

Specialist, administrative and financial supervision of IV offices

Key points

The Swiss Federal Audit Office (SFAO) conducted an audit on the Federal Social Insurance Office's (FSIO) specialist, administrative and financial supervision of the cantonal disability insurance offices and the disability insurance offices for insured persons domiciled abroad.

With receipts of CHF 9.9 billion and expenditure of CHF 9.3 billion, an operating result of CHF 685 million was achieved in 2014 for disability insurance. The operating result would have been negative without the supplementary fixed-term financing which runs until the end of 2017. At the end of 2014, overall disability insurance had 440,000 service users, 260,000 of which were drawing a pension.

Since the fifth revision of disability insurance in 2008, the FSIO is exclusively responsible for supervision of the cantonal IV offices. During this audit, the SFAO verified that the FSIO fully assumes its supervisory responsibility. Efforts are continually being made in all areas to optimise not just supervision but also the work of the supervised IV offices. In terms of organisation and concept, supervision is good and the implementation of supervision is judged to be mostly positive. In this context, the planning and implementation of the audits of the IV offices, the fight against insurance fraud and the efforts to contain administrative costs should be mentioned in particular.

The impact achieved through the control and supervision of the FSIO shows a positive picture: a decline in the number of new disability pensions and pension claimants overall, a growing number of cases of professional reintegration, and savings in pensions due to identification of insurance fraud.

In spite of this, there is room for improvement in several areas.

In 2007, the FSIO drew up three concepts within the scope of the reorientation of supervision: "supervision", "performance-based control" and "quality management". They are based on analyses of risks, objectives and success factors for the overall disability insurance system and together make up the supervisory control loop. The concepts have been drawn up very systematically, comprehensively and in a well thought-out way. Only the follow-up to recommendations from the audit findings has not been given sufficient consideration in the "supervision" concept.

As a result, the SFAO also found weaknesses in practice in this area. Audits of the IV offices are conducted on site and certain improvement measures are recommended. However, these recommendations are not binding for the IV offices. If they are not implemented, as a rule there are no repercussions except in the case of troubling findings and outstanding recommendations are discarded after a one-year period. The follow-up process to the recommendations must therefore be improved.

The three concepts have been left unchanged since they were drawn up with the result that they are now no longer in line with the actual control and supervision due to continuous developments in practice on many points. They must therefore be revised and updated in line with the annual strategic SWOT analysis (strengths, weaknesses, opportunities and threats).



When the concepts were implemented, quality management along with impact-based control were somewhat eclipsed. Given that the impact indicators (figures) illustrate the political will of "reintegration rather than disability pension" and the thrust of the restructuring of disability insurance, this area is being very actively pursued. Established by law and in the concepts which the FSIO wanted to specify for the IV offices and systematically audit, the quality criteria no longer exist. The reports of the IV offices on their quality management and their internal control systems will not be required. The target agreements too, which were concluded with individual IV offices, do not contain the guidelines on quality and reporting provided for in the ordinance, only the impact indicators to be achieved.

The quality of task performance by IV offices is of vital importance for the reputation of disability insurance and the associated agencies and offices. It must be given a higher priority by the FSIO, whereby the existing quality management concept is updated and implemented. The guidelines and recommendations from this area should also be integrated into the target agreements along with the specific IV office objectives.

In particular, attention should be paid to the quality of the medical reports by the regional medical services and the external expert offices. Since 2012, the FSIO has gone to great lengths to improve the quality of the interdisciplinary reports of the Medical Institute for Disability Assessment (MEDAS). However, this process has not yet been concluded. The quality guidelines of the medical professional associations of the Swiss Medical Association (FMH), which must be explained and should be implemented with the corresponding quality controls in disability procedures, have not yet progressed as planned. The evaluation system of the IV offices for the reports, also introduced in 2012, is not yet being systematically analysed. Both of these pending issues have to be attended to by the FSIO as soon as possible. With regard to the multidisciplinary and single discipline reports, overall quality assurance must be improved.

The administrative costs of the IV offices are covered by the IV compensation fund. The FSIO is responsible for financial supervision. The IV offices are awarded a maximum flat rate for costs in the area of IT. If this flat rate is not used, the FSIO builds up an internal, virtual reserve. Various IV offices fully exploit the flat rate and transfer the entire amount to their external IT pool (system providers). For one of the three pools overall, any surplus is placed into a reserve for the pool account. The appropriateness of the contributions is incomprehensible for the FSIO given that the IV offices do not have to submit an IT strategy plan due to the legal basis. Both types of unidentified reserves are not compatible with transparent accounting. Moreover, direct access to surplus funds is no longer guaranteed due to the early payments to the IT pool. The problems linked to the flat-rate compensation of IT costs must therefore be resolved immediately. In addition, an IT strategy plan must be requested for the financial supervision of the IV offices.

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