



EUROPEAN  
ORGANIZATION  
OF REGIONAL  
AUDIT INSTITUTIONS

## **EURORAI SEMINAR**

*Toulouse, 24 October 2003*

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**Communicating and reporting the audit:  
A comparative approach of practices in four countries –  
France, Germany, Spain and the United Kingdom**

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**Working papers for the first session  
“Audit letters and reports produced by regional audit  
institutions on the audit of local authorities”**

**Regional Audit Chamber of Aquitaine:**

- **Final audit letter on the financial and performance management of the city of Pau**

**Speaker:**

**Christian BERNINGER, Member of the Board of the Regional Audit Chamber of High-Normandy**

**Jacques PAGES, Member of the Board of the Regional Audit Chamber of Aquitaine**



23rd September 2002

Please quote this reference in all correspondence: FP/CB/RODII- 064026445

Dear Mr. Mayor,

You were informed by letter dated 9th March 2000, that the Regional Audit Chamber was preparing the judicial examination of the accounts from 1995 to 1998 and the audit of financial and performance management from 1995 until the most recent period for the municipality of Pau. Following this review, the preliminary interview with the reporting member of the Audit Chamber, provided for by article L. 241-7 of the Code of the Audit Offices with Judicial Status (*code des juridictions françaises*), took place on 9th February 2001.

I wrote on 18th February 2002 to inform you on the initial findings of the audit which the members of the Audit Chamber decided to include in the draft audit letter at their meetings held on 15th and 16th November 2001, asking you to reply to these within two months.

You replied by letter dated 19th April 2002. The members of the Audit Chamber discussed this at their meeting on 13th June 2002 and produced the following final audit letter.

### **I – THE FINANCIAL POSITION**

The financial position was analysed using accounting data from the management accounts of the public accountants from 1995 to 1999 and the 2000 budget. The information was standardised so as to neutralise the effect of modification of recording methods which was introduced following implementation of the M14 accounting directive. In particular the grants for infrastructure paid in 1995 and 1996 were added to the operating expenditure for these years for calculation of the net self-financing.

Analysis of the accounts rectified in this way shows an improvement in the budgetary subclass for operating expenditure, obtained mainly through increasing the tax income and containing financial costs.

**Monsieur André LABARRERE**  
**Mayor of Pau**

**Town Hall**  
**Place Royale**

**64000 - PAU**

The municipality's self-financing capacity doubled between 1995 and 2000 to reach 17.13 M€ (112.381 MF) in 2000. This growth arises from a more rapid increase in income: + 15.15 M€ (+ 99.360 MF) and particularly from direct taxation, + 10.59 M€ (+ 69.465 MF), than in expenditure: + 5.94 M€ (+ 38.939 MF).

The reason for the growth in tax income is the combined effect of variation of bases of assessment and an increase in the rates of four local direct taxes including, between 1995 and 2000, the council tax (19.76% to 21.19%) and the land tax on built property (20.95% to 22.47%). The town therefore has significant resources (€ 1,524.03, which is F 9,997, per inhabitant), which are 20% greater than those for towns belonging to the same population stratum.

This phenomenon plays a part in achieving the objective of clearing debts. Since 1998, outstanding debt (taking all budgets together) has decreased, although its level per inhabitant remains high (€ 1,362.74, which is F 8,939). Liabilities reached 134.61 M€ (883 MF) in 2000 and the capability for clearing debt was reset at six and a half years.

Containment of operating costs is explained by the lowering of financial costs, which represent only the fourth highest item of expenditure with 7.98 M€ (52.375 MF). However, the amount of the annual repayment, net of reimbursements made by third parties, has not decreased. In 1999, just as in 1995, the town repaid 21.52 M€ (141.151 MF). In spite of the reduction (21.02 M€, which is 137.883 MF) which began in 2000 and continued into 2002 according to the documents supplied with your response, the charge per inhabitant remains heavy (€ 265.11, which is F 1,739).

At the same time, the support given to associations has been increased. The amount of grants, after the adjusted reallocation of sums paid for the Pau Festival and to private schools in 1995 and 1996, increased by 31.6% between 1995 (6.65 M€, which is 43.605 MF) and 1999 (8.75 M€, which is 57.380 MF).

Centrality costs, shown in the accounts as grants for infrastructure, do not have a big influence on financial management. The contribution to the extension of the university represents, on average, less than 0.30 M€ (2 MF) per year. This is not much greater than the amount of grants given to associations for their capital and operating costs for infrastructure and the amount of the annual grant given for council housing.

