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**Federal Act
on the Swiss Federal Audit Office
(Federal Audit Office Act, FAOA)¹**

of 28 June 1967 (Status as of 1 January 2011)

The Federal Assembly of the Swiss Confederation,

based on Article 85 numbers 10 and 11 and Article 102 numbers 14 and 15 of the Federal Constitution^{2 3},
and having considered the Dispatch of the Federal Council dated 25 November 1966⁴

decrees:

I. Status and Organisation of the Swiss Federal Audit Office⁵

Art. 1 Status of the Swiss Federal Audit Office

¹ The Swiss Federal Audit Office is the supreme financial supervisory organ of the Swiss Confederation. In its auditing activity it is bound only by the Federal Constitution and the law. It supports

- a. the Federal Assembly in the exercise of the latter's constitutional financial powers and supervision of the Federal Administration and the Federal Courts;
- b. the Federal Council in the exercise of the latter's supervision of the Federal Administration.⁶

¹ Amended in accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS **1995** 836 840; BBl **1994** II 721).

² [BS **1** 3]. The said provisions are now Art. 167, 169 para. 1, 183 and 187 para. 1 let. a of the Federal Constitution of 18 April 1999 (SR **101**).

³ Amended in accordance with Annex No. 8 of the Federal Act of 8 Oct. 1999, in force since 1 Jan. 2000 (AS **2000** 273 277; BBl **1999** 4809 5979).

⁴ BBl **1966** II 708

⁵ In accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995, the margin titles were changed to paragraph headings (AS **1995** 836 840; BBl **1994** II 721).

² The Swiss Federal Audit Office is independent and autonomous within the scope of its legal provisions. The Swiss Federal Audit Office determines its audit program annually and notifies the Finance Delegation and the Federal Council of it.⁷ It may refuse to undertake special assignments if the same would endanger the execution of its audit program.⁸

³ For administrative purposes the Swiss Federal Audit Office is assigned to the Federal Department of Finance.⁹

Art. 2¹⁰ Organisation

¹ The Swiss Federal Audit Office and its staff are headed by a Director. He or she appoints the entire staff of the Swiss Federal Audit Office. Unless otherwise provided below, the employment law generally applicable within the Federal Administration applies by analogy.

² The Federal Council elects the Director for a period of office of six years. Election requires the approval of the Federal Assembly. In the event of a serious infringement of his official duty, the Federal Council may dismiss the Director before the expiry of his period of office. This dismissal is subject to an appeal to the Federal Administrative Court.¹¹

³ The Swiss Federal Audit Office shall submit its draft annual budget proposal to the Federal Council. The latter shall pass it unchanged to the Federal Assembly.

⁴ The Federal Assembly shall determine the total number of persons employed by and the staff emoluments of the Swiss Federal Audit Office together with the approval of the preliminary proposal for the General Federal Administration.

⁶ Amended in accordance with No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

⁷ Wording of second sentence in accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS **1995** 836 840; BBl **1994** II 721).

⁸ Third sentence inserted in accordance with No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

⁹ Inserted by No. I of the Federal Act of 7 Oct. 1994 (AS **1995** 836; BBl **1994** II 721). Amended in accordance with No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

¹⁰ Amended in accordance with No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

¹¹ Wording of fourth sentence in accordance with No. II 25 of the Federal Act of 20 March 2008 on the Formal Revision of Federal Legislation, in force since 1 Aug. 2008 (AS **2008** 3437 3452; BBl **2007** 6121).

Art. 3¹² Expert opinions and advice

The Swiss Federal Audit Office may engage experts whenever the execution of its duties requires special expertise or cannot be guaranteed with its regular staff.

Art. 4 Authorisation of giving of evidence and handover of documents

The Director shall be competent to authorise the giving of evidence and the handover of documents in judicial proceedings. Before doing so, he shall obtain the consent of the head of the department in whose sphere of responsibility the matter falls.

II. Functions, Scope and Exercise of Financial Audit

Art. 5¹³ Criteria of financial audit

¹ The Swiss Federal Audit Office shall execute the supervision of finance according to the criteria of regularity, legality and economic efficiency.

² It shall execute financial management audits to clarify whether:

- a. the resources are being used economically;
- b. costs and benefits are in a favourable proportion;
- c. the financial expenditures have achieved the intended objectives.

