



Equalisation of Resources and Compensation of Burdens: 2009 audit of the cantons and federal administrative offices

Key facts

The audit did not identify any material weaknesses or errors in the process of collecting, processing and calculating the 2010 financial equalisation data.

For the most part, the two directives issued by the Federal Department of Finance (FDF) on the collection and processing of data concerning the equalisation of resources and compensation of burdens, adopted by the Head of the Federal Department of Finance on 19 December 2008, have been correctly applied. Furthermore, the errors identified by the SFAO in the cantonal data on the equalisation of resources have been adjusted in accordance with the FDF directives.

The checks and controls conducted by the Federal Tax Administration (FTA) to ascertain the quality of the individual data are appropriate and are systematically implemented. They do not guarantee, however, that all errors made by the cantons are identified. Where irregularities are identified with respect to year-on-year aggregate figures, this is not automatically followed by more thorough controls. The addition of new fields to the specifications of details could enhance the quality of controls.

The cantons' certification of the definitive data constitutes a marked improvement. However, the SFAO regrets that only some cantons have set up a quality assurance system. Discrepancies exist in the way the cantons forward their provisional data on federal direct tax. The SFAO noted that some cantons do not systematically invoice the advance payments stipulated in Art. 162 of the Federal Direct Tax Act. The FTA has indicated its intention to take appropriate measures.

The Federal Statistics Office (FSO) has formalised the process of collecting, processing and checking the data related to the compensation of burdens. Data on international public servants are now also used in calculating the level of employment. However, these statistics are manually restated by the FFA. The SFAO has recommended that, in future, the FSO should provide the FFA with the definitive statistics only.

The SFAO is pleased to observe the traceability of the FFA's processing and correction of financial equalisation data. Nonetheless, it regrets the fact that the FFA has not yet equipped itself with an IT environment commensurate with the financial and political stakes of RFE (reform of financial equalisation). The use of spreadsheets, in both the FTA and FSO interfaces and data processing, is an option fraught with risk.

Finally, concerning the issue of retroactive adjustments of data, the SFAO regrets the decision by the Federal Department of Finance and the Swiss Conference of Cantonal Directors of Finance to accept the Canton of Jura's request for such retroactive adjustment. The SFAO regards this as a step in the wrong direction: a hypothetical fear of one day having to face an appeal from a canton (the outcome of which, in any case, would not be certain) has resulted in the acceptance of retroactive adjustment for the data of all cantons. This situation contradicts the principle of legal certainty, calls into question the budgets and accounts already adopted in all the other cantons and leads to unnecessary bureaucracy. Furthermore, it singularly diminishes the value of the certificate of conformity the cantons are required to present.

Internal control measures are needed to ensure the traceability and documentation of manual operations in the FTA database. The FTA has undertaken to implement the SFAO's recommendations.

As to the recommendation – outstanding for two years now – to adopt an IT environment better adapted to the financial and political stakes, the FFA announced its decision to proceed into production in April 2010.

The SFAO will monitor implementation of these recommendations in the course of its audits in 2010.