




EIDGENÖSSISCHE FINANZKONTROLLE
CONTRÔLE FÉDÉRAL DES FINANCES
CONTROLLO FEDERALE DELLE FINANZE
SWISS FEDERAL AUDIT OFFICE



2021 ANNUAL REPORT

SWISS FEDERAL AUDIT OFFICE

Monbijoustrasse 45
3003 Bern – Switzerland
T. +41 58 463 11 11
F. +41 58 453 11 00
info@efk.admin.ch

-  Twitter @EFK_CDF_SFAO
-  Instagram @efk_cdf_sfao
-  LinkedIn Eidgenössische Finanzkontrolle

WWW.SFAO.ADMIN.CH



TIME PASSES, AND SOMETIMES PROVES US RIGHT...

“Focus on onsite audits!” This mantra has guided the work programme of the Swiss Federal Audit Office (SFAO) for several years now. Searching for the facts, comparing hypotheses with the actual situation on the ground, checking the information submitted to Parliament or the general public: such is the daily work of the SFAO. We have to work without preconceptions and steer clear of dogma.

These past few years, this has led us to draw some uncomfortable conclusions. The tariff system for outpatient medical services needed to be revised¹. The financing of the Decommissioning Fund for Nuclear Facilities and Waste Disposal Fund for Nuclear Power Plants was potentially insufficient². More than half of the Federal Council's dispatches did not reliably estimate the impact of the decisions proposed³. The activities of Swiss free ports constituted a threat to Switzerland's international image⁴. The management of the Confederation's departments will be effective only if robust cross-departmental controls are put

in place, such as in the IT domain⁵. Measures were taken and the situation has improved.

However, these cases serve as examples, as they show that the SFAO performs an oversight function. By addressing these cases before the crisis erupts, it is following another of its key strategies: “intervene as early as possible in order to identify problems in time”.

Federalism is always a very sensitive subject in Switzerland, and the SFAO's audits are no exception⁶ in stirring up emotions on sensitive points. These audits take three forms.

The first type of audit verifies the correct application of federal law, e.g. checks on the calculation of the fiscal equalization between the cantons or the correct application of federal social security legislation. For instance, 18% of requests for supplementary benefits are rejected in generous cantons, compared with 44% in stricter cantons⁷. Is this in line with the intentions of the legislator? »

Impressum

Author

Swiss Federal Audit Office

Translation

FDL Language Services

Editing

Bettina Braun

Graphic design

Fanny Tinner, chezfanny.ch

Illustrations

Venusia Bertin

Pictures

Remo Eisner, remo-eisner.ch

Canton Aargau, Department of Finance and Resources, Agriculture Aargau (p. 20)

Editor

Swiss Federal Audit Office

Monbijoustrasse 45

CH-3003 Bern

info@efk.admin.ch

www.sfao.admin.ch

Unless otherwise stated, any designations in this report cover both the male and female forms.

“INTERVENE AS EARLY AS POSSIBLE IN ORDER TO IDENTIFY PROBLEMS IN TIME.”

Subsidy audits make up the second group. They are used to verify the correct use of federal funding. Examples are motorways, COVID-19 hardship assistance, or the CHF 2.1 billion that the Confederation will pay for the work on the third Rhone correction (see section 5.A of this annual report).

Finally, we look at the way in which the federal offices manage their relations with the cantons. This is clearly the thorniest area. For the first time, the SFAO is proposing a study on how the Confederation organises the management of its relations with the cantons. To summarise: its relations with Mexico are better organised than those between its federal offices and the canton of Valais (section 8.A).

IT also falls into this third category. There is the challenge of telecommunication networks (section 6.C),

but also the difficulty of defining and collecting IT data. After examining the data of the commercial register and the data for road traffic, the SFAO turned to the data of the debt enforcement and bankruptcy register (section 8.B). Throughout the audits, the findings are consistent and similar. In numerous areas, Switzerland finds it hard to consolidate the data collected in the cantons at federal level. This hinders any efforts to introduce the once-only principle⁸, even though this was adopted by Switzerland on 6 October 2017 in Tallinn. But this unfortunate situation is also a hurdle for the Federal Administration, the users of the registers and the prosecution authorities.

There are various reasons for this. The cantonal administrations use different software, data is not defined in the same way across all cantons, data is of poor quality or is incomplete, the federal offices »

¹ The report for audit mandate 8381 is available on the SFAO's website.

² The report for audit mandate 16409 is available on the SFAO's website.

³ The report for audit mandate 14486 is available on the SFAO's website.

⁴ The report for audit mandate 12490 is available on the SFAO's website.

⁵ The report for audit mandate 16255 is available on the SFAO's website.

⁶ The summary report for audit mandate 19473 is available on the SFAO's website.

⁷ The report for audit mandate 16428 is available on the SFAO's website.

⁸ Principle according to which the administration collects each person's or company's data only once if possible; see Tallinn Declaration on eGovernment (admin.ch).



do not receive the data... In 2011, a legal opinion from the Federal Office of Justice showed that, in the area of IT, adopting a constitutional legal framework is the only reasonable path. But the dogma of federalism is alive and kicking. Nobody dares tackle this subject in a rational manner, or address this constitutional task.

In our 2015 annual report, the cartoonist Mix & Remix illustrated the difficulties facing the Federal Roads

Office's (FEDRO) "road licensing information system" IT project, which were partly federalist in nature. This prompted an official reaction from the Conference of Cantonal Governments; in June 2015, it complained to the Federal Council about the impertinence of the cartoon and the SFAO.

Six years passed, and then the pandemic forced its way into the conversation. The saga of the statistics on COVID-19 cases and on the

numbers of intensive care patients only served to confirm the SFAO's disturbing findings regarding the availability and quality of data. And finally, on 26 December 2021, Federal Councillor Guy Parmelin, at that time President of the Swiss Confederation, said to the *Sonntags-Zeitung* in an interview specifically dedicated to the pandemic: "We need to learn our lesson from the pandemic. Federalism may be one of the pillars of Switzerland, but it is sometimes cumbersome and complicated, especially in a crisis". The SFAO shares this opinion.

And now, all that remains is for me to wish the SFAO every success for the future. I will be retiring at the end of August, after 34 years at the SFAO. Thank you to everyone who supports our activities!

Michel Huissoud, Director



Drawing published in 2014 in the SFAO's Annual Report, p. 30 (archive).



SPOTLIGHT

OVER CHF 20 MILLION FOR THE FEDERAL COFFERS?

The Federal Office for Customs and Border Security (FOCBS)⁹ carries out its security operations in the border regions. The Office and the Federal Department of Finance (FDF) have concluded agreements with most cantons with a view to exploiting synergies with the cantonal police forces in the area of security. The SFAO examined the implementation of these agreements, focusing on the efficiency, equal treatment and management of the collaboration between cantons¹⁰.

These agreements are well designed. However, they are heterogeneous and based on different regional requirements defined by the cantons themselves, which are free to decide which tasks they want to delegate to the FOCBS. The SFAO recommends that the FOCBS analyse the potential for synergies in the tasks delegated by the cantons and modify the agreements where necessary.

In addition, the FOCBS is responsible for border control at the international airports in Geneva and Basel, despite this activity being a sovereign task of the cantons. The agreements concluded between the FDF and these cantons do not provide for any remuneration to the Confederation for the costs of checks on individuals, unlike at Zurich airport. According to the SFAO's estimate, this service is worth between CHF 17 million and CHF 22 million a year for Geneva and around CHF 5 million for Basel. The SFAO recommended that the FDF General Secretariat negotiate the full reimbursement of costs by these two cantons in the form of a service level agreement. The FDF General Secretariat accepted this recommendation.

⁹ On 1 January 2022, the FOCBS replaced the Federal Customs Administration (FCA).

¹⁰ The report for audit mandate 21335 is available on the SFAO's website.

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PART 1

THE MAIN RESULTS OF FINANCIAL SUPERVISION FOR 2021



1. PUBLIC FINANCES AND TAXES



1. PUBLIC FINANCES AND TAXES

As is customary, the SFAO fulfils its legal mandate to the best of its ability and examines the federal financial statements. The findings, including those on the measures in connection with the health crisis, are described below. Other audits looked at the pensions of former federal magistrates, tax losses caused by mail order business and the value for money of the SFAO's price audits.

A. THE SFAO CERTIFIES COMPLIANCE OF THE FEDERAL FINANCIAL STATEMENTS

Every year, the audit of the federal financial statements is one of the SFAO's traditional tasks. It is a time-consuming task, for which the SFAO staff can count on support from its partners in the Federal Administration's Internal Audit units¹¹. Since June 2015, the SFAO has published not just its confirmation of the financial statements, but also the detailed audit findings¹². Such transparency remains rare by European standards.

For 2020, the statement of financial performance recorded a loss of CHF 16.9 billion¹³. This result reflects the impact of the health crisis on the federal budget, even though the decade saw the Confederation generate a surplus of nearly CHF 8 billion (see chart). The 2020 loss is the result of the difference between revenue of CHF 70.6 billion and expenses of CHF 88.3 billion, plus a negative financial result of CHF 627 million and a financial interest result of CHF 1.3 billion¹⁴.

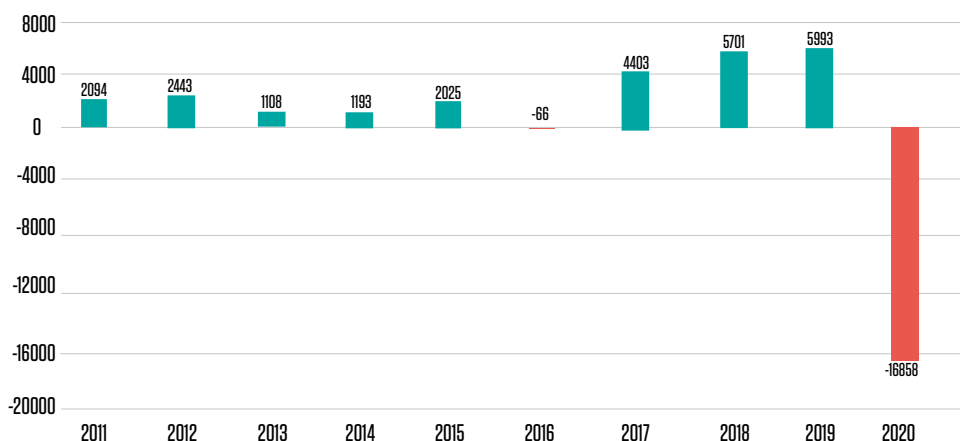
¹¹ The complete mandate of the SFAO is described in the second part of this annual report (page 81). Aside from just a few exceptions set out in the Financial Budget Ordinance of 5 April 2006, the financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS).

¹² The report for audit mandate 20134 is available on the SFAO's website.

¹³ The health crisis weighed on the federal financial statements to the tune of CHF 17.2 billion: CHF 16.9 billion in extraordinary expenses and CHF 326 million in ordinary budget expenses.

¹⁴ Net revenue from financial interests in licensed transport companies (including SBB), Swiss Post, Swisscom and RUAG.

Balance of Confederation's statement of financial performance
(in CHF mn, 2010–2020)



SOURCE: FFA, STATE FINANCIAL STATEMENTS, VOLUME 1



Legal conformity of a provision in the financing statement still in dispute

The SFAO reiterated its criticism regarding the legality of recognising, in the 2020 financing statement, the dissolution of the withholding tax provisions amounting to CHF 1.9 billion. In the view of the SFAO, the inclusion of this provision contravenes the Federal Budget Act (FBA), which stipulates that the overall fiscal balance should be reported on the basis of current expenditure and receipts. These do not include provisions. The Federal Finance Administration (FFA) has disputed this point since this provision was first recorded in the financial statements in 2017.

The implementation of the Hegglin motion¹⁵, which was submitted back in 2016, and the resulting legislative amendment to the FBA should resolve these divergences. A Federal Council dispatch was transmitted to the Federal Assembly at the end of 2019. Parliament approved the amendment of the FBA in March 2021. The SFAO will maintain its reservation until the entry into force of the FBA amendments (applies to the 2023 financial statements).

Compliant financial statements

Despite this reservation, the SFAO certified the compliance and correctness of the federal financial statements. The statutory requirements were met. The state financial statements were in compliance with the provisions of the Federal Constitution on the debt brake and those of the FBA on budget management. The SFAO recommended in its audit report of 26 March 2021 that Parliament approve them¹⁶. In spring, it presented its activities to the Finance Committees of the National Council and the Council of States.

¹⁵ Peter Hegglin (CVP/SZ), Confederation. "For accounting standards that reflect the actual financial and revenue situation" (motion 16.4018), available on Parliament's website.

¹⁶ The audit report is available on the SFAO's website.



1. PUBLIC FINANCES AND TAXES

SPOTLIGHT

THE SFAO CONTINUES ITS MONITORING OF COVID-RELATED MEASURES

Since 2020, the SFAO has been performing a considerable data analysis and monitoring task in connection with the federal measures to combat the economic effects of the health crisis brought on by the COVID-19 pandemic. This work continued in 2021. Quarterly assessments looked at, among other things, financial aid for the cultural sector, loss of earnings compensation, short-time working compensation, hardship payments to businesses, joint and several guarantees, etc.¹⁷

Studies were also carried out on specific topics; occasionally, these were integrated into audits already planned as part of the SFAO's annual audit programme¹⁸.

One example is the recapitalisation of Skyguide Swiss Air Navigation Services Ltd ("Skyguide"), for which the Confederation wanted to release CHF 500 million up to 2022¹⁹. Here, the SFAO examined whether the refinancing requirement was appropriate, given the liquidity situation and the pandemic context. In its view, the estimate of required funds was justified. However, there is a serious risk that these measures will not be enough. In addition to the uncertainty over the recovery of the aviation market, the SFAO wonders whether Skyguide will meet the efficiency goals set by the European Union, to which the company is subject.

In another area, the SFAO looked at the deployment of the Armed Forces, civil defence personnel and the civilian service during the pandemic²⁰. This evaluation was based on the experience with the first and second waves of the pandemic. Case studies were carried out in a number of cantons. The conclusion was that coordination did not work sufficiently well during the first wave. Improvements were made over time, especially during the second wave. However, the collaboration between the different players must be clarified in a binding manner. In a serious crisis, such collaboration must ensure that resources are sent to where they are most needed, and avoid using up deployment days where it is possible to use other means.

¹⁷ Details of all these activities are available on the website, under the tab "Public finances and taxes".

¹⁸ In its audit of the interaction between the Federal Administration and the cantonal authorities, the SFAO examined the flow of information between them at the start of the health crisis in 2020 (for more on this subject, see section 8.A).

¹⁹ The report for audit mandate 21112 is available on the SFAO's website.

²⁰ The report for audit mandate 20542 is available on the SFAO's website.

²¹ The report for audit mandate 20452 is available on the SFAO's website.

B. TAX LOSSES DUE TO FOREIGN MAIL ORDER COMPANIES

Before the mail order business exploded during the health crisis, the SFAO looked at the tax aspects of these business transactions²¹. Since 2019, foreign companies operating in the dispatch of small consignments to our country and which have an annual turnover exceeding CHF 100,000 are liable for tax. They must register with the Federal Tax Administration (FTA). In the case of their counterparts whose turnover is less than CHF 100,000, VAT is not levied on small amounts, i.e. lower than CHF 5.



The SFAO examined whether this new mail order regulation was functioning properly. In other words, can the federal authorities guarantee that all foreign mail order companies are registered as taxpayers and that VAT is collected in its entirety? Obviously not.

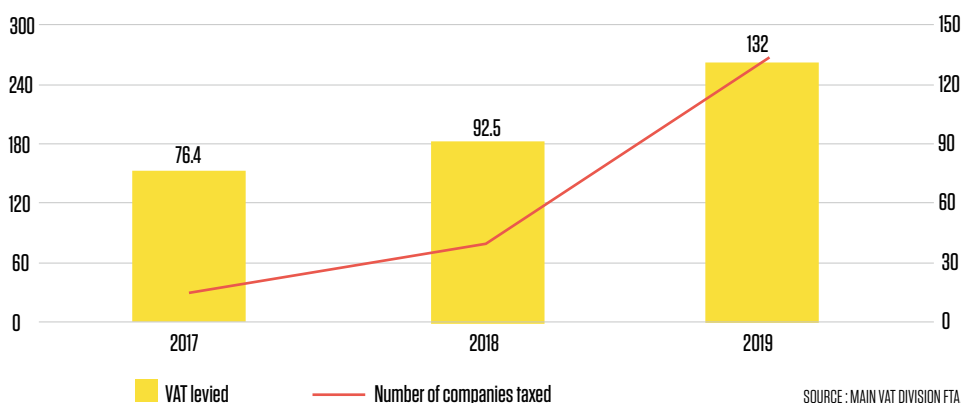
In actual fact, the FTA has no effective way of identifying foreign-based mail order companies which have reached the tax liability threshold. Firstly, it does not have any electronic data on small goods consignments and, secondly, online platforms are under no obligation to provide it with information. Moreover, the FTA cannot guarantee that the law is properly applied, as its options for taking action outside Switzerland are very limited. Due to the lack of international treaties on administrative assistance, access to these foreign mail order companies is possible only for criminal proceedings, and only for merchants based in certain EU countries (via the anti-fraud agreement).

Companies not registered, tax losses amounting to tens of millions

Take, for example, the registration of companies. After the VAT Act (VATA) was amended to cover mail order in 2019, 196 foreign companies registered with the FTA (see chart below). These newly liable companies paid CHF 26.2 million in VAT for the year in question.

Mail order companies subject to VAT

Number of companies and volume of VAT levied (in CHF mn)





1. PUBLIC FINANCES AND TAXES

However, the SFAO audit found that there are still foreign mail order companies missing from the register, although it is not possible to clearly and effectively identify them. According to the FTA, for 2019 alone, there are potential losses of around CHF 60 million linked to untaxed turnover from mail order business.

A partial revision of the VATA should propose measures to correct these known problems. It is planned to tax electronic exchange platforms for goods purchased through them, which should reduce current VAT receipt losses. If mail order platforms or companies do not meet their obligations, the FTA could block the importation of their consignments. If this measure proves insufficient, their consignments could be destroyed.

SPOTLIGHT

MAGISTRATES' RETIREMENT PENSIONS ARE WELL MANAGED

At the request of the Finance Delegation (FinDel), the SFAO audited the pensions of Federal Council members, the Federal Chancellor and federal judges (referred to as magistrates) for the first time. The audit, which was published, assessed whether the pensions were calculated and paid correctly and in accordance with the law²².

The annual costs of this special regime are close to CHF 15 million. Around 100 former magistrates or their surviving dependants are entitled to federal benefit payments. Three quarters of them were federal judges, and the remaining quarter were Federal Council members or Federal Chancellors.

The audit findings were positive. The current system is based on both clear entitlement rules and the personal responsibility of the pension recipients. The system is simple and efficient, and requires only minor corrections. The SFAO recommends that the Federal Chancellery, in cooperation with the Federal Supreme Court, take measures to exclude retroactive claims to retirement and survivors' pensions, or to limit them to a specific period of time.

²² The report for audit mandate 21541 is available on the SFAO's website.



C. WHEN THE SFAO IS ABLE TO CARRY OUT ITS WORK, PRICE AUDITS ARE (VERY) GOOD VALUE FOR MONEY

In 2019, the Confederation purchased around CHF 6.1 billion worth of goods and services from private suppliers. Roughly half of this amount was for direct purchases, CHF 1.9 billion of which was for the Federal Department of Defence, Civil Protection and Sport (DDPS) alone. With these direct transactions, there is always a risk that suppliers will overcharge the Confederation. In the absence of competition, it is difficult to assess what price is appropriate for such transactions.

The SFAO was able to audit a transaction of this kind²³. The only condition was that the federal office had to have contractually agreed a right to inspect with the supplier. As the table shows, the SFAO found that, in 2019, 294 contracts for amounts exceeding CHF 1 million were concluded directly without any right to inspect. The total contract volume was CHF 1.4 billion. Moreover, most of the contracts concluded without a right to inspect, i.e. 211 for a total amount of CHF 903 million, were at the DDPS.

	Number	Volume (in CHF bn)
Contracts with right of inspection	209	2.4
Contracts without right of inspection	294	1.4
Contracts that do not mention a right of inspection	36	0.09

Between 2015 and 2019, the SFAO conducted several price audits. In figures, this involved some thirty contracts worth a total of CHF 716 million. In seventeen of the contracts reviewed, the audit revealed a potential price reduction totalling approximately CHF 10.1 million. In these cases, the SFAO recommended that the procurement office enforce a price reduction. According to their own reports, the procurement offices reclaimed CHF 10 million (around 99%) of the CHF 10.1 million.