Art. 6¹⁴ Particular audit functions

In particular, the Swiss Federal Audit Office shall perform the following duties:

- a. It examines the entire financial management at all stages of implementing the budget and exercises audits by means of spot checks prior to commitments being made.
- b. It examines the preparation of the federal accounts.

¹² Amended in accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS **1995** 836 840; BBl **1994** II 721).

¹³ Amended in accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS **1995** 836 840; BBl **1994** II 721).

¹⁴ Amended in accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS **1995** 836 840; BBl **1994** II 721).

- c. It ensures that the administrative units control the funds allotted to them and it examines the management of the long-term credit commitments.
- d. It examines the internal control system.
- e. It examines by means of spot checks the payment orders issued by the administrative units.
- f. It carries out the auditing of the administrative units, including the accounts and inventories.
- g. It examines the adequacy of monopoly prices within the federal procurement.
- h. It examines whether the EDP applications in the areas of financial management exhibit the required security and functionality, especially whether the directives issued by the Federal IT Council¹⁵ are being followed.
- i. It carries out audit mandates at international organisations.
- j. ¹⁶It examines the calculations for resource levelling and cost compensation according to the Federal Act on the Equalisation of Financial Resources and Burdens (3 October 2003)¹⁷ and the data supplied for these calculations by the Cantons and the federal offices involved.
- k. ¹⁸It regularly checks the VAT flat rates established by the Swiss Federal Tax Administration for adequacy.

Art. 7 Expert opinions and advice

¹ The Swiss Federal Audit Office participates in the drafting of regulations pertaining to the internal control and auditing services, the accounting, payment transfer and inventory systems. It advises on all matters which affect financial audit.

² The Swiss Federal Audit Office may be invited to participate in the discussions of the committees charged with preparing the budget and

¹⁵ The title of the administrative unit was amended in application of Art. 16 para. 3 of the Publications Ordinance of 17 Nov. 2004 (SR **170.512.1**).

¹⁶ Inserted by No. I 1 of the Federal Act of 22 June 2007 on the Transition to the New System of Financial Equalisation and Division of Tasks between the Confederation and Cantons, in force since 1 Jan. 2008 (AS **2007** 5953 5955; BBl **2007** 645).

¹⁷ SR **613.2**

¹⁸ Inserted by Art. 111 No. 2 of the VAT Act of 12 June 2009, in force since 1 Jan. 2010 (SR **641.20**).

the Federal annual accounts. Its services may also be drawn upon with regard to appropriation requests.

Art. 8 Scope of supervision

¹ With the reservation of the special provisions under Article 19 as well as the special statutory regulations, the following are subject to the financial audit of the Swiss Federal Audit Office:

- a. the administrative units of the central and decentralised Federal Administration;
- b. the Parliamentary Services;
- c. the recipients of subsidies and financial aid;
- d. corporations, institutions and organisations of every legal form to which the performance of public tasks shall have been entrusted by the Confederation;
- e. undertakings in whose registered, nominal or share capital¹⁹ the Confederation holds a participation of over 50 per cent.

^{1bis} The Swiss Federal Audit Office shall carry out its audits at undertakings in accordance with paragraph 1 letter e in consultation with their boards. It may consult the internal and external auditors. It shall submit its report to the board for the attention of the General Meeting and at the same time inform the Federal Council and the Finance Delegation.²⁰

² The federal courts, the Swiss Financial Market Supervisory Authority²¹, the Federal Audit Oversight Authority²², the Supervisory Authority for the Office of the Attorney General and the Office of the Attorney General of Switzerland²³ shall only be subject to the financial scrutiny of the Swiss Federal Audit Office insofar as the supervision through the Federal Assembly shall be furthered thereby.

¹⁹ Amended in accordance with No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

²⁰ Inserted by No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

²¹ Amended in accordance with Annex No. 9 of the Financial Market Supervision Act of 22 June 2007, in force since 1 Jan. 2009 (SR **956.1**).

²² Amended in accordance with Annex No. I of the Federal Act on the Licensing and Oversight of Auditors of 16 Dec. 2004, in force since 1 Sept. 2007 (SR **221.302**).

²³ Amended in Accordance with Annex No. II 13 of the Strafböördenorganisationsgesetz of 19 March 2010, in force since 1 Jan. 2011 (AS 2010 3267; BBl 2008 8125).

³ The Swiss Federal Audit Office shall also exercise financial audit where, in pursuance of legal provisions or regulations, a control unit has already been set up.

