



**Embargo: 05.10.2017 – 7am**

Press release

## Federal accounts are well kept, but there are some risks

**Bern, 05.10.2017 – The Swiss Federal Audit Office (SFAO) confirmed the compliance of the 2016 federal financial statements and recommended their approval to Parliament. For the SFAO's auditors, the federal accounts are well kept. Nevertheless, several dossiers may have an impact on them.**

Published today, the detailed audit report on the Confederation's state financial statements is the result of significant collaborative work between the SFAO and its partners in the Federal Administration. In 2016, the general government's statement of financial position amounted to CHF 106,843 million. There was CHF 65,877 million in revenue, versus CHF 64,891 million in costs. Added to this was a negative financial result of CHF 1,352 million and extraordinary revenue of CHF 300 million. The statement of financial performance thus recorded a deficit of CHF 66 million. As the statutory auditor, the SFAO formally certified the compliance of these accounts.

In addition, the work carried out by the SFAO unreservedly confirmed the existence of an internal control system in the Federal Administration. This control system helps prepare good-quality accounts. The Federal Finance Administration (FFA) and the other administrative units audited have made great efforts to improve the presentation and reliability of the financial statements. The FFA has implemented the SFAO's recommendations. Two of these will be implemented in fiscal 2017.

### **The Confederation's financial statements are dependent on how several dossiers evolve**

For the record, the 2016 accounts were hampered by the expense overhang of CHF 483 million. It resulted from a legislative amendment sought by Parliament. Since the end of September 2016, this amendment has forced the Federal Tax Administration to deduct or reimburse late-payment interest calculated on withholding tax. Moreover, a provision of CHF 215 million was created to take account of the Confederation's risk exposure to sureties for oceangoing vessels.

The impact of two other dossiers on the federal budget remains uncertain. The first of these concerns value added tax (VAT) within the context of the fees for the reception of radio and television programmes. Proceedings before the Federal Supreme Court could force the Confederation to retroactively refund VAT to all those subject to this fee.

The second dossier relates to the financing of accompanying measures in the case of a free trade agreement in the agri-food sector within the scope of the World Trade Organisation and/or the European Union. This financing is based on customs duties levied on the importation of agricultural products and foodstuffs. At the end of 2016, the fund amounted to more than CHF 4628 million and has never been used. The effects of market opening form the subject of an analysis to determine whether it is advisable to extend this financing, which is in principle limited to 31 December 2016.

#### **Further details**

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*The report for audit mandate 17093 is available on the SFAO's website:*

[www.cdf.admin.ch](http://www.cdf.admin.ch)