

Pro Senectute: Follow-up audit of the evaluation and new service-level agreement Federal Social Insurance Office

Key facts

Pro Senectute (PS) is a national organisation with the aim of maintaining and promoting the well-being of elderly people in Switzerland. The foundation receives a subsidy of approximately CHF 54 million each year. This is not paid by the Confederation but comes out of the old-age and survivors' insurance compensation fund. The Federal Social Insurance Office (FSIO) concludes service-level agreements with PS for this financial assistance for a period of four years.

In 2012, the Swiss Federal Audit Office (SFAO) conducted an evaluation of the PS service-level agreement desired by the FSIO on the transparency of the utilization of the contribution and the orientation to vulnerable target groups. The aim of the current audit was to evaluate the new 2014–2017 service-level agreement. This above all with a view to whether both contracting parties had implemented the 2012 recommendations.

The next service-level agreement must be adapted

From the point of view of the SFAO, the current service-level agreement is not appropriate to control and supervision this level of financial assistance. It is extensive and detailed but does not focus on essentials. It does not correctly reflect the applicable legal bases on several points. What is disturbing is that the financial assistance has for years allowed PS to make profits and further increase reserves. In 2014, foundation consolidated profits were at CHF 16.7 million (before profit allocation). Organisation capital at the end of 2014 was CHF 228 million.

The next service-level agreement from 2018 must be better structured. For the SFAO, many details of the current contract are not relevant for control and supervision. Provisions on the financial situation of the foundation and the services eligible for a subsidy are crucial. The FSIO must establish an appropriate level of self-financing. If the foundation does not achieve this or continues to make profits in the subsidised sectors, the financial assistance must be reduced. In addition, the services eligible for the subsidy must be reassessed and restricted. The FSIO has already set priorities with enough scope and which are geared to vulnerable targets groups. In spite of this, in practice there are still several sectors which are subsidised which is incomprehensible for the SFAO.

PS conducts extensive controlling and reporting in relation to FSIO. The reports are already at a high level although there is some room for improvement. The SFAO believes that the cost accounting and the performance statistics are the main elements of the reporting. Both still currently have deficiencies. In addition, the performance recording in the cantonal PS organisations should be professionalised.

Supervision by the FSIO is not sufficient

Supervision by the FSIO of PS is not appropriate to the amount of the subsidy. Due to the lack of resources in terms of technical expertise and time, only one review of the controlling report is conducted and one annual discussion with PS. The complete cost accounting is not requested and thus not evaluated. An audit of the documents or an on-site audit do not occur.



The Federal Council has instructed the Federal Department of Home Affairs (DHA) to submit a consultation draft on the modernisation of social security funds supervision by the end of 2016. In the FSIO, there are several sectors entrusted with this function. Here the tasks are carried out individually and in widely divergent ways. The planned modernisation is an opportunity for the FSIO to eliminate certain weaknesses in the supervision of subsidies and to develop a uniform, professional supervisory function. In spite of this, the FSIO must take several immediate measures for the supervision of PS. Moves are already underway in this regard.

The 2012 SFAO recommendations have been fully implemented by PS. In the case of the FSIO, two are still unresolved. These concern the figures to be defined in the service-level agreement. The recommendations will be kept pending.

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