Art. 9 Documentation

¹ The Federal Chancellery shall furnish the Swiss Federal Audit Office with all decrees of the Federal Assembly and the Federal Council which relate to the finances of the Confederation.

² The departments, the offices thereof, and the Federal courts shall inform the Swiss Federal Audit Office of all directives and rulings that they issue in pursuance of the said decrees.

³ At the request of the Swiss Federal Audit Office, the departments and their offices shall furnish it with all documents and records pertaining to legal transactions and binding declarations inasmuch as they concern the finances of the Confederation.

Art. 10 Information, administrative assistance and data access²⁴

¹ Notwithstanding any obligations to maintain secrecy, the Swiss Federal Audit Office is authorised to request information and, in particular, to examine documents and records. The postal and telegraphic confidentiality shall in all events be guaranteed.

² Any person who is subject to the supervision of the Swiss Federal Audit Office shall be obliged to give it all the necessary assistance in the execution of its duties.

³ The administrative units of the Confederation shall grant the Swiss Federal Audit Office the right to retrieve any necessary data, including personal data, from the appropriate data collections that is required for the maintenance of the supervision of finance. If required, the right of access extends to sensitive personal data. The Swiss Federal Audit Office may only save the personal data obtained in this manner until the conclusion of the audit procedure. Access to the various data collections and the objectives pursued with it must be recorded.²⁵

²⁴ Amended in accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS 1995 836 840; BBl 1994 II 721).

²⁵ Inserted by No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS 1995 836 840; BBl 1994 II 721).

Art. 11²⁶ Relationship to financial inspectorates (internal audit)

¹ The financial inspectorates of the federal administration, including those of the Federal Court and the enterprises and institutions of the Confederation, shall be responsible for the audit of the financial management in their domain. They shall be directly assigned to the managing director, or the executive management, but shall be autonomous and independent in the fulfilment of their audit duties. Their rules and regulations shall be subject to the approval of the Swiss Federal Audit Office. The Swiss Federal Audit Office may submit proposals to the Federal Council for the creation of new internal audit units.

² The Swiss Federal Audit Office shall supervise the effectiveness of the audits by the internal auditing services and ensure coordination. It may issue technical directives, especially in the form of specifications relating to working methods and procedures.²⁷ The financial inspectorates shall inform the Swiss Federal Audit Office of their annual audit programs as well as of all reports and notify it without delay of all deficiencies ascertained that are of fundamental or considerable financial importance.²⁸

³ The Swiss Federal Audit Office is also responsible for the training and further education of the personnel of the financial inspectorates within the general federal administration.

III. Procedure in the case of Complaints, Reporting and Official Dealings

Art. 12²⁹ Findings and objections

¹ The Swiss Federal Audit Office shall inform the audited administrative unit in writing of its findings.

² When auditing organisations and persons outside the federal administration, it shall notify the federal administrative unit responsible for the financial management of its reports and declarations. It

²⁶ Amended in accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS **1995** 836 840; BBl **1994** II 721).

²⁷ Wording of second sentence in accordance with No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

²⁸ Third sentence inserted by No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

²⁹ Amended in accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS **1995** 836 840; BBl **1994** II 721).

may object to the financial management and request appropriate measures.

³ If the audited administrative unit rejects any of the objections of the Swiss Federal Audit Office concerning performance, then the Swiss Federal Audit Office shall submit its proposal to the Department in charge. The decision of the Department may be contested by the administrative unit and the Swiss Federal Audit Office before the Federal Council.³⁰

⁴ If the audited administrative unit rejects any of the objections of the Swiss Federal Audit Office concerning regularity or legality, then the Swiss Federal Audit Office may formally state its examination findings and can moreover issue binding directives.

⁵ The administrative unit audited may contest the decision of the Swiss Federal Audit Office before the Federal Council.³¹

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Art. 13³³ Cooperation with other audit offices

¹ The Swiss Federal Audit Office shall exchange ...³⁴ its audit programs with the Parliamentary Administrative Control and coordinates its tasks with these offices in direct contact.

² If the Swiss Federal Audit Office observes in the execution of the financial supervision fundamental problems in the financial management or deficiencies in organisation, administrative management or the execution of tasks, then, depending on the problem area, it shall inform the Federal Finance Administration, the Federal Office of Personnel, the Federal Office of Information Technology and Systems³⁵, the Federal Strategy Unit for IT³⁶ or the Federal Data Protec-

³⁰ Second sentence inserted by No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

³¹ Amended in accordance with No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

³² Repealed by No. I of the Federal Act of 19 March 1999 (AS **1999** 1806; BBl **1998** 4703).

