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



2022 ANNUAL REPORT

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MAJOR CHALLENGES THAT NEED TO BE TACKLED TOGETHER

On 1 September 2022, I took up my post at the helm of the Swiss Federal Audit Office (SFAO), the 13th Director in the 145-year history of the SFAO. Even though the tasks and the standing of the SFAO have changed over the years, one constant remains: the requirement to have an effective institution that monitors the federal budget and advocates for the cost-effective use of taxpayers' money.

So our work is by no means a foregone conclusion.

As the highest financial monitoring body, in our audits we not only address problems but also highlight the potential for improvements. The aim is to foster the development of public administrations and to support Parliament and the Federal Council in the exercise of their functions.

This recipe for success needs the following ingredients: uncompromising objectivity and integrity, a high degree of professionalism, broad acceptance, a healthy dose of tenacity, a critical eye and the readiness to question our own behaviour and actions. We work constantly to refine this recipe, so that our work achieves optimum efficacy.

A robust recipe is not just necessary for the SFAO. The entire Federal Ad-

ministration also needs it, to enable it to meet some major challenges. We examined some of these more closely during 2022 in our audits.

An unstable environment and exceptional situations place huge requirements on the SFAO and those being audited.

This became evident in the context of managing the effects of the COVID-19 pandemic. Swift and pragmatic approaches and financial support measures from the federal government were necessary – to the tune of around CHF 40 billion to date. Even though Switzerland weathered the pandemic relatively well, our audits revealed that additional efforts will be needed in the next few years. Potential cases of abuse need to be dealt with and those responsible held to account. Abuse must not be rewarded!

The numerous complex IT projects hold both opportunities and risks, and require a heightened focus.

There are currently 19 DTI key projects pending, with an impressive volume of around CHF 6.5 billion and long schedules. These complex projects will replace existing systems and move the Federal Administration's digital transformation »

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“AS THE HIGHEST FINANCIAL MONITORING BODY, IN OUR AUDITS WE NOT ONLY ADDRESS PROBLEMS BUT ALSO HIGHLIGHT THE POTENTIAL FOR IMPROVEMENTS.”

forwards. Last year, the SFAO audited a number of these projects: the results show some successes but also a need for action in many areas, in order to bring these projects to fruition. The lack of skilled employees is also a critical factor leading to delays and additional costs. Measures are needed to tackle this lack of skilled workers – and this is a topic that the SFAO will be including in its 2023 annual programme.

We are under a lot of time pressure to implement our new political funding-related tasks.

The Ordinance on Transparency in Political Funding was passed in August 2022. Since then, the SFAO has been the authority responsible for receiving, checking and publishing reports on the funding of votes and election campaigns. The new provisions will apply for the first time to the elections to the National Council and Council of States in 2023. The SFAO is now setting up an IT platform, clarifying various issues of interpretation and training

the political players. It is a Herculean task, being done under severe time pressure, but we will be ready in autumn!

This and other demanding tasks will be with us for the next few years. With over 80 reports published in 2022, numerous media appearances and representation at committee meetings, we are committed to sharing our findings with our stakeholders and taking on the challenges together.

I would like to express my huge thanks to the SFAO staff, whose work and dedication shape the SFAO, and who tackle these challenges as part of their everyday workload. My thanks also go to my predecessors, whose efforts made the SFAO what it is today. In addition, I would like to thank the many internal and external partners who have supported the work of the SFAO and drive development forwards.

Pascal Stirnimann, Director

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PART 1

THE MAIN RESULTS OF FINANCIAL SUPERVISION FOR 2022

1. PUBLIC FINANCES, TAXES AND COVID-19



1. PUBLIC FINANCES, TAXES AND COVID-19

As part of its legal mandate, the SFAO examines the federal financial statements. The findings, as well as those on the monitoring of measures related to the COVID-19 pandemic, are described below. A specific audit looked at the supervision of expenditure-based (lump-sum) taxation.

A. THE SFAO CERTIFIES COMPLIANCE OF THE FEDERAL FINANCIAL STATEMENTS

For its task of examining the federal financial statements, the SFAO relies to some extent on its partners in the Federal Administration's Internal Audit units.¹ Since 2015, the SFAO has published its confirmation of the financial statements as well as the detailed audit findings.²

For 2021, the statement of financial performance recorded a loss of CHF 9.7 billion. This reflects the impact of the health crisis on the federal budget. The 2021 loss is the result of the difference between revenue of CHF 74.7 billion and expenses of CHF 85.8 billion, plus a negative financial result of CHF 503 million and financial interest revenue of CHF 1.8 billion.³

Compliant financial statements...

The SFAO certified the compliance and correctness of the federal financial statements. The state financial statements were in compliance with the provisions of the Federal Constitution on the debt brake and those of the Financial Budget Act (FBA). The SFAO recommended in its audit report of 30 March 2022 that Parliament approve them.⁴ In spring 2022, it also presented its activities to the Finance Committees of the National Council and the Council of States.

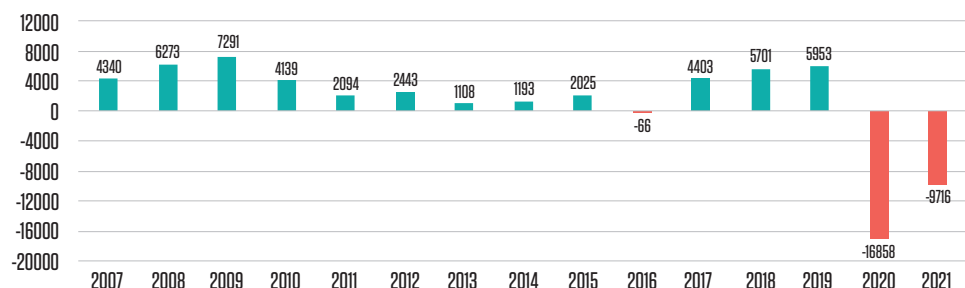
¹ The SFAO mandate is described in the second part of this annual report (page 71). Aside from a few exceptions set out in the Financial Budget Ordinance of 5 April 2006, the financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS).

² The report for audit mandate 21010 is available on the SFAO's website.

³ Net revenue from financial interests in licensed transport companies (including SBB), Swiss Post, Swisscom and RUAG.

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

Balance of Confederation's statement of financial performance
In CHF mn, 2007–2021



SOURCE: FFA, STATE FINANCIAL STATEMENTS, VOLUME 1

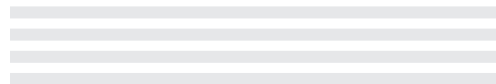


... but there are two reserves worth more than CHF 8 billion

Since 2017, the SFAO has been at odds with the Federal Finance Administration (FFA) regarding the legality of recognising the dissolution of the withholding tax provisions in the financing statement. For the SFAO, the FFA's practice is not in compliance with the FBA, which stipulates that the overall fiscal balance should be reported on the basis of current receipts and expenditure. These do not include provisions. For 2021, as a result, the SFAO observed that reported receipts were too low, at CHF 5.1 billion.

In the 2021 statement, the SFAO included a second reserve for the first time. Expenditure of CHF 3 billion was not recognised in the appropriate period in the financing statement. This expenditure pertained to hardship assistance measures during the health crisis associated with the COVID-19 pandemic.

These two reserves thus reveal under-estimation of around CHF 8.1 billion in the financing statement. However, these reserves will be withdrawn from the 2023 statement onwards with an update of the FBA that aims to streamline and simplify management of the federal finances.



1. PUBLIC FINANCES, TAXES AND COVID-19

B. IMPROVEMENT IN THE FEDERAL SUPERVISION OF LUMP-SUM TAXATION

At the end of 2018, 4,557 taxpayers residing in Switzerland benefited from an expenditure-based (commonly known as “lump-sum”) taxation regime.⁵ That year, they contributed CHF 234 million to direct federal tax (DFT) receipts.

In a survey of the cantonal tax authorities, the Federal Tax Administration (FTA) found that the application of Article 14, regarding lump-sum taxation, of the Federal Act on Direct Federal Taxation (DFTA) was not fully correct or uniform in several cantons. The identified deficiencies included the lack of any calculation or documentation of the expenditure for 14 cantons. The FTA also observed at least five cases where, in breach of the legislation in force, the taxpayer subject to this regime was involved in gainful activity.

In its audit of the FTA's supervision of this tax, the SFAO found that the checks by that administration from 2019 onwards had allowed several tax cases to be settled and corrected.⁶ However, improvements are expected in 2023, relating to the inclusion of global expenditure in the tax calculation.

Lump-sum taxation and directors of Swiss companies

The SFAO's analysis reveals a level of uncertainty surrounding the tax treatment of members of a board of directors and holders of significant financial interests in Swiss companies. Depending on the canton, and in this specific case, the eligibility requirements to benefit from lump-sum taxation will be more or less restrictive. Two legal opinions – one commissioned by the SFAO, the other by a canton which allows this practice – diverge on this point. According to the SFAO, this divergence must be clarified by the courts. It recommended that the FTA appeal one of the relevant tax dossiers.

The FTA rejected this recommendation and was supported by the Federal Department of Finance (FDF). In conformity with Article 12 paragraph 3 of the Federal Audit Office Act (FAOA), the SFAO submitted the FDF's decision to the Federal Council. The Federal Office of Justice (FOJ) – which conducted this proceeding⁷ – upheld the FDF's decision.

⁵ By way of reminder: this regime applies to foreign taxpayers who have not been subject to unlimited taxation in Switzerland for the previous ten years and are not gainfully employed.

⁶ The report for audit mandate 21546 is available on the SFAO's website.

⁷ Entscheid des Bundesrates im finanzkontrollgesetzlichen Beanstandungsverfahren in der Sache Eidgenössische Finanzkontrolle (EFK) gegen Eidgenössisches Finanzdepartement (EFD), available on the FOJ website.

C. COVID-19 MEASURES SCRUTINISED BY THE SFAO

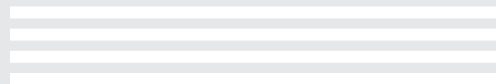
At end-2022, the cumulative federal expenditure on COVID-19 related matters amounted to around CHF 39.02 billion. Moreover, at end-2021, the Confederation had outstanding liabilities from guarantees (e.g. bridging loans to businesses) amounting to CHF 13.4 billion. As a result, the federal measures to combat the effects of the COVID-19 pandemic have been a key focus of the SFAO's activities since 2020, and this was also the case in 2022.

In the SFAO's data analyses, the goal remains to identify possible errors and abuse, above all with regard to joint and several sureties and payments in hardship cases. Even though abuse is not a widespread phenomenon, it does exist and needs to be tackled. For instance, investigations by the State Secretariat for Economic Affairs (SECO) resulted in around 85% of anomalies in joint and several sureties being confirmed as rule-breaking incidents. So data analysis is a necessary and effective tool. In the case of both these payments, the data analyses continue to indicate abuses against the ban on dividend resolutions and distributions, despite the fact that nearly three years have elapsed and companies should by now be well aware of the ban. In the first half of 2022 alone, more than 160 of the 101,000 companies with credits secured by joint and several sureties reported dividend payments of over CHF 24 million. With regard to hardship cases, of the over 35,000 companies that received support, 80 wanted to pay dividends totalling CHF 33 million at the same time, although some of them did so once they had paid back the support. This is permitted. For guaranteed credits, there has been a repayment obligation since March 2022. At the end of June 2022, CHF 53 million had not been repaid, despite this obligation.

How to analyse, address and detect the risk of fraud

Whistleblowing continues to be the most important way for us to identify signs of errors and abuse in the case of measures for which there is not a sufficient body of data, such as COVID-19 short-time working compensation. Of the more than 2,100 reports, over a quarter were received via the SFAO whistleblowing platform. By the beginning of December, SECO had investigated around 540 cases and reclaimed over CHF 80 million.⁸ This percentage may be low compared to the total volume of short-time working compensation of over CHF 15 billion, but it is also not the correct reference variable: around 75% of the abuse reports that are actually investigated turn out to be justified.

⁸ <https://www.arbeit.swiss/seco/v/de/home/menue/unternehmen/versicherungsleistungen/kurzarbeit-covid-19/leistungsbezug-kae.html>, as at 9.12.22.



1. PUBLIC FINANCES, TAXES AND COVID-19

In addition to the data analyses, the SFAO also conducted other audits. One of these examined the use of third parties to deal with the work relating to joint and several sureties, cases of hardship and short-time working compensation.⁹ By the end of 2021, the Confederation had made around CHF 40 million available for that purpose. The SFAO concluded that the use of third parties was necessary and contributed to effectively combating abuse. However, the SFAO also noted that the Confederation had followed different approaches with regard to unjustified payment claims. Whereas for short-time working compensation each case of suspected abuse leads to a criminal offence being reported, for joint and several sureties the focus is on the repayment of the bridging loans. If this does not happen, or if there are indications that other offences have been committed, a criminal offence report is considered. As a result, over 70% of cases were cleared up without a criminal report. SECO is acting within the bounds of the legal framework here. Nonetheless, the SFAO pointed out that this approach could have a signalling effect for claimants of other COVID-19 funds. The government should be mindful of the message this is sending to the large majority of those who legally claimed assistance. The SFAO is clear about what this message should be: abuse does not pay.

Impact of COVID-19 financial assistance to the self-employed

From March 2020 to October 2021, a total of CHF 3.5 billion¹⁰ in COVID-19 loss of earnings compensation (CLEC) was paid out, CHF 2.6 billion of which went to the self-employed. It was the first time that the Confederation had ever supported self-employed people in financial difficulty. The SFAO assessed whether, looking ahead to future crises, the design and impact of this financial assistance could be improved.¹¹ The findings of the assessment were essentially positive: the funds were paid out swiftly and mainly to sectors that were hard-hit by the federal COVID-19 measures. The greatest weak point is unequal treatment: the better treatment of self-employed people who were affected by forced closures is not justified. Other self-employed people who were heavily impacted, so-called hardship cases, were only eligible to claim within a specific financial range, even if the actual impact was greater than that for those affected by forced closures.

⁹ The report for audit mandate 21268 is available on the SFAO's website.

¹⁰ The right to CLEC ended on 30 June 2022. In total, the Confederation paid out CHF 4.3 billion.

¹¹ The report for audit mandate 21402 is available on the SFAO's website.

Another weak point was the calculation basis for CLEC

CLEC claims were based on the declared provisional AHV income (old age and survivors' insurance) for 2019. For a time, a follow-up demand was possible if the subsequent income assessment was higher. Conversely, the Confederation was not able to demand repayment. There was thus a risk of unquantifiable overpayment. The SFAO recommended that this unequal treatment be avoided in comparable situations in the future.

Although the SFAO's recommendations are forward-looking, the Federal Social Insurance Office (FSIO) has rejected them. It does not regard it as the administration's responsibility to question decisions made by the Federal Council and Parliament with regard to the design of CLEC, as the elements criticised by the SFAO were not in the bill prepared by the FSIO, but were instead added by Parliament. This stance is regrettable, as it represents a missed opportunity to avoid the overpayment of taxpayers' money in the future.

