

INTOSAI



Cour des comptes



FIGHT AGAINST CORRUPTION: THE ROLE OF FRENCH FINANCIAL JURISDICTIONS

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PRESENTATION OUTLINE

- ❖ **Part I**: French financial jurisdictions are fit to contribute to prevent and fight against corruption, through their jurisdictional activities, and their other audit activities
- ❖ **Part II**: New entities, dedicated to prevent and fight against corruption were lately created and the Court of accounts cooperates with them
- ❖ **Part III**: The Court of accounts and Regional chambers strengthen the role of citizens



PART I:

FRENCH FINANCIAL JURISDICTIONS ARE FIT TO CONTRIBUTE TO THE FIGHT AGAINST CORRUPTION



I.1. A JURISDICTIONAL SYSTEM ENABLING THE SANCTION OF BREACHES OF RULES

- The Court of accounts and the Regional chambers of accounts financial jurisdictions issue enforceable judgements following a **contradictory procedure**, and **may sanction accountable people** for their individual financial responsibility.
- They are composed by **independent magistrates**, have an **independent Prosecutor** and an **independent First President**, none of them can be dismissed.
- They obey an **ethic code** which has legal force. They have **extensive investigation powers** (almost no secret may be opposed to him).



I.1. A JURISDICTIONAL SYSTEM ...

What punishment ?

- **For the public accountants an individual financial responsibility:** if there is a breach of any financial or accountable rule, resulting in money missing, they are required to reimburse it.
- **For the managers** they may be required to, but in a single case, which is “*gestion de fait*” or “*management de facto*”, i.e. if a manager breaches the absolute separation between managers and accountants by interfering in the accountant competency.
- **For the other breaches of financial rules by managers**, a special financial jurisdiction, the Court of budgetary and financial discipline (CDBF) may sanction them with a fine.
- **If a criminal breach is detected**, the case is hand overed to a judicial prosecutor.



I.1. A JURISDICTIONAL SYSTEM ...

A major reform from 2023

- The financial jurisdictions will have **same missions and abilities toward accountants and managers**.
- Thus the Court will have **enlarged competencies** toward managers and **CDBF will merge with the Court**.
- The **individual financial responsibility of the accountant will be abolished**: the sanction will be a fine for the accountant as for the manager.
- A **unique chamber** of the Court of accounts, composed by magistrates from the Court and from the regional and territorial chambers.



I.2. FINANCIAL JURISDICTIONS ARE ENTITLED TO CREATE A SOUND FINANCIAL ENVIRONMENT TO BETTER TACKLE CORRUPTION AND FRAUD

They have competencies wherever public funds are handled, exceeding public sphere:

- Every public authorities belonging to the State or to local communities, their public agencies and the public-owned companies
- Social security entities
- Private entities calling for public charity, or benefiting of tax reductions for donors
- Private entities working in the health and social sector

Yet they don't directly control ministers, mayors and their cabinets.

They have significant powers of investigations:

- Financial magistrates have an exhaustive access to information, even confidential data.
- They may question banks, tax administration, and access to criminal files.
- However, the number and the size of entities using public money and potentially submitted to audit require selectiveness, with a risk of leaving dead zones.



I.2 ENTITLED TO CREATE A SOUND FINANCIAL ENVIRONMENT...

A wide range of methods and missions

- Financial jurisdictions audit **the management of public funds and accounts**
 - proper functioning of governance bodies;
 - sound use of human resources, without nepotism or conflict of interests;
 - sound management of procurement which helps to prevent favoritism;
 - independence and robustness of internal audit systems and mechanisms;
 - compliance with ethical regulations in the field of deontology;

- Through the **audit of financial statements**, they are able to detect unfair view of accounts, breach to sincerity).



I.2 ENTITLED TO CREATE A SOUND FINANCIAL ENVIRONMENT...

The Court of accounts evaluates anti-fraud policies

In the recent years the Court of accounts controlled policies and means for fighting against fraud in several major areas, especially:

- the mandatory levies, and especially the VAT
- the Social security contributions
- the Social security benefits
- the means of the fight against financial crime

Seeing progresses but denouncing several weaknesses, the Court of accounts issued recommendations such as more simple laws, more exchanges of information between authorities and between investigating entities, increasing use of the ICTs and international cooperation.