²³ The report for audit mandate 19245 is available on the SFAO's website.



2. ECONOMY AND AGRICULTURE



2. ECONOMY AND AGRICULTURE

Two main topics dominated the SFAO's work in 2021. Firstly, an audit of the tools for supporting environmentally friendly agriculture while maintaining acceptable yields for the Swiss farming community. Secondly, the SFAO examined the supervision of federally guaranteed oceangoing vessels. In both cases, several hundred million Swiss francs are at stake.

A. SUPPORTING EFFICIENT AND SOIL-FRIENDLY AGRICULTURE

The federal authorities promote efficient and environmentally friendly agricultural production methods. The Federal Office for Agriculture (FOAG) has two tools at its disposal for this purpose: the sustainable use of resources programme (hereinafter 'resources programme') and the resource efficiency contributions. These tools differ in the way they are funded. They are used in particular to reduce ammonia emissions and to preserve soil fertility²⁴. The SFAO examined the design, implementation and impact of the FOAG's tools in these two areas²⁵. Overall, the audit produced mixed results.

Since 2008, the FOAG has co-financed some 44 regional projects to the tune of up to 80% through its resources programme. These projects involve farmers²⁶ testing whether scientifically proven methods are also effective in practice. The Confederation invested almost CHF 150 million in 23 projects, which were completed in 2018. Since 2014, effective methods that are suitable for practical use can be transferred and financed via the resource efficiency contributions. The aim is to promote the large-scale use of these methods. By the end of 2019, the federal authorities had granted CHF 149 million for one type of resource efficiency contribution (spreading booms with flexible hoses) via direct payments.

²⁴ In relation to limiting ammonia emissions, it mainly concerns manure spreading techniques to reduce these emissions. For the maintenance of soil fertility, ploughless soil cultivation is used to promote humus formation and resistance to erosion.

²⁵ The report for audit mandate 19337 is available on the SFAO's website.

²⁶ Farmers remain free to participate, or not, in the resources programme and/or to apply for resource efficiency contributions via direct payments.

A scheme appreciated by farmers, despite some shortcomings

In its review, the SFAO observed that the resource programme is appreciated by the cantons and farmers. Farmers are testing new production techniques with little financial risk and are benefiting from welcome technical assistance. However, the impact in terms of personnel, administrative and financial investment remains high. This demands that the bodies responsible for the projects, in particular the cantonal agricultural services, have the necessary resources, and that the farmers concerned are heavily involved.

Another shortcoming noted by the SFAO was that more than a dozen project applications that were virtually identical in terms of manure spreading methods were approved in the initial phase. This was not in line with the programme's concept, which is based on the need for innovation. However, this almost blanket support ultimately had a positive effect; by 2015, more than a third of the farms concerned were using emission-reducing techniques.

However, resource efficiency contributions are not sufficient in their present form. This applies to the sustainable application of soil-friendly cultivation techniques (without the use of herbicides), but even more so to spreading methods (reduction of ammonia emissions). Due to the high density of livestock, Switzerland is the country with the second highest ammonia emissions from its agricultural land in Europe. The SFAO's analysis estimates the potential for reducing these emissions at 10%. In order to achieve the value of 25,000 tonnes per year set in the 2008 environmental targets for agriculture, ammonia emissions would have to be reduced by 40%. The SFAO considers that the contribution made by the subsidised measures is not commensurate with the targets set.

Roadmap and further measures to be defined

The SFAO recommends that the FOAG should continue to promote ammonia reduction, but that it should include measures that are genuinely effective and go beyond the implementation of spreading techniques to reduce emissions. A targeted reduction path with a timeline must be defined and further measures must be envisaged in case the targets are not achieved.

The FOAG accepted the SFAO's recommendations.



2. ECONOMY AND AGRICULTURE

B. A MARITIME FLEET IN CRISIS

The maritime shipping market experienced a long-term crisis for almost 11 years until early 2020. Several Swiss shipping companies have been on an uneven keel since 2016. Faced with their inability to repay debts owed to banks for the purchase of oceangoing vessels, they turned to the Confederation, which had guaranteed these loans. The total losses amounted to CHF 350 million for the federal coffers in November 2020. At this time, there were 19 commercially used oceangoing vessels registered under the Swiss flag, 18 of which benefited from federally guaranteed loans totalling CHF 332 million²⁷.

Since 2016, the SFAO has revealed considerable shortcomings in the supervision of federal guarantees for the financing of oceangoing vessels²⁸. A new SFAO audit was conducted to assess whether the federal authorities' response to these shortcomings was sufficient²⁹.

As a result, cross-sectoral cooperation was intensified between the Swiss Maritime Navigation Office (SMNO), which is responsible for the supervision of vessels sailing under the Swiss flag, and the Federal Office for National Economic Supply (FONES), which is responsible for financial matters relating to federally guaranteed vessels. Collaboration has also been strengthened with the General Secretariat of the Federal Department of Economic Affairs, Education and Research (GS EAER) and the FFA, which are also closely involved in the management of this dossier.

Crisis management is no substitute for credible monitoring

In spring 2019, the GS EAER set up a permanent interdepartmental crisis organisation that examines solutions for companies owning federally guaranteed vessels that are in difficulty. The aim is to reduce the Confederation's exposure if the guarantees are called in.

For its part, the FONES acquired financial powers to ensure more professional supervision of guaranteed vessels. However, the SFAO noted that it lacks the necessary leverage with the shipping companies. These companies deliver quarterly reports up to three and a half months after the end of the quarter in question and they are therefore not discussed with the ship owners on time. In addition, the FONES accepts the fact that auditor's reports for financially distressed shipping companies have still not been submitted even nine months after the reporting date.

²⁷ At the time of the SFAO's audit, four of these ships were to be sold as soon as possible as part of the crisis management measures put in place by the federal authorities.

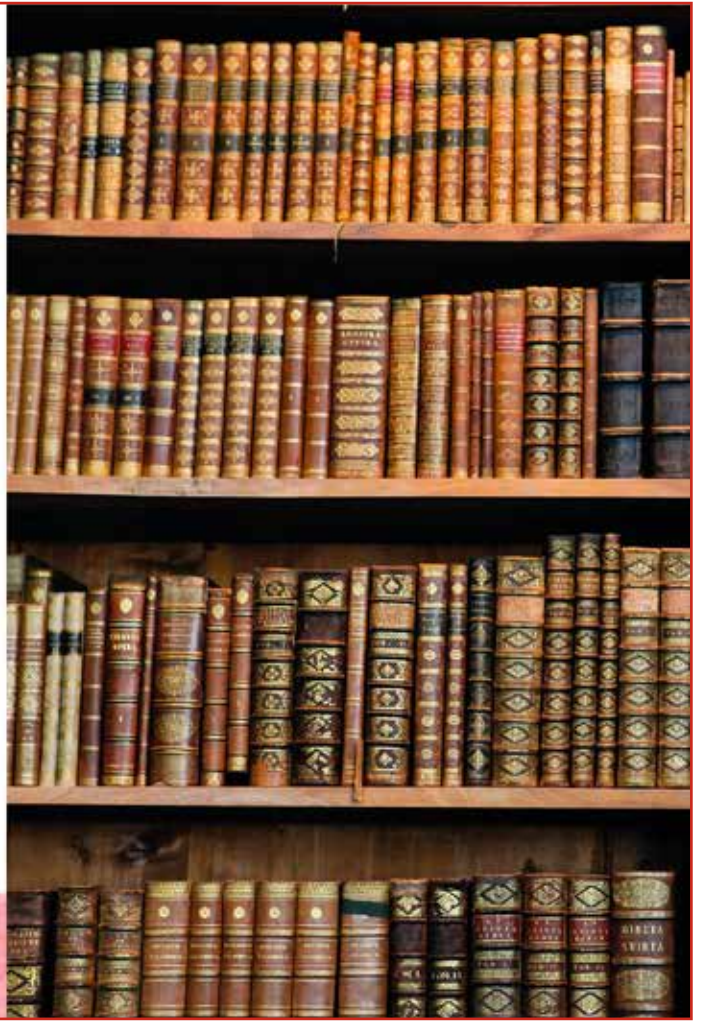
²⁸ The report for audit mandate 16384 is available on the SFAO's website. The results of the administrative audit 16496 and the report for audit mandate 18579 were presented to the FinDel.

²⁹ The report for audit mandate 20408 is available on the SFAO's website.



The SFAO also questioned the overall situation. The number of guaranteed oceangoing vessels is declining, as is their role in supplying the country's needs, as defined by the FONES. In the SFAO's view, it is not appropriate for this office to retain a supervisory role – once the crisis has passed – nor is it acceptable for the FFA and the SG EAER to continue overseeing the situation. Alternatives such as transferring tasks to external entities or other administrative units should also be examined.

A conflict of interest remains in this area. The SMNO verifies compliance with the provisions of the Navigation Act, particularly with regard to capital adequacy. A ship-owning company must have capital equal to at least 20% of the vessel's carrying value. Several ships no longer comply with this requirement, and the law provides for penalties to be imposed for non-compliance. However, because of the current guarantees, it would be difficult for the SMNO to activate this penalty option. The SFAO has already highlighted this situation on several occasions. The Federal Department of Foreign Affairs (FDFA) would like to initiate a revision of the Navigation Act in this regard.



3. EDUCATION AND RESEARCH



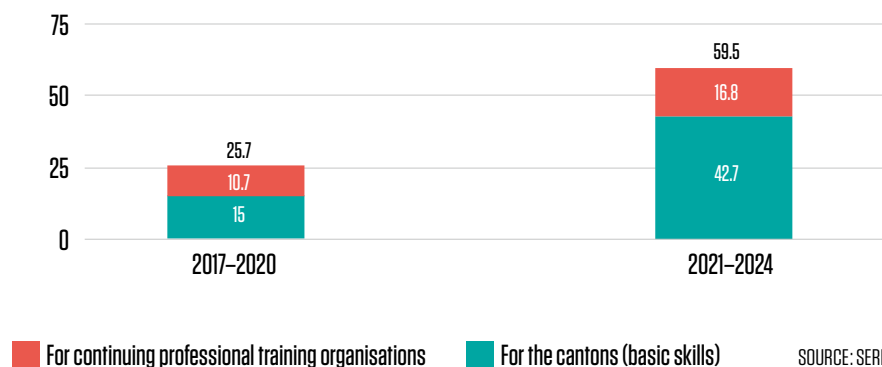
3. EDUCATION AND RESEARCH

Three areas were examined by the SFAO. The first related to continuing professional development, a field in which federal funding is increasing and is set to grow significantly in the coming years. The second concerned the contractual relations and financial commitments between the Swiss Federal Institute of Technology Zurich (ETHZ) and a closely connected foundation specialising in the history of architecture in the canton of Schwyz (SZ). Finally, the federal centre of competence for issues relating to measurements underwent a performance audit.

A. FUNDING FOR CONTINUING PROFESSIONAL DEVELOPMENT NEEDS TO BE BETTER MONITORED

Financial assistance for continuing professional development (CPD) has risen sharply, both for organisations active in this field and for the cantonal authorities responsible for basic skills. Between 2017–2020 and 2021–2024, the resources available for CPD increased by 57% for CPD organisations and by 184.7% for the cantons. As the chart shows, the total amount of financial assistance available from the State Secretariat for Education, Research and Innovation (SERI)³⁰ for the period 2021–2024 is CHF 59.5 million, of which CHF 16.8 million will go to CPD organisations (in red).

Increase in financial support for continuing education
Comparison of funds allocated in 2017–2020 and 2021–2024 (in CHF mn)



³⁰ SERI is responsible for the implementation of the Continuing Education and Training Act (CETA). This law came into force at the beginning of 2017, together with the dispatch on the promotion of education, research and innovation for 2017 to 2020. The Confederation is responsible for establishing the principles of CPD and for promoting the acquisition and maintenance of basic skills among adults and CPD.

SOURCE: SERI



The SFAO examined whether SERI's supervision of these organisations ensures that the funds are used properly³¹. Three beneficiary organisations were selected for analysis: the National Adult Literacy Association, Swiss Federation for Adult Learning and the Swiss Association of Popular Universities. The good news is that a sample review of the supporting documents did not reveal any unjustified expenditure. However, improvements are recommended at several levels in the regulations on chargeable costs and in the supervision process.

SERI must do more to set objectives itself

In the course of its audits, the SFAO found that these organisations sometimes submitted planned costs to SERI instead of actual costs. This practice does not comply with the Subsidies Act (SubA)³², which stipulates that only actual costs are taken into account when determining the amount of financial assistance. The question of how to treat unpaid voluntary work also remains unclear. The SubA does not address the issue of unpaid voluntary work and what is meant by expenditure actually incurred for this work. The SFAO sees voluntary work as a way of generating funds. The SFAO therefore expects SERI to recover any overcharged costs from the organisations. Furthermore, SERI must define binding guidelines and implement them with the organisations that receive its financial assistance.

The SFAO found that SERI leaves too much leeway to the organisations when it comes to defining the objectives to be achieved and the indicators for measuring the extent to which these objectives have been achieved. In its defence, it is correct that these objectives are only described in very general terms in the law. Nevertheless, it is SERI's responsibility to determine and translate these general objectives into measurable performance targets.

Financial supervision needs to be stepped up

The SFAO found that the accounts of the various organisations are kept in a very heterogeneous manner, that the financial reports submitted to SERI are drawn up manually and that they do not provide sufficiently detailed information for SERI to be able to fully assess the proper use of the funds granted.

Finally, the SFAO was unable to understand how SERI intends to assert claims for reimbursement against the beneficiaries at the end of the four-year subsidy period if services are not or only partially provided, for example.

SERI accepted all of the SFAO's recommendations and several improvement measures were being implemented at the end of 2021.

³¹ The report for audit mandate 20167 is available on the SFAO's website.

³² In particular, Article 14 of the SubA.



3. EDUCATION AND RESEARCH

B. A FOUNDATION, THOUSANDS OF BOOKS AND LOOMING BANKRUPTCY

The Werner Oechslin Library Foundation, named after the former professor of architectural history at ETH Zurich, was established in 1998. It is located in Einsiedeln (SZ) and holds a collection of over 50,000 books, most of which are owned by the Oechslin family. ETH Zurich is the foundation's main donor, providing 98% of its income in 2018 and 71% in 2019. However, it does not have a majority on the Board of Trustees and therefore cannot guarantee that the use of funds and the activities of the Foundation are in its interests. This was one of the findings of an SFAO audit³³.

In the past, the Werner Oechslin Library Foundation and the ETH Zurich library had differences of opinion regarding the implementation of the inventory and cataloguing of the Werner Oechslin Library's collection. As a result, at the time of the audit, almost half of the books were not in the Swiss library network's catalogue. This was despite a service contract between ETH Zurich and the Werner Oechslin Library Foundation worth CHF 1 million per year.

Areas of uncertainty to be clarified

The SFAO's audit also showed that the contractual obligations of the Werner Oechslin Library Foundation are unclear. The conditions set out in the agreement are inadequate for a rigorous audit of the accounts and the services provided by ETH Zurich using public funds. There are no binding, clearly formulated and time-bound objectives for the research activities. The supervision of ETH Zurich has been inadequate thus far.

In 2005 and 2006, the Huber-Kudlich Foundation of ETH Zurich granted two loans to the Werner Oechslin Library Foundation totalling CHF 1.8 million, with the Werner Oechslin Library Foundation's library building acting as collateral. The SFAO found that these loans were granted at below-market conditions. Due to the Werner Oechslin Library Foundation's precarious financial situation, there is a latent risk of default. At the time of the audit, the Werner Oechslin Library Foundation was neither viable nor able to repay the Huber-Kudlich Foundation loans without the contributions from ETH Zurich.

ETH Zurich acknowledged the SFAO's findings and is looking for viable solutions for the library. The Werner Oechslin Library Foundation and Werner Oechslin himself, who now chairs the Foundation following the withdrawal of ETH Zurich from the Board, largely disagree with the SFAO's findings. The SFAO stands by them.

³³ The report for audit mandate 20502 is available on the SFAO's website.



SPOTLIGHT

A SUCCESSFUL RESEARCH INSTITUTE OUTSIDE THE FEDERAL ADMINISTRATION

The Federal Institute of Metrology (METAS) is the Confederation's competence centre for all issues relating to measurements. Its activities are governed by the Federal Act on the Federal Institute of Metrology and it operates more than 20 physics, chemistry and technical laboratories. In 2019, the Confederation paid it CHF 17.4 million, plus an additional CHF 6.8 million, for its premises. In addition, on behalf of the Federal Council, METAS performs directly remunerated tasks for the Federal Administration worth CHF 7.5 million.

The SFAO conducted a performance audit of METAS³⁴. The audit showed that the Institute is managed in a cost-effective manner. METAS has developed positively since it was spun off from the Federal Administration in 2013. Growth in headcount, an increase in the turnover for third-party contracts and expansion into new areas were accompanied by a fall in costs for the Confederation. However, the SFAO notes that there are indications of synergies with other laboratories, which require increased cooperation with the federal offices that operate them.

³⁴ The report for audit mandate 20416 is available on the SFAO's website.



4. HEALTH AND SOCIAL SECURITY



4. HEALTH AND SOCIAL SECURITY

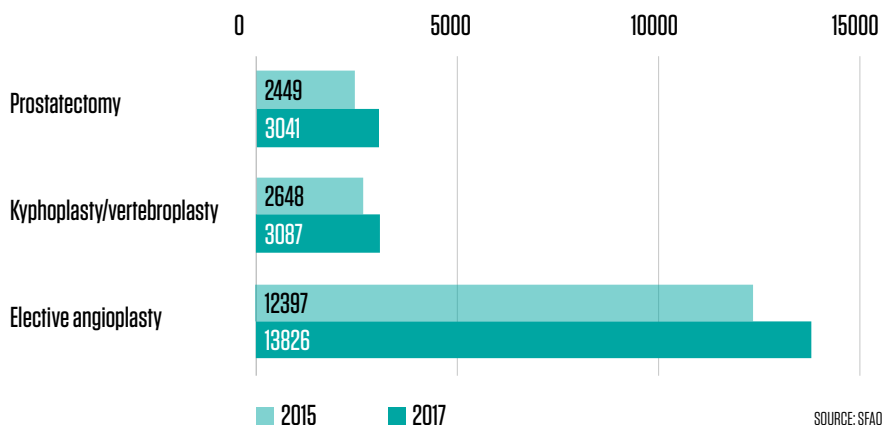
In 2021, the SFAO carried out a revealing audit of the market for surgical procedures and its sometimes counterproductive way of working, against the backdrop of steadily rising costs.

A. FINANCIAL INCENTIVES AND SURGICAL PROCEDURES

Between 2013 and 2018, annual healthcare expenses increased by 3% and passed the CHF 80 billion mark. This steady growth in costs continues to be a major concern for the Swiss political authorities. At federal level, they are stepping up their efforts to rein in costs. According to calculations by experts³⁵, there are potential savings in the order of 20%.

Against this backdrop, the SFAO³⁶ audited whether the medical procedures reimbursed by the basic health insurance were effective, appropriate and economically efficient (EAE)³⁷. In other words, whether there were financial incentives to perform medical procedures beyond what was necessary, and whether sufficient controls were in place. For this purpose, three surgical procedures were chosen: elective angioplasty (stent insertion in the case of narrowing of the coronary artery), prostate ablation in cancer cases and kyphoplasty/vertebroplasty in the case of spinal compression fractures. In 2017, these three types of procedure, which were performed on nearly 20,000 patients, cost CHF 250 million (see chart below). They are growing more and more frequent in Switzerland.

More and more interventions carried out



³⁵ Federal Department of Home Affairs (2017), Measures aimed at slowing the rising costs of mandatory health insurance.

³⁶ The report for audit mandate 18358 is available on the SFAO's website.

³⁷ These are legal criteria, more commonly known as EAE.

SOURCE: SFAO

Doctors' salaries, market system and undesirable incentives

The first observation was that there are financial incentives in the health insurance system that are not always desirable. The greatest incentive arises out of the link between payments to doctors and the revenue from treating patients with supplementary health insurance. According to the SFAO's calculations, the payment was four times higher in the case of a radical prostatectomy performed on a private patient. However, in the event of a non-essential procedure triggered by a higher private payment, the basic insurance is also impacted, because it reimburses more than half of the amount set by the legally allowed tariff.

Healthcare is a market system. All hospitals must achieve profit margins to secure their future investments. Moreover, private hospitals must also provide an income for their owners, hence the much higher financial targets compared to the public sector. These strategies put doctors under indirect economic pressure. Thus, financial factors clearly influence how angioplasties are dealt with, with patients on basic health insurance being encouraged to have the operation as outpatients, while private patients are admitted as in-patients.