³³ Amended in accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS **1995** 836 840; BBl **1994** II 721).

³⁴ The title of the administrative unit was deleted in application of Art. 16 para. 3 of the Publications Ordinance of 17 Nov. 2004 (SR **170.512.1**).

³⁵ The title of the administrative unit was amended in application of Art. 16 para. 3 of the Publications Ordinance of 17 Nov. 2004 (SR **170.512.1**).

³⁶ The title of the administrative unit was amended in application of Art. 16 para. 3 of the Publications Ordinance of 17 Nov. 2004 (SR **170.512.1**).

tion and Information Commissioner³⁷. If it identifies omissions or deficiencies in the legislation, then it shall inform the Federal Office of Justice. The administrative units concerned shall submit a report on measures that they have taken to the Swiss Federal Audit Office.

Art. 14³⁸ Reporting and implementation

¹ The Swiss Federal Audit Office shall compile a report on every audit completed by it. It shall submit this and all relevant documents to the Finance Delegation of the Federal Assembly, including the comments of the agency audited and a summary. It shall also submit the summary to the Head of Department concerned by the audit findings. It shall compile interim reports on prolonged audits.

² After the Finance Delegation has dealt with an audit report from the Swiss Federal Audit Office, the Swiss Federal Audit Office may publish its report together with the comments of the agency audited and any assessments by the Finance Delegation.

³ The Swiss Federal Audit Office shall submit a report annually to the Finance Delegation and the Federal Council providing information on the extent and the focus of its auditing activity, important findings and assessments, and open audit recommendations and the reasons for the same. The report shall be published.

⁴ The Federal Council, on the basis of the open audit recommendations brought to its knowledge in the annual reports of the Swiss Federal Audit Office, shall monitor the resolution of the issues raised with regard to compliance with regulations and legality and the implementation of the proposals in the field of the financial management audits.

Art. 15 Administrative dealings

¹ The Swiss Federal Audit Office deals directly with the Finance Delegation, the Federal Council, the administrative units of the Confederation, the Federal Courts as well as with all organisations and individuals outside the Federal Administration who are subject to its financial supervision.³⁹

³⁷ The title of the administrative unit was amended in application of Art. 16 para. 3 of the Publications Ordinance of 17 Nov. 2004 (SR **170.512.1**).

³⁸ Amended in accordance with No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

³⁹ Amended in accordance with No. I of the Federal Act of 7 Oct. 1994, in force since 1 March 1995 (AS **1995** 836 840; BBl **1994** II 721).

² The Swiss Federal Audit Office shall inform the head of the Federal Department of Finance⁴⁰ of all matters on which it has direct dealings with other departmental heads, the Federal Chancellor or the Federal Council.

³ If the Swiss Federal Audit Office identifies specific occurrences or deficiencies of fundamental or considerable financial importance, it shall notify not only the office concerned but also the head of the responsible department and head of the Federal Department of Finance. If the deficiencies ascertained concern the financial management of an office of the Federal Department of Finance, the President or the Vice President of the Federal Council shall be notified. At the same time it shall inform the Finance Delegation. If it shall regard it as expedient, it shall inform^{41 42} the Federal Council instead of the Department head responsible.

IV. Relationship with the Cantons

Art. 16 Scope of Federal supervision

¹ Within the scope of its powers, the Swiss Federal Audit Office shall monitor and conduct audits on the use made by the cantons of federal funds (subsidies, loans, advances) allocated to them provided such audit is foreseen by a federal act or decree.

² In all other cases the Swiss Federal Audit Office may only examine the use of federal funds with the consent of the cantonal government concerned.

³ As a rule, the Swiss Federal Audit Office shall work together with the cantonal auditing services, to which it may delegate certain auditing assignments.

⁴ The competent administrative divisions of the cantons shall provide the Swiss Federal Audit Office with all the support required for the execution of its tasks.

Art. 17 Procedure

¹ Where, in the course of its monitoring and auditing activity in accordance with Article 16 paragraph 1, the Swiss Federal Audit Of-

⁴⁰ Title in accordance with unpublished Federal Decree of 19 Dec. 1997.

