

Audit of the subsidy for milk testing

Federal Food Safety and Veterinary Office

Key facts

The national milk producers' and processors' organisations commission the laboratory Suisselab SA to test milk quality. The laboratory carries out sample testing twice a month at nearly 20,000 farms. Part of the testing is based on federal regulations. This milk testing under public law is subsidised by the Federal Food Safety and Veterinary Office (FSVO).

At the request of the FSVO, the Swiss Federal Audit Office (SFAO) audited the subsidies paid to Suisselab SA for 2016 and 2017. Of the CHF 6.6 million paid over these two years, more than CHF 1.9 million is not justified by the eligible expenditure. The overpaid subsidies will have to be recovered by the FSVO.

Ineligible expenditure was subsidised

Under the Subsidies Act, expenditure that is effectively linked to the subsidised activity may be included. An assessment of the main costs recorded under the milk testing cost centre (KT 200 MP) for 2016 and 2017 shows three types of eligible problem. First, the costs comprise expenses not permitted by the Milk Testing Ordinance. Second, some costs do not correspond to an effective expense. Finally, in the view of the SFAO, certain expenses are too high.

The SFAO also observed a lack of transparency and traceability in the cost accounting provided by Suisselab SA to justify the costs of milk testing. In future, the FSVO must ensure that costs are recorded reliably and transparently.

Subsidies cover almost all of the testing costs

In 2016 and 2017, FSVO subsidies covered almost all of the milk testing costs invoiced by Suisselab SA to the milk producers' and processors' organisations. This is not usual practice. It does not take into account the self-financing measures which the Confederation can expect from recipients of the contribution. The SFAO noted that the Federal Council proposed to abolish this subsidy as part of the 2018 budget exercise, but this was not passed by Parliament.

The FSVO should adopt the principle of a flat-rate contribution for milk testing. A contribution of this kind would make it possible to simplify the monitoring procedure. However, it would require a significant financial contribution from the milk industry and regular checks on the consistent application of the contribution.

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