Audit of settlement of COVID-19 testing costs and IT applications for vaccinations

Other audits concerned the Federal Office of Public Health (FOPH). The first audit looked at the invoicing procedure for the assumption of COVID-19 testing costs¹². In 2020 and 2021, the Confederation – and thus the taxpayer – provided CHF 2.7 billion, which is more than double the amount for vaccines. The FOPH persuaded the health insurers to process the reimbursements to the service providers, using established checking infrastructures. This procedure has proved its worth. Unfortunately, the best “checker” of all was often left out: those who were tested did not always receive a copy of the invoice, depriving them of the opportunity to identify anomalies such as non-existent tests. Moreover, around 15% of cases were settled via the second invoicing channel, the cantons. The SFAO criticised the fact that the FOPH had no clear regulations on how invoices could be effectively checked. Finally, the SFAO observed that there is still insufficient identification of abuses.

Understandably, the main objective was to ensure sufficient testing capacity. This came at a cost: owing to the standard tariff arrangement, efficient laboratories were able to make additional profits of several million francs. In the case of self-tests, the prices quoted exceeded the prescribed mark-up of 80% on the manufacturer's price. This pricing mechanism probably resulted in excessive profits.

¹² The report for audit mandate 22627 is available on the SFAO's website.



1. PUBLIC FINANCES, TAXES AND COVID-19

In the second audit, the SFAO assessed the FOPH's procurement of an application, registration and appointment system for COVID-19 vaccinations in Switzerland, worth CHF 11.15 million.¹³ The FOPH assumed the responsibility for procuring and developing this system in October 2020, in order to relieve the burden on the cantons. The system already went live in mid-January 2021, coinciding with the start of COVID-19 vaccinations in Switzerland. With all due respect for the challenges facing the FOPH during the COVID-19 pandemic, the audit result is sobering. The supplier selection process for the IT application can only be partly traced, owing to missing documentation. The Confederation made flat-rate payments without proof of performance, despite contractual provisions to the contrary. The available documentation does not permit a conclusive assessment of the services invoiced and those performed. As a result, invoiced services estimated at around CHF 2 million cannot be explained. Subsequent contracts exceeding CHF 10 million were awarded directly. The agreed daily rates are high by industry standards. This creates the impression of a conflict of interest in procurement. The FOPH's reaction to the report is not encouraging as regards the indications of overpayment: as things currently stand and following clarifications, it sees no need for further action and has rejected the idea of potential reimbursement.

¹³ The report for audit mandate 21605 is available on the SFAO's website.



2. ECONOMY AND LABOUR MARKET



2. ECONOMY AND LABOUR MARKET

In 2022, the SFAO once again addressed the issue of accompanying measures, and assessed the relevance of checks in this area. It also looked at online shopping platforms and their impact in terms of taxes and duties. Last but not least, it audited the supply of therapeutic products.

A. THE ACCOMPANYING MEASURES FOR THE FREE MOVEMENT OF PERSONS HAVE ROOM FOR IMPROVEMENT

In 2004, Switzerland, following the opening-up of its labour market under the Agreement on the Free Movement of Persons with the European Union (EU), introduced a range of accompanying measures. The aims of these measures are twofold: protect workers against undercutting in terms of wages (wage dumping) and ensure a level playing field for Swiss and foreign companies. In 2019, the cantons and the joint committees examined more than 41,000 Swiss and foreign companies. SECO plays a supervisory role in this system, with the Confederation contributing CHF 15.3 million to the costs of the checks on the accompanying measures.

In its audit,¹⁴ the SFAO observed that this system serves a preventive function, but there is still room for improvement.

Too many checks, which are not always well targeted

Performing checks on between 30% and 50% of seconded foreign and self-employed workers as recommended by the Tripartite Federal Commission is inefficient and excessive in relation to the level of risk that these workers and their companies pose for the labour market. An SFAO analysis shows that the amounts of corrected wages are much lower than the costs of the checks themselves, and that 8% of the inspected companies underwent multiple checks by different implementing bodies. Inspectors in the field do not know whether a company has already been checked in another canton and, if so, what the outcome was.

In this light, the SFAO recommended that SECO reduce the number of such checks. The SFAO also suggested to SECO that a system be created to share information on checks and their results with all the implementing bodies and thus establish a risk-based approach to checks. SECO rejected both of these recommendations.

¹⁴ The report for audit mandate 20062 is available on the SFAO's website.

The risk analysis enabling the definition of priorities in the checks is mainly geared towards low-wage sectors and occupations. It takes no account of other factors, such as high-growth occupations relying on a highly skilled workforce. Therefore, this analysis should be beefed up. Furthermore, the SFAO reported that there was no common training programme for the cantons' inspectors on the one hand and for joint committees on the other. This acts as a brake on consistency when checks are carried out in the field. These two points were the subject of recommendations to SECO, all of which it accepted.

The risk of checks without effective sanctions

Checks are effective in those sectors that are subject to minimum wage conditions. This is less the case in those sectors without a collective employment agreement or standard employment contract. In these sectors, no individual sanctions can be meted out to businesses if it is found that they are practising abusive wage dumping relative to the wages customary in the region. A business can refuse the tripartite commission's proposal to adjust wages without being penalised. Only if there is repeated wage dumping in a region is it authorised to extend a collective employment agreement or to draw up a standard employment contract with a minimum wage for the sector or profession.

B. THE NEW CHALLENGES POSED BY THE PLATFORM ECONOMY

Using an online platform to order IT services or a taxi ride or to rent short-term accommodation has become commonplace. However, statistics on the platform economy remain scarce. No reliable data is available on how many such platforms exist, what their exact status is (employers or brokers), their revenue, and so on. Yet, in its audit the SFAO estimated that in Switzerland the turnover of those platform service providers that are liable for tax and social security contributions is in the low to mid-single-digit billions of Swiss francs.¹⁵

This platform economy poses many challenges for the authorities, particularly in terms of collecting the taxes and contributions due from these service providers. That is what the SFAO learned from a survey of various federal offices¹⁶ as part of an audit conducted with the assistance of the Bern University of Applied Sciences.

¹⁵ The report for audit mandate 21323 is available on the SFAO's website.

¹⁶ The offices involved were the FSIO, the FTA, the State Secretariat for International Finance (SIF) and SECO.



2. ECONOMY AND LABOUR MARKET

The results show that platform service providers have very little idea of their obligations and that it is crucial to raise awareness, especially regarding taxation. For example, most of them do not know at what point they become liable for tax or for social security registration. It is hard to quantify the amounts on which tax and social security contributions are going unpaid. The SFAO recommended that service providers need to be better informed of their rights and obligations.

These platforms hold huge volumes of transaction data. However, they are under no obligation to provide information or report to the authorities, or to provide information to their customers. For these platforms, Switzerland should look at introducing requirements to report data to the authorities, in line with international developments.¹⁷ The SFAO's recommendations on how to improve this situation were accepted by the audited entities.

C. SUPPLY OF THERAPEUTIC PRODUCTS AND DIGITAL TRANSFORMATION

Long before the COVID-19 pandemic in 2020, the federal authorities had been working to ensure an uninterrupted supply of essential human medicines.¹⁸ In 2015, an office specialising in this area was created within the Federal Office for National Economic Supply (FONES). This office serves as an early warning system for flagging up supply problems. It can thus take measures or issue recommendations if the therapeutic products sector is no longer able to handle these issues on its own.

In practice, these notifications – of which there are around 200 each year – are submitted through the relevant Information and Operations System (IOS) platform of the Coordinated Medical Services (CMS). The IOS, and hence the platform used by the FONES, are being replaced.

In its audit,¹⁹ the SFAO noted that this process, while it does involve some optimisation, does not entail major change. The option of a more comprehensive database, addressing the supply of veterinary medicines and specific medical devices, was not addressed during the replacement process.

¹⁷ The Organisation for Economic Co-operation and Development (OECD) has adopted standards in this area. The EU will introduce reporting obligations and the exchange of data with effect from 2023.

¹⁸ The definition of "essential" is based on a risk analysis and is used to draw up a list of active substances. This comprises some 250 active substances, which are contained in around 15% of the approximately 11,500 approved human medicines in Switzerland.

¹⁹ The report for audit mandate 21439 is available on the SFAO's website.



The FONES has missed the opportunity to systematically identify the sector's needs so that they can be integrated into a new platform. However, synergies could yet be created through closer collaboration with the sector. The aim would be, for example, that players in the sector would only need to enter the data once for use across the Federal Administration. The FONES and the General Secretariat of the Federal Department of Home Affairs (FDHA) accepted the SFAO's recommendations.

3. EDUCATION



3. EDUCATION

In 2022, the SFAO focused on the tools available to the Swiss Federal Institutes of Technology (ETH) Board for its supervision of real estate.

IMPROVEMENT IN THE SUPERVISION OF ETH REAL ESTATE

The ETH Domain uses a total of 450 buildings.²⁰ They are, with a few exceptions, owned by the Confederation and have a book value of CHF 4.13 billion. The ETH Board steers strategic real estate management. It exercises a supervisory and control function, as well as coordinating financial and needs planning with the ETH Domain's institutions.

In 2015, the SFAO had considered the ETH Board's supervision patchy. An audit carried out in 2022 again reviewed this aspect.²¹ In particular, it looked at whether the ETH Board provided appropriate supervision of construction projects in the ETH Domain, and whether it critically examined such projects as well as proposed credit increases. The SFAO also checked whether the ETH Board intervened, where necessary, to correct these credit requests, and whether it encouraged the sharing of experiences between similar projects carried out by institutions in the ETH Domain.

Roles sometimes blurred

The results of this audit were generally good. The improvement measures taken by the ETH Board since 2016 have borne fruit. However, one negative aspect is the confusion that can arise between the supervisory role and operational responsibilities, for example if people from the institutions sit on construction project steering committees. The ETH Board must limit such situations in order to improve supervision.

Furthermore, when making investment contributions, the institutions of the ETH Domain budget too liberally for future construction work. The SFAO's audit report indicates that between 2009 and 2018, the actual use of funds on building work was around 14% lower than the level in the requests. The remaining amount was allocated, as required by law, to the reserves of the Confederation's financial contribution to the ETH Domain.

In the SFAO's view, the ETH Board should seek solutions together with the institutions to budget each year's financial resources and investment expenditure more accurately. Credit reallocations are to be avoided in the future. The ETH Board accepted all the recommendations.

²⁰ As well as the Swiss Federal Institute of Technology Zurich (ETH Zurich, or ETHZ) and the Swiss Federal Institute of Technology Lausanne (EPFL), the ETH Domain comprises the Paul Scherrer Institute (PSI), the Swiss Federal Institute for Forest, Snow and Landscape Research (WSL), the Swiss Federal Laboratories for Materials Science and Technology (Empa) and the Swiss Federal Institute of Aquatic Science and Technology (Eawag).

²¹ The report for audit mandate 21214 is available on the SFAO's website.



4. HEALTH AND SOCIAL SECURITY



4. HEALTH AND SOCIAL SECURITY

AHV pensions paid out abroad, the transparency of second-pillar costs and the quality of food safety supervision were the main audit issues addressed by the SFAO in the area of health and social security in 2022.

A. AHV PENSIONS PAID OUT ABROAD AND COMBATING FRAUD

In 2020, almost 979,000 people residing abroad received first-pillar benefits. This amounted to over CHF 7 billion, or 17% of the total old-age and survivors' insurance (AHV) and disability insurance (IV) pensions paid out by Switzerland. The Geneva-based Central Compensation Office (CCO) pays out these pensions. This implementing body is supervised by the Federal Social Insurance Office (FSIO).

Are these benefits paid out abroad justified, is the anti-fraud drive effective, and is it possible to make efficiency gains in the CCO's processes? An SFAO evaluation addressed these questions.²² There were areas for improvement, and the CCO accepted all nine recommendations, involving a proportionate approach.

A number of improvements to be implemented

Almost CHF 81.5 million in undue payments were detected by the CCO in 2020 and 91% of this amount was repaid to the federal authorities. However, this drive to combat potential abuse could be stepped up. The processes are insufficiently harmonised between the Swiss Compensation Office and the Disability Insurance Office for people living abroad, leading to knowledge and time being wasted. In addition, while a lot of data is available, it is not used for the risk-based checking of files and the general management of this fight against fraud.

In its evaluation, the SFAO reported that there was good collaboration between the Federal Department of Foreign Affairs (FDFA) and the CCO. However, here too, there was room for improvement. The CCO does not provide enough information to the Swiss representations abroad for them to have real expertise in combating fraud. From a technical perspective, the double entry of data on Swiss people living abroad, in both the CCO system and the FDFA's eVera system, is open to criticism. In addition, the SFAO regrets that almost a third of pension recipients are expected to have a life certificate validated and to submit it in paper format each year, as the authorities do not yet have a digital tool for this.

²² The report for audit mandate 20419 is available on the SFAO's website.



Finally, three banks – PostFinance, Banco Santander and Banca Popolare di Sondrio – make pension payments abroad, but using very different terms and conditions. In 2020, according to SFAO estimates, the gross margin achieved by these three banks varied by a factor of three to one, ranging from CHF 12 million up to CHF 45 million (see table below). In the SFAO's view, these terms are sometimes detrimental to the CCO and/or the pension recipients.

Financial intermediaries	Gross margin (in CHF mn)	Traded volume (in CHF mn)	Estimated average margin
Bank 1	45	1961	2.3 %
Bank 2	18	1245	1.5 %
Bank 3	12	1798	0.7 %

ESTIMATE OF MARGINS CHARGED ON PENSION PAYMENTS BY THE THREE BANKS IN 2020 (CCO DATA, SFAO ANALYSES)

B. WHAT ABOUT THE TRANSPARENCY OF SECOND-PILLAR COSTS AND THE BILLIONS OF FRANCS INVOLVED?

In 2020, 4.3 million insured persons contributed to the second pillar, which paid out pensions to 1.2 million people. Second-pillar assets totalled around CHF 1,100 billion. On the expenditure side, these pension funds posted almost CHF 6.8 billion in costs, including CHF 5.1 billion in asset management costs. This is equivalent to CHF 1,500 in expenses (median value) per year and per insured person.

The SFAO analysed pension fund costs.²³ The level of transparency is generally satisfactory. The managers of the pension funds are well informed about their institutions' costs. However, certain measures could be taken to improve stakeholders' awareness of this important aspect of the insurance.

Reducing costs not a priority for pension fund managers

In 2020, 1,206 pension funds were operating in Switzerland, varying greatly in size and organisational form. This heterogeneity leads to a very high variation in costs per insured person. The decision taken in 2013 to extend the transparency of management fees to investment schemes was crucial. The level of cost transparency is now sufficient, although full cost transparency has not been achieved.

²³ The report for audit mandate 20297 is available on the SFAO's website.



4. HEALTH AND SOCIAL SECURITY

Administrative costs are a key factor in an employer's decision to join a fund. However, the SFAO found that these costs are biased, as the funds' fee premiums can be legally set without reflecting the actual administrative costs. The difference is covered by the return on capital. The SFAO believes that better information should be provided in the funds' accounts. However, the FSIO is not responsible for setting accounting standards for pension funds, and therefore the SFAO decided not to issue a recommendation.

Making insured persons and employers aware of expenditure on management costs

The SFAO's evaluation shows that fund managers rarely adopt cost-cutting strategies. They guarantee the level of services and ensure that they are provided at a controlled cost. In terms of asset management, the cost criterion comes into play at the end of the decision-making process. Investment strategies are defined primarily on the basis of return expectations and risks.

