigations are conducted in particular as part of the mission of the Court of Audit to evaluate the public policies, which has been recognised in the Constitution since 2008.

The judgments issued by the CRTCs fall outside their auditing competence.

These functions are imposed by the law.

- 6.2. What other documents does the regional audit institution prepare in relation to municipalities (landscape reviews, briefings, overviews etc.)?

The CRTCs participate in work that applies across the financial jurisdictions. Accordingly, they publish in the annual public report the results of the investigations that they have carried out in their own jurisdiction, and participate in investigations involving other jurisdictions (CRTCs or Court of Audit).

7. Describe how the independence of the audit institution is ensured: guarantees, legal provisions and procedures that ensure independence and objectivity of the institution's executive duties (funding principles, appointment of heads for terms of office, rotation of auditors etc.).

The management and operation of the CRTCs largely falls under the authority and services of the Court of Audit, which is responsible for managing their budgetary and human resources. Their presidents and vice-presidents are magistrates of the Court.

The Court of Audit is independent in accordance with the principle reaffirmed by the UN in 2011. This independence is based on its jurisdictional status, as affirmed by the Constitutional Council in a decision of 25 July 2001 relating to the legislation governing public finance (*loi organique relative aux lois de finances*, LOLF) with regard to its freedom to choose the means to achieve its objectives.

The Court of Audit and the CRTCs form a jurisdiction in which the Court is the higher instance. As the head of the institution, the First President exercises his/her authority over the Court of Audit and all the CRTCs, but each jurisdiction is independent in its choice of audits and how they are carried out.

In order to mark the independence of the Court in relation to the Ministry in charge of public finance, the financial jurisdictions belong to a specific budgetary programme that is attached to the services of the Prime Minister.

The financial jurisdictions are independent of the executive and legislative authorities and therefore define the means of achieving their objectives just as freely. However, some of these audits are conducted in response to orders from Parliament or the Government or, where the CRTCs are concerned, the referrals of the Prefect. The freedom of the financial jurisdictions to select the audits extends to the freedom to adopt their conclusions and the editorial freedom of their publications.

The independence of the institution lies in particular in the independence of its members (Court of Audit and CRTCs). The financial magistrates are therefore irremovable, in other words they can only be displaced, dismissed, demoted or suspended under a special procedure. The magistrates may devote their entire career to the financial jurisdictions, but the majority of them hold successive positions in the Court of Audit, the CRTCs and other public or private bodies.

Annex: The French System of Regional Public Sector Audit