

2012 Annual Report of the Parliamentary Control of the Administration

Appendix to the 2012 Annual Report by the Control Committees and the Control Delegations of the National Council and the Council of States

of 25 January 2013

The activities of the PCA in 2012 at a glance

In the course of 2012, the Parliamentary Control of the Administration (PCA) published two evaluations and launched four new investigations. In addition, the PCA resumed the evaluation suspended in 2010 of the recruitment of senior management by the Federal Council by resolution of the Control Committees of the Federal Assembly (CC). Also in this reporting year, the PCA drafted various statements concerning follow-ups by the CC as well as proposals regarding possible subjects for the CC's 2013 annual programme.

Completed investigations

*The evaluation of the **Federal Council's strategic steering of the social insurance system** examines the possibilities the Federal Council has in terms of steering in the field of social insurance and the extent to which the Federal Council undertakes appropriate steering of the social insurance system. The evaluation concludes that overall the Federal Council's strategic steering in the field of social insurance functions well, but also notes that in some respects there is a need for optimisation. No overriding systematic approach to strategic analysis has been developed, in other words for situation analysis and early recognition in the field of social insurance. In particular, the Federal Council failed to perform a sufficient number of prospective impact analyses. In addition, as per 2011 no explicit strategy had been formulated in any of the areas investigated (old age and survivors' insurance, invalidity insurance, occupational pension schemes and health insurance). Where available, the elements of a strategy needed to be reconstructed from various documents (Federal Council dispatches, decisions of general principle, etc.). The evaluation revealed that although strategic goals existed, but that they were, for the most part formulated in general terms and above all, not prioritised. In addition, the Federal Council focused heavily on developing legislation. It made comparatively little use of implementation provisions as an instrument for strategic steering, and did thereby not take full advantage of the scope for action that it enjoys, particularly in the area of health insurance. Regarding the collective involvement of the Federal Council, the results of the evaluation indicate that the Federal Council as a collegial body does not seem to have been actively and systematically involved in the development of the social insurance system during the investigation period.*

In the 1990s, the state-owned enterprises Swiss Post, Swisscom and Swiss Federal Railways (SBB) became independent. At the same time, the markets, in which these enterprises operate, were partially liberalised. This is the background against which

*the investigation of **DETEC's practice in the steering of Swiss Post, Swisscom and SBB** raises the question of how the Confederation governs its independent companies under these changed conditions. The study conducted by Professor Reto Steiner (University of Bern) reaches the conclusion that the underlying conceptual governance model is appropriate for the governance of the companies, but expresses reservations about the practical application. The Federal Council's strategic objectives are thus numerous, but not always allocated to the appropriate level and are hardly prioritised. In addition, possible conflicting objectives are not addressed. This is the background against which the federal government has in several cases interfered in the companies' decisions, even though the decisions did not contradict the Federal Council's strategic objectives. In so doing, the Federal Council violated the companies' autonomy. The report cites the examples of disputes regarding Swiss Post distribution centres or the SBB maintenance depot in Bellinzona. Another critical finding concerns the basis on which the Federal Council monitors the companies' performance and achievement of objectives. It is worth pointing out that there is no clear legal basis for the Federal Council to have direct access to the companies' corporate data.*

Ongoing investigations

*Foreign policy issues such as the difficult negotiations with Germany over a taxation agreement or Zurich airport regularly make headlines. It is not uncommon to read criticism about the cooperation between the various departments and offices of the federal administration involved. The CC have already pointed out that the coordination of Swiss foreign policy is becoming both increasingly difficult and urgent due to internationalisation. In view of this problem, the CC have instructed the PCA to investigate the strengths, weaknesses, opportunities and risks of **inter-departmental cooperation in foreign policy**. The results of the investigation are expected to be submitted to the relevant sub-committee in July 2013.*

*Since the Agreement on the Free Movement of Persons came into force in June 2002, there has been a sharp increase in immigration from EU/EFTA member states. This led to a political debate on the costs and benefits of the free movement of persons and on the ability of the authorities to control immigration. This is the background against which the CC instructed the PCA to evaluate the **residence of foreign nationals under the Agreement on the Free Movement of Persons**. The evaluation examines the residence histories of immigrants, and also takes a closer look at the cantonal authorities' practice in issuing residence permits and at federal supervision. The evaluation examines the extent to which immigrants claim unemployment insurance or social assistance, and in particular whether this has consequences on their stay. The PCA is expected to present its report to the relevant sub-committee in November 2013.*

*The recruitment of senior management positions within the Confederation has sparked fierce controversy in recent years. This is the background against which the CC instructed the PCA on 23 January 2009 to evaluate the **recruitment of senior management by the Federal Council**. However, the evaluation had to be abandoned because, according to the Federal Council, the CC did not have sufficient rights to obtain the necessary information for this investigation. In the meantime, the provisions on rights to information have been clarified and a revised version has been in force since 1 January 2012. The evaluation has now been*

relaunched focusing on all the nominations of senior management staff made by the Confederation in 2012. The PCA is expected to submit its findings to the relevant sub-committee in July 2013.

*The practice in the federal administration of drawing on external employees raises questions regarding its significance, transparency and expediency. The CC have therefore instructed the PCA to carry out an investigation on **external employees in the federal administration**. Based on case studies from selected federal offices, the evaluation should assess the transparency of involving external employees. It should also examine the question of equal treatment of external and internal employees. Finally, it will examine whether the strategy of drawing on external staff applied by the offices is appropriate. The report is expected to be submitted to the relevant sub-committee in November 2013.*

*Roughly a fifth of the total costs of compulsory health insurance are attributed to the provision of medication. All medication paid for by the compulsory health insurance must be added to the list of covered products by the Federal Office of Public Health. The CC mandated the PCA to evaluate the processes of **authorisation and appraisal of medication covered by health insurance**. The investigation is based on a legal opinion, an international comparison of systems and a systematic evaluation of the authorisation process for medicinal products as well as the review process after three years. The results of the investigation are expected to be submitted to the relevant sub-committee in June 2013.*

The full Annual Report is already available in German and French, and the Italian version should be ready in May 2013: <http://www.parlament.ch> > Bodies and council members > Committees > Parliamentary Control of the Administration