The Federal Council wants to combat such financial incentives. Its proposal to withdraw contracts from hospitals with inappropriate financial incentives by 2025 is an important step. The recently revised ordinance should bring about improvements in the cantons.

A serial lack of controls

However, the treatment catalogue provides the Confederation with a tool for limiting the assumption of the costs for procedures that do not meet the EAE criteria. Yet, this tool currently plays only a marginal role, as it covers a very limited number of surgical procedures.

The SFAO observed that insurers struggle to check compliance with certain restrictions, which reduces the scope of the catalogue even further. Insurers are supposed to check that the individual treatments invoiced under the Health Insurance Act (HIA) meet the conditions set by law. However, they are not really in a position to verify the appropriateness of medical indications. Their checks are mainly centred around the compliance of treatment invoices.

Finally, the cantons set out processes for hospitals, often in great detail, aimed at ensuring the quality of medical services. By contrast, they pay little attention to checking the medical need for treatment in specific cases.



4. HEALTH AND SOCIAL SECURITY

Incomprehensible price differences for widely used materials

In its audit, the SFAO observed some examples of hard-to-explain pricing. Thus, the same stent (used in angioplasty) could be invoiced under basic health insurance at between CHF 1,200 and CHF 3,500, with a complete lack of clarity. At more than 10,000 operations a year, the extra expenditure amounts to tens of millions of Swiss francs. As regards outpatient services, providers have no incentive to negotiate reasonable prices, as they can pass on the purchase price to the health insurer. This shows that the price ombudsman's recommendation to use parallel imports seems to have found little uptake, and that there is still a widespread lack of transparency.

Ultimately, the SFAO issued eight recommendations to the Federal Office of Public Health (FOPH). They are aimed at raising awareness of problematic surgical procedures and tightening the rules in the catalogue defining the treatments that are not reimbursed under basic health insurance. The SFAO deplores the lack of studies on the effects of the different incentive mechanisms in this area. The FOPH accepted all of the SFAO's recommendations.

B. THE SHORTCOMINGS IN AHV SUPERVISION REMAIN

Each year, the old-age and survivors' insurance (AHV) funds pay around CHF 45 billion to 2.4 million insured persons. In March 2015, the SFAO delivered a critical report on the specialist and financial supervision of AHV³⁸. Specifically, it considered that the legacy structures dating back to 1948 were no longer in line with the principles of good governance as applied today in the public sector. At the time, the Federal Social Insurance Office (FSIO) claimed that several of the SFAO's recommendations were to be included in the Federal Council's future project to modernise the 1st pillar.

Six years later, the FinDel instructed the SFAO to assess the extent to which the 2015 recommendations had actually been included in the Federal Council bill presented to Parliament³⁹.

This new follow-up audit showed that they had not been included⁴⁰. The Federal Council dispatch shows that these proposals for reorganising supervision were rejected on the grounds that high costs would be incurred without any additional benefits being achieved. The SFAO observed that these categorical statements were not based on any detailed analysis. By contrast, the shortcomings observed in the specialist and financial supervision of AHV remained.

³⁸ The report for audit mandate 14260 is available on the SFAO's website.

³⁹ Federal Council dispatch of 20 November 2019 on the revision of the Federal Act on Old-Age and Survivors Insurance (modernisation of the supervision of the 1st pillar and optimisation in the 2nd pillar of old-age, survivors' and disability provisions), 19.080.

⁴⁰ The report for audit mandate 21601 is available on the SFAO's website.



An intertwining at federal level that is prohibited by law at cantonal level

The primary shortcoming is the status of the Central Compensation Office (CCO), which manages pension payments. The CCO reports to two federal offices: the FSIO and the FFA. Another piece in the puzzle, the Federal Compensation Office (CFC), reports to the Head of the FDF, who also represents the Federal Administration as employer. Finally, there is the unusual division of accounting between the CCO and the compensation funds. In other words, the tasks of execution and supervision are intertwined; this is for historical reasons, but renders any supervision pretty moot.

It is fascinating to note that the Federal Council bill requires the cantonal social security institutions to establish governance principles to guarantee the independence and transparency of the implementing bodies for the 1st pillar. Specifically, these institutions must have the status of autonomous establishments under public law, have an independent management committee and have the accounts of all their units jointly audited by the same auditor. These excellent principles are simply ignored at federal level.

Towards a well-founded and economical merger

During its follow-up audit in 2021, the SFAO assessed the possible restructuring variants. The assessment bore in mind the rejection of its 2015 recommendation, i.e. the financial implications of the costs of the bill.

The SFAO proposes the adoption of a solution involving the full merger of compensswiss⁴¹ and the CCO in the form of a federal social security institution. In actual fact, as compensswiss is already an establishment under public law, with legal personality and overseen by a management board, there is no need to set up another new entity or body. Moreover, synergies already exist with the CCO, and these could be expanded to reduce operating costs. In a second phase, the implementation tasks currently devolved to the FSIO could also be transferred to this new establishment. This global solution would have the advantage of reinforcing the independence of the 1st pillar, without increasing restructuring costs.

⁴¹ This body manages the Swiss Federal Social Security Funds AHV, IV and EO.



4. HEALTH AND SOCIAL SECURITY

SPOTLIGHT

DELAYS IN RENOVATING A CRITICAL LABORATORY

Located at Mittelhäusern in the Bernese countryside, the Institute of Virology and Immunology (IVI) is the national reference laboratory for diagnosis, checking and research relating to highly contagious epizootic diseases such as foot-and-mouth disease or swine fever. The SFAO examined the progress of the refurbishment of the IVI's laboratories, as well as the invoices for upgrading the biosecurity level of the installations⁴². Parliament granted a real estate loan of CHF 35 million in 2016 for the purpose.

The SFAO found that the project's objectives had been partly achieved. Originally, 64 sub-projects were to be completed by 2020. Yet, according to the Federal Office for Buildings and Logistics (FOBL), only 34 projects are near to completion. Under an agreement between the FOBL and the IVI, 18 other sub-projects (suspended at the time of the audit) entailing an investment of CHF 13.6 million must be completed by 2024. This agreement involves the cancellation of 12 projects, some of which relate to the refurbishment of the high-security laboratory. These cancelled projects will have to be offset by organisational and maintenance measures.

Owing to the delay and the resulting risks, the SFAO recommended an independent expert analysis to determine whether the high biosecurity standards at the IVI can still be guaranteed in the future. The results of this analysis were also published by the SFAO⁴³.

⁴² The report for audit mandate 20417 is available on the SFAO's website.

⁴³ The report «Redimensionierung des Sanierungsprojekts und Beurteilung der Auswirkungen auf die Sicherheit am IVI» is available on the SFAO's website (in German only).





5. TRANSPORT AND ENVIRONMENT

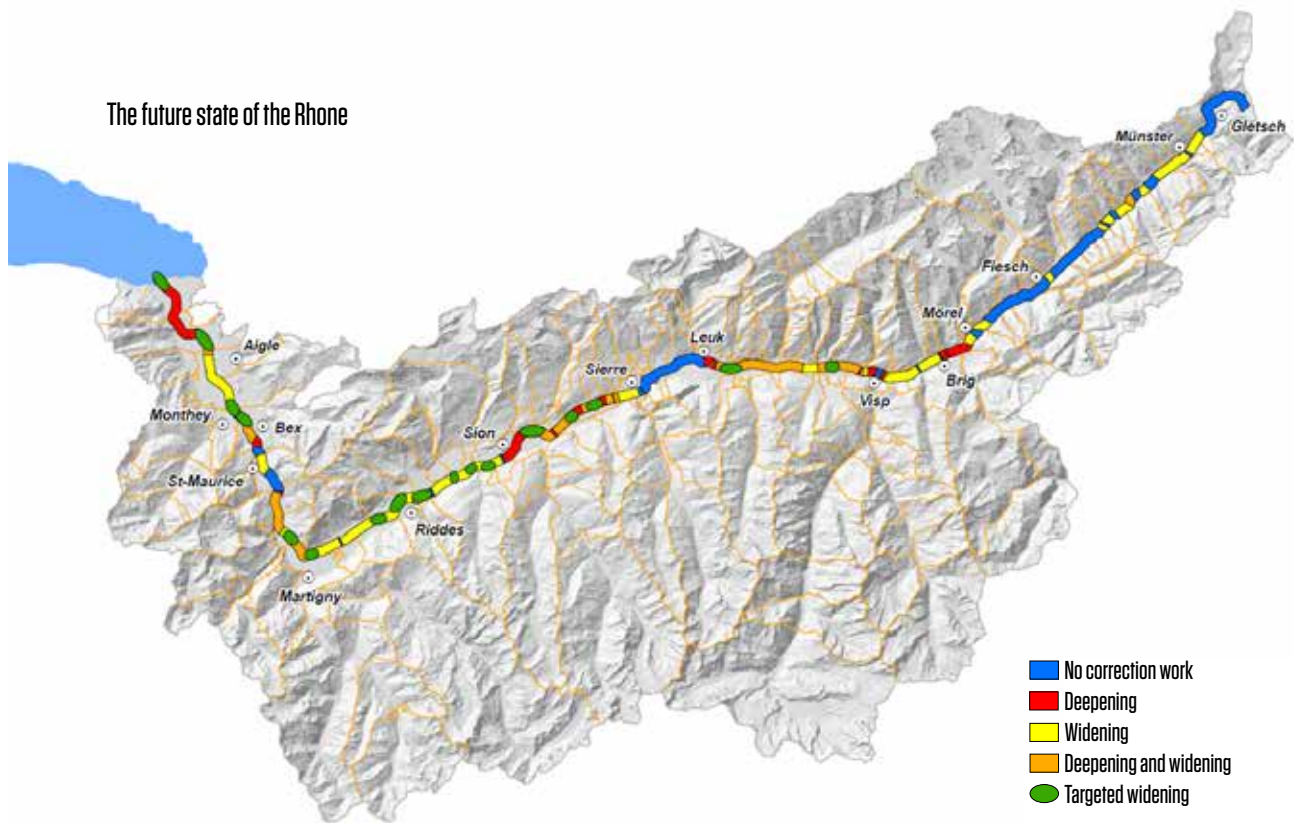


5. TRANSPORT AND ENVIRONMENT

The SFAO carried out a number of complex audits, such as the third Rhone correction in the canton of Valais, or cyber-risks in critical rail infrastructures. Audits also took place in the area of motorways: the monitoring of noise abatement measures in programme agreements between the cantons and the Confederation, and the use of synergies during the complete renovation of the Gotthard tunnel.

A. STRENGTHENING SUPERVISION OF THE THIRD RHONE CORRECTION

Around CHF 3.6 billion, of which CHF 2.1 billion will be covered by the Confederation: that is the estimated cost of the third Rhone correction (R3). This construction project is led by the cantons of Valais and Vaud under the supervision of the Federal Office for the Environment (FOEN). The aims of the R3 project are twofold: reduce the risk of flood damage and make the course of the Rhone more natural. It will take several decades to complete this remodelling.



SOURCE: RHONE FLOOD PROTECTION CANTON OF VALAIS



The SFAO audited the monitoring of land purchases along the banks of the river⁴⁴. Some CHF 350 million, or around one tenth of total project costs, must be put towards the purchase of the plots of land needed to carry out the construction work. The audit findings were not positive and revealed potential for improvement in the monitoring of land purchases.

Monitoring concept needs to be reworked and validated

Up to February 2021, the FOEN delegated the tasks related to the monitoring of land purchases to the FEDRO. However, this mandate did not include the specifications, which led to confusion regarding the roles and responsibilities of each office. The FOEN once again assumed full responsibility for monitoring in March 2021, but did not have the experience needed in the area of land purchases that would allow it to perform this task effectively.

For the SFAO, the draft concept for land purchase monitoring drawn up by the FOEN needs to be more detailed and comprehensive, and then validated. For example, the targeted monitoring of dossiers based solely on financial aspects is not enough. Other risks, such as pollution, fixing of rents, compensation payments or rights of retrocession, may also be relevant.

Land purchase dossiers to be reassessed

To date, land has been purchased by the canton of Valais and a subsidy request has then been submitted to the FOEN. As a result, this prefunding may arrive before the project gets underway in the region affected by the work. This mechanism was put in place to encourage advance land purchases. Between 2011 and 2019, six requests to fund land purchases were authorised by the FOEN for a total of CHF 19.4 million.

The SFAO conducted a detailed analysis of around twenty land purchases. This revealed cases where the subsidies were paid too early, or where the amounts were too high⁴⁵. Elsewhere, the salary, family allowances and social security contributions for at least one employee of the canton of Valais were too generously subsidised, as were the administrative costs. The amount involved can be roughly estimated at between CHF 500,000 and CHF 1 million. The SFAO recommends that the FOEN examine these problematic cases in detail and take corrective measures where necessary, including requiring the return of subsidies granted to the canton of Valais where these were paid in error.

The FOEN accepted all of the SFAO's recommendations.

⁴⁴ The report for audit mandate 21532 is available on the SFAO's website.

⁴⁵ In sum, land containing buildings was prefunded in contravention of the agreement concluded with the relevant authorities, land for which there was no demonstrable need under the project was subsidised, and rents receivable were significantly below the value of the asset. Moreover, the SFAO found that, over and above the FOEN's subsidies and monitoring, direct payments were made in addition to compensation for the loss of agricultural land.



5. TRANSPORT AND ENVIRONMENT

B. THE RENOVATION OF THE GOTTHARD TUNNEL ALLOWED SYNERGIES TO BE EXPLOITED

The North-South axis of the Gotthard road tunnel was opened in 1980. Its current state makes a complete renovation necessary, not least for reasons of user safety. This renovation will involve a temporary closure of the tunnel and the construction of a second bore to maintain the North-South link. It is planned to invest CHF 2.1 billion, CHF 700 million of which will be spent on the renovation alone.

Has the FEDRO identified and exploited the synergies between the two tunnels? For example, as regards the location of installations, the ventilation infrastructure or the 380kV extra-high voltage cabling installed in the planned new bore. A positive point: the SFAO audit considers that the FEDRO makes important decisions in good time and exploits potential synergies to find uniform solutions with regard to security, availability and functionality between these two projects⁴⁶.

The SFAO notes that motorways and power transmission lines are part of the country's critical infrastructures. In this regard, the FEDRO does not have any risk and vulnerability assessments. The FEDRO reports that it wants to examine whether such an assessment would bring added value.

SPOTLIGHT

PARTIAL IMPLEMENTATION OF ENVIRONMENTAL RECOMMENDATIONS

The SFAO checked the application of its recommendations to improve the functioning of the administration. A follow-up audit took place at the end of 2020 at the FOEN, based on the four audits conducted by the SFAO in 2016 and 2018. This work looked at hydrological measuring networks, CO₂ compensation, the effectiveness of measures to reduce CO₂ emissions on fossil fuels and, finally, environmental observation at the FOEN⁴⁷.

The audit findings were mixed⁴⁸. The recommendations in favour of better management of incidents and savings in hydrological measuring networks had been implemented, as had those on CO₂ emissions compensation. By contrast, despite initial efforts having been made, the recommendation to increase transparency in the effectiveness of measures to reduce CO₂ emissions on fossil fuels was not fully implemented. Finally, three of the four recommendations issued on environmental observation measures remained in the doldrums. At the time of the audit, the FOEN did not yet have an overview of the environmental data collected by its different areas. These recommendations will be the subject of a subsequent follow-up audit.

⁴⁶ The report for audit mandate 20170 is available on the SFAO's website.

⁴⁷ The reports for audit mandates 15331, 15374, 16393 and 17408 are available on the SFAO's website.

⁴⁸ The report for audit mandate 20242 is available on the SFAO's website.



C. RAIL OPERATORS' ICT SECURITY WARRANTS GREATER ATTENTION

Switzerland must protect its critical infrastructures in order for them to ensure – permanently if possible – that the country is supplied with essential goods and services. According to the strategy validated by the Federal Council, rail transport is part of these critical infrastructures. Nearly CHF 4.5 billion a year is spent on maintaining and extending the rail network. The SFAO examined the compliance of four railway companies⁴⁹ with the minimum requirements for protecting information and communication technology (ICT) against cyberattacks⁵⁰.

As regards methodology, the SFAO followed the approach proposed by the FONES and used the minimum standard for improving ICT resilience as an indicator. This standard covers five topics (identify, protect, detect, respond and recover). A minimum level must be reached for the critical infrastructures.

The audit found that the audited railway companies have some way to go in implementing information security. The SFAO's audit showed that the level of protection is mixed. Depending on the company and the aspects examined, the maturity varies from "very low" to "degree of protection largely achieved". Overall, larger railway companies are better positioned in terms of ICT security than smaller ones, which face difficulties in this regard, both financially and in terms of personnel. Collaboration with larger companies and the procurement of external services could have a positive impact.

⁴⁹ These were the Lausanne-Échallens-Bercher railway, Fribourg transport network, Zentralbahn and Rhaetian Railways.

⁵⁰ The report for audit mandate 20389 is available on the SFAO's website.



5. TRANSPORT AND ENVIRONMENT

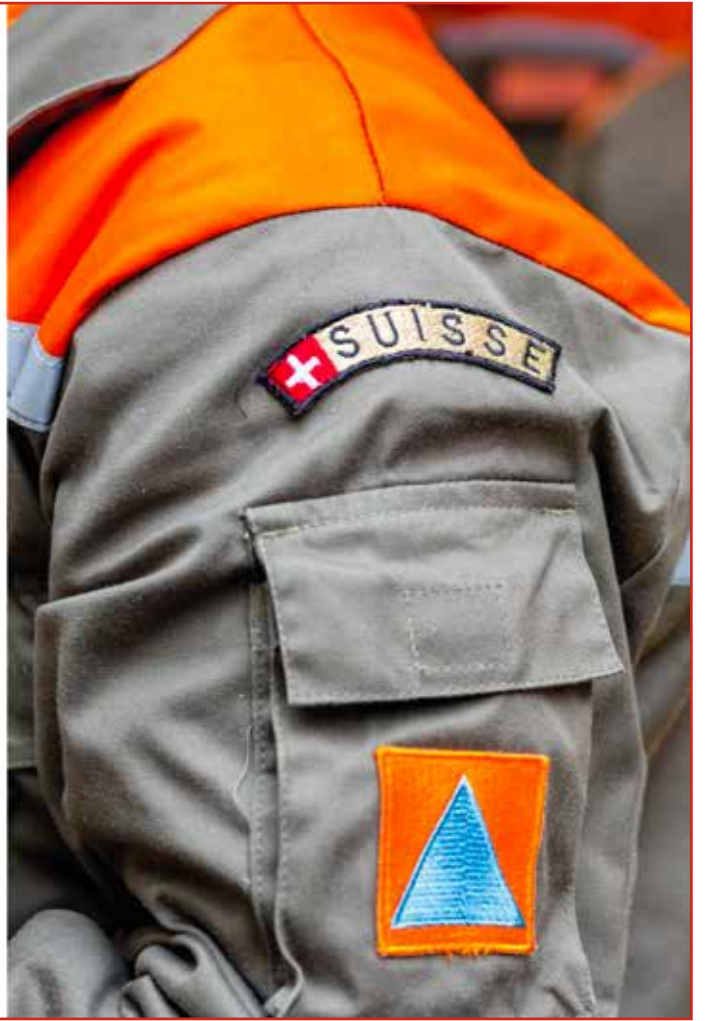
Concrete cases of vulnerability to cyberattack

In three of the four audited companies, the information security roles had not been defined, or not sufficiently, within the company's organisational structure. Elsewhere, questions arise with regard to the comprehensiveness of the list of information and systems to be protected. The railway companies are aware of this and keep an inventory of this information. However, some information is stored in different data sources... which are not interconnected.

Access management also needs to be improved at three railway companies. There are considerable deficiencies concerning both the administration of user accounts and the granting of rights. Clients must be able to control remote access by suppliers and document this. There is a need for urgent action on the part of these companies. In one case, physical access to the traffic control centre was unsecured, with the result that the ICT systems there were not protected against unauthorised access.

In 2020, the Federal Office of Transport (FOT) revised the implementing provisions of the Railways Ordinance. For the first time, they include information security aspects. The SFAO audit showed that these provisions could do with being made more precise. Recommendations were issued to the FOT and the infrastructure managers. All the recipients intend to implement these recommendations.





6. ARMED FORCES AND CIVIL PROTECTION



6. ARMED FORCES AND CIVIL PROTECTION

In 2021, the SFAO examined the benefits of the single-term model for the Armed Forces, its effectiveness and its limitations for the organisation of troops⁵¹. Three audits were conducted in the more technical areas of IT security of military data and the secure communication of information.

