

## **SFAO discussion paper for possible audit topics**

### **"Combating abuses" with regard to the receipt of social insurance benefits**

#### **Key points**

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Social insurance expenditure rose from CHF 119 billion to CHF 142 billion between 2007 and 2012. The Swiss Federal Audit Office (SFAO) believes that proper and effective implementation processes significantly limit the risk of abuses with regard to the receipt of benefits. Sufficient human resources, access to the necessary information and an appropriate exchange between social insurance funds are key prerequisites for this. During its social insurance audits, the SFAO will also focus on the implementing offices and processes in the future.

The document is an internal SFAO discussion paper. It was prepared in view of the 2015 annual conference of the cantonal and city audit offices, the new social insurance working group and possible audits.

The discussion paper gives an overview of the social insurance funds and shows the SFAO's assessment with regard to abuse. The observations focus solely on the receipt of benefits. The investigations did not take into consideration the contribution side, where it is possible to minimise contributions unjustifiably by means of false details.

#### **Reliable figures on actual abuses are not available**

The term "insurance abuse" refers to deliberate action performed by a person that leads to an unlawful insurance benefit. Examples of such actions include faking a medical condition, submitting falsified documents, wilfully failing to comply with a reporting duty, concealing information and making improper use of social assistance. Meaningful and binding figures on the forms of abuse for the individual social insurance funds are not available. Private insurers estimate the extent of their loss to be between 3% and 10%, depending on the insurance line in question.

#### **Information is provided on abuse, countermeasures are taken**

Combating abuses in the area of social insurance was rarely discussed in public a decade ago. That has changed drastically in the meantime. The communication efforts of insurers are more aggressive and expedient today. The media regularly report on cases that are detected. In this regard, the risks of abuse exist not only in terms of benefit recipients, but also at all levels of social benefit processing. Against this backdrop, the social insurance funds have taken specific measures. For example, anti-fraud units have been introduced. Moreover, new social insurance agreements with other countries include a clause that allows for onsite observations.

Parliamentary procedural requests have also addressed the topic on several occasions in recent years, calling for more stringent eligibility requirements or the intensification of checking activities, among other things.



### **Effective implementation processes significantly limit the risk of abuses**

The SFAO believes that proper and effective implementation processes significantly limit the risk of abuses. Basing benefit receipt decisions on comprehensive information substantially reduces any abuse. Ensuring that the necessary resources are made available for clarifying and determining the benefits as well as periodically reviewing recipients' current situation is a key prerequisite for this.

The SFAO will continue to focus on the implementing offices and their processes in future audits of social insurance funds.

The document was submitted for information purposes to the Federal Social Insurance Office and to the State Secretariat for Economic Affairs. Both have given their opinion on it.

**Original text in German**