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

of 28 June 1967 (Stand am 1. Januar 2018)

*The Federal Assembly of the Swiss Confederation,
based on Article 173 paragraph 2 of the Federal Constitution^{2,3}
and having examined the Federal Council dispatch of 25 November 1966⁴,
decrees:*

I. Position and Organisation of the Swiss Federal Audit Office

Art. 1 Position of the Swiss Federal Audit Office⁵

¹ The Swiss Federal Audit Office is the supreme financial supervisory body 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 exercising its constitutional financial powers and its supreme supervision of the Federal Administration and the administration of justice;
- b. the Federal Council in exercising its supervision of the Federal Administration.⁶

² The Swiss Federal Audit Office is independent and autonomous within the scope of the statutory provisions. It determines its audit programme annually and notifies the Finance Delegation and Federal Council thereof.⁷ It may refuse to accept special

¹ Amended by No I of the FA of 7 October 1994, in force since 1 March 1995 (AS 1995 836; BBl 1994 II 721).

² SR 101

³ Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

⁴ BBl 1966 II 708

⁵ In accordance with No I of the FA of 7 October 1994, in force since 1 March 1995, the margin titles were converted into article headings (AS 1995 836; BBl 1994 II 721).

⁶ Amended by No I of the FA of 19 March 1999, in force since 1 September 1999 (AS 1999 1806; BBl 1998 4703).

⁷ Second sentence in accordance with No I of the FA of 7 October 1994, in force since 1 March 1995 (AS 1995 836; BBl 1994 II 721).

assignments if they jeopardise the independence and impartiality of its future audit activities or the execution of the audit programme.⁸

^{2bis} A decision is taken on whether to accept or reject special assignments in an exchange of correspondence with the instructing unit. In the case of rejection, the reasons must be stated.⁹

³ In administrative terms, the Swiss Federal Audit Office is attached to the Federal Department of Finance.¹⁰

Art. 2¹¹ Organisation

¹ The Swiss Federal Audit Office is headed by a Director. He or she appoints all the staff of the Swiss Federal Audit Office. Unless otherwise specified below, the personnel law of the general Federal Administration applies by analogy.

² The Federal Council appoints the Director for a six-year term of office.¹² The election requires the approval of the Federal Assembly. The Federal Council may, after consulting the Finance Delegation, dismiss the Director before the end of the term of office in the event of a serious breach of his or her official duties.¹³ The decision on dismissal may be appealed before the Federal Administrative Court.¹⁴

³ The Swiss Federal Audit Office submits its draft annual budget to the Federal Council, which forwards it unchanged to the Federal Assembly.

⁴ With the approval of the budget of the general Federal Administration, the Federal Assembly determines the number of staff and staff remuneration of the Swiss Federal Audit Office.

Art. 3¹⁵ Involvement of experts

The Swiss Federal Audit Office may involve experts whenever the performance of its task requires special expertise or cannot be guaranteed with its regular staff.

⁸ Third sentence inserted in accordance with No I of the FA of 19 March 1999 (AS 1999 1806; BBl 1998 4703). Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

⁹ Inserted by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

¹⁰ Inserted by No I of the FA of 7 October 1994 (AS 1995 836; BBl 1994 II 721). Amended by No I of the FA of 19 March 1999, in force since 1 September 1999 (AS 1999 1806; BBl 1998 4703).

¹¹ Amended by No I of the FA of 19 March 1999, in force since 1 September 1999 (AS 1999 1806; BBl 1998 4703).

¹² Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

¹³ Third sentence in accordance with No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

¹⁴ Fourth sentence in accordance with No II 25 of the FA of 20 March 2008 on the on the Formal Revision of Federal Legislation, in force since 1 August 2008 (AS 2008 3437; BBl 2007 6121).

¹⁵ Amended by No I of the FA of 7 October 1994, in force since 1 March 1995 (AS 1995 836; BBl 1994 II 721).

Article 4¹⁶ Authorisation to make statements and produce documents

The Director is responsible for granting authorisation to make statements and produce documents in court proceedings. Five working days beforehand, he or she shall notify the head of the department in whose area of responsibility the matter lies.