In total, in spite of the considerable increase between 1997 and 1999 in some items of general expense (entertainment and ceremonies, documentation, journeys and travel, service contracts), the overall rise in costs has been limited.

However, in spite of the improvement of the results of the administrative budget, the available reserves have fallen since 1999, mainly as a result of the completion of the operation to fit out the Palais Beaumont and the construction of the flat-racing track at the racecourse.

In fact, a feature of the financing policy is the alternation of a period of low investment (1995 to 1998) and a period of revival (27.59 M€, which is 181 MF, in 1999 alone, taking all budgets together) with limited use of borrowing (7.71 M€, which is 50.559 MF, in 1999 for the principal budget alone).

In these circumstances, the results of the budgetary subclass for operating expenditure were not sufficient to satisfy the financing requirements for building operations and the municipality drew on its reserves. The balance carried forward was therefore reduced from 8.65 M€ (56.712 MF) in 1995 to 3.40 M€ (22.335 MF) in 2000. The working capital fell by 6.10 M€ (40 MF) during 1999 alone and, after incorporating balances to be realised, reached 4.53 M€ (29.707 MF) which represents 10 days of average expenditure.

The deterioration in the result for the principal budget (- 4.57 M€, which is - 29.986 MF) is explained by that for the Casino budget. In 1999, 13.69 M€ (89.818 MF) of expenditure was authorised although only 9.42 M€ (61.809 MF) of income was collected. The reduction in the result for the specific budgets (- 1.53 M€, which is - 10.033 MF) is explained by that for the flat-racing track at the racecourse (- 1.30 M€, which is - 8.495 MF) and the car park at the Palais Beaumont (- 0.50 M€, which is - 3.256 MF).

The cash position is also showing a similar evolution. Liquid assets rose to 2.62 M€ (17.2 MF) at the end of 1999, 2.62 M€ (18.6 MF) at the end of the supplementary day 2000 and did not exceed 1.46 M€ (9.573 MF) in January 2001.

As you indicate in your response, and in accordance with what is described above, the Audit Chamber states that these evolutions result from the proactive policy for financing facilities, particularly the Palais Beaumont.

## **II – ORGANISATION OF DEPARTMENTS AND INTERNAL CONTROL**

The Audit Chamber noted how the comments formulated at the time of the previous management audit were dealt with especially in what concerns municipal corporations and the formalisation of internal control procedures. It noted in particular that the collection of signatures has been built up and that the guide of internal procedures has been produced.

### **2-1 Organisation of departments**

The Audit Chamber did, however, note gaps in the information produced on the status of the authority, the illegibility of the organisation chart, particularly in regard to the situations of personal staff, and certain dysfunctions. In regard to this last point, the Chamber regrets that, when audits were carried out on-the-spot in July 2000, it was not able to examine the offers submitted by architects' offices who had tendered for the contract for project design and construction supervision for the Palais Beaumont. It notes, however, as you say in your response, that these dossiers are now kept by the legal department and may be consulted there.

#### **2-1-1 Information communicated to the deliberative assembly**

The documents relating to the local government staff attached to the management account of the public accountant are not always consistent with the information contained in the labour relations report or even in the detailed organisation chart for the departments. For example, the labour relations report quotes the existence in 1999 of twenty persons put at the disposal of third parties, including only one category B administrative officer and a works inspector. But the detailed organisation chart shows 24 officers put at the disposal of

associations in addition to the 21 people put at the disposal of the association of local authorities and seven officers, including one in category A, available for SITAP.

Although, as you explain in your response, the administrative positions of some of the employees provided for "La Pépinière" day nursery were only regularised after the opinion put forward in June 2000 and January 2001 by the Administrative Committee constituted on the basis of parity, which did not make it possible to include them in the 1999 labour relations report, the Audit Chamber recommends that you publish documents which are as explicit as possible.

In the same way, the Chamber noted that, from 1996 to 1999, all personnel in the town's technical departments worked for SIAMELAP but that the terms of this operation had not been defined in an agreement. As you indicate in your response, this matter was put on hold because of the reorganisation of the departments, following the creation, then transformation, of the intermunicipal structure. The Chamber notes, as you say, that this will shortly be put in order within the general framework of agreements.