In the SFAO's opinion, the public is still inadequately informed about the costs of occupational pension funds, despite the substantial sums involved and the fact that the relevant information is widely available. It recommended that the authorities make insured persons and employers more aware of these issues, especially in view of the billions of francs spent on administration and management costs each year. The FSIO rejected this recommendation, because pension provision is organised at company level and cost transparency is guaranteed at pension fund level.

C. FOOD SAFETY AND INSPECTIONS

Are we sure that what we eat does not pose any risk to our health? In Switzerland, food safety is based on self-regulation by the industry and official inspections by the authorities. On the one hand, the over 136,000 companies in the country's food sector must ensure that their products comply with the legal requirements. On the other hand, based on the risks, cantonal chemists carry out around 40,000 inspections each year as an additional safety measure. The Federal Food Safety and Veterinary Office (FSVO), working with the Federal Food Chain Unit (FFCU), monitors and coordinates the implementation of the legal framework.

The SFAO critically examined the effectiveness and scope of the FSVO's overall supervision²⁴ and issued five recommendations, all of which were accepted by the audited office.

²⁴ The report for audit mandate 20274 is available on the SFAO's website.



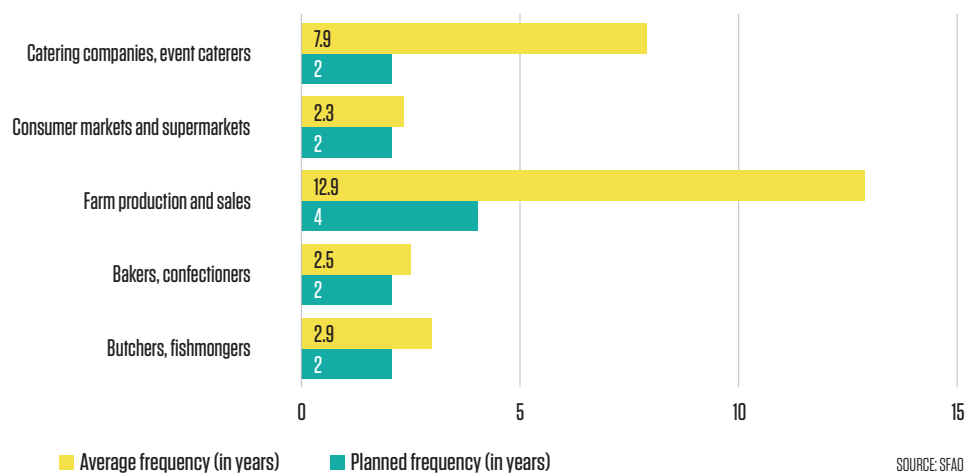
Data quality does not support overall supervision

The FSVO's approach to overall supervision and the FFCU's audits aim to offer an assessment of the whole system at national level and do not provide information on the application of the legal provisions by each canton. For example, there is no supervision of the cantonal authorities' compliance with the intervals for official company inspections stipulated in the ordinance relating to foodstuffs. However, this average annual interval between inspections is in practice systematically longer than the one stipulated in the applicable legal basis (see figure below).

The SFAO found that there were shortcomings in the reliability and completeness of the inspection data available to the overall supervision body. Clear guidelines for product analyses (test type, frequency, etc.) and standard working tools are lacking. This situation is not conducive to consistency. Cantons' feedback on inspections is not systematically reviewed by the FSVO, making risk-based supervision impossible. Lastly, the priorities for supervision are not set systematically or transparently.

Furthermore, there is no transparency regarding official company inspections, as the results are not published. Indeed, at the time of the revision of the Federal Act on Foodstuffs and Utility Articles, the Federal Council excluded from the Freedom of Information Act (FoIA) documents containing conclusions about the results and the information obtained during company inspections. However, in the SFAO's view, the FSVO should publish the results of the audits carried out in the cantons.

Average inspection intervals vs inspections stipulated by law



5. TRANSPORT, ENVIRONMENT AND COMMUNICATION



5. TRANSPORT, ENVIRONMENT AND COMMUNICATION

The SFAO audited a wide variety of issues in 2022. How are the recycling system and its funding monitored? How is the Confederation ensuring compliance with the public service licence granted to the Swiss Broadcasting Corporation (SRG SSR)? How well is the Bern railway station upgrade project being managed?

A. SUPERVISION OF WASTE RECYCLING DESERVES A NEW LEASE OF LIFE

The recycling of waste is funded in two ways, depending on the material type. On the one hand, a prepaid disposal fee imposed by the Confederation is collected directly from manufacturers and importers of glass packaging and batteries. On the other hand, an advance recycling contribution was established by the private sector for the purchase of PET packaging, aluminium cans, tin cans, electrical and electronic appliances, and light sources. These financial resources – totalling almost CHF 176 million in 2019, according to an SFAO estimate – are collected by waste management organisations or by organisations commissioned by the Confederation. They are redistributed to the communes and companies responsible for waste collection, transport and recycling.

The Federal Office for the Environment (FOEN) is responsible for ensuring the sustainability of the waste recycling system. It supervises the collection, management and use of the disposal fee administered by the organisations commissioned by the Confederation. Funding organised by the private sector is only partially under its supervision. The FOEN monitors the systems and the various channels to ensure that waste is not only collected but also recycled. This supervision was reviewed by the SFAO in terms of both cost and efficiency.²⁵

Financial transparency and excessive reserves

The intrinsic nature of the prepaid disposal fee and the advance recycling contribution means that they have differing levels of transparency for the authorities: the financial information for the former is available in full to the FOEN, whereas that office only has access to partial information for the latter due to the applicable legislation. In the SFAO's view, waste management organisations need to improve the published information and a minimum standard should be set out in legislation in order to enhance data quality and financial transparency.

²⁵ The report for audit mandate 20397 is available on the SFAO's website.



Legal shortcomings have emerged at another level. The waste management organisations have set aside “financial reserves for future disposal” as a type of safeguard if a recycling system were to be abandoned. While the reserves of the two systems funded by the prepaid disposal fee fall under the supervision of the FOEN, the auditing bodies of private waste management organisations do not provide adequate supervision of such reserves, although they play a crucial role in ensuring the sustainability of the system during crises or fluctuations. Setting aside these reserves entails a risk of hoarding. Thus, Auto Recycling, a foundation established by the Association of Swiss Automobile Importers in 1992, has CHF 74 million in reserves that have hardly been used in almost 18 years.

Material flows are also difficult to trace transparently

The legal framework limits the FOEN’s access to relevant data on material flows at the various stages of recycling. This is illustrated by the recycling of waste electrical and electronic equipment. The FOEN faced resistance from a coalition of recycling companies, waste management organisations, traders and importers at the time of the revision of the Ordinance on the Return, Taking Back and Disposal of Electrical and Electrical and Electronic Equipment. As a result, its proposals for improvements were not incorporated into the final version of the Ordinance. These included proposals on how the advance recycling contribution was distributed between the recipients and access to the results of the audits of the recyclers as well as to data on the recycled quantities and the recovered raw materials.

This example shows that the FOEN is not in a position to assess the effectiveness of electrical and electronic waste recycling or whether it is in line with the latest technical developments. With this in mind, the FOEN is planning an implementation guide in which it will set out its requirements for the treatment of electrical and electronic waste.

At the same time, Parliament is drafting a revision of the Environmental Protection Act. Depending on the results of this revision, it may resolve some of the shortcomings set out in the SFAO’s review. In the meantime, the FOEN will implement the SFAO’s recommendations as far as possible and within its legal room for manoeuvre.



5. TRANSPORT, ENVIRONMENT AND COMMUNICATION

B. IMPROVING SANCTIONS ON IMPORTS OF THE MOST POLLUTING VEHICLES

Does Switzerland manage to discourage imports of the most polluting vehicles into the country? Are federal penalties in this area effective? An SFAO evaluation shows that this effectiveness remains limited, and even contradictory.²⁶

By way of a reminder: in 2020, road traffic accounted for almost 40% of total CO₂ emissions in Switzerland. Since 2021, the CO₂ Act has set an average target value of 118 grams of CO₂ per kilometre for newly imported passenger cars. If this is exceeded, importers receive a penalty. In 2021, CHF 28 million was paid in penalties.

In the relevant report, the SFAO shows that, paradoxically, including the weight of the imported vehicle when calculating penalties tends to reward imports of heavier, and therefore more polluting, vehicles. The level of penalties imposed by Switzerland is in line with that of the EU, but it does not take into account the fact that Swiss consumers' purchasing power is greater than that of other European counterparts. Moreover, the direct incentives for consumers are weak (levies, bonuses, penalties, etc.).

The Swiss Federal Office of Energy (SFOE) accepted the SFAO's recommendations, revising the current legal basis and its transition relief policy. The SFAO also recommended excluding electric and hybrid vehicles from the calculation of the average weight and correcting the CO₂ emissions values estimated in the laboratory, which vary substantially during tests in real conditions.

²⁶ The report for audit mandate 21307 is available on the SFAO's website.

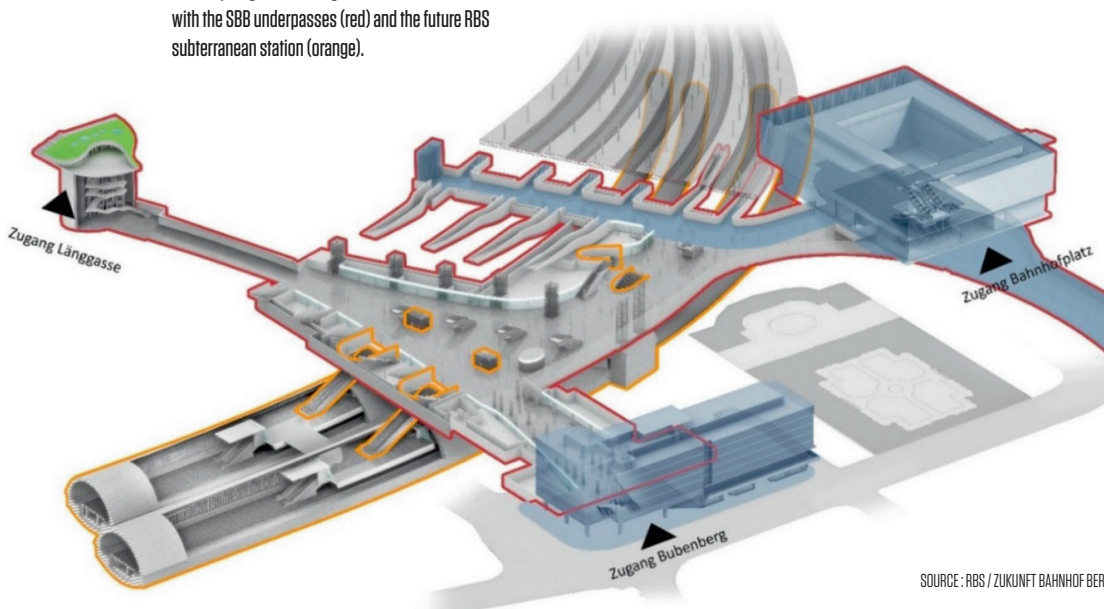
C. BERN STATION PROJECT STABILISING AFTER A DIFFICULT START

Since 2014, the Regional Transport Bern-Solothurn (RBS) section of Bern railway station has been operating at the limits of its capacity. The current Bern station upgrade project aims to expand the timetable and ensure that longer trains can use the station. In this connection, RBS is building a new subterranean station below Swiss Federal Railways (SBB) platforms 2 to 7. In the future, trains will access it through a tunnel around 1 km in length.

The SFAO examined RBS's project management, as well as coordination with other SBB and City of Bern projects.²⁷ This resulted in a number of critical findings. The original RBS project significantly underestimated the expenditure that would be involved and various working assumptions proved unrealistic. RBS became aware of this in 2020, but reports to the Federal Office of Transport (FOT) failed to reflect this new state of affairs with the necessary transparency.

²⁷ The report for audit mandate 21164 is available on the SFAO's website.

Cutaway diagram showing the future Bern station, with the SBB underpasses (red) and the future RBS subterranean station (orange).



SOURCE: RBS / ZUKUNFT BAHNHOF BERN



5. TRANSPORT, ENVIRONMENT AND COMMUNICATION

Consolidating and clarifying project management roles

From 2020 onwards, RBS completely overhauled its schedule and revised the estimated costs of the project from CHF 600 million to CHF 731 million. The new station is now expected to enter service in 2029 rather than 2025.

Thanks to the measures taken, RBS has steadied its construction project, which is now on a firm footing. There are still weaknesses relating to quality and risk management as well as change management. Key roles are not yet fully integrated into the project. Also with regard to roles, the distribution of tasks, the systematic separation of functions and the principle of dual control are not fully implemented.

Despite significant improvement, the project remains in a critical state. The SFAO issued a number of recommendations, which RBS has accepted or already implemented.

SPOTLIGHT

INADEQUATE RESOURCES TO SUPERVISE SRG SSR

The SFAO examined how the Federal Office of Communications (OFCOM) exercises supervision of the finances and licence of the Swiss Broadcasting Corporation (SRG SSR). It also audited the supervision of the collection of the radio and television licence fee (household licence fee), which has been done by a company called Serafe AG since 2019. Around 80% of SRG SSR's funding comes from the household licence fee. In 2019, this was worth some CHF 1.2 billion.

In its audit,²⁸ the SFAO concluded that there was room for improvement in OFCOM's selective programme analysis, and issued the office with a recommendation to this effect. Although the results are published, the few available criteria and the frequency of OFCOM's assessments leave considerable scope for interpretation. The SFAO also noted that there was no overall assessment.

In terms of financial supervision, OFCOM is mainly limited to obtaining an overview picture of SRG SSR's financial situation. The supervision of the proper and economical use of funds could be improved by examining the risk management and processes of SRG SSR. In clearly setting the priorities for supervisory activities, more emphasis should be placed on the assessment of economic efficiency in general.

In conclusion, OFCOM's supervision of Serafe AG was assessed as positive by the SFAO.

²⁸ The report for audit mandate 21422 is available on the SFAO's website.



6. ARMED FORCES AND CIVIL PROTECTION



6. ARMED FORCES AND CIVIL PROTECTION

The SFAO examined various audit files in 2022, ranging from procurement of the F-35A and the associated risk management to the shortage of staff skilled in IT and the Armed Forces' monitoring of contaminated sites.

A. NEED FOR THE ARMED FORCES TO SUPERVISE REMEDIATION OF THEIR CONTAMINATED SITES

At the start of 2021, 2,578 sites were included in the Cadastre of Contaminated Sites of the Federal Department of Defence, Civil Protection and Sport (CCS DDPS). This cadastre is drawn up based on the requirements of the Contaminated Sites Ordinance (CSO). According to the DDPS, the cost of assessments, monitoring and remediation amounted to several hundred million Swiss francs. No more detailed estimates exist, given the lack of specific studies carried out in this regard. Contaminated sites should be remediated over one or two generations and at the latest by 2040, although this deadline is not legally binding.

The SFAO conducted an audit on the handling of these contaminated sites.²⁹ It found that the number of remediations already carried out shows that work is progressing. Assessments and remediations of firing range installations are well established and have been successfully tested many times.