II. Tasks, Scope and Performance of Audits**Art. 5¹⁷** Criteria of the Audit Office

¹ The Swiss Federal Audit Office carries out financial supervision according to the criteria of regularity, legality and economic efficiency.

² It conducts performance audits in which it clarifies whether:

- a. resources are being used economically;
- b. there is an appropriate balance between costs and benefits;
- c. outlays have the expected impact.

Art. 6¹⁸ Individual audit tasks

The Swiss Federal Audit Office has the following tasks in particular:

- a. It examines all finances at all stages of implementing the budget and carries out audits by means of spot checks before any commitments are made.
- b. It reviews the preparation of the state financial statements.
- c. It monitors how the administrative units control their credits and checks the management of guarantee credits.
- d. It examines the internal control systems.
- e. It uses spot checks to examine the payment orders issued by the administrative units.
- f. It is responsible for auditing the administrative units, including accounting and holdings.
- g. It checks whether monopoly prices are appropriate within the framework of federal procurement.
- h. It checks whether IT applications in financial management areas have the required security and functionality, especially whether the directives issued by the Federal IT Council (FITC)¹⁹ are being followed.

¹⁶ Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

¹⁷ Amended by No I of the FA of 7 October 1994, in force since 1 March 1995 (AS 1995 836; BBl 1994 II 721).

¹⁸ Amended by No I of the FA of 7 October 1994, in force since 1 March 1995 (AS 1995 836; BBl 1994 II 721).

¹⁹ The name of the administrative unit has been amended in application of Article 16 paragraph 3 of the Publications Ordinance of 17 November 2004 (AS 2004 4937).

- i. It carries out audit mandates at international organisations.
- j.²⁰ It examines the resource equalization and cost compensation calculations in accordance with the Federal Act of 3 October 2003²¹ on Fiscal Equalisation and Cost Compensation and the data supplied for these calculations by the cantons and the federal offices involved.
- k.²² ...

Art. 7 Expert opinions and advice

¹ The Swiss Federal Audit Office is responsible for cooperating on regulations concerning control and audit services, accounting, payment transactions and the keeping of inventories. It provides an expert opinion on all issues relating to financial supervision.

² The Swiss Federal Audit Office may be involved in the pre-advisory bodies' negotiations on the budget and state financial statements, as well as in individual credit applications.

Art. 8 Scope of supervision

¹ Subject to the special provisions of Article 19 and special statutory provisions, the following are subject to financial supervision by the Swiss Federal Audit Office:

- a. administrative units of the central and decentralised Federal Administration;
- b. Parliamentary Services;
- c. recipients of financial aids and grants;
- d. corporations, institutions and organisations of any legal form that the Confederation has charged with performing public tasks;
- e. enterprises in which the Confederation has a majority shareholding.²³

1bis ...²⁴

² The federal courts, the Swiss Financial Market Supervisory Authority, the Federal Audit Oversight Authority, the supervisory authority for the Office of the Attorney General of Switzerland and the Office of the Attorney General of Switzerland are

²⁰ Inserted by No I 1 of the FA of 22 June 2007 on the Transition to the New System of Fiscal Equalisation and Division of Tasks between the Confederation and the Cantons, in force since 1 January 2008 (AS 2007 5953; BBl 2007 645).

²¹ SR 613.2

²² Inserted by Article 111 paragraph 2 of the Value Added Tax Act of 12 June 2009 (AS 2009 5203; BBl 2008 6885). Repealed by Annex No 4 of the FA of 30 September 2016, with effect from 1 January 2018 (AS 2017 3575; BBl 2015 2615).

²³ Amended by No I of the FA of 19 March 1999, in force since 1 September 1999 (AS 1999 1806; BBl 1998 4703).

²⁴ Inserted by No I of the FA of 19 March 1999 (AS 1999 1806; BBl 1998 4703). Repealed by No I 3 of the FA of 17 December 2010 on the Participation of the Federal Assembly in the Supervision of Autonomous Entities, with effect from 1 January 2012 (AS 2011 5859; BBl 2010 3377 3413).

subject to financial supervision by the Swiss Federal Audit Office insofar as this serves the purpose of supreme supervision by the Federal Assembly.²⁵

³ The Swiss Federal Audit Office also carries out financial supervision where self-supervision has been established in accordance with the law or the articles of association.

