

Audit of the supervision of continuing professional development organisations

State Secretariat for Education, Research and Innovation

Key facts

The State Secretariat for Education, Research and Innovation (SERI) is responsible for implementing the Continuing Education and Training Act (CETA). The act entered into force for the first time with the dispatch on the promotion of education, research and innovation for 2017 to 2020. The Confederation is charged with establishing principles on continuing professional development (CPD) and promoting skills and CPD. SERI grants financial assistance to CPD organisations and the cantons for this purpose. This amounted to a total of CHF 25.7 million (CPD organisations, 10.7 mn) for 2017 to 2020, and CHF 59.5 million (CPD organisations, 16.8 mn) for 2021 to 2024.

The Swiss Federal Audit Office (SFAO) audited SERI to determine whether the supervision of the CPD organisations ensures that funds are used for their intended purpose. At three selected CPD organisations¹, the SFAO verified whether the financial assistance was used as agreed with SERI. In spot checks of documents, the SFAO did not find any misappropriation of the funds used. However, some of the audited CPD organisations claimed planned costs instead of actual costs. In addition, the handling of unpaid voluntary work was unclear. In accordance with Article 14 of the Subsidies Act (SubA), only expenses that have actually been incurred can be taken into account when determining financial assistance. Planned costs do not meet these requirements. The SubA does not address unpaid voluntary work or what is meant by expenses actually incurred. The SFAO sees voluntary work as a way of generating funds. SERI must define binding regulations in this regard and implement them with regard to the CPD organisations.

In addition, it must ensure transparency concerning the origin and use of funds for subsidised services. The proportion and form of own contribution must be indicated in the origin of funds.

The SFAO expects SERI to reclaim any overcharged costs from the CPD organisations with the 2020 final statement. In addition, improvements must be made to the regulations on chargeable costs and in the supervision process.

Lack of traceability in the calculation of financial assistance

The objectives and requirements of continuing professional development are described in general terms in the act and ordinance. SERI has not yet broken these down into concrete performance targets. The CPD organisations base their performance on the legal framework and define the performance targets and indicators themselves. SERI adopts these as the basis for calculating financial assistance. The SFAO found that SERI allows itself to be externally influenced by the CPD organisations when setting targets. The CPD organisations are financially dependent on the Confederation; the share of financial assistance relative to

¹ National Adult Literacy Association (DVLS), Swiss Federation for Adult Learning (SVEB) and Swiss Association of Popular Universities VHS (VSV)

total revenue for all CPD organisations is over 50%. It is not comprehensible how the calculation of financial assistance per CPD organisation is based on the legally prescribed criteria of "federal interest and reasonable own contribution from the CPD organisations"².

The SFAO saw that the accounts of the audited CPD organisations are managed in different ways. The CPD organisations' financial reporting to SERI is done manually and therefore carries the risk of errors occurring. The financial information delivered to SERI does not provide sufficiently detailed evidence to allow SERI to assess whether funds are being used for their intended purpose.

The process for awarding financial assistance to CPD organisations is not described in sufficient detail. There is a lack of concrete implementation measures as to how SERI intends to assert claims for reimbursement against the CPD organisations after the end of the four-year period if services are not or only partially provided. Furthermore, there is no description of the checks to be carried out in the documentation of the internal control system; this only contains the means of control (e.g. reports).

SERI's supervisory activities are based on the annual discussion of the financial reports with representatives of the CPD organisations. This does not allow SERI to adequately ensure that the financial assistance is used for its intended purpose. SERI does not have overarching coordinated and risk-oriented supervision of financial assistance in connection with the CETA and the Vocational and Professional Education and Training Act (VPETA). By law, the calculation of financial assistance under the CETA and the VPETA differs. In contrast to the VPETA, the CETA does not permit the creation of earmarked reserves for the recipients of financial assistance. Consequently, the CPD organisations concerned have an incentive to optimise their financial situation by allocating costs in a way that is not proportional to those who generate them.

Original text in German

² Verordnung über die Weiterbildung (WeBiV) 419.11, Art. 3, Abs. 3 (not available in English)