Contaminated, underwater and forgotten sites

However, the SFAO's analysis reveals that underwater ammunition storage sites pose an unknown financial and reputational risk that has not yet been sufficiently taken into account by the Confederation. For example, assessments of some underwater ammunition sites, such as the Air Force firing range in Forel on Lake Neuchâtel, are based on historical investigations. No technical investigation in accordance with the CSO has been carried out, meaning that a clear risk assessment is not possible. Finally, in the CCS DDPS, none of the underwater sites – whether storage facilities or firing ranges – are considered to be in need of remediation under the CSO.

The Spatial Planning and Environment section of the General Secretariat of the DDPS (GS-DDPS) is responsible for implementing the CSO. It also performs a supervisory function. No other discernible supervision is exercised over the exemptions from the Territory and Environment sites listed in the CCS or over the deadlines or the order of priorities of the preliminary investigations required by the CSO. The SFAO was unable to determine whether this approach had been evaluated or authorised by the department.

²⁹ The report for audit mandate 21545 is available on the SFAO's website.



To date, the GS-DDPS has provided no reporting on contaminated sites, and neither the public nor DDPS management has had sufficient or comprehensible information about the implementation of the CSO. Measures are being taken to remedy this lack of transparency. As the Federal Council had already proposed accepting the postulate on more transparent reporting,³⁰ the SFAO did not make a recommendation in this regard.

B. GREATER RISK MANAGEMENT REQUIRED IN THE AIR2030 PROGRAMME

The Air2030 programme, which has a budget of more than CHF 8 billion, encompasses four projects. One of these relates to the acquisition of a new combat aircraft to replace the F/A-18s and F-5s.³¹ This armaments programme was commissioned by Armed Forces Staff (AFS) and the Air Force, and is managed by armasuisse.

The SFAO examined the risk management of the Air2030 programme. No audit was carried out of the evaluation phase when the decision to opt for the F-35A was made. That aspect was the responsibility of the National Council Control Committee. By way of reminder: on 15 September 2022, Parliament approved the procurement of 36 F35As.

Critical risks not reported and managed at a higher level

In its audit published in summer 2022,³² the SFAO noted that risks related to the Air2030 programme are not reported as “major” at departmental level in the Confederation’s risk management framework. A recommendation accepted by the AFS will correct this point. However, armasuisse rejected a recommendation for a detailed description of the identified risks and the related reduction measures.

In the area of financial risk, the SFAO noted that there is no legal guarantee of a fixed purchase price for the F-35A, i.e. a lump sum in accordance with Swiss legal precedent. Making estimates of operating costs also poses risks. These assessments by the SFAO were the subject of a recommendation, which was rejected by armasuisse.

³⁰ Sites contaminated by the Armed Forces. What are the prospects for remediation? Hurni postulate (21.3636), 3 June 2021.

³¹ The other three procurement projects relate to the acquisition of a long-range ground-air defence system, the replacement of the air traffic control system and the maintenance and replacement of radar facilities.

³² The report for audit mandate 21410 is available on the SFAO’s website.



6. ARMED FORCES AND CIVIL PROTECTION

C. ESTABLISHING MORE EFFECTIVE CRITICAL INFRASTRUCTURE PROTECTION

The cantonal and federal authorities as well as the operators must ensure the protection of critical infrastructures and thus guarantee the availability of essential goods and services to the public. The Federal Council approved a 2018–2022 national strategy for the protection of critical infrastructures (CIP strategy) as well as a series of measures to this end. The SFAO audited the governance and risk management of the overall critical infrastructure protection (CIP) system.³³

The Federal Office for Civil Protection (FOCP) coordinates the various activities related to the CIP strategy and plays a supporting role in its implementation. This set-up means that the FOCP cannot guarantee that the objectives will be achieved or that CIP will be ensured in the event of a major incident. At the time of the audit, there was no overarching entity responsible for anchoring this CIP strategy, for example at Federal Council or parliamentary level.

Planning for and management of disasters and other emergencies – a pandemic or an electricity shortage, for example – suffer from a lack of integrated and comprehensive risk management between the cantons and the Confederation. As a result, an overview of the necessary measures is also missing.

Alongside the binding reinforcement of the relevant legal basis, the SFAO recommended that critical infrastructure (CI) operators actually be connected to Polycorn, a security radio network. There was a need to ensure that emergency communication with CI operators was permanently provided, which was not yet the case.

The recommendations issued by the SFAO to the GS-DDPS and the FOCP were accepted.

³³ The report for audit mandate 20429 is available on the SFAO's website.

SPOTLIGHT

RESOURCES SHORTAGES TO RESULT IN ADDITIONAL COSTS

During a previous audit on the operational capability of the air-to-ground communication system FBS 20,³⁴ the SFAO had noted fundamental problems related to the management of resources within the Defence Group (Group V), an administrative unit of the DDPS. Therefore, a special review of Group V's resource management was carried out, focusing on the Armed Forces Command Support Organisation (AFCSO), which manages the information and communication technologies (ICT) services of the Armed Forces.³⁵

The first actions taken by Group V are a step in the right direction and are improving the situation. However, grey areas remain and there is a persistent problem with resources. The SFAO estimates that the AFCSO was unable to cover almost 50% of reported demand for its ICT projects in 2021. This was due, in particular, to a general shortage of skilled staff. This led to postponements, delays and additional costs that the SFAO cannot quantify.

In terms of management tools, an analysis of the first draft of the PORTFOLIO report on resource management reveals a number of shortcomings. The impact of the distribution between the AFCSO and Cyber Command projects is not clearly evident. Key information is also missing on the promised full-time equivalent (FTE) positions, the skills needed to obtain gap analyses (actual vs target) and also the interdependencies between projects.

³⁴ The report for audit mandate 22125 is available on the SFAO's website.

³⁵ The report for audit mandate 22116 is available on the SFAO's website.

7. INTERNATIONAL RELATIONS



7. INTERNATIONAL RELATIONS

The SFAO audited the quality of services provided by the Swiss consular network in the context of the digital transformation. It also examined the use and supervision of subsidies awarded by the Swiss Agency for Development and Cooperation to its partners.

A. NEED FOR CONSULAR SERVICES TO GO DIGITAL

Swiss citizens residing or travelling abroad can use the services of some 94 embassies and consulates, accounting for 540 FTE positions. These services also issue visas to foreigners planning to come to Switzerland. At the end of 2021, almost 800,000 Swiss citizens were registered with consular representations. In terms of costs, its services accounted for CHF 128 million, borne by taxpayers: 60% of services were for Swiss citizens, 40% for visa processing. The consular network also collected CHF 43 million in annual revenue, including CHF 34 million for visas alone (79%).

The SFAO assessed the quality and efficiency of the consular services provided by this FDFA external network.³⁶ The audit focused on these representations' ability to function and adapt, as well as on the allocation of resources, given the diversity and evolution of needs in the field. In the SFAO's view, these consular services have the indicators and tools necessary for their management and strategic development. However, the potential for digital transformation should be better exploited. The FDFA has agreed to implement this in line with the SFAO's recommendations.

Paper still reigns supreme in management, archiving and customer procedures

In the digital domain, the reality in the field does not yet match the FDFA's vision for the future. Files are managed and archived in paper form, and use of the online portal is below expectations. The SFAO also found that there was insufficient alignment between the digital offering on the one hand, and the involvement of staff working there and the members of the public they serve on the other hand. Finally, the FDFA and its digital offering within the external network are highly reliant on IT projects in other administrative units of the Confederation. In this context, complications arise with non-standardised or non-automated interfaces.

³⁶ The report for audit mandate 19404 is available on the SFAO's website.



The SFAO noted that, since 2010, the FDFA had consistently strengthened its customer focus and the quality of its consular services. The number of complaints has fallen. Nevertheless, those with whom the FDFA interacts want immediate, personalised assistance, creating a heavy workload for all field staff. The SFAO observed, for instance, that modern communication methods remained underutilised.

B. SWISS COOPERATION PARTNERS MAKING EFFECTIVE USE OF FEDERAL FUNDS

The Swiss Agency for Development and Cooperation (SDC) relies on Swiss non-governmental organisations (NGOs) for humanitarian aid and development cooperation. In 2020, six NGOs were involved in humanitarian aid and received around CHF 70 million for this purpose. These include the Swiss Red Cross (SRC) and Caritas Switzerland (CACH), both of which have extensive national and international networks. They were given around CHF 15 million each.

The results of the audit conducted by the SFAO were favourable.³⁷ The funds provided to the SRC and CACH were used properly and transparently. In addition, the SDC's supervision is effective. The findings were also positive for training and awareness-raising activities carried out in Switzerland. The NGOs complied with the ban on using SDC contributions in this area. The legality of this ban, which has been in force since 2021, was assessed favourably by the SFAO.

System of financial supervision could be improved

However, the SFAO pointed out some improvements that need to be made to the granting and monitoring of subsidies. The SDC must, for example, strengthen its supervision concept. For each NGO, it must individually analyse the various risk factors and take them into account. In general, an enhanced overview of Swiss NGOs' activities and funding methods is needed within the representations abroad. This will make it possible to identify any losses of synergies due to a lack of coordination in the implementation of SDC strategies in the field. The audited entities accepted the SFAO's recommendations issued to the SDC.

³⁷ The report for audit mandate 21364 is available on the SFAO's website.

8. JUSTICE AND POLICE



8. JUSTICE AND POLICE

Prosecution authorities must be able to count on reliable economic registers, whose data remains available. The SFAO provided a summary of these issues and specifically audited the overall supervision of the real estate register. It also summarised several of its audits that address the fight against economic crime and analysed the reorganisation under way within the federal supervision of foundations.

A. FURTHER ROOM FOR IMPROVEMENT IN OVERALL SUPERVISION OF REAL ESTATE REGISTER

The SFAO examined the overall supervision of the real estate register by the FOJ.³⁸ This audit is one of a series already undertaken covering registers and their data (see the box page 57). The real estate register is a key tool in proving real estate ownership and the associated rights and obligations. Many users and actors have recourse to this instrument. Today, there are more than 200 real estate registry offices in Switzerland, all of them falling under the responsibility and supervision of the cantons. The organisation of the registers varies greatly: some cantons have several dozen real estate registry offices, while others have only one.

In its role of providing overall supervision of the real estate register, the FOJ has no right of inspection or access to the cantonal data. In the cantons, offices do not report on their activities systematically, adequately or in an institutionalised way. There is no legal basis for sanctioning or incentivising the cantonal bodies in charge of this task. Finally, there is no legal framework to ensure that federal overall supervision is effective and risk-oriented.

Moreover, it appears that eight years after the introduction of long-term archiving of real estate register data, there are still gaps in data storage. Data from cantonal offices was missing during the audit and it is unclear whether this data can be reintegrated in the future. The SFAO also found that the current data entry model leaves huge leeway for interpretation. This adversely affects data quality.

³⁸ The report for audit mandate 21529 is available on the SFAO's website.



Encouraging initial steps have been taken towards digital transformation (eGRIS project). However, the possibilities for transformation are far from exhausted. In the SFAO's opinion, there is a lack of any coordinated vision, strategy and governance to increase the chances of a successful transition of the real estate register and its overall supervision. The FOJ accepted the SFAO's recommendations.

SPOTLIGHT

QUALITY OF REGISTER DATA UNRELIABLE

The real estate register, commercial register and debt enforcement and bankruptcy register are vital to the functioning of Swiss economic life. These registers were audited in recent years, particularly from a data perspective. The SFAO brought together the main findings of this work in a summary report.³⁹

In general, it is difficult to consolidate at national level the data entered at cantonal level. It is also impossible to apply the once-only principle, whereby data is entered only once. This situation is due to the use of different software, the absence of a standardised data model, the poor quality of the data collected and inadequate information flows.

In the SFAO's view, it is necessary to create data models, valid for the whole country, with unique identifiers. The authorities concerned have to guarantee that the data collected is of high quality, complete and up to date. Finally, the federal authorities have to be granted the right to access the data. These changes require legal reforms and a desire to manage the registers effectively and efficiently.

³⁹ The summary report for audit mandate 22245 is available on the SFAO's website.



8. JUSTICE AND POLICE

B. FOUNDATION SUPERVISION: REORGANISATION UNDER WAY AND BETTER COMMUNICATION NEEDED

The Federal Supervisory Authority for Foundations (FSAF) is based at the General Secretariat of the Federal Department of Home Affairs (GS-FDHA). After an initial audit in 2015, the SFAO reported on that body again in 2021.⁴⁰ The FSAF supervises more than a third of the foundations based in Switzerland, with assets worth almost CHF 40 billion (2018 figures). It ensures that these funds are used in accordance with the statutory goals of the foundations.

The audit found that there were substantial backlogs of work, and the situation has not changed over the course of the decade. Until the reorganisation project which started in early 2021, the supervision ratio remained high, while the FSAF's processes and structures had not kept pace with the expansion in the supervisory scope. At the end of 2021, the FSAF had 23.3 FTEs and a budget of CHF 3.96 million, meaning an average supervision ratio of 330 foundations per legal employee.

Refining the scope of supervision

From 2018 onwards, reforms were launched with a view to improving the FSAF's effectiveness and efficiency by the first half of 2022. The SFAO welcomes these efforts to modernise, to digitalise supervision and to step up risk-oriented analysis. The FSAF should also streamline its supervisory portfolio, i.e. remove inactive foundations (around 5%) and those under the supervision of other authorities, especially cantonal ones.

As regards the fight against economic crime, cases examined by the FSAF sometimes contain anomalies (questionable tax exemptions, potential money laundering, risk of fraud, etc.). These findings are not shared with other federal entities, such as the FTA or the Money Laundering Reporting Office Switzerland (MROS). The SFAO recommended that the SG-FDHA clarify this point. This recommendation was accepted by the audited entity.

⁴⁰ The reports for audit mandate 15570 and audit mandate 21267 are available on the SFAO's website.



SPOTLIGHT

HOW THE FEDERAL AUTHORITIES COMBAT ECONOMIC CRIME

Between 2015 and 2021, the SFAO carried out 16 audits in connection with the fight against economic crime. These audits related to, among other things, the tasks of MROS, the effectiveness of the supervision of foundations, the effectiveness of precious metals control and the fight against cybercrime. These findings were the subject of a summary audit report.⁴¹

The summary reveals that the SFAO's findings and recommendations were favourably received by the audited entities. Of the 74 recommendations issued, 30 are still pending. However, some recommendations were rejected. For example, the Federal Council opposed measures to strengthen the effectiveness of the interdepartmental fight against corruption. The FOJ rejected the majority of the recommendations aimed at improving the effectiveness of international mutual legal assistance in criminal matters.

In the future, the SFAO wishes to continue contributing to the effective combating of economic crime through evaluations or audits, in areas such as data management and the fight against money laundering.

⁴¹ The summary report for audit mandate 21447 is available on the SFAO's website.

9. FEDERAL IT PROJECTS



9. FEDERAL IT PROJECTS

Following the abandonment of the INSIEME IT project, the SFAO was tasked, in 2013, with auditing the Federal Administration's major IT projects, now called "key ICT projects". The Federal Chancellery and its Digital Transformation and ICT Steering (DTI) sector published a list of these 19 flagship projects.⁴² In 2022, some of them were audited by the SFAO and were the subject of published reports. Overall, the audit findings show that several projects continue to face major challenges.