The Chamber notes the same inconsistency in regard to the list of vehicles. Although 262 vehicles are listed on the statement of assets drawn up on 31st December 1999 and attached to the management account of the public accountant, the "list of vehicles and machinery" produced by the departments at the start of the investigation lists 288 of these and the document handed to the Chamber at the end of the investigation lists only 250, including the equipment allocated to the association of local authorities. The Chamber notes, as you say in your response, that your departments have begun an inspection to find out the number actually in service.

Finally, the Chamber found out that because of the recent implementation of the M14 accounting directive the recording methods were modified, and this makes it difficult to follow up the evolution of certain items of expenditure. For example, the grants awarded to private organisations are shown, depending on their year, in the budget subhead for subsidies or the subheads for compulsory contributions, provision of services, entertainment and ceremonies or external personnel.

#### 2-1-2 Gaps in the organisation chart in regard to personal staff

The simplified organisation chart does not show the existence of personal staff even though their names, without reference to their status, appear on the detailed organisation chart. Now, the investigation has shown that in regard to this the town has in some years paid a greater number of persons than the maximum authorised by article 10 of Decree no. 87-1004 of 16th December 1987 relating to personal staff. The Chamber notes, however, that since March 2001 this has been rectified, as you indicate in your response.

The authorisation of the municipal council to create some sort of private office with personal staff and allocate the corresponding budget funds dates back to 13th April 1989, although it should have been renewed in 1995, in accordance with the provisions of article 3 of Decree no. 87-1004 of 16th December 1987 under the terms of which "the duties of personal staff end, at the latest, at the same time as those of the local authority which recruited them". The consequence of this provision, although this is not expressly stated, as you say in your response, is that the creation of the private office is subject to approval by any newly-elected assembly.

With the exception of the person recruited in 2000, all personal staff have been assigned to permanent posts of which a civil servant is responsible for, in breach of the rule contained in article 2 of the Decree of 16th December 1987 referred to above. The Chamber points out that, according to the response which you gave it, the position of two of the three personal staff can only be regularised by putting them under your direct control.

The recruitment of personal staff is subject to the conditions defined in article 136 of Law no. 84-53 of 26th January 1984 and in particular to the age limit as set by the Council of State in its decision of 8th November 2000 (Mr Muzy). It seems, therefore, that the person employed since February 2000 was employed irregularly. The Chamber notes that this situation was rectified on 8th May 2001.

One of the personal staff was wrongly authorised to take, in addition to his employment by the town, another post at the tourism office during the months of September 1998 to March 1999.

You point out in your response that the combination of these positions must not lead to repayment of the salary paid by the town since, in your opinion, this situation is authorised by the Decree Law of 9th October 1936 and that the total salary received by the person concerned does not exceed 200% of the salary set by the municipality.

The Chamber must remind you that in the case in question it is a matter of holding two posts – one governed by public law and the other by private law – and not of a public post with an accessory activity. In fact, the two employment contracts refer to full-time working hours and a salary which, because of its size, constitutes a normal salary for a municipal employee and a commercial director of the tourism office. The prohibition establishing a principle set by the combined provisions of article 2 and 7 of the Decree Law of 29th October 1936 relating to holding more than one retirement pension, salary and post is therefore applicable.

Consequently, in accordance with the provisions of article 6 of the Decree Law of 29th October 1936 referred to above, the net salary wrongly paid by the municipality over a period of seven months – namely a sum of € 20,832.09 (F 136,649.58) – should be repaid.

Finally, the Chamber notes that, although this person resigned from his post on 31st December 1999, he is still exercising, without the right to do so, the functions of director of the town's promotion department.

## 2-2 Internal control

Appraisal of the reliability of internal control procedures focussed on the methods of handling accounting information and the conditions for reviewing this. The failures found show that there was insufficiently rigorous implementation of the procedures defined in the guide of the same name.

This is why the thorough description in the internal procedures guide of the rules relating to holding more than one post, for example, or to the conditions set for arranging hire of rooms or equipment belonging to the town did not prevent the bad practices previously

described or the fact that the municipality covered personal expenses. On the latter point, you responded to the Chamber that you are not aware of the payment by the municipality of personal expenses. The Chamber reminds you that the town paid, by an order issued on 6th September 1999 payable to the company LOC – EXPO France, the sum of F 32,230.35 for the costs, incurred by a municipal officer, of hiring a marquee for his wedding, an expense for which you, quite rightly, requested reimbursement from the person concerned by a revenue order dated 26th September 2000.

