Effectiveness of the ETH Board's strategic management and supervision of the ETH Domain

Key facts

The ETH Domain covers the technical and scientific universities and research institutions that are run by the Swiss Confederation as owner. It comprises two universities of technology and four research institutions and is managed by the ETH Board. In 2014, the ETH Board received some CHF 2.5 billion from the Confederation.

The audit of the Swiss Federal Audit Office (SFAO) aims to assess the effectiveness of the ETH Board's strategic management and supervision of the ETH Domain.

As a result of the legal basis, the ETH Board has very different powers depending on the area. The general supervision of the ETH Domain is limited because the autonomy of the universities of technology and research institutions takes precedence. In contrast, the Board was given wide-ranging powers over the real estate of the ETH Domain.

Ownership of this real estate lies with the Confederation and not with the ETH Domain. As a building and properties authority, the ETH Board represents the Confederation and must also fulfil audit tasks for this. The example of a cost overrun (of approximately CHF 22 million on planned building costs of CHF 50 million) at the ETH Lausanne shows that there is no clear understanding of roles between the Board and the universities of technology and research institutions.

Need for a clearer legal basis

Legal restrictions make it impossible for the ETH Board to fulfil the role of a board of directors based on the private-sector model. Furthermore, the institutions may challenge any supervisory measures of the ETH Board before a court. The SFAO sees this as problematic and therefore recommends specifying the legal basis for the supervisory function more precisely and appointing an extrajudicial decision-making authority.

The corporate governance guidelines set by the Federal Council for the management of autonomous units rightly apply to the ETH Domain too. Deviations from the guidelines are possible only in justified exceptional cases. Currently, the presidents of both universities of technology and a representative of the research institutions are required by law to be members of the ETH Board. This means that the independence of the executive body of the ETH Domain in terms of personnel which is required by the guidelines is not fulfilled. As a radical division of the ETH Board has been rejected, the SFAO recommends compensatory measures.

Improvements for less administration and greater transparency

The institutions have complained to the SFAO about the increasing amount of administrative activities which use considerable resources. Many of these administrative activities are performed in a decentralised manner in the ETH Domain. For this reason, the SFAO proposes checking which task areas are suited to a pooling system in the sense of an "ETH service centre" and what potential there is.

In its role as employer, the Board currently deals with the secondary occupations of the members of management of the universities of technology and research institutions. The SFAO sees room for improvement here in the imposing of the duty to report these secondary occupations.

The SFAO considers the long-term goal to be a fully independent ETH Domain managed by the ETH Board. The necessary basis for this would be the assignment of a legal personality to the ETH Domain and the designation of the ETH Board, with clearly defined powers, as its executive body. The real estate should then be transferred to this area associated with the Confederation only through strategic objectives and comprehensively allocated resources.

Original text in German