A. FEDERAL DATA CENTRES: SIGNIFICANT ADVANCES AND MAJOR CHALLENGES

Data centres DDPS/Confederation 2020 is a big-budget project under the responsibility of the DDPS. It has a price tag of more than CHF 1.2 billion, including real estate and IT expenses. As well as the launch of a digitalisation platform for the Armed Forces, the Department planned the construction of three data centres, two of which were to be built with full military protection to safeguard and ensure the functioning of the Armed Forces' systems and applications. The third centre will also be used by the civilian offices of the Federal Administration.

In its audit, the SFAO notes that the construction projects are well structured and that the documentation provides an appropriate level of detail.⁴³ The CAMPUS and FUNDAMENT projects were almost completed when the SFAO conducted its audit, although these projects were experiencing delays. Despite this, these two projects remain within the credit limit.

Data centres ramping up, and management issues to be addressed

For home automation systems, the Confederation's stringent security requirements were complied with. The usual security documents are available, although there are sometimes differences compared to the operating manuals and the service agreements put in place. Not all the risk reduction measures set out in the information security and data protection (ISDP) concepts have yet been consistently implemented. Systematic monitoring of these is required. Finally, when the tests were carried out, the new data centres were being used at almost 20% of their capacity. Once the planned migrations have taken place, this usage rate is expected to be around 50% by the end of 2024, for both military and civilian infrastructures.

⁴² The full, updated list is available on the Federal Chancellery's website (https://www.bk.admin.ch/bk/fr/home/digitale-transformation-ikt-lenkung/projekte-programme/ikt-schlueselprojekte/liste_der_ikt_schlueselprojekte.html).

⁴³ The report for audit mandate 21462 is available on the SFAO's website.

In the military domain, the Architecture and Infrastructure (A&I) sub-project is intended to enable the provision of a high-security platform for the digitalisation of the Armed Forces. This sub-project was in the design phase at the time of the audit. The technology used and the planned communication methods are in keeping with current technology and security standards for platforms of this type. However, the operation and further development of the digitalisation platform remain a major challenge for the Cyber Command, which itself is currently being set up. When the SFAO conducted its audit, the A&I sub-project was found to hold significant risks in terms of the achievement of its objectives. These risks were due, in particular, to the lack of available human resources.

No cost estimate existed and the change of site will entail additional expenditure. To avoid any surprises, this project should be accompanied by more rigorous quality assurance.

Group V, the AFCSO, armasuisse and the DTI sector of the Federal Chancellery accepted the SFAO's recommendations.

SPOTLIGHT

NEED FOR THE FEDERAL STATISTICAL OFFICE TO IMPROVE MANAGEMENT OF A KEY DATA PROJECT

The SFAO audited the National Data Management (NaDM) programme run by the Federal Statistical Office (FSO).⁴⁴ This programme, which was launched in 2019, is based on the once-only principle that is included in the Tallinn Declaration signed by Switzerland in 2017. The idea is to encourage the multiple use of data previously collected by the authorities and so relieve the burden on companies and citizens.

The FSO has invested heavily in the NaDM programme and has made progress on its eight constituent projects. Weaknesses remain in terms of quality and risk management, overarching programme communication, stakeholder management, financing and financial management, procurement coordination and architecture management. Finally, the NaDM programme involves synergies with other data infrastructures and strategic projects at federal level. This point must be analysed in depth to avoid any duplication or conflicting objectives, or to make use of potential synergies.

To complete the NaDM programme by 2026, the FSO needs to find CHF 15 million that was not originally budgeted. Following the SFAO audit, and given the importance of this issue, the NaDM programme is now managed as a key ICT project. Additional funds have been obtained by the FSO, which also accepts all the recommendations issued by the SFAO in its audit.

⁴⁴ The report for audit mandate 21156 is available on the SFAO's website.



9. FEDERAL IT PROJECTS

B. SPLITTING OF MILITARY ICT PROVING PROBLEMATIC

A DTI programme to “untangle” the DDPS’s basic ICT services started in March 2019. This involves outsourcing office automation and some business applications from the DDPS to the Federal Office of Information Technology, Systems and Telecommunication (FOITT). In all, 18,000 standard workstations and around 50 specialist applications are affected.

This split is scheduled for completion by the end of 2026. However, this date now seems unrealistic, given the difficulties in the programme environment. The costs, initially estimated at CHF 60 million, are expected to rise by around CHF 40 million, according to a December 2021 estimate by the management of this DTI programme.⁴⁵ The SFAO audited this programme for the first time in 2022.⁴⁶

External decisions impacting programme management

On the plus side, the office automation of the DDPS’s civilian offices was successfully entrusted to the FOITT. The planned split of office automation in Group V was to see the outsourcing of 16,000 workstations. The complexity of this transfer to the FOITT raises much greater concerns than in the civilian offices of the DDPS.

⁴⁵ This increase is also due to the addition of two projects to the initial programme: the unbundling of RUAG Schweiz AG and the splitting of additional functions in the ID system.

⁴⁶ The report for audit mandate 22102 is available on the SFAO’s website.

⁴⁷ The report for audit mandate 21311 is available on the SFAO’s website.

SPOTLIGHT

TRANSFORMING PROCESSES AND ENSURING OPTIMAL RISK MANAGEMENT

The FOITT is the Federal Administration’s main IT service provider. Its organisation and processes are being modernised. Looking ahead, the FOITT will focus on more flexible and agile working methods to adapt to a changing environment. This transformation, steered by the Director of the FOITT, involves effective risk management.

This risk management was audited by the SFAO.⁴⁷ It also analysed the pending items and how they are being addressed as part of this modernisation. The audit findings were mixed. The SFAO observes that there is active management of transformation risks and a targeted approach to future risk management. However, there is room for improvement. For example, the guidelines for Business Continuity Management (BCM) and IT Service Continuity Management need to be revised as soon as possible. The most recent BCM audit dates back to 2016. The FOITT accepted the recommendations issued by the SFAO.



The programme environment is very volatile for those holding the relevant operational responsibility. This is due to a lack of strategies regarding splits and deliverables at department level and in Group V. Similarly, the SFAO noted that some fundamental architectural basic structures are missing within the DDPS and Group V. For example, the DTI programme management has no concrete analyses that set out the architectural and technical requirements necessary to ensure that standard Armed Forces processes are carried out during and after the disentanglement of IT services has been rolled out. A number of recommendations were made by the SFAO, all of which were accepted by Group V.

C. SUPERB PROGRAMME TAKING SHAPE, WITH SEVERAL PROCESSES BEING CREATED

The civil Federal Administration has been using SAP's software solution for its support processes (finances, personnel, logistics, procurement and real estate) for around 20 years. In 2015, SAP announced a complete overhaul of the software. This means that there will be no further development of the current version, and support for this software will be discontinued from the end of 2027. In 2017, the Federal Council decided to switch to the new SAP system (S/4HANA). Two implementation programmes were set up for this purpose: SUPERB for the civil Federal Administration, and ERP D systems/ar for the units responsible for deployment management (Defence, etc.). In the past, the SFAO already had the opportunity to audit the issue of master data and its availability within the SUPERB programme.⁴⁸

Management tools to be strengthened

In 2020, the Federal Office for Buildings and Logistics (FOBL) took over management of the SUPERB programme, which has a budget of CHF 485 million. The organisation of the programme was then restructured and an agile approach to management prioritised. The SFAO audited this new governance of the SUPERB programme as well as the quality of reporting to the Finance Delegation and the Federal Council.⁴⁹

The SFAO welcomes the successful takeover of the programme by the FOBL. Key milestones have been achieved and initial functionalities were in production at the time of the audit. However, backlogs have occurred. As at the end of June 2021, preliminary acceptance of the parts shared by a number of processes (known as the "cores") had not yet been completed.

⁴⁸ The report for audit mandate 20407 is available on the SFAO's website.

⁴⁹ The report for audit mandate 21451 is available on the SFAO's website.



9. FEDERAL IT PROJECTS

In terms of project management, improvements were recommended by the SFAO and accepted by the audited entities. The risks associated with technical implementation at the FOITT must be taken into account in the risk management of the programme. The role of the external quality and risk manager needs to be strengthened to provide an independent and more comprehensive view of the programme status. Finally, the FOBL must better understand and manage the interdependencies and synergies between the various support processes.

Indeed, the SFAO examined several of these processes in the areas of project portfolio management, procurement and real estate. There were critical findings for the first of these, but the situation for the last two was positive.

Modernising project portfolio management processes

In this audit, the SFAO found that the Project Portfolio Management (PPM) project was running behind schedule.⁵⁰ This project is now focusing on two minimum objectives: on the one hand, defining and providing a PPM core process and, on the other hand, replacing the ICT cockpit.

In the SFAO's view, this PPM project is insufficiently integrated into the organisation of the SUPERB programme, which makes inadequate use of the existing tools. The project mandate should be formalised with a view to ensuring that PPM is an integrated management tool for the Federal Administration. Finally, the project must create the conditions for governance after the end of the project. The SFAO's recommendations were accepted by the FOBL and the DTI sector of the Federal Chancellery.

Modernising the Federal Administration's procurement processes

The SUPERB procurement project aims to standardise procurement processes. In its audit, the SFAO observes that the FOBL is managing in parallel the integration of the Acta Nova (Genova@BIL) business management solution into these processes.⁵¹

Many steps were at the planning stage at the time of the audit, with implementation due to start. In theory, the new procurement module offered by SAP and linked to Acta Nova should make it possible to standardise federal procurement. However, this goal will not be achieved, as the relevant military requirements cannot be met in full. Despite this, the solution envisaged by the FOBL is a significant improvement on the current situation. The SFAO further stressed the prioritisation of two other issues, including the establishment of integrated contract management, as part of project planning. The FOBL agreed to implement all of the SFAO's recommendations.

⁵⁰ The report for audit mandate 22741 is available on the SFAO's website.

⁵¹ The report for audit mandate 21535 is available on the SFAO's website.

Modernising real estate processes

This audit – the last to look at processes related to the SUPERB programme – assessed whether real estate processes were set up in a uniform and efficient way based on the future SAP standard⁵² (SUPERB IMMO project). The project has a budget of CHF 18 million and is being developed in parallel with its sister military project (ERP D/ar IMMO).

In the SFAO's view, the process map is clear and understandable, as is the definition of a key indicators model for a general, overarching view of the Confederation's real estate portfolio. The SFAO also emphasised the need to create a uniform real estate data model. At SUPERB programme level, a governance system for data processing in support processes must be established and implemented. This governance system must be maintained after the SUPERB programme is completed. The FOBL accepted the recommendations for improved data governance.

SPOTLIGHT

FLOW OF INFORMATION AT RISK IN CYBERINCIDENT COMMUNICATION

The National Cybersecurity Centre (NCSC) is the Confederation's specialist unit for ICT security. It issues specifications, ensures compliance with them and helps service providers to eliminate vulnerabilities. In its audit,⁵³ the SFAO examined the process for detecting, reporting and managing a cyberincident within federal IT, and its effectiveness. There were areas for improvement.

The incident management process is clearly defined, published and applied. In general, the roles and responsibilities have been assigned but the role of IT security officer for the organisational units needs to be strengthened. There is also room for improvement in providing an overview to stakeholders if external service providers are involved.

The flow of information after an incident is sometimes too slow. Internal service providers are not yet sufficiently involved in processes and communication. In addition, these providers use different tools for technical monitoring of networks and applications. Harmonisation would speed up information exchange and would yield efficiency gains through economies of scale.

The recommendations issued by the SFAO were accepted by the NCSC.

⁵² The report for audit mandate 21313 is available on the SFAO's website.

⁵³ The report for audit mandate 21070 is available on the SFAO's website.

PART 2

MEANS AND FIGURES OF FINANCIAL SUPERVISION IN 2022

PART 2: MEANS AND FIGURES



1. FINANCIAL SUPERVISION: OBJECTIVES, RESOURCES AND AUDIT AREAS

A. OBJECTIVES

The SFAO is the Confederation's supreme financial supervisory body⁵⁴. 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 Assembly⁵⁵.

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

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. 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.

⁵⁴ FAOA of 28 June 1967.

⁵⁵ The only exceptions are as follows: the Swiss National Bank and the 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 railway infrastructure fund
- The motorway and urban transportation fund
- The ETH Domain
- The Swiss National Science Foundation
- The Alcohol and Tobacco Division of the Federal Customs Administration, now Federal Office for Customs and Border Security, FOCBS (previously known as the Swiss Alcohol Board)
- 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 effect⁵⁶. Finally, the Federal Council and Parliament, thanks to its Finance Delegation, can give the SFAO special mandates.

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

⁵⁶ Article 5 of the FAOA.



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 licenced by 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.

In the last few years, the Federal Assembly has approved increases in the staff budget totalling CHF 5 million. In turn, the SFAO has been instructed to cover existing risks with additional audits. For 2022 and 2023, the allocated resources amount to CHF 34.5 million and CHF 33.9 million respectively. The increase in the 2022 budget is due to the cost of setting up an IT solution for the new task related to transparency in political funding.



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 Finance Delegation.

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.

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 DTI projects

In March 2013, the Federal Council charged the SFAO with auditing and monitoring key DTI 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' thirteen-member panel of external auditors. This provides a forum for the mutual exchange of experience with foreign audit authorities.

SPOTLIGHT

POLITICAL FUNDING – A NEW TASK FOR THE SFAO

The Federal Council's decision of 24 August 2022 confirmed the SFAO as the office responsible for monitoring, auditing and publication with a view to ensuring transparency in political funding. The Ordinance on Transparency in Political Funding (PoIFO) came into force on 23 October 2022. On the introduction of this Ordinance and of the Federal Act on Political Rights (PRA), the SFAO acquired new powers. It monitors and audits the funding of political parties sitting in the Federal Assembly and of Federal Assembly representatives with no party affiliation, as well as campaigns for National Council and Council of States elections and federal votes. In addition to auditing, the SFAO is responsible for publishing the relevant data.

In this context, for the federal elections in October 2023, the SFAO will audit whether the parties and the representatives with no party affiliation comply with all prescribed disclosure requirements. In case of breaches, it is required to clarify matters with the parties or individuals concerned. If such breaches persist, the SFAO must officially report the perpetrators to the cantonal prosecution authorities. The perpetrators risk a fine of up to CHF 40,000. Data on the funding of political actors will be publicly accessible on the SFAO website. This information and these documents will be available to the public for five years.

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. Recommendations are usually always accepted by the audited entities; in 2022, only 20 recommendations were rejected (around 5%). This table shows the evolution over the last six years:

	2017	2018	2019	2020	2021	2022
Audits completed with recommendations	87	87	84	64	74	97
Recommendations issued	368	295	270	257	305	384

SOURCE: SFAO, 2022

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	2022
Recommendations still pending at audited entities (as at 31 December)	569	593	453	397	481	579
Recommendations accepted by the audited entities but not implemented (as at 30 September, priority A)⁵⁷	8	18	13	12	11	18

SOURCE: SFAO, 2022

⁵⁷ 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 2022) in the table below. A red asterisk indicates added recommendations relative to the situation since the last Annual Report.