In the same way, it appears that the procedure relating to purchasing, which is set out in the internal procedures guide in the chapter on public procurement and the chapter on finances, and under which it is mandatory to draw up an order sheet or purchasing order after checking the list of approved suppliers, was not systematically applied. This is often the case, up to 1999, in regard to production of the municipal bulletin.

The order may also have been arranged, before this was rectified, by persons who were not competent to do so such as office managers or personal staff.

Services are paid for on sight of invoices which do not show the registration number in the official register of commercial firms, although this is mandatory.

The Chamber considers that these deficiencies may explain the payment of invoices to businesses which have the same bank account, or the fact that these were paid when the companies which issued them were no longer in business. One of them had in fact been wound up in 1994, and the other had not declared any commercial activity since 1991.

In order to avoid such errors, the Chamber considers it would be advisable to improve the computerised system for handling information. It notes your response of 23rd January 2001, according to which the town council, by their decision of 21st December 2000, ratified the launch of a procedure intended to renew the financial management computer application and, according to the information which you have given in your response, to bring this software into service in November 2001.

### **III – GENERAL EXPENSE**

This category of expenditure increased considerably from 1997 to 1999.

#### **3-1 Duty allowances**

In 1998, deputy mayors received the sum of € 282,560.93 (F 1,853,478.18) in duty allowances, although they did not have any delegated authority under the terms of articles L. 2123-20 et seq. of the General Local Government Law (*code général des collectivités locales, CGCT*) and did have only the authority to sign administrative and accounting documents and possibly to stand in for the mayor in his capacity as civil status officer. Now, in implementation of the consistent practice established by the Council of State (judgements of 5th March 1980 – Botta and 19th February 1993 – Schmitt), the right to payment of these allowances is subject, as shown in article L. 2123-20 of the CGCT referred to above, to actual performance of these duties, identified by the Council of State in the



judgements referred to above by the existence of delegation of authority. The higher administrative court also established, in its judgement of 29th April 1988 (Ms Joissans), that only the capacity of civil status officer may not justify the granting of a duty allowance in the absence of delegation of authority.

The Chamber notes that this has been rectified by orders for delegation dated 6th September 2001.

### 3-2 Reimbursement of mission expenses of members of the town council

The Audit Chamber has noted the action taken as a result of its comment in regard to supporting documentation for reimbursement of mission expenses for members of the town council. Notes of charges now show the purpose of the official mission. On the other hand, the connection between the purpose of a journey quoted on these documents and the responsibilities conferred on the members are not always clear, which means that it is not possible, in the absence of additional supporting documents, to ascertain the benefit to the municipality of the travel. Even if, as you state in your response, the journeys are always of benefit to the municipality, it would be desirable, in order to make internal control procedures more secure, for supporting documents (copy of notice convening to a meeting, session programme) to be attached in support of the notes of charges, especially since none of the members has a special mandate. Indeed, in implementation of the rule set by article L. 2123–18 of the CGCT reimbursement of mission expenses is subject to execution of special mandates, defined in 1950 by the Council of State as "all missions accomplished with authorisation from the municipal council for the benefit of municipal affairs".

The Chamber notes that you say in your response that this practice should be rectified at its forthcoming submission to the town council, which will discuss the precise definition of special mandates.

### 3-3 Entertainment expenditure

Expenses for "advertising, publications and public relations" charged to subhead 623 doubled between 1997: 0.70 M€ (4.595 MF) and 1999: 1.35 M€ (8.871 MF). These include in particular, under the heading "entertainment and ceremonies", restaurant expenses, room hire costs and service contracts entered into with sports clubs in 1999.

Purchases of food and drink entered in the entertainments and ceremonies account relate to the organisation of cocktail parties, directly by the departments in charge at the town hall or by caterers, and to restaurant charges. Overall, the expenditure has doubled: from 0.08 M€ (0.510 MF) to 0.15 M€ (1.015 MF) in two years, such as, in particular, the cost of meals taken in restaurants: from 0.03 M€ (0.178 MF) to 0.08 M€ (0.510 MF). The Chamber noted that the purpose of 846 meals taken up to October 1998 at Les Pyrénées restaurant for the sum of € 45,074.60 (F 295,670), which is a unit price varying from € 30.49 (F 200) to € 56.03 (F 367.50), like that of meals paid for at the same restaurant in 1999 for the sum of € 79,322.43 (F 520,321) is never stated, although the purpose of other meetings (reception for members of foreign councils, meals for ESAC or the school of music) is frequently given on invoices of the same kind.