Art. 9 Documentation

¹ The Federal Chancellery supplies the Swiss Federal Audit Office with all decrees of the Federal Assembly and Federal Council relating to the Confederation's finances.

² The departments and their offices and the federal courts inform the Swiss Federal Audit Office of the directives and rulings issued on the basis of the aforementioned decrees.

³ Upon request, the departments and their offices provide the Swiss Federal Audit Office with all documents relating to legal transactions and binding declarations, insofar as they may concern the Confederation's finances.

Art. 10 Information, administrative assistance and data access²⁶

¹ Notwithstanding any duty of confidentiality, the Swiss Federal Audit Office is entitled to request information and, in particular, to inspect documents and records. Postal and telegraph confidentiality remains guaranteed in any case.

² Any person subject to supervision by the Swiss Federal Audit Office is moreover obliged to give it all necessary assistance in the performance of its tasks.

³ The administrative units of the Confederation shall grant the Swiss Federal Audit Office the right to retrieve the data required for performing financial supervision, including personal data, from the corresponding data collections. If required, the right of access also extends to sensitive personal data. The Swiss Federal Audit Office may store the personal data brought to its attention in this way only until the end of the audit procedure. Access to the various data collections and the purposes pursued must be recorded.²⁷

Article 11²⁸ Internal audit units of the central Federal Administration

¹ The internal audit units of the central Federal Administration are responsible for financial supervision in their domain. In administrative terms, they report directly to the management of the department or office to which they are assigned, but they are

²⁵ Amended by Annex No II 13 of the Criminal Justice Authorities Act of 19 March 2010, in force since 1 January 2011 (AS 2010 3267; BBl 2008 8125).

²⁶ Amended by No I of the FA of 7 October 1994, in force since 1 March 1995 (AS 1995 836; BBl 1994 II 721).

²⁷ Inserted by No I of the FA of 7 October 1994, in force since 1 March 1995 (AS 1995 836; BBl 1994 II 721).

²⁸ Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

autonomous and independent in the performance of their specialist tasks. Their rules of procedure are subject to approval by the Swiss Federal Audit Office. The Swiss Federal Audit Office may submit proposals to the Federal Council for the creation of internal audit units.

² The Swiss Federal Audit Office periodically assesses the effectiveness of the internal audit units and ensures coordination. It may issue technical audit aids, especially with regard to working methods and procedures. It may issue directives on the involvement of the internal audit units in auditing the state financial statements. These units shall notify it of the annual audit programmes and all audit reports.

³ The internal audit units shall submit an annual report to the department or office management and the Swiss Federal Audit Office, providing information on:

- a. the scope and focus of their audit work;
- b. key findings and assessments; and
- c. the implementation status of the main recommendations and, if essential recommendations have not been implemented, the reasons therefor.

⁴ If the internal audit units identify deficiencies of fundamental or significant financial importance or unusual incidents, they shall immediately notify the department or office management and the Swiss Federal Audit Office thereof.

⁵ The Swiss Federal Audit Office shall promote employee training and continuing professional development in the internal audit units of the central Federal Administration.

III. Procedure for Complaints, Reporting and Official Dealings

Art. 12²⁹ Audit findings and objections

¹ The Swiss Federal Audit Office shall inform the audited administrative unit of its findings in writing. At the same time, it shall send the complete audit report to the head of the respective department.³⁰

² When auditing organisations and persons outside the Federal Administration, it shall disclose its reports and findings to the federal administrative unit responsible for financial management. It may object to the financial management and request appropriate measures.

³ If the audited administrative unit rejects a complaint by the Swiss Federal Audit Office concerning its economic efficiency, the Swiss Federal Audit Office shall submit its proposals to the department in charge. The administrative unit and the

²⁹ Amended by No I of the FA of 7 October 1994, in force since 1 March 1995 (AS 1995 836; BBl 1994 II 721).

³⁰ Second sentence inserted by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

Swiss Federal Audit Office may contest the department's decision before the Federal Council.³¹

⁴ If the audited administrative unit rejects an objection by the Swiss Federal Audit Office concerning regularity or legality, the Swiss Federal Audit Office may formally establish the irregularity or illegality and issue a directive.