A. THE SINGLE-TERM MODEL IS A GOOD COMPLEMENT TO THE REFRESHER COURSES

More than 15 years ago, the Swiss army introduced the single-term model. This option allows soldiers to complete the remaining 300 days of service in one go after completing their basic military training. It complements the traditional refresher course model of three weeks per year over several years. Each year, this option is open to a maximum of 15% of those fit for military service, which corresponds to around 3,600 individuals. However, the single-term option is not available for all branches of service, nor for all functions of the Armed Forces.

This model offers many advantages. For the Armed Forces, for example, it allows them to have soldiers available at very short notice. The disaster relief standby battalion is able to mobilise around 200 soldiers to assist the civil authorities within a few hours. However, such urgent missions are rare. For this reason, the single-term service personnel also have other roles, such as instructors for refresher training courses. Some of them also have permanent roles, such as the aviation standby company, which relieves civilian personnel at military airfields.

According to the calculations of the Defence Group, the operating costs would decrease by just over CHF 20 million if the proportion of single-term service personnel were to double. However, this figure does not take into account the investment costs, which would also decrease. Although the amounts for loss of earnings compensation (LEC) are lower than for the refresher course model, single-term service personnel cost a little more because of the much longer period of service. On balance, the SFAO believes that for the taxpayer, there is not much difference between the two models.

⁵¹ The report for audit mandate 20542 is available on the SFAO's website.

Soldiers and employers have their say

But what do the people most affected say? What do they see as the advantages of the single-term model? To find out, the SFAO conducted a survey of some 2,400 people fit for service. More than 20% have a preference for the single-term model, while 10% are open to both this and the traditional model. These initial figures show a demand that is in line with the maximum limit of 15% personnel in single-term service. Reasons in favour of single-term service include better compatibility with studies and careers, as well as the possibility to complete military service quicker.

The SFAO also interviewed 1,000 single-term service personnel or members of the Armed Forces under the traditional refresher course model. Single-term service personnel were significantly more likely to choose the same model again than those under the refresher course model. They rated their motivation and the relevance of their military service more positively. The proportion of less motivated military personnel who see only little relevance in their military service is the same in both systems.

Finally, the SFAO spoke to several business associations. They believe that the single-term model is more viable as it means military obligations are completed early on. However, this model is not a decisive factor for recruitment.

The 15% limit should be reviewed in accordance with the needs of the Armed Forces

The SFAO survey also shows that almost half of the conscripts who wish to serve without interruption become single-term service personnel. More worrying, however, is the fact that a significant proportion of these people are tempted to avoid the Armed Forces if they are not accepted for single-term service. There is a need for action in dealing with this group, as this exacerbates the Armed Forces' staffing problems.

For around ten years, the proportion of single-term service personnel has been close to the maximum limit of 15%. The audit did not reveal the ideal ratio between single-term service personnel and members of the Armed Forces under the traditional model.



6. ARMED FORCES AND CIVIL PROTECTION

Above all, the proportion of short-term service personnel must meet the needs of the Armed Forces. However, there is a lack of transparency in this respect. The determination of the quotas is scarcely documented and the distribution of service personnel between the various branches of service is difficult to understand. The Defence Group must clearly show where and to what extent it sees needs. The SFAO believes that if this model is proven to be useful, the historical 15% limit should be raised or even abolished. This would give the Armed Forces greater flexibility.

SPOTLIGHT

RUAG AG'S ICT SECURITY IS STRENGTHENED

On 21 March 2018, the Federal Council decided to reconfigure those business units of RUAG (as it was then known) that work almost exclusively for the Swiss Armed Forces into a subsidiary, RUAG AG, of a new group company, RUAG MRO Holding AG (MRO CH). The Armed Forces Command Support Organisation (AFCSO) rebuilt the ICT infrastructure and systems for RUAG AG within its own security perimeter and took over this sensitive data. As of September 2021, the cost of splitting the group was estimated at CHF 74–78 million. Of the CHF 69 million in costs already incurred up to this time, CHF 40 million was attributable to the ICT split (including 35 decentralised ICT and RUAG Real Estate infrastructures). The project involves around 2,500 employees at more than 20 locations in Switzerland.

This unusually complex project was successfully completed, albeit with a six-month delay. At the time of the SFAO's audit⁵², the clean-up of confidential and military data on the old servers was still in progress. The lack of an overview of RUAG AG's backup and archiving environment constitutes a considerable risk. In addition, business continuity management is not expected to be operational until 2023. The CDF considers this to be too late.

By integrating its IT and communication systems into the AFCSO perimeter, RUAG AG is subject to the federal security regulations. The SFAO noted that these regulations are not always complied with and that exceptions are therefore made. These exceptions must be lifted or otherwise formally approved. Finally, safety compliance tests must be carried out before an application or system is put into operation, which AFCSO does not always do systematically. MRO CH and AFCSO accepted the SFAO's recommendations.

⁵² The report for audit mandate 20431 is available on the SFAO's website.



B. A WELL-MANAGED PROJECT, BUT THE SURROUNDING RISKS POSE A THREAT

For the first time, the SFAO audited the 2020 air-to-ground communication system project at armasuisse⁵³. The system is intended to enable military and civilian aircraft crews to communicate orally with their partners on the ground. Once completed, it will be used to guide aircraft during operations in all weather conditions, and to ensure air safety. A budget of CHF 126 million was allocated in the 2018 Armed Forces dispatch.

The project is well managed. Risk management is effective and addresses the risks and problems at the right levels at an early stage. The project management identified four risks and problems in particular: resource availability, system architectures, network readiness (connection to the Swiss command network) and operations. These areas are undisputed by the stakeholders, but the discussions about the causes or approaches to solutions led to tough disputes between them.

Department management should be involved

These risks related to the environment surrounding the 2020 air-to-ground communication system project are jeopardising achievement of the project's objectives. These risks relate, for example, to the AFCSO's lack of resources or to non-binding commitments. Other risks arise from the fact that the AFCSO has not approved the ICT architecture. The mandate assigned to the AFCSO by armasuisse also contains areas for improvement.

The SFAO sees a need for action in the overall portfolio and resource management of the DDPS. Since mid-2020, the Armed Forces Staff and the AFCSO have been working on focusing AFCSO resources on the important projects. The SFAO welcomes the measures already introduced, but sees an urgent need for these to be closely managed at Armed Forces Command level and for the department management to be involved if necessary. As the SFAO plans to audit ICT management at the DDPS separately, it refrained from making a recommendation as part of this audit.

armasuisse and the Defence Group accepted the SFAO's recommendations.

⁵³ The report for audit mandate 20429 is available on the SFAO's website.



6. ARMED FORCES AND CIVIL PROTECTION

C. CRISIS COMMUNICATION SYSTEMS IN DIFFICULTY

Since 2001, Switzerland has had a digital radio network for communications between authorities and security and rescue organisations. The network is called Polycom, and the Confederation and the cantons invested almost CHF 1 billion in it until 2016. Since 2018, the obsolete transmission technology has been adapted and will be replaced in the coming years. The SFAO had already examined Polycom's Value Preservation project in the past⁵⁴, and a new audit was conducted. Unresolved technical problems and massive delays on the part of suppliers are now jeopardising the success of the Value Preservation project⁵⁵. The Confederation has planned to invest around CHF 160 million in this project by 2030.

For the first time, the SFAO also reviewed projects related to the Value Preservation project: the National Secure Data System (NSDS) and the Mobile Broadband Security Communication System (MSCS). The first project aims to support the crisis-resistant communication system. In addition, the NSDS will provide reliable information on the situation in the event of an incident, information that is essential for the management of a catastrophe or other emergency situation. Its budget amounts to approximately CHF 150 million. Despite a clear legal mandate, the project is struggling to make progress and has been in the initialisation phase for two years.

No overall strategy

The second project is intended to set up and operate a mobile broadband security communication system for collaboration between cantons and between security and rescue organisations. In its dispatch to Parliament, the Federal Council made clear that the division of tasks and responsibilities between the Confederation and the cantons is identical to that for Polycom. The Federal Office for Civil Protection (FOCP) must regulate the technical aspects and processes to ensure the operation of MSCS. Despite these clarifications by the Federal Council to Parliament, the FOCP confines itself to a coordinating role.

In the SFAO's view, the FOCP lacks an overall strategy for its telecommunication systems that is integrated into the Federal Council's overall strategy for the use of communication and information systems to ensure communication in all situations. The SFAO had already recommended this to the Federal Council in October 2018.

The FOCP largely accepted the SFAO's recommendations.

⁵⁴ The report for audit mandate 16375 is available on the SFAO's website.

⁵⁵ The report for audit mandate 21539 is available on the SFAO's website.





7. INTERNATIONAL RELATIONS



7. INTERNATIONAL RELATIONS

The SFAO provided an assessment of a thorny issue that involves multiple levels: national and international, administrative and prosecution authorities, high-profile defendants and victim populations. This concerns the restitution of illicit funds that have been blocked by the federal authorities due to suspicions of corruption.

A. IMPROVING CLARITY IN THE PROCEDURES FOR THE RESTITUTION OF ILLICIT ASSETS

Switzerland and its financial centre often make the front page of national and international media, both accused of being a haven for kleptocrats' money. Less publicised is the work of the federal authorities in returning these illicit assets. Over the past twenty years, the Swiss Confederation has returned some USD 2 billion in connection with a dozen cases and almost USD 1 billion could be returned in the coming years. Which cases? They are the assets of the Arab Spring, the Abacha funds in Nigeria, the money of the Karimova clan in Uzbekistan, or other more recent scandals such as 1MDB in Malaysia and Petrobras in Brazil.

For the first time, the SFAO reviewed the practice of the federal authorities with regard to the restitution of assets illegally obtained by politically exposed persons (PEPs)⁵⁶. In a nutshell, these are funds that are frozen and then confiscated following legal proceedings. The Confederation is committed to returning these assets as quickly as possible and in a transparent manner. The projects on the ground financed with this money must benefit the populations that were victims of the PEPs. The aim is to prevent dubious funds from somehow finding their way back to the Swiss financial centre.

In its review, the SFAO concluded that the Confederation should continue to strengthen the consistency between the various legal frameworks and clarify the criteria for restitution. More transparency is necessary with regard to the use of frozen and confiscated funds. Finally, better integration of the various strategies to combat corruption and money laundering of illicit assets is needed, especially in terms of communication.

⁵⁶ The report for audit mandate 18369 is available on the SFAO's website.



Lack of coherence, lack of clear criteria and no overview

In 2016, Switzerland adopted the Federal Act on the Freezing and the Restitution of Illicit Assets Held by Foreign Politically Exposed Persons (FIAA). This law is of a subsidiary nature, contains concepts that are difficult to apply, only covers exceptional cases in the event of an abrupt change of regime and, in consequence, has been barely used. As a result, the federal authorities rely on international mutual legal assistance and criminal proceedings in Switzerland to investigate. However, these two channels are governed by other laws that do not define the conditions for returning funds.

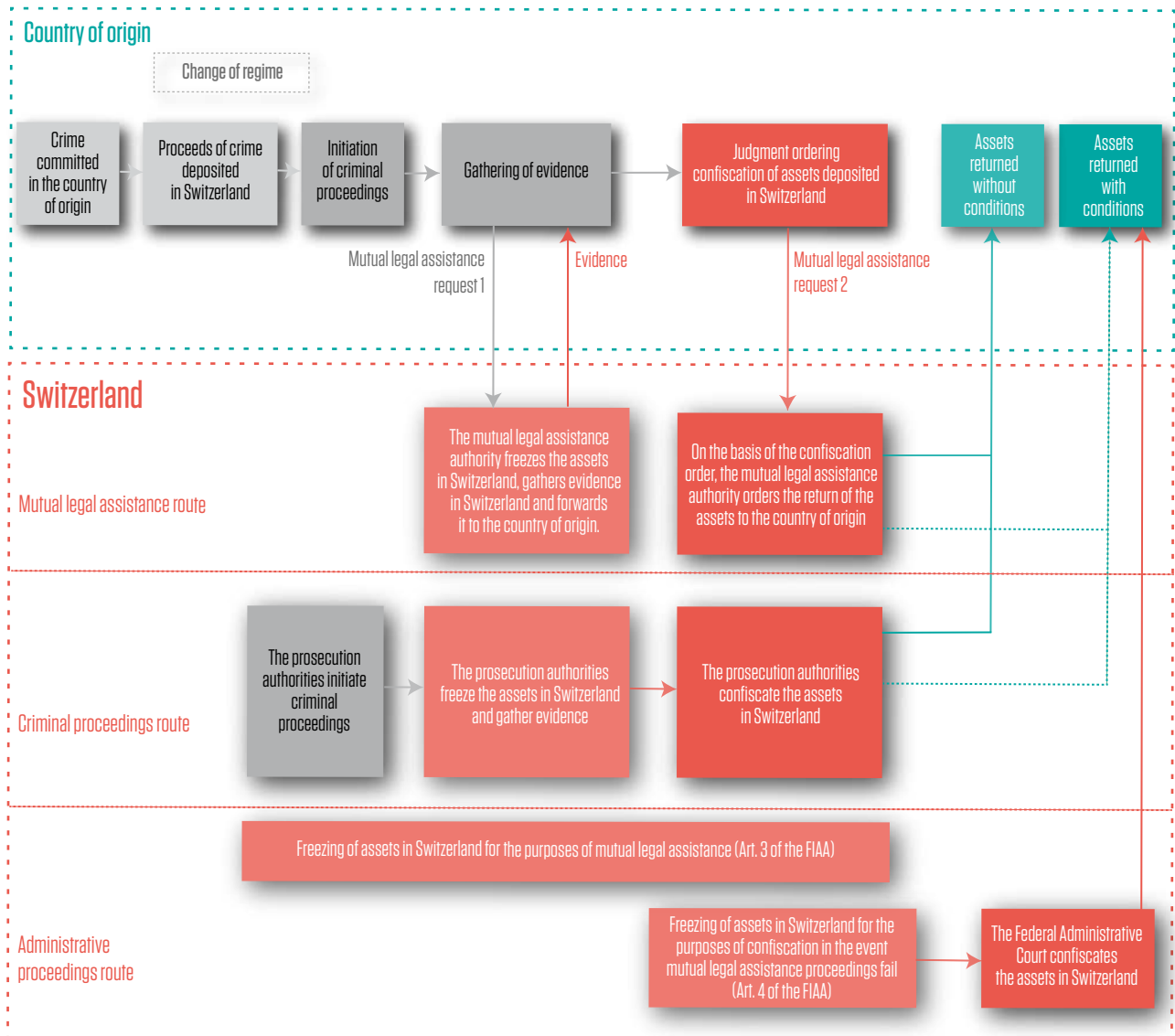
Occasionally, restitutions are based on a negotiated agreement, i.e. conditions adopted and negotiated between the Confederation and the requesting state. These cases are the exception and there are no clear criteria to understand why such restitutions follow one route rather than another. This undermines the coherence of the Confederation's work.

In addition, the issue of the restitution of illicit assets involves three federal authorities: the FDFA, the Federal Office of Justice (FOJ) and the Office of the Attorney General of Switzerland (OAG). This infographic summarises the legal and administrative complexity in which these restitutions evolve.

PART 1: THE MAIN RESULTS



7. INTERNATIONAL RELATIONS



This helps to explain why there is no overview of the cases involving PEPs, nor of what happens to the frozen assets. The FDFA only monitors the few cases for which restitution arrangements have been made. Information on unconditional restitution cases involving PEPs is very patchy and incomplete, scattered between the FOJ and the prosecutors of the OAG.

It was only thanks to patient efforts that the SFAO was able to gather some information. The FOJ returned CHF 20 million between 2015 and 2019 under international mutual assistance. At the end of 2019, the OAG returned more than CHF 400 million to Brazil in connection with the Petrobras case. In 2018, some CHF 88 million was returned to the Confederation under mutual assistance and CHF 36 million as a result of federal criminal proceedings.



Difficulties in reconciling the expectations with lengthy proceedings

Cases involving PEPs, or even former leaders, create high expectations in the countries concerned. There is a significant discrepancy between the length of legal proceedings and the political concerns. It takes between 10 and 15 years to obtain a confiscation ruling. The Confederation has often promised too many results, too quickly. However, the federal authorities do not set themselves any internal deadlines or targets. This is frustrating and creates a real discrepancy with the stated intentions.

The FDFA consolidated its resources to ensure that existing expertise is maintained. An interdepartmental group monitors cases involving PEPs. It has a broad overview of politically sensitive matters. However, its activities are limited to exchanging information only. As it has no operational role, this group does not contribute to decision making.

Negotiation process is more formalised and civil society involvement is rare

In the course of its work, the SFAO noted that the FDFA draws on its past experience to improve its approach to negotiated restitutions. The process has become more structured and the FDFA becomes involved only once the funds have been confiscated by the judicial authorities. In the past, discussions on the possible use of the restituted funds took place before the negotiations. However, the SFAO is surprised that a judicial authority can impose a decision on the FDFA without first discussing its implementation.

The FDFA takes a pragmatic approach and seeks tailor-made solutions depending on the situation. Other than not returning funds without conditions, the FDFA has defined few binding criteria, in particular with regard to external monitoring and the involvement of civil society.

The SFAO found that the recent agreements are being implemented as planned. Delegating the implementation of programmes to international organisations does not provide a sufficient guarantee of transparency. The FDFA often keeps a low profile during project implementation. Although presented as a major principle of restitution, the involvement of civil society in the monitoring process remains rare.

The Federal Council largely accepted the SFAO's recommendations.



8. JUSTICE AND POLICE



8. JUSTICE AND POLICE

The administrative relationship between the Confederation and the cantons, a bugbear in Swiss politics, was assessed by the SFAO, which examined both formal and informal aspects of the relationship. A second audit looked at the challenges posed by the supreme supervision of the cantonal debt enforcement and bankruptcy offices, and their digitalisation. These two dossiers have been submitted to the FOJ.

As regards the federal prosecution authorities, the SFAO audited a collaboration project to bring the Federal Office of Police (fedpol), the Office of the Attorney General of Switzerland (OAG) and the Federal Criminal Court (FCC) into the digital age. The fight against cybercrime, which is led by fedpol, the OAG and the cantons, was also the subject of a performance audit. Finally, the tasks of the Money Laundering Reporting Office Switzerland (MROS) were audited.

A. AIMLESS RELATIONS BETWEEN THE CONFEDERATION AND CANTONS

The health crisis brought on by the COVID-19 epidemic gave rise to multiple discussions, debates and deliberations on the relations between the cantons and the Confederation. The SFAO had been planning to carry out an audit on this topic for some time. To what extent does the Federal Administration manage its relations with the cantons across departments? How does it coordinate in order to ensure equal treatment of the cantons? What mechanism does the Confederation use to find rapid and beneficial solutions to sensitive issues with the cantons? Is there a risk that it is paying insufficient attention to lessons learned from its dealings with the cantons?

These questions will be examined by the interdepartmental coordination group on federalism issues (IDEKOF), based at the FOJ. Furthermore, the Federalist Dialogue provides an interdisciplinary forum for exchanges with the cantons. The SFAO audited both these formal arrangements and more informal channels⁵⁷.

No overview and dispersed responsibilities

The audit revealed that the Federal Administration does not have an overview of important issues in its relations with the cantons or of the financial implications of taking cantonal concerns into account. Likewise, there are no interdepartmental coordination tools. The IDEKOF does prepare the Federalist Dialogue, but it is not suitable for actually coordinating or steering dealings with the cantons. This means that an important basis for nationwide management of relations with the cantons is missing.

⁵⁷ The report for audit mandate 19449 is available on the SFAO's website.



This situation is exacerbated by the fact that all offices are responsible within the scope of their specialist areas, while the FOJ, the FFA and Federal Chancellery perform special tasks with regard to federalism. This dispersal of responsibilities makes it difficult to achieve an overall view of the relations between the Confederation and the cantons.

Informal channels are detrimental to equal treatment

There are countless meetings, conferences and other fora, mostly sector-specific, through which the representatives of the Confederation and the cantons interact. Aside from these official channels, informal contacts also play an important role. These are very useful, but they also open the door to hidden interference and unequal treatment. Contacts with all cantons should be maintained on an equal basis.

Yet, as the SFAO discovered, the Federal Administration sometimes intentionally treats some cantons differently. This is not done with any ill intent, but purely in order to find a compromise that is acceptable for both sides. The cantons seek the most advantageous solution for their individual situation, creating the risk of individual cantons being favoured.

