

Audit of the implementation of the subsidy measures agreed since 2008

Federal Finance Administration

Key facts

On behalf of the Federal Council, the Federal Finance Administration (FFA) periodically reviews federal subsidies (around CHF 38.8 billion annually, as at end of 2016) for their compliance with the principles of the Subsidies Act and for their effective and economic performance of duties¹. The Federal Council provides a written report on this. Before 2008, all subsidies were reviewed², since 2014 one department is reviewed per year, a report on which is included in the notes to the state financial statements.

Although it was not a main purpose of the review, the Federal Council presented an annual savings potential of CHF 104 million in the Subsidy Report 2008. This could be achieved by implementing measures, some of which had already been adopted and others which were yet to be adopted (2008's perspective). The easing of pressure on the federal budget is seen as a welcome side effect of the review in terms of sustainable financial policy.

Political will as a deciding factor

The Swiss Federal Audit Office (SFAO) wanted to know what had become of the savings potential and compared 70 subsidy credits, for which need for action had been identified in 2008, with expenses in 2016. It should be noted restrictively that the comparison is made difficult as many credits have been restructured since 2008, be it through combination with other subsidies, splitting up or other changes.

Out of the 70 subsidies, annual gains roughly equal to the announced savings potential were noted for 13 credits. At the same time, however, the total subsidy volume of the 70 credits, for which measures were recommended in 2008, grew by CHF 2.8 billion (from CHF 9.9 billion to 12.7 billion).

The subsidy review allows optimisations to be made and greater efficiency and effectiveness for individual credits achieved. Overall, however, political will is the deciding factor. Further cost reductions would require combination with a savings programme or a corresponding political mandate.

Original text in German

¹ Art. 5 of the Federal Act on Financial Aids and Grants (Subsidies Act, SubA)

² Federal Gazette 2008, p. 6229 et seq., Subsidy Report 2008 of the Federal Council of 30 May 2008 (Subsidy Report 2008)