The Chamber reminds you that entertainment costs for members of the Council are normally covered by duty allowances and that public servants and officers may only benefit from reimbursement for their meals, at actual cost, if they present supporting documentation which state the reason therefore. The Chamber draws your attention to the advantage, in regard to strengthening the internal control system, of having the purpose of meetings organised at the restaurant referred to above indicated on the notes of charges. It notes, however, the response which you supplied during the investigation pointing out that a negotiated contract had been entered into with the restaurant owner to provide from 50 to 200 meals per year at an average price of € 43.04 inclusive of taxes (F 282,340 inclusive of taxes) per guest.

### 3-4 Expenditure covered for third party accounts

At the time of the previous audit, the Chamber had noted that transport costs incurred by associations had been met by the town to the amount of € 57,879.10 (F 379,662) without authorisation from the town council. This practice has not been totally rectified. It is still observed to a lesser extent in regard to transport costs (€ 5,987.43, which is F 39,274.95, in 1998) but to just as great an extent in regard to room hire costs. For example, the costs of room hire incurred for the trade fair and exhibition, by and for the benefit of individuals, syndicates or various associations, were paid by the municipality, without authorisation from the town council, for the sum of € 32,343.27 (F 212.157.96) during the years 1997 and 1998. In 1999, € 52,409.40 (F 343,783.12) was also paid by the town to the company PAU – CULTURE for hire of Zénith by the associations which had organised the gala for former army children, the gala for the fiftieth combat helicopter regiment and the national trisomy conference.

The Chamber points out that the costs incurred by third parties on their own accounts do not constitute an expense of benefit to the municipality unless approved by the deliberative assembly. They must, if such is the case, be charged to budget subhead 657 – subsidies – and may then be paid by the accountant at sight of the decision of the town council.

The Chamber notes, as you indicate to it in your response, that the town council has been informed of this procedure.

## **IV – SERVICE CONTRACTS**

The Chamber has noted the allocation of the contract for hire of electronic newspapers in 1997 after this was opened to competition by an open invitation to tender. It notes that this procedure led to the obtaining from the firm of Decaux, the former holder of the contract, of prices 37% lower than the actual value of its former price.

## **V – RENOVATION OF THE CASINO AND FITTING OUT OF THE CONFERENCE CENTRE**

Renovation of the casino and its fitting out as a conference centre with creation of an underground car park were considered in 1991. At that time, indeed, the technical departments defined the cost and the capacity of the water networks and sewers necessary for

proper functioning of this building. These works were carried out in 1998 without modification to the plan drawn up in 1991.

But the Palais Beaumont building programme was not approved entirely, including the cost of the underground car park, until April 1996. In fact, in its decision of 23rd April 1996, the town council endorsed the provisional cost price of € 15,976,961.90 exclusive of tax (F 104,802,000 exclusive of tax) and accepted the funding plan including € 8,018,818.31 (F 52,600,000) of subsidies: € 15,244.90 (F 100,000) from the State, € 4,573,470.52 (F 30,000,000) from the Region and the Department and € 3,430,102.89 (F 22,500,000) from the European Community under the European Regional Development Fund, together with a contribution from the town of € 7,958,143.60 (F 52,202,000).

Since the audit of the financial and performance management began at the time this facility came into service, the Chamber wished to assess its impact on the municipality's finances. It regrets that at that time it was unable to have access to a document stating clearly and unquestionably the overall cost price for the operation. In fact, the detailed accounts submitted to it by the technical and accounting departments were not consistent and could not be brought into line during the investigation. Therefore since the Chamber was unable to obtain a statement produced by the town departments, validated by the authorising officer and showing the final overall cost price of the operation, detailed by budget (principal and special), by chapter and with value exclusive of tax or inclusive of all taxes, it was forced to reconstruct the prices for the Palais Beaumont from accounting data and decisions of the town council. Details of this are given in the attached table. The total price indicated was confirmed by the accounts department.

The Chamber also notes that the Palais Beaumont operation, although handled administratively and financially in three stages, was run like a single operation. The definitive design was agreed on 17th November 1997. The invitation to tender for award of the works was launched at the same time in December 1997. The tender committee gave its decision in March 1998. The additional clauses to the contracts for the second and third stages were approved on the same date, the 28th January and 5th November 1999. The firm Pardo therefore carried out all the carpentry and roofing for the building, although the works for the rebuilding of the bell towers and the auditorium were awarded to them in separate contracts and not like the rest of works of the third stage via the open invitation to tender. Additional works for reinforcement of the existing structures in the second and third stages were also awarded at the same date (January 1999) by order given to the firms Pardo and Mas Tonelli, to whom the lots for the fabric of the building were awarded.

