

Audit of the efficiency of financial supervision of railway infrastructure operators

Federal Office of Transport

Key facts

Every year, around CHF 5 billion is invested in Switzerland's railway infrastructure. Throughout Switzerland, 35 infrastructure operators operate and maintain a network of around 5,300 kilometres. The Confederation provides the infrastructure operators with around CHF 3.5 billion per year for the uncovered planned operating and maintenance costs via the service level agreements (SLAs). The expansion projects require around CHF 1.5 billion per year and are ordered by the Confederation from the infrastructure operators via implementation agreements. Both ordering instruments are financed via the railway infrastructure fund (RIF).

The Swiss Federal Audit Office (SFAO) examined whether the financial supervision of the railway infrastructure operators is performed efficiently and with the highest possible level of digital support. Despite fundamental differences between the two business areas of SLAs and implementation agreements, the supervisory and control instruments that have been set up and implemented are generally appropriate. The framework defined by the supervisory and control concepts is appropriate and should be further developed in line with the aim to ensure continuous improvements.

The supervisory and control instruments are appropriate – the impact assessment needs improvement

The infrastructure operators and the two ordering instruments are supervised by the Federal Office of Transport (FOT). The Rail Network section manages and supervises the SLAs; the Large-scale Projects section manages the expansion programmes with the individual expansion projects.

Both the SLAs and the expansion projects with implementation agreements are managed on a risk-oriented basis; the SLA project portfolio comprises more than 6,500 ongoing projects, while the Large-scale Projects section manages a few hundred individual projects.

However, digital support needs to be developed further and the impact measurement for supervision and management needs to be improved. Digital support for supervision and management is more developed in the case of the SLAs than in the expansion projects. Both the Rail Network and Large-scale Projects sections have planned further developments that absolutely must be implemented.

The Rail Network and Large-scale Projects sections have aligned their own objectives with the FOT's official strategy where necessary. However, the systematic impact measurement for their own activities is not conceptually planned. The SFAO sees potential for improvement here in terms of the continuous further development of supervision and management, and has formulated a recommendation for both.

The Rail Network section must play a greater role in defining objectives and managing the service level agreement

The impact of the resources deployed as part of the SLAs is reflected in the state of the network. Corresponding key figures with target values are defined and agreed with the infrastructure operators in order to manage the SLAs. The infrastructure operators report on their network status on an annual basis. Today, the SLA target values are mainly set by the infrastructure operators. The Rail Network section must play a more active role in the target value process and focus on target achievement as part of its management activities. The SFAO has issued a recommendation in this regard.

The Large-scale Projects section must refine the risk analyses it uses

The Large-scale Projects section has developed its risk analyses in a structured manner. There is still potential for optimising the effectiveness of both the implementation and the maintenance of these instruments. The SFAO has made a recommendation in this regard.

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