Audited entity	Topic	Development	First deadline⁵⁸
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 (free building right) granted to the Foundation for the Museum and Military Material of the Swiss Air Force. At the end of 2022, the DDPS and the Foundation agreed on a lease price. This decision was taken after completion of the SFAO audit ⁵⁹ and has therefore not yet been validated.	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 (<i>Hochkostenfälle</i>) by the competent authorities.	31.12.2014

⁵⁸ 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.

⁵⁹ The report for audit mandate 21403 is available on the SFAO's website.

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
DDPS/AFS*	Incomplete basic documentation	The SFAO recommends that the DDPS revise the basic documentation concerning the collection of historical Armed Forces equipment. There is a need, for example, to define the objectives for the normal functioning of such collection, a strategy for achieving the objectives and a detailed collection concept. This must be done within available resources and in a sustainable way.	31.12.2015
DDPS/AFS*	Service agreements to be adapted and detailed objectives to be set	The SFAO recommends that when the basic documentation is revised, the service agreements with the foundations for the collection of historical Armed Forces equipment be revised too. The management and monitoring of the foundations must be reinforced. The annual objectives must also be based on the adjusted basic documentation.	30.12.2015
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
DETEC/DDPS*	Clarifications on the end of the civil and military air traffic control merger project	The SFAO recommends that the DETEC and the DDPS clarify the governance issues related to the HELCO project and plan for the end of this project while maintaining achievable objectives.	31.5.2018



CCO*	Digitalisation of invoicing processes	The SFAO recommends that the CCO adopt an automated process for dealing with invoices. This involves digitalisation of paper invoices as soon as they are received and initial automated and centralised sorting	30.11.2018
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
Supervisory Committee of the Unemployment Insurance Fund*	ASALfutur IT system	The SFAO recommends implementing eServices alongside ASALfutur in October 2022.	29.5.2022
FOJ*	Guide for legislative bills and digital transformation	The SFAO recommends that the FOJ, together with the Digital Transformation and ICT Steering (DTI) sector of the Federal Chancellery, revise and supplement the guide for legislative bills. This guide is intended to serve as a tool to assist with processing and reusing data as flexibly as possible, while maintaining the balance between data protection and digitalisation goals.	30.6.2022
Supervisory Committee of the Unemployment Insurance Fund*	Data analysis	The SFAO recommends that the compensation body integrate data analysis within the TCRD Audit Service to process the managed data.	30.6.2022



Supervisory Committee of the Unemployment Insurance Fund*	ASALfutur IT system	The Unemployment Insurance Fund needs to clarify the steps with external firms regarding the response time of the new SAP system and enter into agreements. Load testing should be performed with real data and on all ASALfutur features for operational maturity assessment.	28.8.2022
FDF*	Border controls for those passing through airports	The General Secretariat of the FDF must draw up service agreements for the controls provided by the Federal Office for Customs and Border Security (FOCBS) on those passing through Geneva and Basel airports. These services must be fully reimbursed by the cantons.	31.12.2022
FOPH	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, 2022 (AS AT 30 SEPTEMBER 2022)



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.⁶⁰ In 2022, there was only one communication of this type. This table provides an overview:

Date	Topic
10.6.2022	Procurement audit of the IT application for vaccinations, FOPH (report for audit mandate 21605, see page 18)

SOURCE: SFAO, 2022

SPOTLIGHT

THE SFAO'S WORK WITH PARLIAMENT AND ITS COMMITTEES IN 2022

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 Finance Delegation 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 procurement of the new F35 fighter jet or the Armed Forces' handling of legacy contamination, such as ammunition remnants in Swiss lakes.

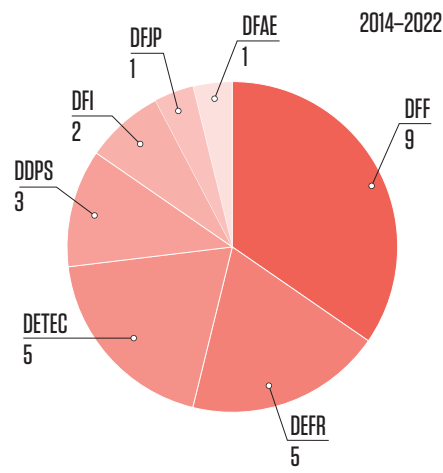
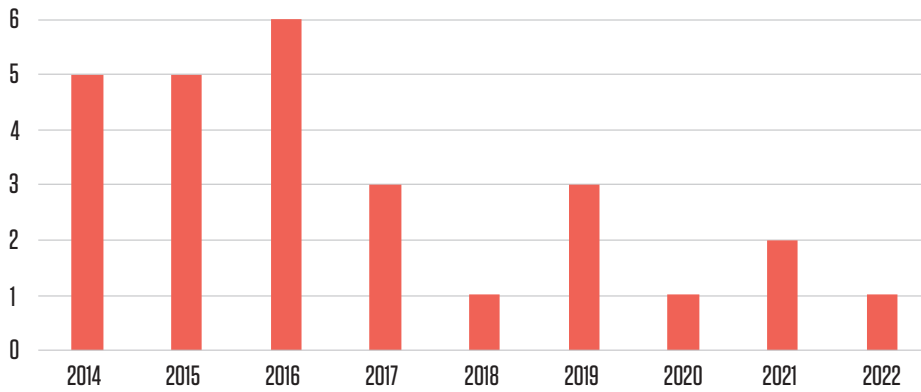
In addition to attending meetings, the SFAO also provides its assessment of selected Federal Council dispatches and credit facilities. In doing so, it supports Parliament's preliminary consultation committee in forming an opinion before affairs are dealt with by the National Council and the Council of States. In the last five 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 submitted 33 audit reports to these commissions over 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 Polycom 2030 security communication network, and protected hospitals and sanitary installations in a civil defence context.

⁶⁰ Article 15 paragraph 3 of the FAOA.



Shortcomings with major repercussions or of particular financial importance

Number of SFAO reports to the Federal Council (2014–2022, by department)



SOURCE: SFAO



3. PUBLICATION OF SFAO AUDITS AND ACCESS TO INFORMATION

A. PUBLICATION OF AUDITS

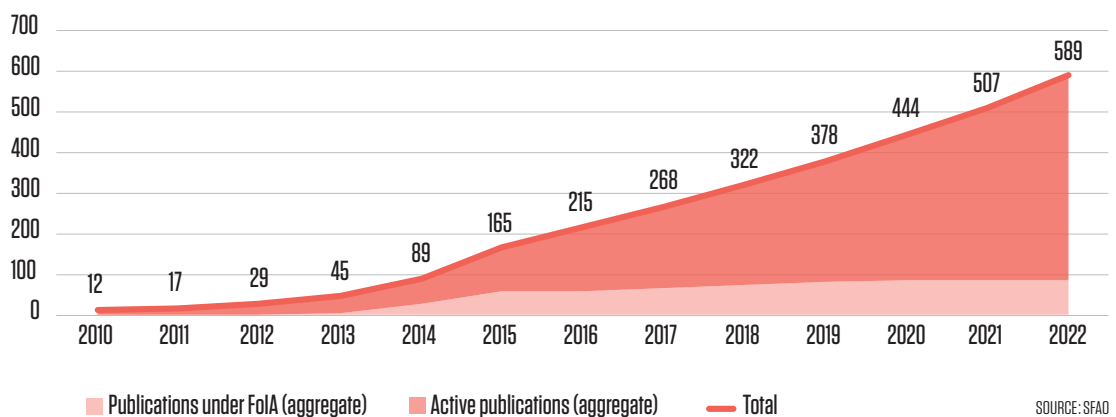
Since 2014, the SFAO has systematically published all of its reports which are of public interest. 2022 was no exception: 81 audits were published online on the SFAO’s website, 20 more than the previous year.

Between 2010 and 2014, the SFAO published an average of 18 audit reports a year. In the period from 2015 to 2022, this figure rose to an average of almost 63 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 FoIA. However, this channel is still rarely used (see section 3.3).

A constant effort to publish audit reports since 2014

Number of reports scheduled for publication by the SFAO vs. SFAO documents obtained under the FoIA





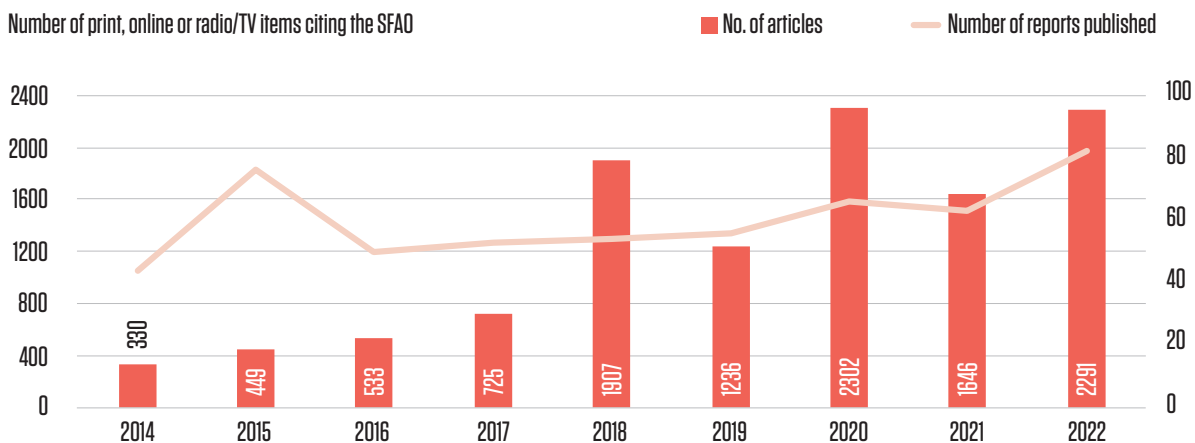
B. THE SFAO'S MEDIA PRESENCE AND REQUESTS FOR INFORMATION

The planned publication of audit and assessment reports by the SFAO has impacted its relationship with media representatives. In 2022, it responded to 111 formal requests (88 in 2021) from the media (requests for audit reports, additional information, technical clarifications, interviews, etc.). Of these requests, 77.5% came from German-speaking media (75% in 2021) and 21.6% from French-speaking media (25% in 2021), while the remaining 0.9% came from Italian-speaking Switzerland or English-speaking media. 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 2022, 2,291 articles in the print and online media, as well as on radio and television, cited the SFAO's findings (compared to 1,646 in 2021, 2,302 in 2020). The main channel is now online media (78%), followed by the press and agencies (16.8%), and radio and television (5.2%). Finally, 73.2% of these articles were in German, 21% in French and 5.7% in Italian, English and Romansh.

SFAO's media presence (2014–2022)

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 in several different places.

SOURCES: SWISSDOX, SFAO



C. ACCESS TO OFFICIAL DOCUMENTS

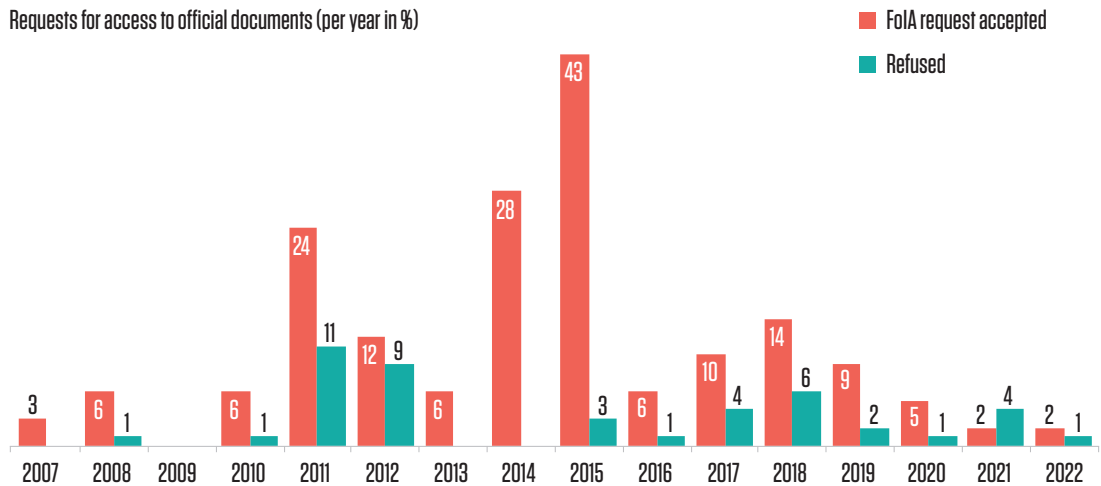
The FoIA⁶¹ came into force in 2006. Since then, the SFAO has regularly received requests for its audit reports from the media or individuals with an interest in its work.

In 2022, the SFAO received ten requests for access. Full access was granted to two audit reports. In one case, access was refused because the document concerned was intended for personal use (Article 5 paragraph 3 letter c of the FoIA). Two requests were for documents that were not held by the SFAO. In five cases, the requests for access were withdrawn. Finally, no mediation procedure with the Federal Data Protection and Information Commissioner was ongoing.

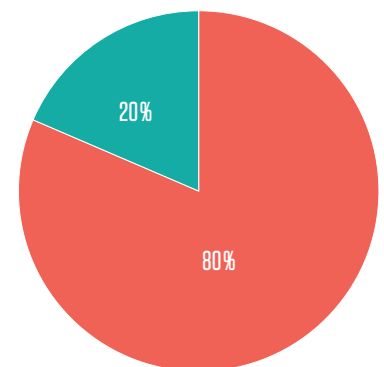
⁶¹ The text of the Act is available on the Confederation's website (www.admin.ch), SR 152.3.

Application of the Freedom of Information Act by the SFAO (2007–2022)

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

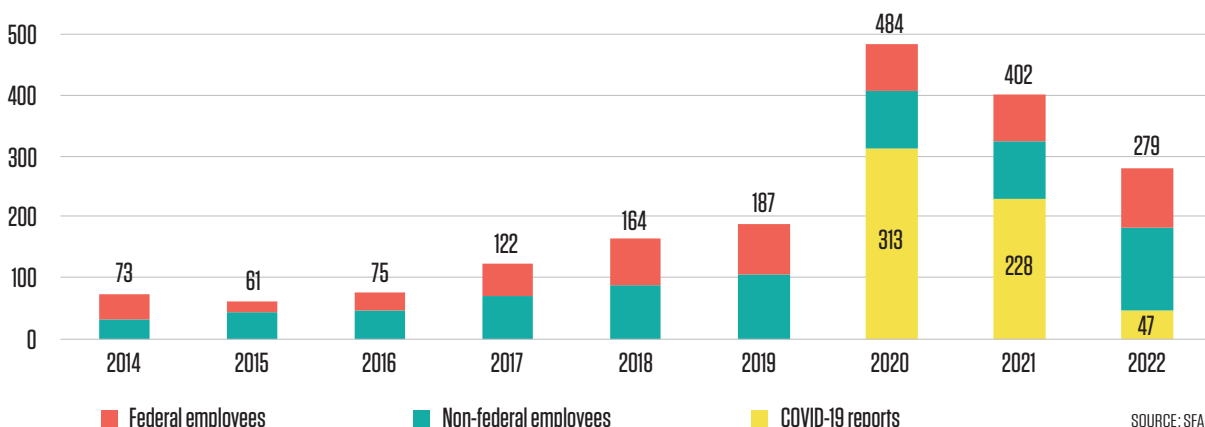
Since 2011, the Confederation has had a legal basis for protecting whistleblowers. The Federal Personnel Act makes provision for an obligation to report an offence, a right to report irregularities and protection for federal employees who make use of these. The SFAO is the point of contact for whistleblowers,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

In 2022, the SFAO's Whistleblowing Unit processed and analysed 279 reports, down from 402 in 2021. The two preceding 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 Confederation. In 2022, this number fell, with 47 reports related to those measures. Most of those concerned short-time working compensation (38) and guaranteed loans (5). Furthermore, 96 processed cases stemmed from reports by federal employees and 136 by individuals not employed by the Confederation (suppliers, individuals, employees of private companies, etc.). In 2022, excluding COVID-19 reports, the number of processed cases increased by 33% to 232 (compared with 174 in 2021).