⁴¹ Third and fourth sentences inserted by No. I of the Federal Act of 19 March 1999, in force since 1 Sept. 1999 (AS **1999** 1806 1809; BBl **1998** 4703).

⁴² Inserted by No. I of the Federal Act of 18 Dec. 1992, in force since 1 Jan. 1994 (AS **1994** 20 21; BBl **1992** V 857 861).

office identifies irregularities in the cantons or in their agencies, it shall notify the competent federal office. The latter shall settle the matter with the concerned cantonal authorities conclusively. In relations between the federal offices and the Swiss Federal Audit Office, the provisions governing the procedure in the case of complaints (Art. 12) shall apply by analogy.

² In the event of the Swiss Federal Audit Office discovering irregularities in the instances governed by Article 16 paragraph 2, it shall at the same time inform both the cantonal government and the competent federal office thereof and make the necessary proposals.

V. Secretariat of Finance Delegation

Art.18 ...⁴³

¹ The Secretary of the Finance Committees and Finance Delegation shall manage the joint Secretariat in accordance with the provisions of Articles 48 to 50 of the Parliamentary Procedure Act of 23 March 1962⁴⁴. He or she shall have to this effect the same powers at his or her disposal as the Swiss Federal Audit Office to obtain documentation and information, to examine documents and to request administrative assistance. He or she shall liaise between the finance committees and Finance Delegation on the one hand, and between the Swiss Federal Audit Office and the authorities and departments subject to financial scrutiny on the other.

² The appointment of the Secretary by the Administration Delegation of the Federal Assembly shall require the ratification of the Finance Delegation. The Secretariat shall be assigned for administrative purposes to the Parliamentary Services which shall make available to it the necessary staff.⁴⁵

^{2bis} The special relations between the Finance Delegation, the finance committees and their Secretariat on the one hand and the Swiss Federal Audit Office on the other are regulated in the Standing Orders of

⁴³ Repealed by No. I of the Federal Act of 7 Oct. 1994 (AS **1995** 836; BBl **1994** II 721).

⁴⁴ [AS **1962** 773, **1984** 768, **1989** 257, **1985** 452, **1987** 600 Art. 16 No. 3, **1990** 1642, **1992** 2344, **2000** 273. AS **2003** 3543 Annex No. I 3]. See now: Parliament Act of 13 Dec. 2002 (SR **171.10**).

⁴⁵ Amended in accordance with Annex No. 8 of the Federal Act of 8 Oct. 1999, in force since 1 Jan. 2000 (AS **2000** 273 277; BBl **1999** 4809 5979).

8 November 1985⁴⁶ of the Finance Committees and Finance Delegation.⁴⁷

³ As for the rest, the finance committees and the Finance Delegation shall regulate the management of the Secretariat in their own standing orders.

VI. Final Provisions

Art. 19 Special arrangements

¹ The following institutions are not subject to the financial supervision by the Swiss Federal Audit Office:

- a. the Swiss National Bank;
- b. the Swiss Accident Insurance Fund (Suva) – with the exception of the Military Insurance Fund insofar as its administration has been assigned to Suva.⁴⁸

² Other special arrangements must be expressly provided for by law.

Art. 20⁴⁹

Art. 21 Implementing provisions

Implementing provisions shall be enacted by a generally binding federal decree not subject to a referendum.

Art. 22 Commencement, repeal of current law

¹ The Federal Council shall determine the commencement date of this Act.

² On the same date the Regulations on Federal Financial Audit (approved by the Federal Assembly on 2 April 1927⁵⁰) shall be repealed.

Commencement date: 1 January 1968⁵¹

⁴⁶ SR 171.126

⁴⁷ Inserted by Annex No. 8 of the Federal Act of 8 Oct. 1999, in force since 1 Jan. 2000 (AS 2000 273 277; BBl 1999 4809 5979).

⁴⁸ Amended in accordance with No. I 3 of the Federal Act of 18 March 2005 on the Transfer of the Administration of Military Insurance to the SUVA, in force since 1. Juli 2005 (AS 2005 2881 2883; BBl 2004 2851).

⁴⁹ Repealed by No. II of the Federal Act of 22 June 1990 (AS 1990 1642; BBl 1986 II 1381 III 196).

⁵⁰ [BS 6 21]

⁵¹ Federal Decree of 23 Oct. 1967 (AS 1967 1511)