

Audit of fiscal equalization between the Confederation and the cantons

Key points

The auditing work of the Swiss Federal Audit Office (SFAO) on the collection and processing of the data used as a basis for the calculation of resource equalization for 2016 revealed no significant errors or shortcomings.

Slight increase of 0.45% in equalization payments (previous year: 2.02%)

The annual volume of NFE equalization payments for 2016 will be slightly higher than in the previous year, reaching CHF 4,932 million (4,910 million in 2015). Resource equalization accounts for CHF 3,873 million of that figure (3,825 million in 2015). CHF 1,572 (1,552 million in 2015) is to be borne by the financially strong cantons (horizontal resource equalization). The Confederation will assume a total of CHF 3,246 million (3,238 million in 2015), financing in particular the entire cost compensation amount of CHF 718 million (726 million in 2015).

The cantons deliver good-quality NFE data

Based on the audit actions carried out, the Swiss Federal Audit Office considers that the quality of the data is good. In all of the cantons audited this year (Aargau, Appenzell Ausserrhoden, Appenzell Innerrhoden, Glarus, Neuchâtel and Uri), the checks conducted for the reporting of NFE data for resource equalization were described and documented in a comprehensible manner. This also applies mainly for the administration of the NFE data extraction programs. With the reporting on a case-by-case basis of all tax data required for resource equalization, the checks of the cantons, the Federal Tax Administration (FTA) and the SFAO could be carried out even more effectively.

During its audit, the SFAO came across a large legal entity that was reported in the NFE with two assessments (ordinary tax assessment and domiciliary company). Three assessments exist in the assessment system for this entity (ordinary, domiciliary company and holding company). The SFAO complained that a legal entity cannot be assessed at cantonal level in the ordinary manner and as a domiciliary company at the same time, and requested a data report as a mixed company. The NFE quality assurance expert group prompted the correction of the data report as a mixed company.

Stable NFE process in the federal offices involved

As part of the FISCAL IT project, the FTA is also revising the application used for national fiscal equalization. Contrary to the SFAO's recommendation, no aspects to increase efficiency have yet been examined comprehensively when shaping the solution. The ICS has been improved and consists of a process inventory, process descriptions and a risk control matrix.

The data of the Federal Statistical Office (FSO) is based on information from statistics published ordinarily. The NFE data reporting processes and checks are described. Largely automated checks exist for the figures from the corporate structure statistics (STATENT), which were used for the first time in the NFE reference year.

The SFAO carried out a risk-oriented audit of the fiscal equalization calculations performed by the Federal Finance Administration (FFA). It found no errors with its audit actions. Neither the adjustment of the resource equalization endowment (reduction of CHF 165 million) in accordance with the federal



decree nor the calculation of the alpha and beta weighting factors for the assets indicator and the profits of legal entities indicator gave rise to comments. The FFA has a list of the authorised exceptions to the instructions for the cantons to report data to the FTA. The SFAO recommends that the FFA publish this list on an annual basis with the figures report.

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