⁵ The audited administrative unit may contest the Swiss Federal Audit Office's decision before the Federal Council.³²

⁶ ...³³

Art. 13³⁴ Cooperation with other audit offices

¹ The Swiss Federal Audit Office exchanges ...³⁵ audit programmes with the Parliamentary Control of the Administration and coordinates its activities with this office in direct communication.

² If it identifies deficiencies in the organisation, administrative management or performance of tasks, it shall notify the relevant cross-divisional offices and bodies accordingly. Depending on the problem area, it shall report its findings in particular to the Federal Finance Administration, the Federal Office of Personnel, the Federal Office of Information Technology, Systems and Telecommunication, the Federal IT Steering Unit, the Federal Office for Buildings and Logistics, the Federal Chancellor or the Federal Data Protection and Information Commissioner.³⁶

³ If it finds gaps or deficiencies in legislation, it shall inform the Federal Office of Justice.³⁷

⁴ The administrative units concerned shall report the measures they have taken to the Swiss Federal Audit Office.³⁸

Art. 14³⁹ Reporting and implementation

¹ The Swiss Federal Audit Office shall draft a report on each audit it has completed. It submits this and all associated documents, including the comments of the audited

³¹ Second sentence inserted by No I of the FA of 19 March 1999, in force since 1 September 1999 (AS 1999 1806; BBl 1998 4703).

³² Amended by No I of the FA of 19 March 1999, in force since 1 September 1999 (AS 1999 1806; BBl 1998 4703).

³³ Repealed by No I of the FA of 19 March 1999, with effect from 1 September 1999 (AS 1999 1806; BBl 1998 4703).

³⁴ Amended by No I of the FA of 7 October 1994, in force since 1 March 1995 (AS 1995 836; BBl 1994 II 721).

³⁵ The name of the administrative unit has been deleted in application of Article 16 paragraph 3 of the Publications Ordinance of 17 November 2004 (AS 2004 4937).

³⁶ Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

³⁷ Inserted by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

³⁸ Inserted by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

³⁹ Amended by No I of the FA of 19 March 1999, in force since 1 September 1999 (AS 1999 1806; BBl 1998 4703).

unit and a summary, to the Finance Delegation. At the same time as reporting to the Finance Delegation, it shall notify the Control Committees or the Control Delegation of the main business management deficiencies it has identified and inform the department head concerned.⁴⁰ It shall draft interim reports on prolonged audits.

^{1bis} The Swiss Federal Audit Office shall submit the audit report and summary concerning units that have become autonomous in accordance with Article 8 paragraph 5 of the Government and Administration Organisation Act of 21 March 1997⁴¹, for which strategic goals have been set, also to the Federal Council.⁴²

² After the Finance Delegation has dealt with an audit report from the Swiss Federal Audit Office, it may publish its report together with the audited unit's comments.⁴³

^{2bis} The audited units shall inform the Swiss Federal Audit Office annually and immediately after the expiry of implementation deadlines of the extent of implementation of the recommendations designated as top priority by the Swiss Federal Audit Office.⁴⁴

³ The Swiss Federal Audit Office shall submit an annual report to the Finance Delegation and Federal Council that provides information on the scope and focus of its auditing activity, important findings and assessments, and outstanding implementation issues and the reasons therefor.⁴⁵ The report is published.

^{3bis} If the Swiss Federal Audit Office finds that top priority recommendations are not being implemented on time, it shall notify the department head, or the Federal Council if the recommendations are aimed at the department. Notification must be given before the deadline expires if it is foreseeable that the recommendations cannot be implemented on time. Thereafter, the head of the department concerned is responsible for reporting the implementation status to the Swiss Federal Audit Office.⁴⁶

⁴ Based on the outstanding implementation issues listed in the annual reports of the Swiss Federal Audit Office, the Federal Council shall monitor the resolution of the issues raised with regard to compliance with regulations and legality and the implementation of requests in the area of performance audits.⁴⁷

⁴⁰ Third sentence in accordance with No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

⁴¹ SR 172.010

⁴² Inserted by No I 3 of the FA of 17 December 2010 on the Participation of the Federal Assembly in the Supervision of Autonomous Entities, in force since 1 January 2012 (AS 2011 5859; BBl 2010 3377 3413).