Lack of clearly defined powers contributes to delays

A number of case studies support the SFAO's findings, including an analysis of the flow of information between the Confederation and the cantons at the start of the health crisis. This information related to the availability of medical resources during the first few months of 2020.

Once again, the findings illustrated a problem repeatedly identified by the SFAO: the Confederation does not have the power to issue directives in the IT area. The introduction of an important data transmission system progressed only slowly in the cantons. Moreover, the absence of a data reporting requirement led to gaps in the data available to the federal authorities at the beginning of the crisis. This case is a prime example of how the granting of a clear and simple national mandate to the federal authorities would lead to savings and efficiency gains.

The SFAO found that, even in the midst of a crisis, the cantonal authorities did not see the need for coordination by the Confederation. In order to avoid the need to first achieve understanding in time-critical situations, the legal issue of powers must be settled already before the crisis.

The Federal Council accepted two of the SFAO's five recommendations.



8. JUSTICE AND POLICE

B. THE CHALLENGES FACING THE DEBT ENFORCEMENT AND BANKRUPTCY OFFICES IN THE DIGITAL AGE

In 2019, nearly three million claims were reported and 16,000 bankruptcy proceedings were opened by debt enforcement and bankruptcy offices in Switzerland, of which there are around 400. They play an essential role in the functioning of the economy by allowing creditors to pursue their claims on debtors as part of legal enforcement proceedings.

The cantons are responsible for organising and supervising the debt enforcement and bankruptcy offices. The FOJ is responsible for the supreme supervision of the consistent application of the Federal Act on Debt Enforcement and Bankruptcy (DEBA). The FOJ has half an FTE for this activity. The SFAO examined the supreme supervision exercised by the FOJ⁵⁸.

Lack of information and absence of risk analysis

The FOJ does not have relevant, up-to-date and reliable information to perform its supreme supervision mandate. The reports from the cantonal supervisory authorities are its main source of information. However, the FOJ receives them only every two years and they are not very user-friendly. The lack of uniformity in terms of form and content renders any comparison impossible. Finally, there are no common indicators that would allow an assessment of whether the DEBA is being consistently applied.

As a result of the low quality of information, the FOJ's risk analysis does not capture all risks, which means that it is impossible to prioritise supervisory activities. In the SFAO's view, the FOJ must ensure that its supervisory concept, as well as the organisation and resources put in place, address the identified risks.

Debt enforcement and bankruptcy procedures are subject to fee tariffs, which are set out in a federal ordinance. These tariffs are applied consistently throughout Switzerland and, by definition, serve to cover the cost of the services provided by the debt enforcement and bankruptcy offices.

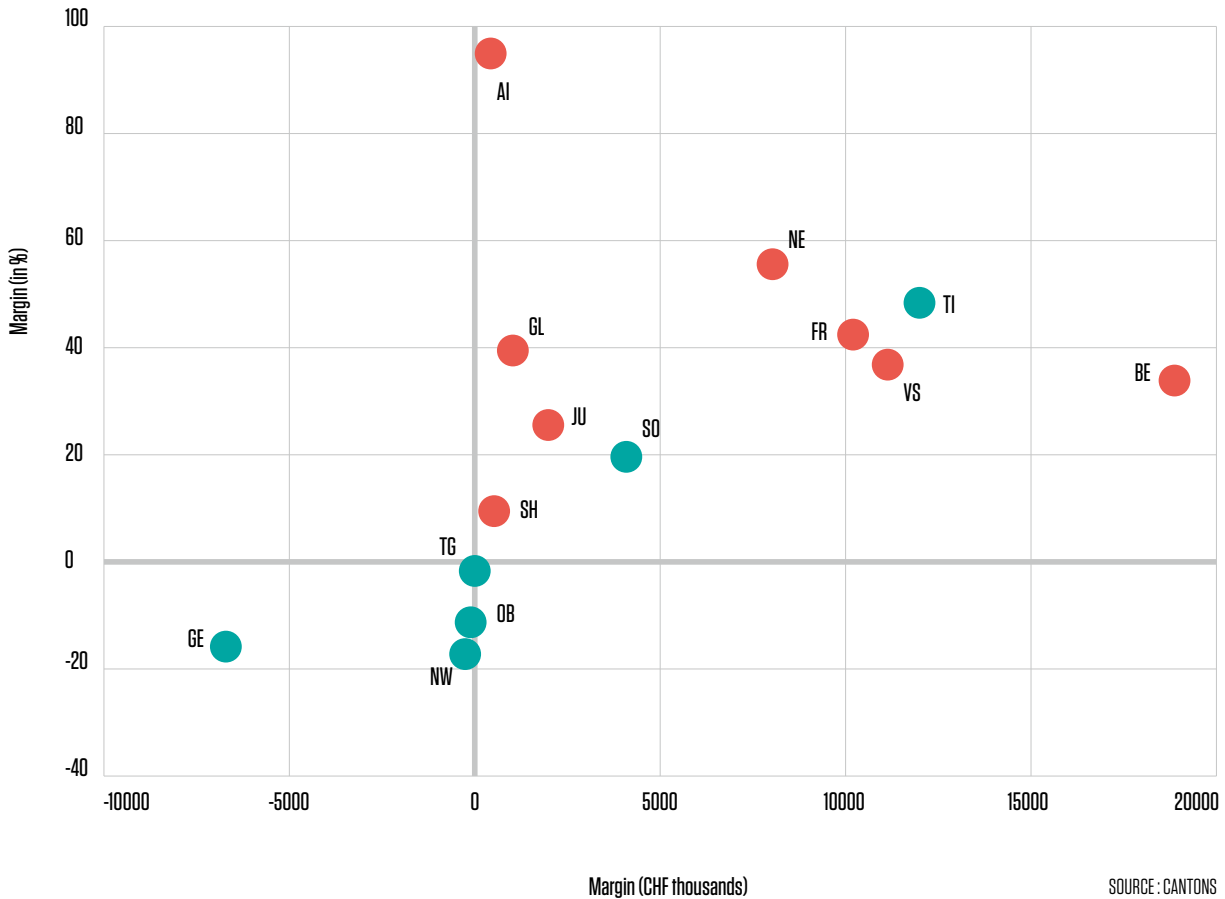
According to the SFAO's analysis, the majority of cantons that publish their accounts are making a profit from the collection of fees (see chart opposite). This finding is offset, but only in part, by the fact that the accounts published sometimes report partial cost data.

⁵⁸ The report for audit mandate 20236 is available on the SFAO's website.



The majority of cantons earn profits from payments collected by the debt enforcement and bankruptcy offices

Profit margin in % and in CHF thousands, partial cost in red (2019)



SOURCE: CANTONS

Creation of a national address register in order to obtain relevant information

The SFAO considers that the fee tariffs do not take sufficient account of digitalisation in public administrations, the actual cost of services and the public interest. As regards digitalisation, the debt enforcement and bankruptcy offices made great strides with the introduction of the e-DEBA system in 2005. Over 60% of debt enforcement procedures were submitted by creditors to the debt enforcement and bankruptcy offices via digital data transfer.

However, the SFAO found that the absence of networking for the databases of the debt enforcement and bankruptcy offices poses a problem regarding completeness of data. The case of extracts from the debt collection register, which allow someone to obtain a favourable extract depending on which debt enforcement and bankruptcy office they choose, is a prime example. The project to create a national address register, based on social security numbers, could be the precursor to networking over the long term. The adaptation of the supreme supervision concept and organisation to the risks was recommended, and accepted by the FOJ.



8. JUSTICE AND POLICE

SPOTLIGHT

CRIMINAL PROSECUTION MUST ORGANISE ITS DIGITAL TRANSITION

The Joining Forces (JF) programme aims to introduce electronic file management for federal criminal proceedings. Three independent organisations are involved: the Federal Criminal Police (FCP) of fedpol as the investigating agency, the OAG for criminal investigations and the FCC for the administration of justice. Preliminary work and the JF vision started in 2015. The programme was launched in autumn 2017. The project cost is around CHF 35 million, CHF 3 million of which was spent by mid-September 2020.

In the SFAO's view, the JF common vision is convincing⁵⁹. The implementation of the vision, and thus the simplification, standardisation and digitalisation of the processes, have not made much progress as yet. Of the eleven projects planned before the end of 2021, only two have been realised. The programme has therefore had to be extended to the end of 2026.

This five-year extension is nonetheless ambitious, unless there are improvements in JF organisation and management. Despite the good quality of the first results produced, the management of the JF programme needs to be improved. The SFAO considers that the FCC is not sufficiently involved in the current organisation. The argument of preserving judicial independence is not convincing in a digitalisation project. The FCC should incorporate its experience and needs more significantly into the final product that the JF programme is due to deliver over the long term.

C. WAYS TO STRENGTHEN THE EFFECTIVENESS OF THE FIGHT AGAINST CYBERCRIME

Cyberattacks and threats against individuals, ransomware attacks on public authorities or companies, identity theft... digital crime is more present than ever. In nine out of ten cases, these crimes fall under cantonal jurisdiction. However, fedpol plays an important role in this fight: as the central office and international contact point, it supports the cantonal police forces. In addition, fedpol supports the OAG in complex cybercrime proceedings under federal jurisdiction.

The effectiveness of the fight against cybercrime at fedpol, specifically the services of the FCP – its Forensic IT & Cybercrime Division and its Economic Crime Division, was audited by the SFAO⁶⁰. For this purpose, the SFAO visited the cantons of Aargau, Bern, Vaud, Ticino and Zug as well as the OAG to gain an insight into the environment in which fedpol operates and the views of its partners.

⁵⁹ The report for audit mandate 20094 is available on the SFAO's website.

⁶⁰ The report for audit mandate 19394 is available on the SFAO's website.

The cantons appreciate the Forensic IT & Cybercrime Division's services and its assistance in international cooperation. Due to a lack of resources, these cantons identified a need for cybercrime analyses that fedpol could develop in the future. In addition, the Forensic IT & Cybercrime Division also screens the reports of prohibited images submitted by its partners – such as the National Center for Missing & Exploited Children – and refers them to the cantons. In the SFAO's view, under the current legal framework, fedpol should improve its follow-up of these referrals to the cantons.

Cooperation and differences between the main players in criminal prosecutions

Together with fedpol, the OAG's Cybercrime Sub-Division handles complex cybercrime cases. It cooperates smoothly with the FCP. However, the OAG and fedpol disagree on the creation of a "cyber office" within the FCP, as a counterpart to the OAG's Cybercrime Sub-Division. This divergence also shows that communication between these two authorities is sometimes less than optimal.

The SFAO recommended that fedpol analyse the advantages and disadvantages of a "cyber office" at the FCP or any other solution to ensure the availability of resources for the OAG's cybercrime proceedings.

Data governance is not sufficient for investigative purposes

At the FCP, the digital processing of investigation data raises questions. fedpol management identified this at the beginning of 2019. The situation should be improved through the investigation system (Ermittlungssystem, ErmSys) programme, which has an ambitious deadline of 2022. The SFAO recommends that fedpol prioritise the ErmSys programme in order to ensure an adequate, secure framework guaranteeing the traceability of information for the FCP's federal and cantonal partners and providing effective support for its teams.

The FCP does not have efficient and automated management tools, and is exposed to the risk of insufficiently structured case management, limiting its room for manoeuvre and anticipation of problems. These difficulties are illustrated by the analysis of around 170 phishing cases. This analysis was requested by the OAG in 2017 and was not completed until October 2020.

In the future, the FCP plans to create a modern monitoring system. The SFAO recommends that fedpol strengthen the tools for steering the FCP's activities by means of a monitoring system (cockpit and indicators) for case management.



8. JUSTICE AND POLICE

Clarifications welcome in the fight against online paedophilia

At the end of 2019, Parliament allocated four positions to fedpol in the fight against online paedophilia. After an internal assessment, the fedpol management allocated these positions where it thought they would have the biggest impact. It regularly checks on the use, efficiency and effectiveness of the positions and, where necessary, adjusts the allocation. However, the documents supplied to the SFAO during its audit show that the creation of these positions, two of which were not within the FCP, was not fully transparent. It is not clear from the documents whether or not fedpol complied with Parliament's wishes. The SFAO recommends that fedpol examine and justify the allocation of positions so that the parliamentary decision and the needs expressed by the cantons can be met.

This type of crime falls under the jurisdiction of the cantons. Since 2001, however, fedpol has been actively investigating it on behalf of the cantons. The SFAO found that undercover investigations against paedophiles on the internet were paused for nine months in 2018. From January 2021 onwards, these active investigations were transferred to the cantons under an agreement between the Conference of Cantonal Justice and Police Directors and the Conference of Cantonal Police Commanders of Switzerland. Implementation is the responsibility of the cantons, whose resources to meet this challenge are being expanded. This clarification of the work done by fedpol and the cantons is welcome.

fedpol accepted the SFAO's recommendations.

SPOTLIGHT

THE FIGHT AGAINST MONEY LAUNDERING MAKES PROGRESS IN TERMS OF QUALITY

MROS has the task of analysing approximately 5,000 suspicious activity reports (SARs) per year, with an average value of CHF 15.5 billion. The number of reports has quadrupled since 2015. In nine out of ten cases, reports come from financial intermediaries. If necessary, the results of MROS analyses are forwarded to the federal and cantonal prosecution authorities, or to its foreign partner authorities (financial intelligence units – FIUs). At the same time, MROS is undergoing a process of change: it will soon have over 50 employees, representing a threefold increase in personnel over seven years.

The SFAO assessed whether MROS, which is part of fedpol, performs its tasks effectively and efficiently⁶¹. The audit also focused on MROS's cooperation with the offices of the public prosecutors, financial intermediaries, FIUs and national authorities (such as the Swiss Financial Market Authority – FINMA). The SFAO considers that MROS is well positioned for the future thanks to the strategy adopted in 2019, the new organisation and its current processes.

Since its creation in 1998, MROS has been attached to fedpol, and benefits from its infrastructure. The SFAO recommended internal rules of procedure similar to those for the internal audit units of the departments and federal offices. These should regulate the key elements of fedpol's management and MROS's independence.

This could create potential for greater efficiency, such as improving the quality of MROS data and analyses. It now performs more consistent triage of the reports received and is focusing on serious cases. In order for MROS to better assess the effectiveness of its own work, it would need information on what happens to its reports to the prosecution authorities. Yet, it is difficult to obtain this information, with the result that MROS does not know what happens to more than half of its reports.

When it comes to raising awareness of money laundering among financial intermediaries, MROS needs to take the broadest possible approach. Besides banks, this also concerns other intermediaries (such as fiduciaries, lawyers, notaries, commodities and precious metals traders, etc.), which currently rarely file SARs. Through the public-private partnership planned by MROS, the participating financial intermediaries should commit to reporting more, in improved quality and, above all, in a more timely manner. In another area, the established cooperation between MROS and FINMA must be strengthened. The same applies to the exchange of information between MROS and the foreign FIUs of most importance to it. The SFAO recalled that MROS remains a component in the fight against money laundering, but cannot ensure the effectiveness of this fight in Switzerland on its own.

⁶¹ The report for audit mandate 20146 is available on the SFAO's website.



9. FEDERAL IT PROJECTS



9. FEDERAL IT PROJECTS

Since 2013, the SFAO has focused very actively on federal IT projects, now called “key ICT projects”⁶². In 2021, several of these projects were audited and the findings were published. Overall, the audit findings were good, although some projects are still facing major challenges. Within Parliamentary Services, one project is particularly problematic, and has been the subject of urgent recommendations by the SFAO.

A. CUSTOMS IT FACES THE CHALLENGE OF ESTABLISHING THE LEGAL FRAMEWORK

The FOCBS is planning to transform and radically simplify business relations with citizens and businesses by the end of 2026. That is the aim of the DaziT programme. The FOCBS is promising an annual decrease of around CHF 125 million in the financial burden for businesses. Internal optimisation within the Federal Administration should allow around 300 administrative positions in the area of inspections to be eliminated and/or relocated, while simultaneously reducing the costs of IT operation by some 20%.

The SFAO is very familiar with DaziT, having already audited it twice⁶³.

Legal framework needs to be adapted, flexibility is required for digitalisation, timetable is tight

In this third audit⁶⁴, the SFAO focused mainly on the challenge posed by the modernisation of the legal framework for the FOCBS and its Federal Administration partners. To increase its effectiveness and efficiency, the FOCBS needs to be highly automated and to use data flexibly. Amendments to the legal framework will therefore be decisive for the success of end-to-end digitalisation. At the time of the audit, the FOCBS was planning to enshrine the flexible and legal use of data in the law on its future operating mandate.

The audit revealed the difficulties often encountered by large projects when amendments to the legal framework are required. Although, the FOJ drew up guidelines to support projects, they are not specifically tailored to agile projects. For this reason, the FOJ, together with the Federal Chancellery's Digital Transformation and ICT Steering Sector (DTI), will have to revise the existing guidelines. These guidelines must regulate the establishment of a legal framework that permits rapid and flexible organisation of digitalisation projects. This would help other digitalisation projects avoid similar problems to those encountered by DaziT.

The FOCBS, FOJ and DTI accepted the SFAO's recommendations.

⁶² The Digital Transformation and ICT Steering Sector (DTI) was set up within the Federal Chancellery with effect from 1 January 2021. Among other things, it took over the tasks of the former Federal IT Steering Unit (FITSU), and hence also its IT projects. The list of Federal Administration key ICT projects is available on the website of the Federal Chancellery.

⁶³ The reports for audit mandate 18320 and audit mandate 19399 are available on the SFAO's website.

⁶⁴ The report for audit mandate 20287 is available on the SFAO's website.

SPOTLIGHT

SWISS WIRETAPPING IS INCREASINGLY EXPENSIVE

Another project that the SFAO knows well is telecommunications surveillance⁶⁵. It concerns wiretapping by the prosecution authorities in the future. The programme involves adapting the Post and Telecommunications Surveillance Service's (PTSS) processing system, as well as fedpol's information systems. The SFAO audited this project for the third time⁶⁶.

Initially, the Federal Department of Justice and Police (FDJP) had planned to invest CHF 112 million in the programme. For this purpose, Parliament approved a guarantee credit of CHF 99 million in 2015. Relative to the original plan, the FDJP now foresees total costs of around CHF 150 million (including contingency). It has also been announced that the work will now take two years more than initially planned. As a result, the project owners want to apply for an additional credit. For this reason, they monitored the development of costs in 2021 and are seeking ways to make savings.

In the meantime, the FDJP has changed course. It has stopped developing the surveillance system already in place, preferring a new system developed in-house. The SFAO can understand this decision, although the risks in terms of the timetable and finances will have to be fully taken on board.

⁶⁵ The reports for audit mandate 16315 and audit mandate 18290 are available on the SFAO's website.

⁶⁶ The report for audit mandate 20376 is available on the SFAO's website.



9. FEDERAL IT PROJECTS

B. A WELL-MANAGED TRANSITION FOR THE MANAGEMENT OF FEDERAL AFFAIRS

Since autumn 2020, more than 22,000 users in the Federal Administration's departments have been using Acta Nova to manage their day-to-day business electronically. This product, which is an integral part of the Federal Chancellery's GENOVA programme, was rolled out between November 2015 and September 2021 at a cost of around CHF 68 million. The IT Service Centre of the Department of Economic Affairs, Education and Research (ISCeco) now runs the platform.

The SFAO examined whether appropriate measures have been taken with regard to availability and security⁶⁷. It also evaluated whether the transition of the Federal Chancellery's GENOVA programme to operation by ISCeco was planned and under control. The audit found that the transition was well organised. Tools were in place for an orderly transition. Despite the complex architecture and the dependencies on services outside ISCeco, operation is stable. However, this complexity imposes greater requirements in terms of operation, which is a challenge for system performance.

Security activities have been defined but are not yet complete. This is the case for the management of administrator rights. At the user level, the departments or offices ensure that the security requirements are implemented. However, there is no overall vision. The final report on the programme should indicate whether any gaps still exist at this level.

The SFAO's recommendations were accepted by the Federal Chancellery and the ISCeco.

SPOTLIGHT

MASTER DATA PROJECT MAKES A GOOD START, WHICH NEEDS TO BE CONSOLIDATED

At the end of 2018, the Federal Council adopted a strategy for the joint management of master data at federal level. A first implementation stage was due for completion at the end of 2021, and focused on businesses' master data. A federal steering committee on joint master data management is monitoring developments. The DTI Sector at the Federal Chancellery has the lead in this project.

The SFAO audited the implementation⁶⁸. Initial work is generally heading in the right direction. However, deliverables must be more detailed and activities need to be performed in a more systematic manner. A key point for the SFAO is the risk inherent in the decision not to set up a project-style organisation, and the absence of a general overview. There is still no roadmap or sufficiently detailed description of the target architecture.

