

## Implementation of cross-departmental office directives Federal Finance Administration

### Key points

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The Federal Finance Administration (FFA) implements the Financial Budget Ordinance (FBO). It is responsible for the budget, the financial plan and accounting in addition to funding and investments in the money and capital markets. Since the introduction of the Confederation's New Accounting Model (NAM) in 2007, the administrative units have been managed via the statement of financial performance, statement of investments and operational cost accounting. The changes affected supervision of the administrative units. This report concentrates on supervision in the sense of monitoring implementation of the directives and specifications in the departments.

The Swiss Federal Audit Office (SFAO) checked whether or not the tasks, powers and responsibilities are defined and whether or not checking of compliance with and implementation of the directives is sufficiently regulated. This audit focuses on the FFA as a cross-departmental office. The areas of budgeting, credit management, accounting/preparation of financial statements, the internal control system (ICS), creation of reserves, major events, leasing, collection, public-private partnerships (PPP) and eGovernment were assessed.

The FFA takes its supervision role more seriously than its interpretation of the legally assigned responsibilities would indicate. The SFAO considers the supervision to be largely appropriate. There is room for improvement with regard to the remedying of deficiencies and the basis for enforcement and escalation instruments.

### **The transfer of supervisory powers is open to interpretation**

The SFAO believes the need for cross-departmental offices is indisputable. They are key to achieving a consistent approach in core areas in the Federal Administration. In order to effectively play this role, the directive-issuing, supervisory and enforcement powers of cross-departmental offices are an essential basis.

According to Article 75 of the FBO, the FFA implements the FBO. The SFAO feels that the term "implements" transfers responsibility for supervising the implementation of directives to the FFA. In the FBO, however, responsibility for proper accounting is borne by the administrative units, for example, and their directors are responsible for the ICS. In this case, the SFAO's legal interpretation is different from the FFA's.

### **Supervision by the FFA is largely appropriate**

There are supervisory instruments in many of the audited areas. Control cycles are discernible, and suitable controls are often conducted. The enforcement options of the FFA are based more on technical expertise and acceptance than on formal legitimation. What is missing is an overall assessment and systematic documentation of supervision. The absence of an obligation on the part of the FFA to be responsible for the preparation of the financial statements (rendering of accounts) and for the entire federal ICS and the lack of formal escalation and enforcement instruments have a restrictive impact. The departments are involved in the essential supervisory activities. However, there is also room for improvement here in individual areas.



In addition, supervision of the implementation of recommendations and the remedying of deficiencies is not undertaken in a uniform manner. This task should be integrated into its supervisory system under the leadership of the cross-departmental office.

**The SFAO recommends making the following improvements**

The obligation and the powers of the FFA to monitor compliance with the directives must be unambiguously set out in the FBO. To ensure the implementation of directives, the FFA must be given the necessary powers and provision must be made for appropriate instruments. The FFA should monitor the remedying of serious deficiencies found in the control cycle. The supervision concept, which already exists to a large extent, should be documented in important areas. With regard to the specific area of collection, the SFAO recommends examining consolidation of the various collection offices.

Greater central supervision should be implemented as efficiently as possible and in an automated manner. If need be, powers should be transferred from the departments to the cross-departmental office.

**Original text in German**