⁴³ Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

⁴⁴ Inserted by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

⁴⁵ Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

⁴⁶ Inserted by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

⁴⁷ Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

Art. 15 Official dealings

¹ The Swiss Federal Audit Office deals directly with the Finance Committees and the Finance Delegation, the Federal Council, the federal administrative units, the federal courts and the organisations and persons outside the Federal Administration subject to financial supervision.⁴⁸

² The Swiss Federal Audit Office shall inform the Head of the Federal Department of Finance of all matters directly connected with any other department head, the Federal Chancellor or the Federal Council.⁴⁹

³ If the Swiss Federal Audit Office identifies unusual incidents or deficiencies of fundamental or significant financial importance, it shall notify not only the services concerned, but also the department head concerned and the Head of the Federal Department of Finance. If the deficiencies ascertained concern the financial management of services provided by the Federal Department of Finance, the President of the Swiss Confederation or the Vice President of the Federal Council must be notified. At the same time, it shall inform the Finance Delegation. If it deems it appropriate, it shall notify the Federal Council instead of the department head concerned.⁵⁰

IV. Relationship with the Cantons**Art. 16** Scope of federal supervision

¹ Within the framework of its powers, the Swiss Federal Audit Office shall carry out audits on the use of federal funds in the cantons that receive financial assistance from the Confederation (contributions, loans, advances), provided such audits are provided for in a federal act or federal decree.

² In other cases, the Swiss Federal Audit Office may review the use of federal funds in agreement with the cantonal government.

³ As a rule, the Swiss Federal Audit Office works with the cantonal audit authorities, and it may delegate certain audit tasks to them.

⁴ The competent administrative units of the cantons shall provide all necessary support to the Federal Audit Office in the performance of its tasks.

Art. 17 Procedure

¹ If when carrying out its audit activities in accordance with Article 16 paragraph 1 the Swiss Federal Audit Office detects deficiencies in the cantons or in the bodies

⁴⁸ Amended by No I of the FA of 7 October 1994, in force since 1 March 1995 (AS 1995 836; BBl 1994 II 721).

⁴⁹ Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

⁵⁰ Inserted by No I of the FA of 18 December 1992 (AS 1994 20; BBl 1992 V 857 861). Amended by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

appointed by them, it shall notify the competent federal office, which will conclusively deal with the matter with the cantonal bodies. In relations between the federal office and the Swiss Federal Audit Office, the provisions governing the procedure for complaints (Art. 12) applies by analogy.

² If the Swiss Federal Audit Office detects deficiencies within the meaning of Article 16 paragraph 2, it shall simultaneously inform the cantonal government and the competent federal office, and submit the necessary requests.

V. ...

Art. 18⁵¹

VI. Final Provisions

Art. 19 Special arrangements

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

- a. the Swiss National Bank;
- b. the Swiss National Accident Insurance Fund (SUVA), with the exception of military insurance, provided that its management is assigned to SUVA.⁵²

² Further special arrangements require an explicit statutory provision.

Art. 20⁵³

Art. 21 Implementing regulations

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

Art. 22 Commencement, repeal of existing legislation

¹ The Federal Council will determine the commencement date for this Act.

² At the same time, the regulations for the Swiss Federal Audit Office (approved by the Federal Assembly on 2 April 1927⁵⁴) shall be repealed.

⁵¹ Repealed by No I of the FA of 17 March 2017, in force since 1 January 2018 (AS 2017 4883; BBl 2016 7117).

⁵² Amended by No I 3 of the FA of 18 March 2005 on the Transfer of the Management of Military Insurance to SUVA, in force since 1 July 2005 (AS 2005 2881; BBl 2004 2851).

⁵³ Repealed by No II of the FA of 22 June 1990, with effect from 1 January 1991 (AS 1990 1642; BBl 1986 II 1381 III 196).

⁵⁴ [BS 6 21]

Commencement date: 1 January 1968⁵⁵

⁵⁵ FCD of 23 October 1967

