

Audit of direct supervision of the occupational pension system

Occupational Pension Supervisory Commission

Key facts

The Occupational Pension Supervisory Commission (OPSC) is an independent supervisory authority. It ensures consistent supervisory practices in the occupational pension system. The OPSC acts as the supervisor for the cantonal and regional direct supervisory authorities. In addition, it directly supervises a total of 56 investment foundations with investment assets of around CHF 200 billion, the Substitute Occupational Benefit Institution with assets of CHF 15.2 billion, and the OPA Guarantee Fund Foundation with assets of CHF 1.1 billion¹.

The Swiss Federal Audit Office (SFAO) audited the OPSC's direct supervision and notes that the direct supervision is appropriately anchored, functions well and covers the major risks. The SFAO identified only minor areas for improvement.

Direct supervision works well and is effective

Every year, the OPSC surveys all prevailing and relevant risks. These are consolidated and checked centrally by the head of the Risk Management Division. This "risk map" then goes to the OPSC's Director and the Commission for approval. Both the survey and the monitoring of risks are appropriately organised. All risks are monitored using a supervision process.

The OPSC is fulfilling its obligations to the foundations listed above. It liaises regularly with the supervised units. The SFAO notes that the OPSC issues relevant guidelines and directives in accordance with its responsibilities. The directives issued by the OPSC are effective in terms of achieving quality in reporting and transparency of the audited financial statements. The effectiveness of the directives is reviewed at regular intervals. Moreover, in 2019 an external expert was appointed to assess the transparency of asset management costs. The results show that the directives have led to improvements in the supervision system.

The OPSC's supervision processes work properly. The observed weaknesses, such as the division of responsibilities and the traceability of the individual checks performed, must be remedied by the OPSC.

(Non)observance of governance rules

A member of the OPSC Commission was up for election to the foundation board of a supervised foundation as of 1 January 2020. Despite this, in August 2019 the person concerned played an active part in a Commission meeting at which the supervised foundation was discussed.

¹ All figures as at 31 December 2018.

This contravenes the OPSC code of conduct, which stipulates that a commission member should not jeopardise the independence and integrity of the Commission. Given that conflicts of interest are strictly to be avoided, the SFAO takes the view that people involved in similar cases must systematically recuse themselves.

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