The Federal Chancellery accepted the SFAO's recommendations. The SFAO has pointed out that the second stage, which starts in 2022, is likely to be more difficult than the first. It will involve master data for physical persons and real estate.

⁶⁷ The report for audit mandate 20385 is available on the SFAO's website.

⁶⁸ The report for audit mandate 20526 is available on the SFAO's website.

C. PORTALS FOR THE PUBLIC, DEVELOPED IN AN UNCOORDINATED FASHION

They have names like Agate, EasyGov.swiss, ePortal and eGovernment. They are all portals, located at the FOAG, SECO, the FDF and DETEC, respectively, channelling daily digital exchanges between the population, businesses and the federal authorities. Over time, these portals – like so many things at federal level – were developed separately from each other. The SFAO investigated whether these four portals coordinated their development activities and whether those activities were in line with federal digitalisation strategies⁶⁹.

As a result, measures to harmonise the portals' activities were launched, but they are still in their infancy. Additional measures are necessary to guarantee that the further development of these portals is better managed. These measures must make the portals easier to use for the population and businesses, but must also meet the criteria for a modern digital administration (once-only principle⁷⁰).

Pragmatic measures for short-term improvements

In the SFAO's view, an overview of the portals should be drawn up. This involves providing a standardised description of current offers, examining how to re-use IDs, authorisations and data in the different portals and, finally, defining common standards for including the public's perspective and monitoring whether this perspective is fully respected.

Some initial pragmatic measures can be taken rapidly. For example, these involve the coexistence of these portals and interoperability between them, the guarantee of their usability and accessibility, and more generally the consideration of the public's perspective. These measures have the potential to bring about tangible improvements, thanks to specific measures at little cost to the organisational units, provided that they demonstrate a real willingness to cooperate.

⁶⁹ The report for audit mandate 20386 is available on the SFAO's website.

⁷⁰ According to this principle, citizens and businesses need only register their master data once with the authorities and administrations, which must share this information and thereby make life easier for the population and businesses.



9. FEDERAL IT PROJECTS

D. PARLIAMENT'S IT TRANSFORMATION IN A DIFFICULT SITUATION

Parliamentary Services provides essential services, especially IT services, to the Federal Assembly and its various decision-making bodies. Parliamentary Services reports to the Administrative Delegation (ADel)⁷¹, comprising six members of the Federal Assembly. In a motion in 2018, ADel instructed Parliamentary Services to accelerate the digital transformation of the Federal Parliament. This concerns two IT projects: CURIPlus and Cervin.

The SFAO audited CURIPlus, as well as its technical basis, Cervin⁷². These two projects should allow parliamentarians and Parliamentary Services staff to access the documentation necessary for their work in complete confidentiality and in a reasonably secure manner.

No strategy or governance, but an abundance of internal tension

Overall, the SFAO observed that there is no ICT strategy tailored to the objectives and mandate of the digitalisation projects. In addition, there is no concept for the future operation of new systems based on Liferay. Moreover, key decisions were taken without fully considering the consequences.

Final approval of the documents on ICT governance, which were drawn up in 2018, was first postponed to the beginning of 2020 and subsequently suspended. This holdup is attributable to the interdependency with the strategy, which was still incomplete at the time of the audit. This situation has created and reinforced internal tensions, as well as uncertainty concerning tasks, responsibilities, powers and future operating procedures for digitalisation projects.

Security vulnerabilities that threaten the entire digitalisation of Parliament

Questions relating to information security are also sensitive. Cervin is the technical basis for CURIPlus. However, according to an outsourced audit seen by the SFAO, Cervin has major security vulnerabilities.

⁷¹ ADel deals with the management of parliamentary finances, personnel, security, IT and infrastructure. It is the supreme authority in charge of supervising Parliamentary Services.

⁷² The report for audit mandate 21310 is available on the SFAO's website.



The requirements in this regard have not been implemented systematically and Cervin's security level appears to be well below average. The weaknesses identified by the external audit should have been rectified without delay, but this had not been done at the time of the SFAO's own audit. Difficulties linked to the Cervin project's technical architecture also make it impossible to tell whether rectification is possible, or indeed sufficient. These vulnerabilities have direct and indirect repercussions for CURIAplus, the project to provide parliamentarians with more data and sensitive functionalities. For example, it is impossible to ascertain whether unauthorised persons have exploited the identified vulnerabilities and gained access to parliamentary documents. What is more, the security requirements for CURIAplus have still not been specified, even though the system is already under construction.

CURIAplus depends on the completion of other IT projects, including some which have already reported delays. Its development is already several months behind schedule. At the time of the audit, there were also differences of opinion with the external supplier about whether the project can be completed by the agreed date. In view of the risks highlighted by the SFAO and the still unclear strategic objectives, it is necessary to consider whether it might not be more appropriate to suspend the CURIAplus project.

PART 2

MEANS AND FIGURES OF FINANCIAL SUPERVISION IN 2021

PART 2: MEANS AND FIGURES



1. FINANCIAL SUPERVISION: OBJECTIVES, RESOURCES AND AUDIT AREAS

A. OBJECTIVES

The SFAO is the Confederation's supreme financial supervisory body⁷³. It assists the Federal Assembly with its supreme supervision and the Federal Council with its supervision of the Federal Administration. Its audit scope covers:

- The Federal Administration and its central and decentralised units
- Parliamentary Services
- The recipients of financial aids and grants
- Public bodies, institutions and organisations that the Confederation has charged with performing public tasks
- Enterprises in which the Confederation has a majority shareholding
- Federal Courts, FINMA and the Federal Audit Oversight Authority (FAOA), if this comes under supreme supervision by the Federal Assembly⁷⁴.

The SFAO's audits focus on management. Its resources are allocated to financial supervision, particularly performance audits and evaluations.

The SFAO also takes on audit body mandates if they allow for synergies with other audits, if they are interesting by their very nature, if they are desirable from a political viewpoint or if they are in the public interest.

The SFAO cooperates with the central administration's internal audit bodies, working to strengthen them and to ensure the quality of their work and their independence.

The SFAO works with the cantonal audit offices, particularly for the supervision of the new fiscal equalization system.

The SFAO coordinates the audits of audit bodies in order to prevent overlaps and shortcomings that are unacceptable for audits. It coordinates its programmes with the internal audits and the parliamentary supervisory authorities. However, this coordination reaches its limits, e.g. when the audit methods and mandates diverge too much or when the parliamentary supervisory committees change the priorities because of what is in the news.

⁷³ Federal Act on the Swiss Federal Audit Office of 28 June 1967.

⁷⁴ The only exceptions are as follows: the SNB and the Swiss Broadcasting Corporation (SRG SSR) are not subject to SFAO supervision. However, the Head of the Federal Department of the Environment, Transport, Energy and Communications (DETEC) can instruct the SFAO to perform special audits at the SRG SSR. With the exception of its military insurance sector, SUVA is not subject to SFAO supervision either.



B. FROM AUDITING THE ACCOUNTS TO BROADER SUPERVISION

The SFAO checks the Confederation's financial statements every year. However, its external auditor mandates also cover:

- The compensation funds for AHV, IV, compensation for loss of earnings (EO) and ALV
- The railway infrastructure fund
- The motorway and urban transportation fund
- The Swiss Federal Institutes of Technology Domain (ETH)
- The Swiss National Science Foundation
- The Alcohol and Tobacco Division of the FCA, now FOCBS (previously known as the Swiss Alcohol Board)
- Swissmedic
- The Swiss Federal Institute of Intellectual Property
- The Swiss Federal Institute of Metrology
- FINMA and the FAOA
- The Universal Postal Union and the International Civil Aviation Organization.

Financial supervision does not deal solely with accounting consistency; it also covers issues to do with substantive legality, economics, profitability and the effectiveness of expenditure. In this regard, the SFAO checks whether resources are used economically and whether expenditure achieves the desired effect⁷⁵. Finally, the Federal Council and Parliament, thanks to its FinDel, can give the SFAO special mandates.

The financial supervision audit reports help the FinDel to perform its supreme supervision of the Federal Administration. If need be, it can go to the Federal Council.

⁷⁵ Article 5 of the Federal Act on the Swiss Federal Audit Office.



C. QUALITY ASSURANCE AND RESOURCES

Proof of a constantly improving administration for the community, financial supervision is based on know-how, professional experience and social skills. Just like a private audit firm, the SFAO is duly registered with the FAOA.

The SFAO attaches great importance to training and continuing professional development for its employees. The latter are required to deepen their knowledge in their field and to disseminate it within the SFAO. Courses are organised in January for the staff of the SFAO, the central federal administration's internal audits and, to some extent, those of the cantonal audit offices.

For fiscal 2022, the Federal Assembly gave the SFAO additional funds to allow it to better cover the risks identified. It has granted the SFAO a budget of CHF 32.2 million, compared to CHF 31.7 million for 2021. SFAO employees will carry out almost 90% of the annual programme. The remaining 10% will be performed by duly mandated⁷⁶ external employees working under the responsibility and management of the SFAO.

⁷⁶ Article 3 of the Federal Act on the Swiss Federal Audit Office.



D. MAIN AUDIT AREAS

Based on its statutory mandate, strategy and annual objectives, the SFAO defined the following main focus areas for its annual programme.

State financial statements

Parliament has to be able to ensure that the federal financial statements have been verified by an independent auditor, i.e. the SFAO, before they are approved and that the figures correctly reflect the Confederation's financial situation. The internal audits are involved in auditing the accounts in the individual units. The audit findings are then delivered to the Finance Committees in an attestation report and to the FFA in a detailed explanatory report, which the SFAO also submits to the FinDel.

Swiss Federal Institutes of Technology

The SFAO audits the annual accounts of the ETH Domain, i.e. the accounts of the ETH Board, the two institutes of technology and the four research institutions. The auditing of the ETH Domain's various accounts facilitates the performance of more in-depth audits in terms of financial supervision.

Rail links through the Alps

The SFAO verifies the accounts of the railway infrastructure fund.

Fiscal equalization

Effective since 2008, the SFAO has been auditing the calculation basis as well as the determination of resource equalization and cost compensation indices in the 26 cantons and at the federal offices. An error in the baseline data or the processing of such data could have a considerable financial impact for the cantons and the Confederation. The aim is to verify that the tax data of all of the cantons over a four-year period is transferred correctly.

IT audits

The SFAO traditionally audits federal IT. Checking the security, development, operation and profitability of the numerous ICT applications and platforms is part of its annual programme.

Key ICT projects

In March 2013, the Federal Council charged the SFAO with auditing and monitoring key ICT projects within the Confederation. These are projects which cost more than CHF 30 million or are of strategic importance. A dozen such projects are thus audited every year.

Performance audits and evaluations

For the SFAO, performance audits include the criteria of economy, efficiency and effectiveness. Evaluations fall within this category. For the SFAO, an evaluation involves systematically and objectively analysing and assessing the concept, realisation and impact of public subsidies, policies, programmes and projects. During evaluations, the participation of the relevant stakeholders and target groups is of paramount importance for the SFAO. An evaluation's success depends on it.

Subsidy audits

The SFAO is obliged to verify that the Confederation's contributions are used legally, correctly and economically. Audits of the competent offices and recipients are planned, particularly in the areas of culture, development assistance, the economy, science, the environment and health. These audits also cause the SFAO to verify projects abroad, such as within the framework of development assistance or the contribution to EU enlargement.

Construction and procurement audits

The SFAO carries out special construction and procurement audits. It can check specifications or projects before they are approved. The audits are conducted during the construction phase, but primarily at an early stage, as that gives greater leeway in the event of adjustments.

Environmental issues as well as public-private partnerships and building automation systems are becoming increasingly important. The audits cover critical needs analysis, sustainable task execution and lifecycle costs.

With regard to the core procurement area, the SFAO examines both economic criteria and compliance with the legal requirements. In the case of suppliers that have a monopoly, it also verifies that they have not abused that position. Finally, the SFAO checks that there are smooth relations between internal service providers and those who use these services within the administration.

Federal government enterprises

The SFAO's audits of federal government enterprises help Parliament with its supreme financial supervision tasks and target specific risks for the owner and therefore for the taxpayer.



International organisations

The SFAO performs several mandates at international organisations. These traditionally fall to Switzerland – e.g. the Universal Postal Union, based in Bern – or have to be taken on by Switzerland on a rotating basis as a member of the corresponding organisation – e.g. the International Civil Aviation Organization. With regard to auditing the accounts of the UN's specialised agencies, the SFAO is part of the United Nations' nine-member panel of external auditors. This provides a forum for the mutual exchange of experience with foreign audit authorities.

2. RECOMMENDATIONS FOR AUDITED ENTITIES AND REPORTS TO THE FEDERAL COUNCIL

A. RECOMMENDATIONS ISSUED TO AND ACCEPTED BY AUDITED ENTITIES

In its audit reports, the SFAO essentially issues recommendations on how to improve the situation at audited entities. In 2021, 18 recommendations were formally rejected by the audited entities (i.e. about 6% of the recommendations issued). In most cases, when the SFAO includes recommendations in a report, there are no more than four. This table shows the evolution over the last five years:

	2017	2018	2019	2020	2021
Audits completed with recommendations	87	87	84	64 ⁷⁷	74
Recommendations issued	368	295	270	257	305

SOURCE: SFAO

B. PENDING RECOMMENDATIONS IN THE OFFICES

Implementation by the audited entities of the accepted recommendations differs from case to case. At year-end, the SFAO takes stock of the recommendations that are still pending and must be implemented by the deadlines agreed with the audited entities.

	2017	2018	2019	2020	2021
Recommendations still pending at audited entities (as at 31 December)	569	593	453	397	481
Recommendations accepted by the audited entities but not implemented (as at 30 September, priority A)⁷⁸	8	18	13	12	11

SOURCE: SFAO

⁷⁷ Of these, twelve COVID-19 related reviews were completed that were not originally planned in the 2021 annual audit programme.

⁷⁸ These are the recommendations that the SFAO considers to be most important. They have featured in the SFAO's annual report since 2014.



Furthermore, the SFAO found that several of its most important recommendations (priority A) that had been accepted by the offices concerned had not been implemented by the agreed deadline. It has listed the most important of these (as at 30 September 2021) in the table below. A red asterisk indicates added recommendations relative to the situation a year earlier.

Audited entity	Topic	Development	First deadline⁷⁹
DDPS	Inadequate legal basis for the subsidy to a third party	The SFAO has found since 2001 that there is no legal basis for the subsidy granted to the Foundation for the Museum and Military Material of the Swiss Air Force. The DDPS has been instructed to explain the legal basis and to justify the sums granted..	31.12.2013
FSIO	Disability insurance medical measures (three recommendations)	The SFAO recommended that the FSIO strengthen steering and supervision, and also create the necessary framework conditions: the FSIO must include quality indicators and objectives in its agreements with the IV offices. It is also necessary to establish more effective supervision that focuses more on risks. The FSIO should support the creation of specialised centres of expertise for each specific medical domain. Moreover, the framework conditions have to be created for more rigorous examination of complex cases and costly cases (Hochkostenfälle) by the competent authorities.	31.12.2014
MeteoSwiss	Business continuity management (BCM)	The SFAO recommended that MeteoSwiss examine and evaluate the need for a multi-site concept for its BCM project. Before considering the construction or lease of another data centre, it is necessary to verify the extent to which existing or planned federal data centres can be used.	30.11.2015

⁷⁹ The reference date entered here indicates when the audited entity concerned and the SFAO agreed the first deadline for implementing the recommendation. In some cases, new deadlines were granted to the audited entities and approved by the SFAO.



FSIO	Unified accounting standards	The SFAO recommended that the FFA, together with SECO and the FSIO, establish uniform accounting standards for the AHV/IV/EO and ALV compensation funds. That should give the various stakeholders a clear picture of the financial situation of social security schemes. If there are no applicable standards, standards similar to those of 2nd pillar institutions (Swiss GAAP FER) should be developed.	31.12.2017
FSIO	AHV/IV/EO year-end accounts	The SFAO recommended setting precise boundaries for insurance contributions and benefits as part of the AHV/IV/EO year-end accounts.	31.12.2017
FOEN*	Environmental monitoring	The SFAO recommended that the FOEN review the spatial and temporal distribution of its environmental measurement programmes and implement possible savings.	31.12.2018
Unemployment Insurance Fund*	Labour market measures	The SFAO recommended that the Unemployment Insurance Fund initiate an amendment to the Federal Act on Mandatory Unemployment Insurance and Insolvency Benefit, with the aim of compensating for the effects of labour market measures.	31.12.2018
FOCP*	Protected sanitary facilities	The SFAO recommends that the DDPS review the strategy for protected sanitary facilities.	31.12.2020
OFSP	Information and simplification of invoices	Since 2010, the SFAO has recommended that the FOPH improve information for patients and encourage the simplification of invoices so that they can be checked by patients themselves.	Not available

SOURCE: SFAO, 2021



C. REPORTING OF MAJOR IRREGULARITIES TO THE FEDERAL COUNCIL

The SFAO has to inform the Federal Council immediately if it finds anomalies or deficiencies of fundamental significance or considerable financial importance.⁸⁰ In 2021, two such reports were made. This table provides an overview:

Date	Topic
31.8.2021	Polycom 2030 value preservation projects, NSDS and MSCS
17.12.2021	A9 motorway works – FEDRO internal audit report

SOURCE: SFAO, 2021

SPOTLIGHT

POTENTIAL FOR IMPROVEMENT IN RELATIONS WITH THE FEDERAL COUNCIL

The Parliamentary bodies made several recommendations in the report on the INSIEME project fiasco. The 11th recommendation “invites the Federal Council to meet regularly with the SFAO management to be informed about important pending revisions. It shall take the necessary measures to ensure that the SFAO has privileged access to it or its delegations”. The last meeting was held on 3 June 2019.

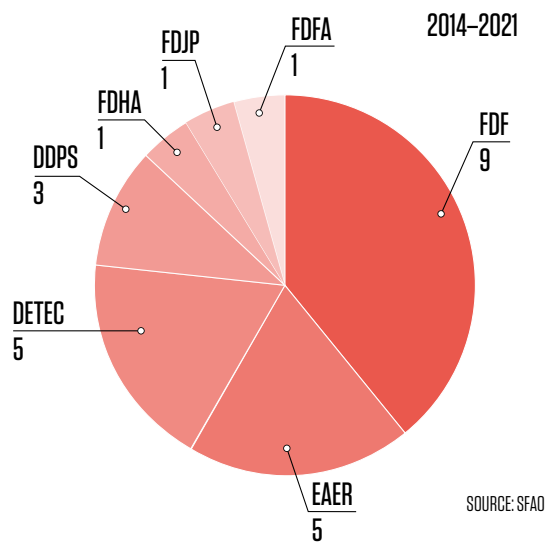
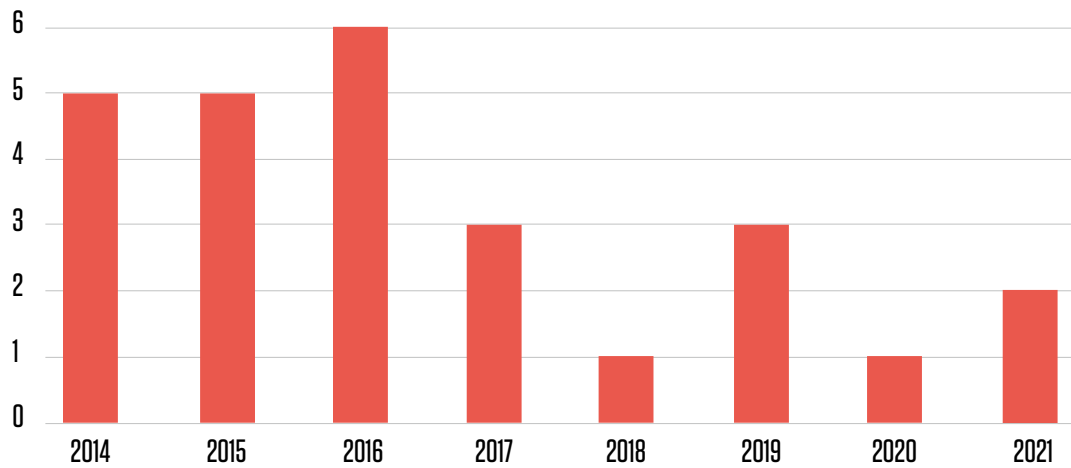
FTA's INSIEME IT project. Report of the Finance and Administration Committees of the Federal Chambers of 21 November 2014, BBl 2015 6745 (in German).