Of the total, 223, or nearly 80% of cases, were anonymous. The SFAO communicated with 157 whistleblowers via an encrypted mailbox system, which proves how useful the platform is. In 2022, the SFAO received almost 87% of analysed whistleblowing reports via this secure channel. Other channels such as in-person or telephone interviews and the post accounted for the rest.

The SFAO conducts additional verification work on this information. In 2022, excluding COVID-19 reports, 132 reports were useful for audits already under way or future audits, or will trigger new investigations in the not-too-distant future. Consequently, 57% (compared with 61% in 2021) were useful and will help to improve how the Federal Administration works.

Reports from whistleblowers received by the SFAO (2014–2022)





5. ORGANISATIONAL CHART OF THE SFAO

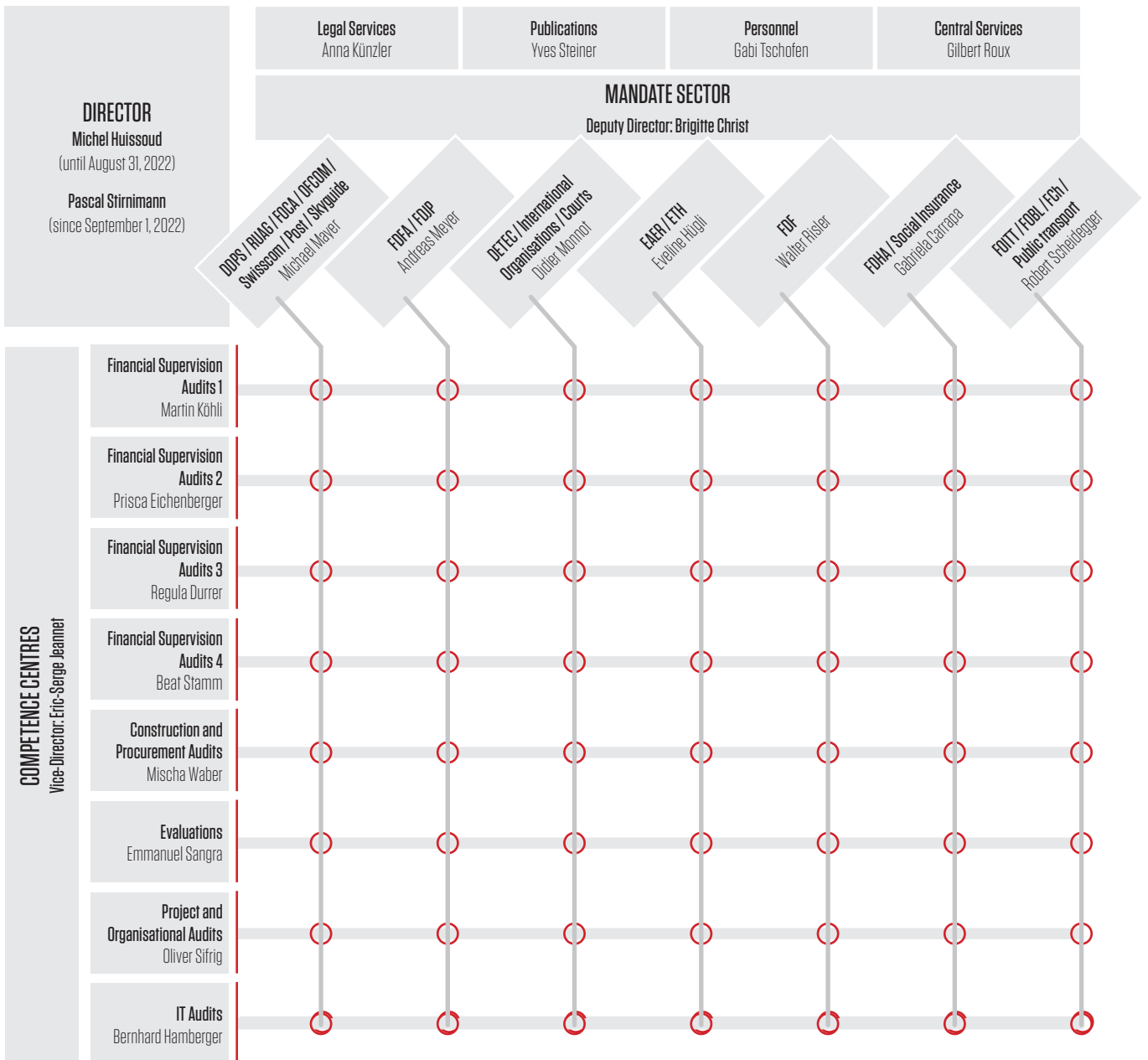


Brigitte Christ,
Deputy Director

Michel Huissoud,
Director (until August 31, 2022)

Pascal Stirnimann,
Director (since September 1, 2022)

Eric-Serge Jeannet,
Vice-Director





6. THE SFAO: HUMAN RESOURCES AND FINANCES

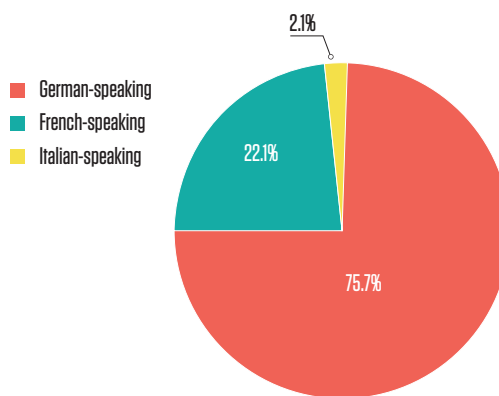
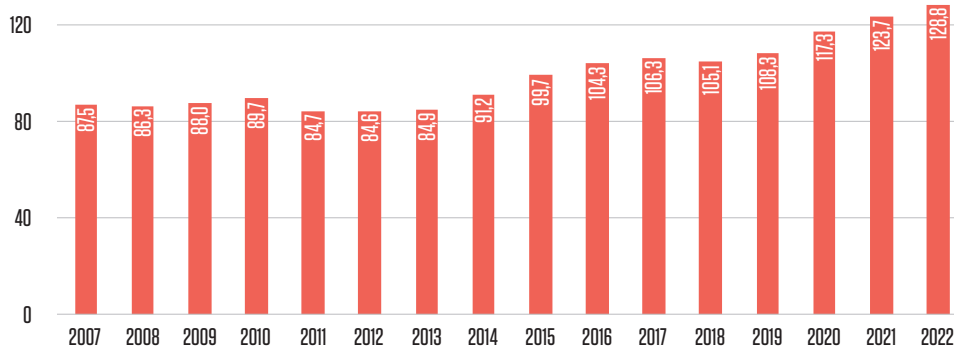
A. SFAO STAFF

On 31 December 2022, the SFAO had 140 employees (128.8 FTEs), compared to 135 (123.7 FTEs) a year earlier. In 2022, net employee turnover was 3.0% (1.5% in 2021).

At year-end 2022, 49 women (35%) and 91 men (65%) worked for the SFAO. There were 106 native German speakers (75.7%), 31 native French speakers (22.1%) and three native Italian speakers (2.1%).

Evolution and linguistic origin of SFAO employees (2007–2022)

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





B. SFAO FINANCES

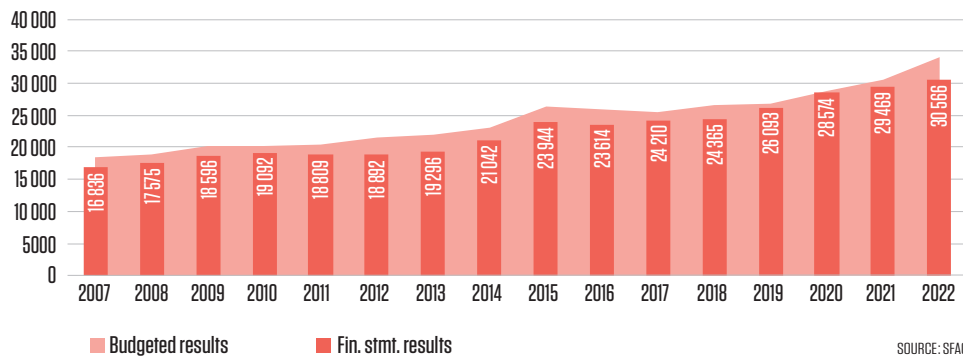
In 2022, the SFAO's expenses amounted to CHF 31.8 million. Its revenue came to almost CHF 1.2 million.

	Fin. stmt. 2020	Fin. stmt. 2021	Budget 2022	Fin. stmt. 2022	Difference vs. 2022 budget
Expenses (in thousands of CHF)	29 843	30 659	35 292	31 762	-3 530
Revenue (in thousands of CHF)	-1 268	-1 190	-1 140	-1 196	- 58
Result (in thousands of CHF)	28 574	29 469	34 152	30 566	-3 587

SOURCE: SFAO

The underspending of the 2022 budget is due to the project on transparency in political funding (see the box on page 76) and the costs of developing an IT solution related to this project. As approved by Parliament, this work and its funding will continue until 2025.

The SFAO and its budget management (2007–2022, in CHF thousands)



SOURCE: SFAO



APPENDICES

COMPLETED AUDITS IN 2022

ABBREVIATIONS

APPENDICES



OVERVIEW OF COMPLETED AUDITS (MANDATE NUMBERS)

AUTHORITIES AND COURTS

Federal Chancellery

- Audit of the national data management programme (21156)*
- COVID-19: Audit of compliance with requirements by means of data analyses (21542)*

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

- Audit of the new ICT and digitalisation steering (21259)*
- Audit of the DTI key project SUPERB – PPM project (22741)*

Federal Criminal Court

- Combating economic crime – summary report on audits (21447)*

Office of the Attorney General of Switzerland

- Combating economic crime – summary report on audits (21447)*

FEDERAL DEPARTMENT OF FOREIGN AFFAIRS

State Secretariat

- Evaluation of consular services provided by Swiss representations abroad (19404)*
- Audit of the implementation of the Federal Act on Private Security Services Provided Abroad (21054)*
- Audit of loan management for international organisations' real estate projects (21142)

Swiss Agency for Development and Cooperation

- Audit of subsidies to Swiss NGO partners in the humanitarian field (21364)*
- Combating economic crime – summary report on audits (21447)*

Directorate for Resources

- Audit of the effectiveness of incident management in protecting federal ICT from cyber-risks (21070)*

FEDERAL DEPARTMENT OF HOME AFFAIRS

General Secretariat

- Audit of the national data management programme (21156)*
- Audit of the reorganisation of the Federal Supervisory Board for Foundations (21267)*

Federal Office of Public Health

- Follow-up audit of the implementation of a recommendation to clarify the criteria of effective, appropriate and economically efficient in relation to medical treatment (21512)*
- COVID-19: Procurement audit of the IT application for vaccinations (21605)*
- COVID-19: Audit of the settlement procedure for testing costs (22627)*

Federal Statistical Office

- Audit of the national data management programme (21156)*
- Audit of the 2023 fiscal equalization between the Confederation and the cantons (22512)*

Federal Social Insurance Office

- Evaluation of the administrative costs of the 2nd pillar (20297)*
- Audit of refusals of unjustified claims from insolvent pension schemes (21171)*
- Audit of process efficiency in the handling of recourse claims (21401)*
- Evaluation of the COVID-19 loss of earnings compensation for the self-employed (21402)*
- Audit of the initiation of the compensation for loss of earnings digitalisation programme (22618)*

Federal Food Safety and Veterinary Office

- Audit of food safety supervision (20274)*
- Audit of checks on direct payments in agriculture (21325)*

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

FEDERAL DEPARTMENT OF JUSTICE AND POLICE

Federal Office of Justice

- Security audit of the INFOSTAR database (21135)*
- Combating economic crime – summary report on audits (21447)*
- Audit of the supervision of the real estate register system (21529)*
- National registers – summary report on audits (22245)*

Federal Office of Police

- Audit of the effectiveness of incident management in protecting federal ICT from cyber-risks (21070)*
- ICT steering audit (21203)*
- Combating economic crime – summary report on audits (21447)*
- Audit of the DTI key project: Data centres DDPS/Confederation 2020 (21462)*
- Audit of the key ICT project: Renewal of the biometrics system platform (21494)*
- Audit of expenditure in the area of special operations (22215)**

Federal Gaming Board

- Audit of the supervision of casinos and gambling (21446)*

State Secretariat for Migration

- Evaluation of linguistic integration measures (21127)
- Audit of projects, systems and expenditure of the EU Internal Security Fund (21449)
- Audit of the key ICT project: Renewal of the biometrics system platform (21494)*

IT Service Centre ISC-FDJP

- Security audit of the INFOSTAR database (21135)*
- ICT steering audit (21203)*
- Audit of the key ICT project: Renewal of the biometrics system platform (21494)*
- Price audit (22217)

FEDERAL DEPARTMENT OF DEFENCE, CIVIL PROTECTION AND SPORT

General Secretariat

- Audit of the handling of contaminated sites (21545)*
- Audit of resource management (22125)*
- Audit of the dispatch on clearing the former Mitholz ammunition depot (22159)**

Federal Intelligence Service

- Audit of cooperation in procurement (22135)**
- Audit of the quality of service contracts (22158)**

Federal Office for Civil Protection

- Audit of critical infrastructure protection – governance and integral risk management (22116)*

Defence – Armed Forces Staff

- Audit of process efficiency in dealing with conscripts (21389)*
- Follow-up audit of the implementation of key recommendations (21403)*
- Audit of risk management in the Air2030 programme (21410)*
- Audit of the DTI key project: Data centres DDPS/Confederation 2020 (21462)*
- Audit of the DTI key project: DDPS programme to split basic ICT services (22102)*

Defence – Armed Forces Command

Support Organisation

- Audit of the effectiveness of incident management in protecting federal ICT from cyber-risks (21070)*
- IT General Controls audit – part of the audit of the federal financial statements (21121)*
- Audit of the DTI key project: DDPS programme to split basic ICT services (22102)*
- Audit of resource management (22125)*



