

Comprehensive report on the audit of the 2015 federal financial statements Federal Finance Administration

Key facts

The annual surplus shown in the 2015 federal financial statements amounted to CHF 2,025 million. It was comprised of revenue of CHF 65,911 million (CHF 62,689 million, or 95%, of which was tax revenue) and expenses of CHF 63,836 million (CHF 12,681 million, or 20%, went to operating expenses and CHF 51,137 million, or 78%, to transfer expenses).

The Swiss Federal Audit Office recommends approving the 2015 federal financial statements

The Federal Assembly has to decide on approving Switzerland's state financial statements (federal financial statements) every year. It has to be able to ensure that the federal financial statements were audited by an independent auditor. The Swiss Federal Audit Office (SFAO) reviews the preparation of the federal financial statements in accordance with recognised auditing principles for that purpose. It subsequently gives the Finance Committees of the two chambers a recommendation as to whether the federal financial statements are to be approved or not. In its report of 26 April 2016, the SFAO recommended approving Switzerland's state financial statements (federal financial statements) for 2015 based on the audit findings.

The SFAO is additionally bound by law to check the internal control system (ICS). An effective ICS lays the foundation for preparing high-quality federal financial statements. Consequently, the SFAO also issues an opinion regarding the existence of the ICS. Like the previous year, this was confirmed for fiscal 2015 too. However, the effect of the ICS is limited in various administrative units because of vulnerabilities in the area of user and authorisation administration. There thus remains a clear need for action to strengthen the ICS on a sustainable basis in this area. The prerequisites were created within the framework of a 2015 programme. The adjustment work is to be completed by the administrative units no later than 30 November 2016.

The federal financial statements will be influenced by how significant uncertainties pan out in the future

The Confederation has issued various guarantees to the value of CHF 723 million to ensure sufficient numbers of oceangoing vessels (as at 31 December 2015). Because of the ongoing shipping crisis, there is a considerable risk at present that guarantee payments will have to be made to a large extent by the Confederation.

A parliamentary initiative is calling for an amendment of the Withholding Tax Act (SR 642.21). It should be dealt with during the 2016 summer session. Depending on the outcome of the deliberations, there is a risk that the Federal Tax Administration (FTA) will have to repay approximately CHF 600 million in interest on arrears. There is no basis for the formation of a provision at the moment.

It will be necessary to make a financial deposit in the Confederation's closed pension schemes in the future. The amount of this deposit cannot be estimated reliably. Consequently, a provision cannot be made either.



Two simple partnerships controlled by the Swiss Federal Institute of Technology Lausanne (EPFL) have entered into contracts for the construction of real estate projects with UBS and Credit Suisse. These contracts could carry considerable financial risks for the Confederation. It is not possible to quantify these at present.

Statutory provisions are still of great significance for the federal financial statements

The loss carried forward by the fund for major railway projects (FinPT fund) amounted to approximately CHF 8.8 billion at the end of 2015. It corresponds to the Confederation's receivables from the FinPT fund. It will be possible to repay these receivables only with future revenue. From 1 January 2019, 50% of the restricted receipts from the heavy vehicle charge and mineral oil tax funds are thus to be used to repay the advance.

Loans receivable from the unemployment insurance fund (ALV fund) worth CHF 2.6 billion are shown under the Confederation's non-administrative assets. According to the ALV fund's statement of financial position, the fund's "negative" net assets/equity amounted to CHF 1.5 billion at the end of December 2015. The Confederation's loans are not fully covered and can thus be repaid only with future fund surpluses.

The Confederation's basic contributions for the promotion of universities amount to more than CHF 600 million annually. There is no consensus between the university cantons and the Confederation whether the contributions are paid out in arrears or on an accrual basis. The issue should be clarified with the revision of the Ordinance to the Higher Education Act. However, the SFAO does not see any sustainable solution to settle the contentious issue in the planned ordinance amendment.

Direct federal tax is assessed and collected by the cantons and transmitted to the Confederation (approximately CHF 20 billion in 2015). The cantonal audit offices are responsible for conducting annual audits in this area. The SFAO has no authority to check the cantons' reporting in this regard. The cantonal audit offices' reports on 2014 receipts contained no negative observations deemed significant for the federal financial statements.

Recommendations are implemented systematically

The Federal Finance Administration (FFA) works rigorously on implementing the SFAO's recommendations. With two exceptions, the outstanding recommendations from earlier years concern accounting standards and will be implemented on 1 January 2017. The two exceptions are expected to be implemented in fiscal 2016.

Original text in German