

Audit of optimisation potential in the case of subsidies and contributions

Federal Food Safety and Veterinary Office

Key facts

The main task of the Federal Food Safety and Veterinary Office (FSVO) is to actively promote the health and well-being of humans and animals. The main pillars for this are food safety and a healthy diet in the case of humans and protection and health in the case of animals. In 2016, the FSVO had approximately CHF 10.2 million available in subsidies, divided into seven loans.

The Swiss Federal Audit Office (SFAO) audited two loans (animal health service and monitoring of animal diseases) amounting to about CHF 4.4 million with regard to their lawful and efficient use. Furthermore, the implementation of the optimisation potential identified by the Federal Finance Administration (FFA) from the "2015 subsidies audit" was assessed.

In individual cases, the FSVO violates the Financial Budget Act and the Subsidies Act

The FSVO has logically structured the award and business processes and has presented them in a pertinent manner in the relevant documents. There are gaps in the practical implementation of supervision. Based on the findings in the areas of animal health services and monitoring of animal diseases, we recommend a pragmatic approach to supervision.

On various occasions, the FSVO recorded subsidy payments as function-specific expenses and thereby failed to comply with the principles of specification or violated the principle of annuality or the ban on the utilisation of credit facilities in the amount of CHF 477,000, or around 5% of total subsidies.

Lack of transparency and unbalanced payments

The accounts and the 2016 consolidated financial statements for the Livestock and Cattle Health Service (LCHS), comprising the Bern and Zurich sites, were not properly/comprehensibly maintained. There is a lack of transparency on the shrewd and economical use of resources. Within the scope of the audit, the FSVO specified to the LCHS to prepare cost unit accounting for research projects, to carry out accruals and deferrals and to present the annual accounts of the sites as well as the consolidation in the activity report among other things. The FSVO must strictly monitor compliance with the measures.

The costs associated with animal disease prevention are financed by the slaughter tax (restricted receipts). The expenditure budgets are based on the receipts of previous years. As a result of lower receipts, however, the expenditure budgets were always higher than the actual restricted receipts for the financial year. These excessively high payments, booked by the FFA, have since risen to approximately CHF 190,000. Equalization measures have been instigated.

The documentation in the area of animal disease prevention is not fully up to date. Understanding the data in the report on monitoring animal diseases is possible for third parties but only with considerable effort. The FSVO has identified the need for action and initiated corresponding work and clarifications.

Status of 2017 operations from the FFA's "2015 Subsidies Audit" at the Federal Department of Home Affairs

In the case of disease-control measures, the FSVO has already implemented the recommendations. Most of the remaining measures envisaged will be implemented by the FSVO in 2018 and 2019.

In the case of the research contributions in accordance with the 3R concept (Replace, Reduce and Refine in animal testing), the SFAO pointed out that particular attention must be paid to the aspect of economic efficiency in view of the high proportion of public funds. In the area of animal health contributions, the establishment of a joint office in the shape of a PPP organisation is not desirable. The SFAO doubts that this would lead to savings given the very small subsidy amounts.

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