Defence – Training and Education Command

- Subsidy audit on contributions for shooting exercises (20444)*

Federal Office for Defence Procurement *armasuisse*

- Price audit (20425)
- Audit of the implementation of the findings from price audits (21528)*
- Audit of cooperation in procurement (22135)**

armasuisse Real Estate

- Audit of the SUPERB real estate sub-project, focusing on building data (21313)*
- Audit of the DTI key project: Data centres DDPS/Confederation 2020 (21462)*
- Construction audit of the refurbishment of a military facility (22155)*

FEDERAL DEPARTMENT OF FINANCE

General Secretariat – National Cybersecurity Centre

- Audit of the effectiveness of incident management in protecting federal ICT from cyber-risks (21070)*

Federal Finance Administration

- COVID-19: Audit of measures to support critical aviation infrastructures (20524)*
- Audit of the federal financial statements (21010)*
- Audit of risk management across Swisscom subsidiaries (22106)**
- Functional audit of the payables workflow process – part of the audit of the federal financial statements (22500)
- Audit of the 2023 fiscal equalization between the Confederation and the cantons (22512)*

Savings bank for federal employees

- Audit of the financial statements (21340)

Central Compensation Office

- Audit of AHV/IV pensions paid out abroad (20419)*
- Effectiveness audit of internal auditing (22606)
- Follow-up audit of the implementation of key recommendations (22631)

Federal Tax Administration

- Horizontal audit of the impact of the platform economy on the public sector (21323)*
- Combating economic crime – summary report on audits (21447)*
- Audit of the supervision of direct federal tax, expenditure-based taxation (21546)*
- Functional audit of the personnel process – part of the audit of the federal financial statements (22501)
- Functional audit of the value added tax receipt process – part of the audit of the federal financial statements (22502)
- Functional audit of the direct federal tax receipt process (cantonal supervision) – part of the audit of the federal financial statements (22503)
- Effectiveness audit of internal auditing (22511)
- Audit of the 2023 fiscal equalization between the Confederation and the cantons (22512)*
- Audit of the financial statements for the corporate radio and television fee (22515)*
- Horizontal audit of measures taken during system failures in specialist applications (22520)*

Federal Office for Customs and Border Security

- Audit of the financial statements of the Swiss Alcohol Board (21336)
- Functional audit of the tobacco tax receipt process – part of the audit of the federal financial statements (21416)
- Combating economic crime – summary report on audits (21447)*
- Effectiveness audit of internal auditing (21527)
- Functional audit of the receipt process for the performance-related and lump-sum heavy vehicle charge – part of the audit of the federal financial statements (22509)
- Horizontal audit of measures taken during system failures in specialist applications (22520)*
- Price audit (22525)
- Audit of the DTI key project DaziT with a focus on the Passar goods traffic system (22536)*

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

Federal Office of Information Technology, Systems and Telecommunication

- Audit of network security and operation (20415)
- Audit of the effectiveness of incident management in protecting federal ICT from cyber-risks (21070)*
- IT General Controls audit – part of the audit of the federal financial statements (21266)*
- Audit of risk and pending item management (21311)*
- Audit of the key ICT project SUPERB (21451)*
- Audit of the DTI key project: Data centres DDPS/Confederation 2020 (21462)*
- Audit of the key ICT project SUPERB: procurement project (21535)*
- Horizontal audit of measures taken during system failures in specialist applications (22520)*
- Audit of the DTI key project DaziT with a focus on the Passar goods traffic system (22536)*
- Follow-up audit of the implementation of key recommendations (22737)*

Federal Office of Personnel

- Functional audit of processes in the information system for personnel data management – part of the audit of the federal financial statements (21338)
- Audit of the financial statements of the Support Fund for Federal Employees (21339)

Federal Office for Buildings and Logistics

- Audit of the SUPERB real estate sub-project, focusing on building data (21313)*
- Functional audit of real estate management between federal offices and the ETH Domain – part of the audit of the federal financial statements (21382)
- Audit of the key ICT project SUPERB (21451)*
- Audit of the key ICT project SUPERB: procurement project (21535)*
- Audit of cooperation in procurement (22135)**
- Follow-up audit of the implementation of key recommendations (22735)*

FEDERAL DEPARTMENT OF ECONOMIC AFFAIRS, EDUCATION AND RESEARCH

State Secretariat for Economic Affairs

- Audit of the implementation of the accompanying measures for the free movement of persons (20062)*
- Audit of the involvement of third parties in the implementation of COVID-19 measures (21268)*
- COVID-19: Data analyses on loans with joint and several federal sureties (21269)*
- Horizontal audit of the impact of the platform economy on the public sector (21323)*
- COVID-19: Audit of hardship measures for businesses (21405)*
- Audit of the further development of the Navision IT system (22445)*

Federal Office for Agriculture

- Audit of subsidies for structural improvements in civil engineering (21300)*
- Audit of checks on direct payments in agriculture (21325)*

Federal Office for National Economic Supply

- Audit of process efficiency in the replacement of the reporting platform for therapeutic products (21439)*

State Secretariat for Education, Research and Innovation

- Audit of construction investment contributions for higher education institutions (21320)*
- Audit of innovation and project subsidies for vocational and professional education and training (22401)*
- Audit of critical success factors at selected Swiss Innovation Park sites (22435)*

Information Service Centre

- Audit of the effectiveness of incident management in protecting federal ICT from cyber-risks (21070)*



FEDERAL DEPARTMENT OF THE ENVIRONMENT, TRANSPORT, ENERGY AND COMMUNICATIONS

General Secretariat

- Follow-up audit of the implementation of a key recommendation (20451)*
- Audit of risk management across Swisscom subsidiaries (22106)**

Federal Office of Transport

- Construction audit of Bern railway station (21422)*
- Audit of risk management in the Lötschberg base tunnel project (22725)*
- Follow-up audit of the implementation of key recommendations (22736)*

Federal Office of Civil Aviation

- COVID-19: Audit of measures to support critical aviation infrastructures (20524)*
- Audit of critical infrastructure protection – implementation of minimum standards in air traffic control (21408)

Swiss Federal Office of Energy

- Audit of critical infrastructure protection – implementation of minimum standards in the Swiss high-voltage grid (21306)
- Audit of the effectiveness of CO₂ penalties for new cars and vans (21307)*

Federal Roads Office

- Price audit (21271)
- Audit of the effectiveness of CO₂ penalties for new cars and vans (21307)*
- Audit of the financial statements (21482)
- Audit of process efficiency in the further development of the MISTRA IT system (22301)*
- Audit of the construction defects on the Raron-Gampel section of the A9 (22302)***
- Functional audit of motorway expenses – part of the audit of the federal financial statements (22306)

- Audit of critical infrastructure protection – IT security at the traffic management centre in Emmen (22314)
- Price audit (22352)
- Procurement audit of operational and safety equipment for motorways (22373)*

Federal Office of Communications

- Audit of the supervision of the radio and television sector (21164)*
- Audit of the financial statements for the corporate radio and television fee (22515)*

Federal Office for the Environment

- Audit of the supervision of recycling of waste subject to taxes and advance contributions (20397)*
- Audit of the financial statements (21399)
- Audit of the handling of contaminated sites (21545)*
- Audit of the refurbishment of the Rheinlehne site in Pratteln (21548)
- Audit of the procurement of external services (22329)*

Federal Office for Spatial Development

- Evaluation of the impact of measures implemented under the urban transportation programme (20393)*

FOUNDATIONS, INSTITUTES, FUNDS AND SPECIAL ORGANISATIONS

BLS AG

- Audit of risk management in the Lötschberg base tunnel project (22725)*

Building Foundation for International Organisations (FIPOI)

- Audit of loan management for international organisations' real estate projects (21142)
- Audit of the financial statements (21429)

ETH Board

- Audit of the traceability and supervision of real estate in the ETH Domain (21214)*
- Functional audit of real estate management between federal offices and the ETH Domain – part of the audit of the federal financial statements (21382)
- Audit of the financial statements (21464)

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

ETH Domain

- Audit of the financial statements (21159)

Federal Audit Oversight Authority

- Audit of the financial statements (21420)

Forest and Wood Research Fund (WHFF)

- Audit of the financial statements (21485)

Grid supplement fund (GrSF)

- Audit of the financial statements (21483)

Innosuisse – Swiss Innovation Agency

- Audit of the Innolink project (21330)*
- Audit of the financial statements (21473)

Motorway and urban transportation fund

- Audit of the financial statements (21488)*

OPA Guarantee Fund Foundation

- Audit of refusals of unjustified claims from insolvent pension schemes (21171)*

Paul Scherrer Institute (PSI)

- Audit of the financial statements (21469)

Regionalverkehr Bern-Solothurn (RBS) AG

- Construction audit of Bern railway station (21422)*

Railway infrastructure fund (RIF)

- Audit of the financial statements (21008)*

Skyguide AG

- Audit of critical infrastructure protection – implementation of minimum standards in air traffic control (21408)
- Follow-up audit of the implementation of key recommendations (22101)*

Swiss Agency of Accreditation and Quality Assurance (AAQ)

- Audit of the financial statements of the Accreditation Council and its Agency (21475)

Swisscom AG

- Audit of risk management across subsidiaries (22106)**

Swiss Export Risk Insurance (SERV)

- Audit of the further development of the Navision IT system (22445)*

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

- Audit of the traceability and supervision of real estate in the ETH Domain (21214)*
- Audit of the financial statements (21466)

Swiss Federal Institute of Aquatic Science and Technology (Eawag)

- Audit of the traceability and supervision of real estate in the ETH Domain (21214)*
- Audit of the financial statements (21468)

Swiss Federal Institute of Intellectual Property (IIP)

- Audit of the accounts of SECO cooperation projects (21428)
- Audit of the financial statements (22210)

Swiss Federal Institute of Metrology (METAS)

- Audit of the financial statements (21424)

Swiss Federal Institute of Technology Lausanne (EPFL)

- Audit of the traceability and supervision of real estate in the ETH Domain (21214)*
- Functional audit of real estate management between federal offices and the ETH Domain – part of the audit of the federal financial statements (21382)
- Audit of the financial statements (21470)
- Audit of the financial statements of “Société simple du Quartier Nord” (21471)
- Audit of the financial statements of «Société du Quartier de l’Innovation de l’EPFL» (21474)

Swiss Federal Institute of Technology Zurich (ETH Zurich)

- Audit of the traceability and supervision of real estate in the ETH Domain (21214)*
- Functional audit of real estate management between federal offices and the ETH Domain – part of the audit of the federal financial statements (21382)
- Audit of the financial statements (21465)



Swiss Federal Laboratories for Materials Science and Technology (Empa)

- Audit of the traceability and supervision of real estate in the ETH Domain (21214)*
- Audit of the financial statements (21467)

Swiss Federal Railways (SBB) AG

- Price audit (21703)

Swiss Financial Market Supervisory Authority (FINMA)

- Audit of the financial statements (21341)

Swissgrid AG

- Audit of critical infrastructure protection – implementation of minimum standards in the Swiss high-voltage grid (21306)

Swiss Landscape Fund (FLS)

- Audit of the financial statements (21486)

Swiss National Park Foundation

- Audit of the financial statements (21487)

Swiss National Science Foundation (SNSF)

- Audit of the financial statements (21472)

swissuniversities

- Audit of the financial statements (21476)

Swiss University Conference (SUC)

- Audit of the financial statements (21477)

Switzerland Innovation

- Audit of critical success factors at selected Swiss Innovation Park sites (22435)*

Unemployment insurance fund

- Audit of the involvement of third parties in the implementation of COVID-19 measures (21268)*
- Audit of the financial statements (21281)
- Audit of the AHV accounts for unemployment insurance compensation (21282)
- COVID-19: Data analyses in the area of short-time working compensation (21690)*

INTERNATIONAL ORGANISATIONS AND COOPERATION

International Civil Aviation Organization (ICAO)

- Audit of the financial statements (21492)

Intergovernmental Organisation for International Carriage by Rail (OTIF)

- Audit of the financial statements (21489)

International Rhine Regulation

- Audit of the financial statements (21484)

Universal Postal Union (UPU)

- Audit of the financial statements (21481, 21490, 21491)

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

ABBREVIATIONS

A&I	Architecture and infrastructure	FAOA	Federal Audit Office Act
AFCSO	Armed Forces Command Support Organisation	FBA	Financial Budget Act
AFS	Armed Forces Staff	FD	Federal Department of Finance
AHV	Old-age and survivors' insurance	FDFA	Federal Department of Foreign Affairs
ALV	Unemployment insurance	FDHA	Federal Department of Home Affairs
BCM	Business continuity management	FFA	Federal Finance Administration
CACH	Caritas Switzerland	FFCU	Federal Food Chain Unit
CCO	Central Compensation Office	FINMA	Swiss Financial Market Supervisory Authority
CCS DDPS	Cadastre of Contaminated Sites of the DDPS	FOBL	Federal Office for Buildings and Logistics
CIP	Critical Infrastructure Protection	FOCBS	Federal Office for Customs and Border Security
CLEC	COVID-19 loss of earnings compensation	FOCP	Federal Office for Civil Protection
CMS	Coordinated Medical Services	FOEN	Federal Office for the Environment
CSO	Contaminated Sites Ordinance	FoIA	Freedom of Information Act
DFT	Direct Federal Tax	FOITT	Federal Office of Information Technology, Systems and Telecommunication
DDPS	Federal Department of Defence, Civil Protection and Sport	FOJ	Federal Office of Justice
DETEC	Federal Department of the Environment, Transport, Energy and Communications	FONES	Federal Office for National Economic Supply
DFTA	Federal Act on Direct Federal Taxation	FOPH	Federal Office of Public Health
DTI	Digital Transformation and ICT Steering	FOT	Federal Office of Transport
Eawag	Swiss Federal Institute of Aquatic Science and Technology	FSAF	Federal Supervisory Authority for Foundations
Empa	Swiss Federal Laboratories for Materials Science and Technology	FSIO	Federal Social Insurance Office
EPFL	Swiss Federal Institute of Technology Lausanne	FSO	Federal Statistical Office
ETH	Swiss federal institutes of technology	FSVO	Federal Food Safety and Veterinary Office
ETHZ	Swiss Federal Institute of Technology Zurich	FTA	Federal Tax Administration
EU	European Union	FTE	Full-time equivalent
		Group V	Defence Group
		GS-DDPS	General Secretariat of the DDPS



GS-FDHA	General Secretariat of the FDHA
ICT	Information and communication technologies
IOS	Information and Operations System
IPSAS	International Public Sector Accounting Standards
ISDP	Information Security and Data Protection
IV	Disability insurance
MROS	Money Laundering Reporting Office Switzerland
NaDM	National Data Management
NCSC	National Cybersecurity Centre
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
OFCOM	Federal Office of Communications
PoIFO	Ordinance on Transparency in Political Funding
PPM	Project Portfolio Management
PRA	Federal Act on Political Rights
PSI	Paul Scherrer Institute
RBS	Regional Transport Bern-Solothurn
SBB	Swiss Federal Railways
SDC	Swiss Agency for Development and Cooperation
SECO	State Secretariat for Economic Affairs
SFAO	Swiss Federal Audit Office
SFOE	Swiss Federal Office of Energy
SIF	State Secretariat for International Finance
SRC	Swiss Red Cross
SRG SSR	Swiss Broadcasting Corporation
WSL	Swiss Federal Institute for Forest, Snow and Landscape Research