⁸⁰ Article 15, paragraph 3 of the Federal Act on the Swiss Federal Audit Office.



Shortcomings with major repercussions or of particular financial importance

Number of SFAO reports to the Federal Council (2014–2021, by department)





D. REPORTING OF SIGNIFICANT IRREGULARITIES TO THE SWISS FEDERAL AUDIT OFFICE

The internal audit units of the central Federal Administration are obliged to inform the SFAO of any anomalies or deficiencies of fundamental significance or considerable financial importance⁸¹. The head of the department concerned is also to be informed without delay.

In 2021, the internal audit unit of the FOT made four such reports. All of them concerned issues related to subsidies granted to freight and passenger transport companies.

SPOTLIGHT

THE SFAO'S WORK WITH PARLIAMENT AND ITS COMMITTEES IN 2021

As the Confederation's supreme financial supervisory body, the SFAO supports Parliament in a variety of ways. It collaborates most closely with the supervisory bodies of the Federal Assembly. During its meetings, the FinDel discusses all SFAO audit reports, including the Director's explanations. The finance and business audit committees receive information on selected reports at their meetings, for example during the presentation on the data transfer at RUAG MRO Holding AG.

In addition to attending meetings, the SFAO also expresses its opinion on selected Federal Council dispatches and credit facilities. In doing so, it supports Parliament's preliminary consultation committee in forming an opinion before affairs are dealt with by the National Council and the Council of States.

In the last four years, the SFAO has also intensified its cooperation with the specialist committees. Since these preliminary consultation bodies deal with legislative revisions and parliamentary initiatives, this is an area where the SFAO can bring added value. The SFAO submits twenty selected newly published audit reports to these commissions during the course of the year. The specialist committees draw on the SFAO's independent expert knowledge when necessary, for example during the hearing in connection with the amendment of the AHV Act to modernise supervision.

In this regard, the SFAO was able to draw on the findings of various supervision audits – both at the AHV and at other state bodies. In this way, experience from the field which was acquired during SFAO performance audits can be included in the legislative revision process in accordance with Article 27 of the Parliament Act.

⁸¹ Article 11, paragraph 4 of the Federal Act on the Swiss Federal Audit Office.



3. PUBLICATION OF SFAO AUDITS AND ACCESS TO INFORMATION

A. PUBLICATION OF AUDITS

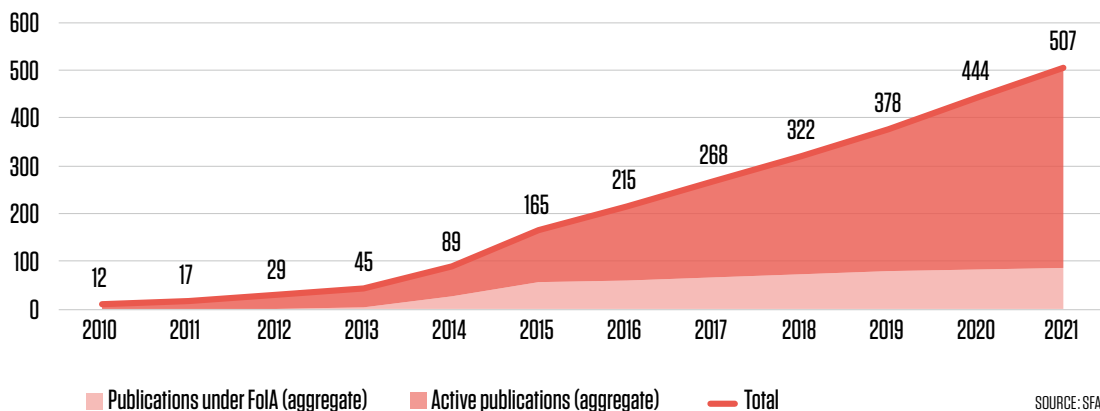
Since 2014, the SFAO has actively published audits which are of public interest. The year 2021 was no exception: 61 audits were published online on the SFAO's website, two fewer than the previous year.

Between 2010 and 2014, the SFAO published around a dozen audit reports a year on average. In the period from 2015 to 2021, this figure rose to an average of almost fifty reports per year with the full implementation of the SFAO's new publication strategy.

As the chart above shows, official SFAO documents are sometimes released under the Freedom of Information Act (FoIA). However, this channel is still very rarely used (see section 3.C).

A constant effort to publish audit reports since 2014

Number of reports scheduled for publication by the SFAO and SFAO documents obtained under the Freedom of Information Act (FoIA)





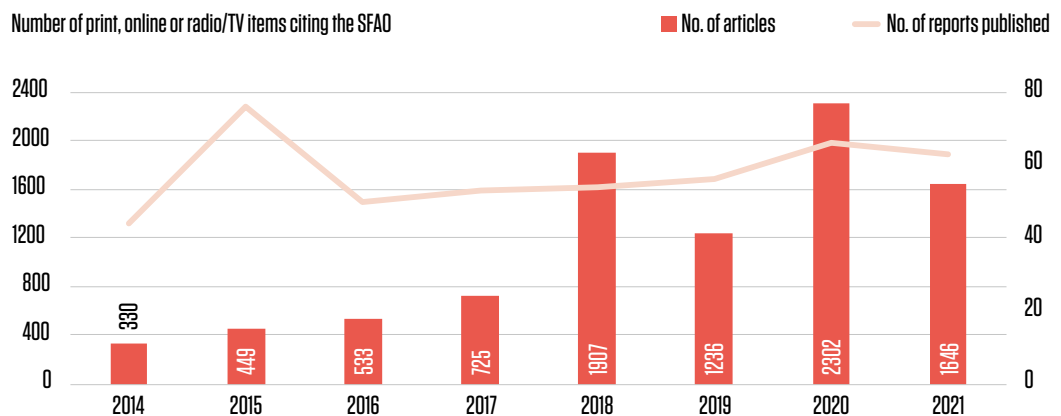
B. THE SFAO'S MEDIA PRESENCE AND REQUESTS FOR INFORMATION

The planned publication of audit and assessment reports by the SFAO has impacted its relationship with media representatives. In 2021, it responded to 88 formal requests (96 in 2020) from the media (requests for audit reports, additional information, technical clarifications, interviews, etc.). 74.9% of these requests came from German-speaking media (70.8% in 2020) and 24.8% from French-speaking media (26.0% in 2020). In the vast majority of cases, the SFAO responded to these media requests within 24 hours.

Since 2014, the results of the SFAO's audit work have been regularly reported in the media. In 2021, 1,646 articles in the print and online media, as well as on radio and television, cited the SFAO's findings (compared to 2,302 in 2020). The main channel was print media (49.8%), followed by online media (46.5%) and radio and television (3.7%). Finally, 85.4% of these articles were in German, 13.2% in French and 3.7% in Italian, English and Romansh.

SFAO's media presence (2014–2021)

Number of print, online or radio/TV items citing the SFAO



Note: Due to media concentration, the same item may be counted several times even though it is released through several different outlets.

SOURCES: SWISSDOX, SFAO



C. ACCESS TO OFFICIAL DOCUMENTS

The FoIA⁸² came into force in 2006. Since then, the SFAO has regularly received requests for its audit reports from the media or individuals with an interest in its work.

In 2021, seven requests for access were made for documents already held by the SFAO⁸³. These requests sometimes concerned the same document. Full access was granted for one audit report, partial access was granted in another case.

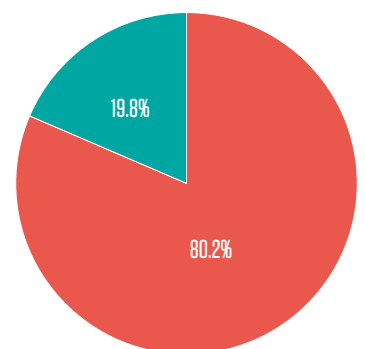
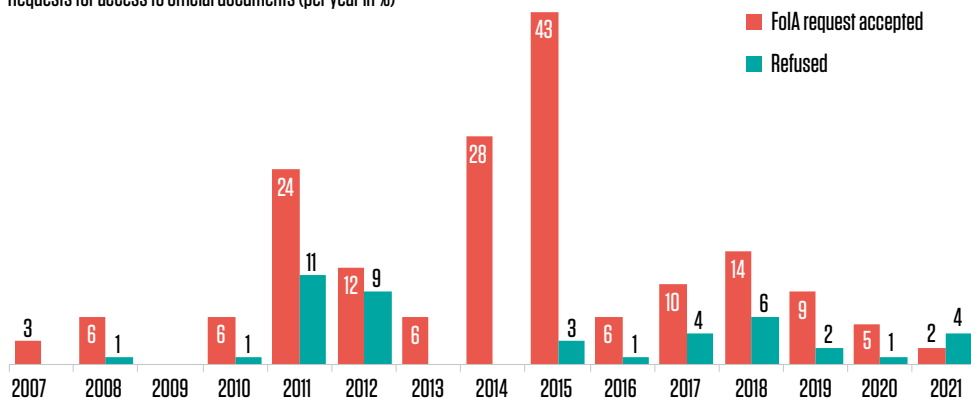
Access was denied for four documents, three on the grounds that the audit had not been completed at the time of the request (Article 5 paragraph 3 letter b). In the last case, the reason for refusal was based on Article 8 of the FoIA (paragraph 2).

⁸² The text of the Act is available on the Confederation's website (www.admin.ch), SR 152.3.

⁸³ Two requests concerned documents that were not held by the SFAO and were therefore withdrawn from the statistics.

Application of the Freedom of Information Act by the SFAO (2007–2021)

Requests for access to official documents (per year in %)



Note: Several requests and refusals can concern the same audit report or any other official SFAO document.

SOURCE: SFAO



4. WHISTLEBLOWING

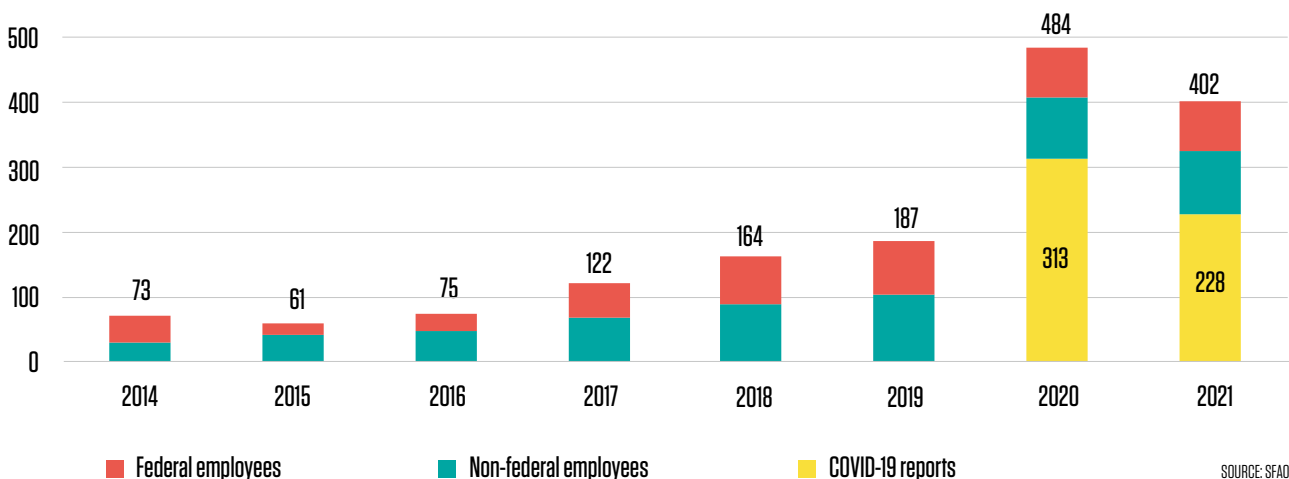
Since 2011, the Confederation has had a legal basis for protecting whistleblowers. The Federal Personnel Act makes provision for an obligation to report an offence, a right to report irregularities and protection for federal employees who make use of these. The SFAO is the point of contact for whistleblowers, both within and outside the Federal Administration. For this purpose, it launched a secure web platform (whistleblowing.admin.ch) in June 2017.

In 2021, the SFAO's Whistleblowing Unit processed and analysed 402 reports, down from 484 in 2020. These two years were strongly marked by an increase in the number of reports related to the COVID-19 health crisis and the assistance measures deployed by the Confederation⁸⁴. As the table below shows, 77 cases were from federal employees, while the remaining cases were from individuals not employed by the Confederation (suppliers, individuals, employees of private companies, etc.). In 2021, excluding COVID-19 reports, the proportion of reports from individuals not employed by the Confederation was stable relative to 2019 (56%).

Of the total, 324, or nearly 80.5% of cases, were anonymous. The SFAO was able to communicate with 263 whistleblowers via an encrypted mailbox system, which proves how useful the platform is. In 2021, more than nine out of ten reports reached the SFAO through this secure channel, while less than 12% of the reports were received through other channels (interview, telephone, post).

⁸⁴ These announcements mainly concern cases relating to short-time working compensation (see «Spotlight» on the right).

Reports from whistleblowers received by the SFAO (2014–2021)



SOURCE: SFAO



The SFAO conducts additional verification work on this information. In 2021, excluding COVID-19 reports, 107 reports were useful for audits already under way or future audits, or will trigger new investigations in the not-too-distant future. Consequently, over 61% were useful and helped to improve how the Administration functions. This share has remained stable over the last two years.

SPOTLIGHT

ALMOST CHF 10 MILLION IN REIMBURSEMENT CLAIMS

Since the start of the COVID-19 pandemic and the support measures introduced by the federal authorities, the SFAO has received numerous reports concerning short-time working compensation. After having analysed them, the SFAO submitted the majority of these reports to the State Secretariat for Economic Affairs (SECO).

By 31 December 2021, a cumulative total of 498 reports had been submitted. Of this total, some 84 cases have already been closed, with 54 cases of unjustified or incorrect short-time working compensation payments, including seven cases of fraud. Reimbursement claims totalling CHF 9.9 million have been issued. At the end of 2021, 414 cases were pending with SECO.



5. ORGANISATIONAL CHART OF THE SFAO



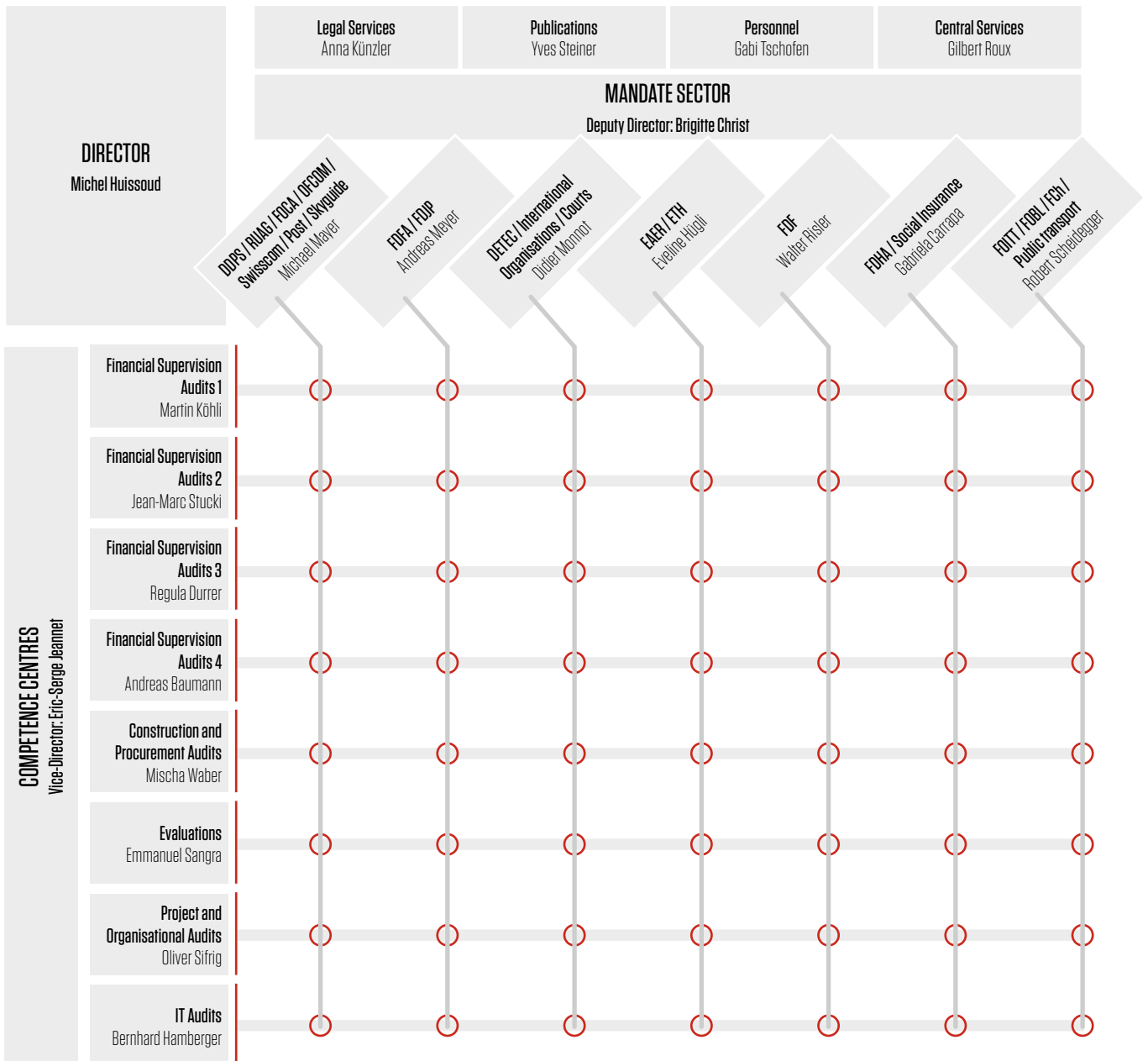
Brigitte Christ,
Deputy Director



Michel Huissoud,
Director



Eric-Serge Jeannet,
Vice-Director





6. THE SFAO: HUMAN RESOURCES AND FINANCES

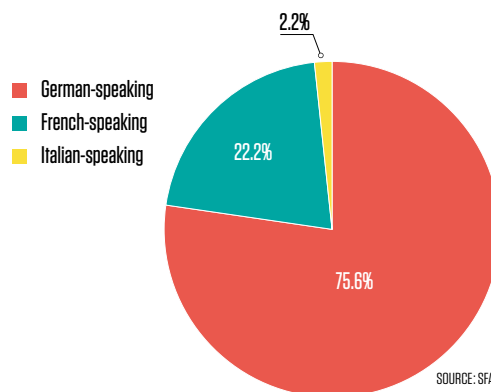
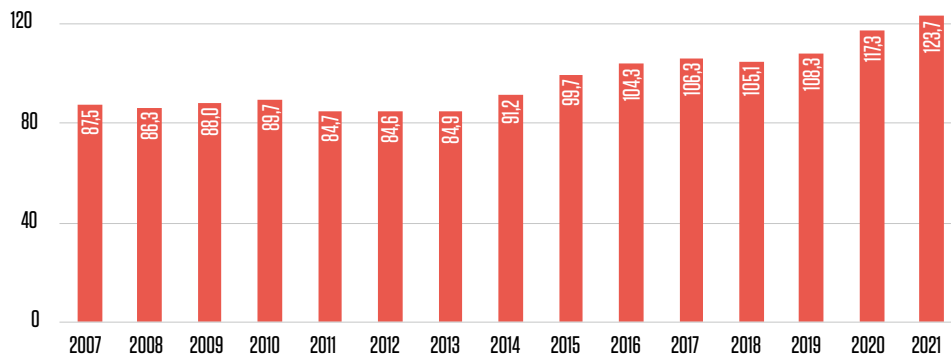
A. SFAO STAFF

On 31 December 2021, the SFAO had 135 employees (123.7 FTEs), compared to 129 (117.3 FTEs) a year earlier. In 2021, net employee turnover was 1.5% (6.4% in 2020).

At year-end 2021, 49 women (36.3%) and 86 men (63.7%) worked for the SFAO. There were 102 native German speakers, 30 native French speakers and three native Italian speakers.

