

Audit of subsidies

Federal Office of Civil Aviation

Key facts

The special financing for air transportation is an instrument that allows the Confederation to provide financial support for measures that concern national aviation. By granting financial assistance, the special financing for air transportation aims to limit the impact of air traffic on the environment, strengthen defences against unlawful acts against aviation (security) and promote a high level of technical safety in air travel. The Federal Office of Civil Aviation (FOCA) has between CHF 45 and 49 million available annually for this purpose, depending on mineral oil tax and surtax receipts.

The Swiss Federal Audit Office (SFAO) carried out audits both at the FOCA and at selected subsidy recipients. It selected two research projects from the Swiss Federal Laboratories for Materials Science and Technology (Empa) for audit: a communication campaign of Zurich Airport AG and the total renovation of Gstaad-Saanenland airport. The SFAO decided to review one subsidy recipient per area of support and to focus on completed projects. The selected projects are either subsidised to a comparatively substantial extent or carried out by a financially strong subsidy recipient or else the work invoiced accounts for a large proportion of the total financial assistance granted.

The audit concluded that the federal funds are being used for the intended purpose and the SFAO did not find any indications that the subsidies are not being used economically. The SFAO found that the subsidy recipients were properly managing their projects in accordance with the requirements of the FOCA and the Subsidies Act. However, there is room for improvement particularly with regard to accountability.

Action required in award and supervision process

The logically structured award process at the FOCA complies with the legal framework and is suitable for counteracting known risks in the context of subsidy awards. However, the SFAO recommends accelerating the approval process and paying greater attention to possible deadweight effects and multiple subsidies.

A supervisory concept should be established that provides for a risk-oriented review of the subsidy recipients' accounts as well as on-site checks. In particular, a substantive invoice control process must be provided for and efforts must be made to ensure that only costs actually incurred are subsidised.

The internal control system is to be revised due to the replacement of the existing business process management system. Individual tools associated with the evaluation of applications require updating.

Challenges concerning approach and departure control at regional airports

In accordance with the statutory requirements, between 12.5% and 25% of the funds available from the special financing for air transportation are to be allocated to "environment" and "security", and 50% to 75% to "safety".

Air traffic control at regional airports generates a deficit of around CHF 30 million a year. This shortfall has been fully covered by the special financing for air transportation since 2016. Under the leadership of the FOCA, a reassessment of the overall situation concerning regional aviation has been under way since October 2018.

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