The Chamber notes that the difference between the provisional cost price (€ 15,976,961.90 exclusive of tax, which is F 104,802,000 exclusive of tax) and the final cost price (€ 22,347,653.73 exclusive of tax, which is F 146,590,999 exclusive of tax) is as much as € 6,419,230.53 exclusive of tax (F 42,107,392 exclusive of tax) which includes € 604,005.29 (F 3,962,015) for the second stage and € 5,766,686.54 (F 37,826,984) for the third stage. € 1,777,896.11 (F 11,662,234), which is 11.12% of the original cost price, is explained by the purchase cost of equipment and the addition to the operation of the rebuilding of the bell tower roofs, which you say was a result of the storm of July 1996.

Review of the plan for the auditorium in November 1997 led to an additional charge of € 449,292.41 (F 2,947,165), which is 18.45% more than the expenditure originally planned. The adjustment of the plan for the conference centre on the same date led to an increase of € 1,280,571.74 (F 8,400,000) which is 11.69% more than the budget allocation

quoted in the programme for the competition for the project design and construction supervision.

The construction of two additional transformers, even though the project supervisor had considered the capacity of the existing equipment to be sufficient, cost € 205,913.50 (F 1,350,704) and the installation of the parking facilities and centralised control of the lights € 449,529.47 (F 2,948,720).

Additional works for completion of the auditorium (€ 331,839.13, which is F 2,176,722) relate mainly to reinforcements to structures and works carried out for fitting out the conference centre: € 1,493,200.47 (F 9,794,753) arose from modifications to the plan made since January 1999.

The results of invitations to tender for the works involved in total only an increase of € 446,294.50 (F 2,927,500) which is 2.79% of the original cost price.

As a result, it seems that the increase in the cost price for the operation, and consequently in the town's financial contribution do not arise from drift in the prices of the works contracts. They can be explained mainly by the alterations to the plan in the course of its execution (design of the auditorium, additional works for the conference centre part, change in the brasserie design) and by showing the purchase of furnishings and miscellaneous equipment as separate items.

Although the Chamber recognises the advantage of placing an order for the latter purchases in accordance with the requirements defined by the manager at the time when the building was being finished, it considers it desirable, for the purpose of better management, to evaluate the expenditure at the start of the programme so as to give the deliberative assembly full information on the cost of the project and the financial outlay which it is authorising.

For your part, you estimate, in view only of the general and definitive detailed accounts for works in the three stages, that the overspend seems to be + 8.6%. The Chamber regrets that you were not able to attach, in support of this calculation, any of the detailed accounts referred to above or any other summary document giving details by category of expenditure. In fact, in the absence of an overall balance, set out clearly and consistently by the technical and accounting departments, the Chamber can not give an opinion of the figure which you quote.

However, even if we accept the deduction from this price, as you suggest in your response, of the cost of furnishings and equipment and rebuilding the roof of the bell towers, which is € 1,777,896.11 (F 11,662,234) together with the cost of transfer of centralised control of the car parks (€ 123,005.01 and F 806,860 exclusive of tax), the cost price for the programme comes to € 20,495,276.06 exclusive of tax, which is F 134,440,198 exclusive of tax, which means that it exceeds the cost price authorised in 1996 by 23.8%.

In these circumstances the town's contribution, estimated at € 7,958,143.60 (F 52,202,000) in 1996, had, by the end of the operation, reached the sum of € 12,476,457.76, which is F 81,840,198.

In implementation to the provisions of article L. 241-11 of the Code of the Audit Offices with Judicial Status, this final report of the Audit Chamber, together with your response dated 12th August 2002, must be an agenda item for the next meeting of the deliberative assembly. It must be attached to the notice convening the meeting for each of the members and must be the subject of a debate.

The Chamber will be grateful if you will inform it under what circumstances this notification is made.

In addition, I draw your attention to the fact that this report, together with your response, will become available to third parties as soon as the meeting referred to above has taken place.

I inform you that a copy of this report, together with your response, is being sent to the Prefect and to the Chief Treasurer and Paymaster of the Department in implementation of article R. 241-23 of the Code of the Audit Offices with Judicial Status.

Yours faithfully,

**Bernard GIREL**  
**President of the**  
**Regional Audit Chamber of Aquitaine**  
**Member**  
**of the Court of Audit**