Evolution and linguistic origin of SFAO employees (2007–2021)

Number of employees in full-time equivalents (FTEs) and language of staff





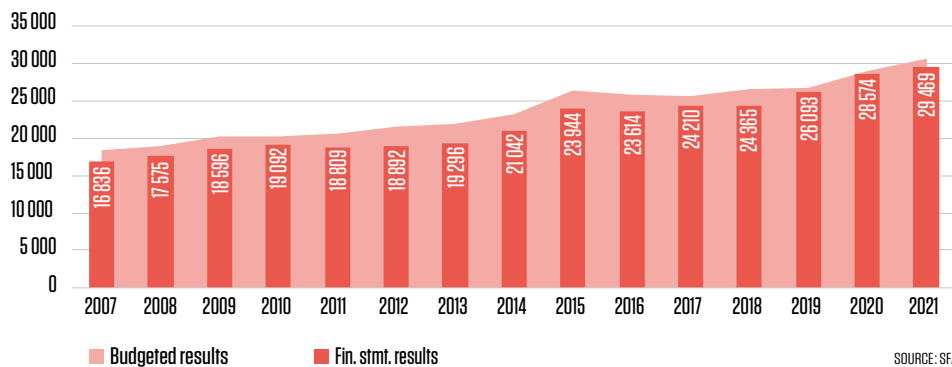
B. SFAO FINANCES

In 2021, the SFAO's expenses amounted to CHF 30.7 million. Its revenue came to almost CHF 1.2 million.

	2019 financial statements	2020 financial statements	2021 budget	2021 financial statements	Difference vs. 2021 budget
Expenses (CHF thousands)	27 416	29 843	31 731	30 659	-1072
Revenue (CHF thousands)	-1 323	-1 268	-1 140	-1 190	-50
Result (CHF thousands)	26 093	28 574	30 595	29 469	-1122

SOURCE: SFAO

The SFAO and its budget management (2007–2021, in CHF thousands)



SOURCE: SFAO



APPENDICES

COMPLETED AUDITS IN 2021 ABBREVIATIONS

APPENDICES



OVERVIEW OF COMPLETED AUDITS (MANDATE NUMBERS)

AUTHORITIES AND COURTS

Federal Assembly

- COVID-19: Price audit (21309)
- Audit of the CURIApplus project (21310)*

Federal Chancellery

- Audit of the security and availability of the GEVER system (20385)*
- Audit of pension payments for members of the Federal Council, judges of the Federal Supreme Court, and the Federal Chancellor and Vice-Chancellor (21541)***

Federal Chancellery – Digital Transformation and ICT Steering Sector (DTI)

- Audit of the key ICT project DaziT (20287)*
- Audit of potential synergies in federal IT portals (20386)*
- Audit of the implementation of the federal master data strategy (20526)*
- Follow-up audit of the implementation of a key recommendation (21110)*
- Audit of IT security for access to GEVER (21286)*

Federal Supreme Court

- Audit of pension payments for members of the Federal Council, judges of the Federal Supreme Court, and the Federal Chancellor and Vice-Chancellor (21541)***

Federal Criminal Court

- Audit of the Joining Forces programme (20094)*

Office of the Attorney General of Switzerland

- Audit of the strategy for the restitution of illicit assets (18369)*
- Audit of the effectiveness of the fight against cybercrime (19394)*
- Audit of the Joining Forces programme (20094)*

FEDERAL DEPARTMENT OF FOREIGN AFFAIRS

Swiss Agency for Development and Cooperation

- Audit of the strategy for the restitution of illicit assets (18369)*
- Price audit (19472)

Directorate of International Law

- Audit of the strategy for the restitution of illicit assets (18369)*
- Horizontal audit of the supervision of federally guaranteed oceangoing vessels (20408)*

Directorate for Resources

- Audit of subsidy processes – part of the audit of the federal financial statements (20251)

FEDERAL DEPARTMENT OF HOME AFFAIRS

General Secretariat of the FDHA

- Audit of the axsana AG core community (21604)*

Federal Office of Culture

- Audit of the efficiency of the award procedure for subsidies to museums and collections (20475)*
- COVID-19: Data analyses in the area of the Confederation's cultural measures (21692)*

Federal Office of Meteorology and Climatology

- Audit of IT security for access to GEVER (21286)*

Federal Office of Public Health

- Audit of mechanisms driving or limiting the number of surgical procedures (18358)*
- Audit of supervision in the insurance sector (20424)*

Federal Statistical Office

- Audit of the implementation of the federal master data strategy (20526)*
- Audit of the 2022 fiscal equalization between the Confederation and the cantons (21009)*

* published ** special mandate ordered by Parliament *** special mandate ordered by Parliament and published

Federal Social Insurance Office

- Follow-up audit of processing and checking of invoices for old-age and survivors' insurance and disability insurance individual benefits (20267)*
- Follow-up audit of the specialist and financial supervision of the AHV (21601)**
- COVID-19: Data analysis in the area of loss of earnings compensation (21691)*

Institute of Virology and Immunology

- Audit of the renovation and extension of the high-security laboratory in Mittelhäusern (20417)*

FEDERAL DEPARTMENT OF JUSTICE AND POLICE

General Secretariat of the FDJP

- Audit of the Schengen/Dublin further development key ICT project (20403)*

Federal Office of Justice

- Audit of the strategy for the restitution of illicit assets (18369)*
- Audit of the effectiveness of interdepartmental coordination on federalism issues (19449)*
- Audit of the supreme supervision of debt enforcement and bankruptcy (20236)*
- Audit of the key ICT project DaziT (20287)*

Federal Office of Police

- Audit of the effectiveness of the fight against cybercrime (19394)*
- Audit of the Joining Forces programme (20094)*
- Audit of the fulfilment of tasks by the Money Laundering Reporting Office Switzerland (20146)*
- Audit of expenditure in the area of special operations (20398)**

State Secretariat for Migration

- Audit of projects, systems and expenditure of the EU Internal Security Fund (20257)
- Audit of federal financial supervision in the asylum sector (21506)*

IT Service Centre of the FDJP

- Audit of the key ICT project Telecommunications Surveillance (20376)
- Audit of the security and operation of the single sign-on portal (21525)

FEDERAL DEPARTMENT OF DEFENCE, CIVIL PROTECTION AND SPORT

General Secretariat of the DDPS

- Audit of the implementation of measures relating to security incidents at RUAG (20434)**

Federal Intelligence Service

- Audit of subsidies to cantonal information services (20441)**
- Audit of the expansion of resources (21404)**

Federal Office for Civil Protection

- COVID-19: Evaluation of the deployment of people subject to service in the Armed Forces, civil protection and civilian service during the COVID-19 pandemic (20542)*
- Audit of the Polycom Value Preservation 2030 and National Secure Data System key ICT projects and the Mobile Broadband Security Communication Systems project (21539)*

Defence Group – Armed Forces Staff

- Audit of the disposal and sale of armaments (20428)*
- Audit of the assessment of the operational capability of the 2020 air-to-ground communication system (20429)*
- COVID-19: Evaluation of the deployment of people subject to service in the Armed Forces, civil protection and civilian service during the COVID-19 pandemic (20542)*
- Follow-up audit of the implementation of a key recommendation (21110)*

Defence – Armed Forces Command Support Organisation

- Audit of IT general controls – part of the audit of the federal financial statements (20248)

Defence Group – Command Operations

- Audit of the single-term model in the Swiss Armed Forces (18541)*

Defence Group – Armed Forces Logistics Organisation

- Audit of data migration from SAP PSA to SAP PSN (21540)

Federal Office for Defence Procurement

- Price audit (20423)
- Audit of the disposal and sale of armaments (20428)*
- Audit of the assessment of the operational capability of the 2020 air-to-ground communication system (20429)*

FEDERAL DEPARTMENT OF FINANCE

General Secretariat of the FDF

- Audit of the effectiveness of the fight against cybercrime (19394)*

Federal Finance Administration

- Audit of the federal financial statements (20134)*
- Audit of the Federal Treasury process – part of the audit of the federal financial statements (20250)
- Audit of the 2022 fiscal equalization between the Confederation and the cantons (21009)*
- COVID-19: Audit of the recapitalisation of Skyguide (21112)*

Federal Finance Administration – Savings bank for federal employees

- Audit of financial statements (20139)

Central Compensation Office

- Follow-up audit of processing and checking of invoices for old-age and survivors' insurance and disability insurance individual benefits (20267)*
- Audit of the collection of unemployment insurance contributions (20478)*
- Follow-up audit of the implementation of key recommendations (21551)

Federal Tax Administration

- Audit of the levying of value added tax on mail-order sales (20452)*
- Audit of the 2022 fiscal equalization between the Confederation and the cantons (21009)*
- Digital transformation: audit of the introduction of the accrual principle for direct federal tax (21260)*
- Audit of the financial statements for the corporate radio and television fee (21363)

- Functional audit of the withholding tax and stamp duty receipt processes – part of the audit of the federal financial statements (21418)*
- Audit of processes in the Collection and Finances Divisions – part of the audit of the federal financial statements (21419)

Federal Office for Customs and Border Security

- Audit of the key ICT project DaziT (20287)*
- Capacity utilisation audit of laboratory services (20416)*
- Audit of the levying of value added tax on mail-order sales (20452)*
- Audit of the economic implementation of the assumption of cantonal police tasks (21335)*
- Functional audit of the value added tax and import receipt collection processes – part of the audit of the federal financial statements (21417)

Federal Office of Information Technology, Systems and Telecommunication

- Audit of IT general controls – part of the audit of the federal financial statements (20237)
- Audit of potential synergies in federal IT portals (20386)*
- Digital transformation: audit of the introduction of the accrual principle for direct federal tax (21260)*
- Price audit (21453)

Federal Office of Personnel

- Audit of compensation in the event of employment contract termination (19517)
- Cross-section audit of the harmonisation of personnel processes (20402)*
- Audit of the financial statements of the support fund for federal personnel (20546)

Federal Office for Buildings and Logistics

- Synthesis report on past price audits (19245)*
- Price audit (19463)
- Follow-up audit of the implementation of a key recommendation (21110)*
- Audit of furnishings management (21312)*

* published ** special mandate ordered by Parliament *** special mandate ordered by Parliament and published

FEDERAL DEPARTMENT OF ECONOMIC AFFAIRS, EDUCATION AND RESEARCH

General Secretariat of the EAER

- Horizontal audit of the supervision of federally guaranteed oceangoing vessels (20408)*

State Secretariat for Economic Affairs

- Performance audit of tourism infrastructure projects under the New Regional Policy (20028)*
- Audit of potential synergies in federal IT portals (20386)*
- Follow-up audit of recommendations on the control of the transfer of war material (21058)*
- COVID-19: Data analysis of federal joint and several guarantees (21269)*
- COVID-19: Audit of hardship assistance measures for companies (21405)*

Federal Office for Agriculture

- Audit of the resource programme and resource efficiency contributions for more sustainable agriculture (19337)*
- Audit of potential synergies in federal IT portals (20386)*
- Audit of the Redesign Import Applications project (20388)*

Federal Office for National Economic Supply

- Horizontal audit of the supervision of federally guaranteed oceangoing vessels (20408)*

Federal Office for Housing

- Audit of financial statements (20564)
- Audit of subsidy processes – part of the audit of the federal financial statements (21395)

Federal Office for Civilian Service

- COVID-19: Evaluation of the deployment of people subject to service in the Armed Forces, civil protection and civilian service during the COVID-19 pandemic (20542)*

State Secretariat for Education, Research and Innovation

- Audit of the supervision of continuing professional development organisations (20167)*

IT Service Centre of the EAER

- Audit of the security and availability of the GEVER system (20385)*

FEDERAL DEPARTMENT OF THE ENVIRONMENT, TRANSPORT, ENERGY AND COMMUNICATIONS

General Secretariat of the DETEC

- Audit of potential synergies in federal IT portals (20386)*
- Cross-section audit of the supervision of the universal service (20448)*

Federal Office of Transport

- Audit of the ICT resilience of critical infrastructures – implementation of the minimum standard for railway control systems (20389)*
- Audit of divisional accounts at transport companies (20391)*
- Audit of financial statements (20568)*
- Regional public passenger transport – findings from the audit work of recent years (20570)*
- Audit of the cost-effectiveness of procurements (21167)*

Swiss Federal Office of Energy

- Audit of financial statements (20195)
- Price audit (20394)
- Audit of financial statements (20552)
- Audit of subsidy processes – part of the audit of the federal financial statements (21004)
- Subsidy audit on the market premium for large-scale hydropower (21332)*

Federal Roads Office

- Audit of the synergies in the overall system – Gotthard road tunnel (20170)*
- Audit of financial statements (20193)
- Price audit (20446)



Federal Office of Communications

- Cross-section audit of the supervision of the universal service (20448)*

Federal Office for the Environment

- Follow-up audit of the implementation of key recommendations (20242)*
- Audit of the management and supervision of measures against road noise (21153)*
- Audit of the monitoring of land purchases as part of the Rhone correction project (21532)*

Infrastructure regulatory authorities

- Cross-section audit of the supervision of the universal service (20448)*

FEDERAL FOUNDATIONS, INSTITUTES, FUNDS AND SPECIAL ORGANISATIONS

Swiss Agency of Accreditation and Quality Assurance (AAQ)

- Audit of financial statements of the AAQ and the Accreditation Council (20560)

Swiss Export Risk Insurance (SERV)

- Audit of the replacement of the Navision IT system (20414)*

Swiss Financial Market Supervisory Authority (FINMA)

- Audit of financial statements (20136)

Federal Audit Oversight Authority (FAOA)

- Audit of financial statements (20557)

Federal Pension Fund PUBLICA

- Audit of pension payments for members of the Federal Council, judges of the Federal Supreme Court, and the Federal Chancellor and Vice-Chancellor (21541)***

PostAuto AG

- Audit of the cost-effectiveness of procurements (21167)*

Swiss Coordination Centre for Research in Education (SCCRE)

- Audit of financial statements (20563)

Swiss Federal Railways

- Price audit (20422)
- Audit of the effectiveness of Internal Audit Division activity (21450)

Rhaetian Railway (RhB)

- Audit of the ICT resilience of critical infrastructures – implementation of the minimum standard for railway control systems (20389)*

Lausanne-Échallens-Bercher railway (LEB)

- Audit of the ICT resilience of critical infrastructures – implementation of the minimum standard for railway control systems (20389)*

Swiss University Conference (SUC)

- Audit of financial statements (20562)

Swiss Conference on Informatics (SIK/CSI)

- Audit of financial statements (20545)
- Audit of financial statements of eOperations Schweiz AG (20554)

ETH Board

- Audit of financial statements (20304)

ETH Domain

- Audit of financial statements (20547)

Swiss Federal Institute of Technology Lausanne (EPFL)

- Audit of financial statements (20317)
- Audit of financial statements of Société simple du Quartier Nord (20319)
- Audit of financial statements of Société pour le Quartier de l'Innovation de l'EPFL (20555)

Swiss Federal Institute of Technology Zurich (ETH Zurich)

- Audit of financial statements (20307)
- Audit of the Werner Oechslin Library (20502)*

Swiss National Park Foundation

- Audit of financial statements (20550)

Substitute Occupational Benefit Institution

- Audit of opportunity and risk management (20265)*

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AHV/IV/EO compensation funds (compenswiss)

- Audit of the collection of unemployment insurance contributions (20478)*
- Follow-up audit of the implementation of key recommendations (21293)

Unemployment Insurance Fund

- Follow-up audit of the implementation of key recommendations (20001)*
- Audit of financial statements (20003)
- Audit of the collection of unemployment insurance contributions (20478)*
- Audit of AHV accounts for unemployment insurance benefits (20559)
- Audit of the key ICT project ASALfutur (21304)*
- COVID-19: Data analysis in the area of short-time working compensation (21690)*

Decommissioning Fund for Nuclear Facilities and Disposal Fund for Nuclear Power Plants (STENFO)

- Audit of the monitoring of nuclear power plant decommissioning (20018)*

Swiss National Science Foundation (SNSF)

- Audit of financial statements (20323)

Fund for the promotion of forestry and timber research (WHFF)

- Audit of financial statements (20548)

Motorway and urban transportation fund

- Audit of financial statements (20551)*

Swiss Landscape Fund (FLS)

- Audit of financial statements (20549)

Innosuisse – Swiss Innovation Agency

- Audit of financial statements (20329)

Swiss Federal Nuclear Safety Inspectorate (ENSI)

- Audit of the monitoring of nuclear power plant decommissioning (20018)*

Swiss Federal Institute of Intellectual Property (IPI)

- Project accounting in the financial statements of SECO cooperation projects (20556)
- Audit of financial statements (21426)

Federal Institute of Metrology (METAS)

- Audit of financial statements (20253)
- Capacity utilisation audit of laboratory services (20416)*

Swiss Federal Institute for Forest, Snow and Landscape Research (WSL)

- Audit of financial statements (20309)

Swiss Federal Institute of Aquatic Science and Technology (Eawag)

- Audit of financial statements (20313)

Swiss Federal Laboratories for Materials Science and Technology (Empa)

- Audit of financial statements (20311)

Paul Scherrer Institute (PSI)

- Audit of financial statements (20315)

Swiss Alcohol Board (SAB)

- Audit of financial statements (20558)

RUAG MRO International

- Follow-up audit of the implementation of key recommendations (21205)**

RUAG MRO Switzerland

- Audit of information security (20431)***

Skyguide AG

- COVID-19: Audit of the recapitalisation of Skyguide (21112)*

swissuniversities

- Audit of financial statements (20561)

Transports publics fribourgeois Holding (TPF) SA

- Audit of the ICT resilience of critical infrastructures – implementation of the minimum standard for railway control systems (20389)*

zb Zentralbahn AG

- Audit of the ICT resilience of critical infrastructures – implementation of the minimum standard for railway control systems (20389)*



INTERNATIONAL ORGANISATIONS AND COOPERATION

International Civil Aviation Organization (ICAO)

- Audit of financial statements (20404)
- Audit of economic efficiency of IT security (20406)
- Performance audit (21100, 21534)

Intergovernmental Organisation for International Carriage by Rail (OTIF)

- Audit of financial statements (20565)

International Rhine Regulation

- Audit of financial statements (20439)

Universal Postal Union (UPU)

- Audit of financial statements (20339, 20566, 20567)
- Performance audit (21202)

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ABBREVIATIONS

ADel	Administrative Delegation	FIAA	Federal Act on the Freezing and the Restitution of Illicit Assets Held by Foreign Politically Exposed Persons
AFCSO	Armed Forces Command Support Organisation	FinDel	Finance Delegation
AHV	Old-age and survivors' insurance	FINMA	Swiss Financial Market Supervisory Authority
BCM	Business continuity management	FIU	Financial Intelligence Units
CCO	Central Compensation Office	FOAG	Federal Office for Agriculture
CPD	Continuing Professional Development	FOBL	Federal Office for Buildings and Logistics
CETA	Continuing Education and Training Act	FOCBS	Federal Office for Customs and Border Security
CFC	Federal Compensation Office	FOCP	Federal Office for Civil Protection
DDPS	Federal Department of Defence, Civil Protection and Sport	FOEN	Federal Office for the Environment
DEBA	Debt Enforcement and Bankruptcy Act	FoIA	Freedom of Information Act
DETEC	Federal Department of the Environment, Transport, Energy and Communications	FOJ	Federal Office of Justice
EAE	Legal criteria for medical services: efficient, adequate and economical	FONES	Federal Office for National Economic Supply
EO	Loss of earnings compensation	FOPH	Federal Office of Public Health
ETH	Swiss federal institutes of technology	FOT	Federal Office of Transport
ETHZ	Swiss Federal Institute of Technology Zurich	FSIO	Federal Social Insurance Office
FAOA	Federal Audit Oversight Authority	FTA	Federal Tax Administration
FBA	Financial Budget Act	FTE	Full-time equivalent
FCC	Federal Criminal Court	GS EAER	General Secretariat of the Federal Department of Economic Affairs, Education and Research
FCP	Federal Criminal Police	HIA	Health Insurance Act
FDf	Federal Department of Finance	ICT	Information and communication technologies
FDFA	Federal Department of Foreign Affairs	IDEKOF	Interdepartmental coordination group on federalism issues
FDJP	Federal Department of Justice and Police	IPSAS	International Public Sector Accounting Standards
fedpol	Federal Office of Police	ISCeco	IT Service Centre of the EAER
FEDRO	Federal Roads Office		
FFA	Federal Finance Administration		



IV	Disability insurance
IVI	Institute of Virology and Immunology
JF	Joining Forces
METAS	Federal Institute of Metrology
MRO CH	RUAG MRO Holding AG
MROS	Money Laundering Reporting Office Switzerland
MSCS	Mobile Broadband Security Communication System
NSDS	National Secure Data System
OAG	Office of the Attorney General of Switzerland
PEP	Politically exposed person
SECO	State Secretariat for Economic Affairs
SERI	State Secretariat for Education, Research and Innovation
SFAO	Swiss Federal Audit Office
SMNO	Swiss Maritime Navigation Office
SubA	Subsidies Act
VATA	VAT Act

