

# Abstract

## ALLOCATION OF THE GUARANTEED MINIMUM INCOME BENEFIT : THE FEDERAL GOVERNMENT'S AID

*The Court of Audit has performed an audit aimed at examining how the federal administration, which finances at least 50% of the incomes granted by the Public Centres for Social Assistance (P.C.S.A.'s) within the framework of the minimum income federal policy, organized itself to make sure that the P.C.S.A.'s respect the legal provisions and that the objectives laid down by the legislator are actually achieved. The law of May 26, 2002, which came into effect during the audit, replaced the right to the guaranteed minimum income by the right to social integration, but it hardly modified the administrative practice as regards the subsidizing of the P.C.S.A.'s. Consequently, the conclusions of the audit remain topical.*

### **The missions of the federal administration (Social Assistance departments)**

The audit performed by the Court initially highlighted the gaps in the definition of the mission of the Federal Government in the matter. A clear, precise and concrete definition of this mission, as of the responsibilities for the various partners involved in implementing the federal policy is of primary importance for at least two reasons. At first because, when working out a management system, defining a mission that identifies the aims pursued, the modes of action and the ethical values advocated constitutes obviously an important stage. Further on, because, in the case at hand, the federal administration acts with other bodies. Indeed, the regulation governing the right to the guaranteed minimum income comes under the federal jurisdiction, but the law entrusts the P.C.S.A.'s, which are traditionally competent in the field of assisting people, with the mission to ensure that right. In addition, the federal administration (Social Assistance departments) does not carry out any evaluation of the results of the policy it is assigned to implement.

In practice, the intervention of the federal administration consists primarily in paying subsidies to the P.C.S.A.'s and in checking their legality. The Court considers that the administration should pay more attention to the protection of the recipients and to their equal treatment.

### **The operation of the Social Assistance departments**

Concerning the general operation of the Social Assistance departments, human resources appeared to be limited, particularly with regard to the performance of inspection tasks. Furthermore, the internal audit procedures are fraught with gaps: non formalized action modes, limited written instructions, insufficient separation of duties and inadequate quality control of the data produced by the information system. The external communication of these departments, essentially with the P.C.S.A.'s, is poorly structured.

Concerning more particularly the organization of the inspections to be performed by the administration in the P.C.S.A.'s, it appears that the more important of these (15 P.C.S.A.'s alone receive more than 50 % of the total amount of the subsidies) were very seldom visited these last years. The few audit priorities selected do not rest on a risks analysis and the administration did not adopt any formalized auditing methodology.

The use of statistical techniques, combined with risks analyses, would allow the administration to provide reasonable assurance that the law is correctly applied and the subsidies are advisedly paid.