PART II:

NEW ENTITIES, DEDICATED TO
PREVENT AND FIGHT AGAINST
CORRUPTION WERE CREATED AND
THE COURT OF ACCOUNTS
COOPERATES WITH THEM



II. A DEEPLY RENEWED LANDSCAPE WITH THREE NEW AUTHORITIES

THE COURT OF ACCOUNTS IS ONE OF THE NUMEROUS ACTORS IN THE FIGHT AGAINST CORRUPTION





II. THREE NEW AUTHORITIES ...

The National Financial Prosecutor's Office (PNF), created in 2013

- Specialized in the fight against offences against probity, corruption of foreign public officials, tax fraud and stock market offences.
- Disposes of an investigative unity: Central office for fight against corruption and tax and financial crime (OCLCIFF).
- A new Chamber of the Paris Judicial High Court "*Tribunal de Grande Instance*" to deal with cases handed-over by the PNF.

French SAI cooperates with PNF and other judicial prosecutors. A judicial magistrate is always seconded to the Court's Prosecutor General's Office.

Cases hand-overed to judicial prosecutors increase (88 in 2019) mainly for major breaches in public procurement rules, second for illegal appropriation of interests and third for embezzlement.



II. THREE NEW AUTHORITIES ...

The High Authority for Transparency in Public Life (HATVP), created in 2013

- Promotes and supervises probity and exemplarity of public officials. Fully independent.
- Checks the declarations of assets and interests of about 17 000 elected people and high-level public officers.
- Power to inquire and to transfer to the public prosecutor.
- Monitors the ethics of highest civil servants; delivers a mandatory opinion when coming from private sector, or when quitting for the private sector.
- Oversees lobbying: national public registry of lobbies, control of activities.

The Court of accounts cooperates by electing two members to the executive board, designating two rapporteurs, and seconding a financial magistrate. Both exchange informations about cases. The former first president of the Court chairs the HATVP.



II. THREE NEW AUTHORITIES ...

The French anticorruption Agency (AFA), created in 2016

- Chaired by a judicial magistrate, the AFA audits public bodies as a preventive mechanism, or in the event of denunciation.
- Monitors the compliance of big companies (at least 500 employees and €100 million turnover) with mandatory corruption prevention and detection measures.
- Audits the existence and effectiveness of prevention and detection mechanisms in public entities.
- Provides information, counsel, guidelines and training to public institutions and private companies, to tackle corruption and fraud.

The French Court of accounts cooperates with AFA, seconding a financial magistrate. The General Prosecutor's Office at the Court of Accounts receives all AFA reports concerning the entities in their common field and sends the relevant audit conclusions of the Court of Accounts to AFA.

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PART III:

THE COURT OF ACCOUNTS AND REGIONAL CHAMBERS STRENGTHEN THE ROLE OF CITIZENS



III. A STRENGTHENED ROLE FOR CITIZENS

- Accountability toward citizens is engraved in the Human rights declaration “*La société a le droit de demander compte à tout agent public de son administration*”.
- Use of ICTs to share reports, aiming to publish on-line every report. In accordance with OGP: sharing the main financial and budgetary data used for reports.
- Citizen web platform: citizens may propose thematics for the next year agenda, creating a “right to petition”.
- 2022: web platform to collect reports of malfunctioning by whistleblowers.



SEE MORE...

- An exhaustive paper about French SAI and fight against corruption:

<https://www.ccomptes.fr/system/files/2022-04/20220404-french-SAI-and-fight-against-corruption.pdf>

- More information about us in English:

<https://www.ccomptes.fr/en/who-we-are-and-what-we-do/cour-des-comptes#fight>

- Websites:

- [SAI France – Cour des comptes](#)
- [National Financial Prosecutor's Office \(PNF\)](#)
- [High Authority for Transparency in Public Life \(HATVP\)](#)
- [French Anticorruption Agency \(AFA\)](#)

Thank you for your attention

