

Audit of subsidies

Federal Office of Culture

Key facts

The dispatch on the promotion of culture for the period 2016 to 2020 defines three strategic thrusts: strengthening participation in cultural life, promoting social cohesion and respect for linguistic and cultural minorities, and exploiting the creative and innovative potential of culture for Switzerland's development. In 2016, the subsidies of the Federal Office of Culture (FOC) totalled CHF 141.2 million.

The Swiss Federal Audit Office (SFAO) audited four of these subsidies, all of which were selected based on a pre-analysis of the risks. They represented approximately CHF 8 million allocated for creation, cultural diversity and the preservation and showcasing of heritage.

The financial supervision of these subsidy recipients is generally insufficient. The FOC should strengthen it by defining guidelines that reflect the diversity of the subsidies allocated.

Concrete cases and subsidies to be redefined or eliminated

The city of Bern receives the "Bundesmillion" for the special cultural services it provides as the seat of the Federal Assembly and Federal Council. This decision is based on historical and political considerations. From an economic point of view, it is not possible to determine whether or not a subsidy is justified. It should be eliminated or defined as a non-repayable cash payment. FOC supervision should thus be limited to formal aspects, which would reduce administrative tasks.

The Memoriav association safeguards Switzerland's audio-visual memory. It would not exist without federal financial support. The implicit and systematic practice of financing project costs up to the maximum authorised amount should be adjusted. The project promotion regulations should be applied more strictly and budgetary control should be strengthened. Memoriav's financial statements include a reserve related to the annual contribution not used by the National Film Archive for preservation projects. The money retained should be allocated to other projects and the agreement signed between Memoriav and the National Film Archive should be called into question.

In the area of the promotion of reading, the subsidy recipients audited by the SFAO do not yet provide all of their services in the most economical manner. Profitability objectives should be defined in service level agreements. The payment terms and conditions must comply with current regulations and the Subsidies Act. The recipients of large amounts should improve the financial transparency of their accounts and set up an internal control system adapted to the risks.

The FOC does not agree with the recommendation regarding payment terms and conditions. This fundamental issue regarding the application of the Subsidies Act will be addressed in a different context from this audit.

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