

Follow-up audit of the implementation of key recommendations

Unemployment Insurance Compensation Fund

Key facts

The Swiss Federal Audit Office (SFAO) conducted a follow-up audit of the implementation of key recommendations at the Unemployment Insurance (ALV) Compensation Office, which is part of the State Secretariat for Economic Affairs (SECO). The recommendations were made in two SFAO audits published in 2015 and 2017 on labour market measures.¹ These include unemployment insurance benefits of around CHF 600 million per year. The first of these audits concerned the temporary employment programmes and occupational traineeships at the Unemployment Insurance Compensation Office, the second the monitoring of the labour market measures.

Audited recommendations largely unimplemented

Seven of the eleven recommendations were audited in this follow-up. Of the remaining four recommendations, two were considered completed and closed, and one was deemed obsolete and closed. One still has a deadline for implementation by the end of 2022.

Of the recommendations to SECO and the ALV Compensation Office that were re-examined, none has yet been fully implemented, despite the fact that the majority of statements received were in favour. The majority of the steps promised in connection with implementation have also not been implemented or have not yet been implemented. The SFAO considers this situation to be clearly unsatisfactory. It is keeping four recommendations open, some with clarifications based on more recent developments and experience. The other three recommendations are now considered obsolete and have been closed.

SECO explains the failure to implement the individual recommendations from the first audit in part with the reorganisation of the competent labour market and unemployment insurance section in 2015. This resulted in changes in personnel and a strategic reorientation, which subsequently called into question individual statements made.

Necessary steps for the further implementation of outstanding recommendations

The five recommendations from 2015 concerned a better focus of the temporary employment programmes on risk groups, assigning jobseekers as closely as possible to the primary labour market, improving how the objectives for the individual measures are formulated, more systematic data collection and surveys for evaluation by jobseekers, and better monitoring of the possible negative repercussions on the labour market.

The two highest priority recommendations of 2017 called for impact-dependent compensation for labour market measures and the procurement of these services on the market.

¹ "Temporary employment programmes and occupational traineeships under unemployment insurance" (PA 13470) and "Monitoring of labour market measures" (PA 16576) can be downloaded from the SFAO website (www.sfao.admin.ch).

An unfinished SECO project on target-based impact measurement for labour market measures plays an important role in the further implementation of the recommendations. Accordingly, it would appear to be important that this project, including adjustments to the AVAM IT system (job placement and labour market statistics), be completed quickly, taking into account the SFAO's recommendations.

The SFAO has decided against implementing impact-dependant compensation for the labour market measures. This is in part because of the external study announced in the statement, which has since been carried out and advises against this.

Labour market measures have been explicitly excluded from the scope of application of the Public Procurement Act since the beginning of 2021. Therefore, the SFAO refrains from further implementation here as well. Nevertheless, SECO should continue to promote procurements on the market.

In addition, more systematic data collection requires a clear formulation and swift adoption of the data collection directive planned by SECO. Finally, in order to implement the monitoring of the success of subsidised labour market measures as required by law, their usefulness for reintegration should be evaluated to a greater extent, and jobseekers' assessment of them surveyed more frequently.

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