

2014 Annual Report of the Parliamentary Control of the Administration

Appendix to the 2014 Annual Report by the Control Committees and the Control Delegations of the National Council and the Council of States

31 January 2015

The activities of the PCA in 2014 at a glance

In the course of 2014, the Parliamentary Control of the Administration (PCA) published four evaluations. Five evaluations are still ongoing. Also in this reporting year the PCA drafted proposals for the 2015 annual programme of the Federal Assembly's Control Committees (CCs) and prepared follow-up monitoring for the CCs.

Completed investigations

*Since the Agreement on the Free Movement of Persons (AFMP) came into force in June 2002, the number of persons coming to Switzerland from EU/EFTA states has dramatically increased. Against this background, the CCs commissioned the PCA to evaluate the **residence of foreign nationals under the AFMP**. The PCA linked up, for the first time, a range of administrative data and looked at what these foreign nationals do when living in Switzerland. The results of the evaluation show that, according to information from the federal offices, foreign nationals come to Switzerland under the AFMP primarily for the purposes of work, and this type of immigration is particularly dynamic: many of the one million or so persons who came to Switzerland under the agreement up to the end of 2011 have already left. Net immigration up to the end of 2011 was around 600 000. Average unemployment benefit and social welfare payments were low in the first few years of the Agreement on the Free Movement of Persons but rose thereafter. At the end of 2010, EU/EFTA immigrants were on average drawing less in social welfare benefits than Swiss citizens, although unemployment benefit claims were higher in 2009 and 2010. The evaluation also shows that for a long time the federal authorities made little mention of the fact that immigration under the Agreement on the Free Movement of Persons can only be controlled to a limited extent, and that the legislation needed to exploit the opportunities to do so was put in place at a very late stage. Finally, the Federal Office for Migration does not closely supervise the way the cantons implement the AFMP.*

*In a further investigation commissioned by the CCs, the PCA looked at whether there were any difficulties in **inter-departmental cooperation in foreign policy** and how those directly involved assess this cooperation. The evaluation concluded that there are no serious coordination problems between the various departments and federal offices. However, the PCA did note that cooperation can sometimes be problematic as there is no coherent foreign policy overview or because there are conflicts of competence between the Federal Department of Foreign Affairs*

(FDFA) and the various specialist departments. The PCA also observed that procedures for interdepartmental cooperation, although adequate and allowing for broad-based, appropriate positions, are too sluggish in certain cases.

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 (FOPH). This system has been criticised for a number of reasons, not least because medical drugs account for roughly a fifth of the total costs of compulsory health insurance. The CCs mandated the PCA to investigate the processes of **authorisation and controls of medication covered by compulsory health insurance**. The evaluation highlights a number of legal shortcomings in the process of authorisation and control, as well as difficulties in implementation. Although the FOPH and the Federal Medicines Commission strictly apply the criteria (effective, fit-for-purpose and cost-effective) for each application, these criteria are not defined in sufficient detail by the authorities. At the same time, the procedural structure and responsibilities in assessing applications are not defined clearly enough. The recently introduced review of previously authorised medicines is not effective enough, as not all assessment instruments are applied satisfactorily. Finally, the pricing system for generic medicines contains legal inconsistencies: although the aim of compulsory health insurance is to provide high quality medical services at as low a price as possible, there is a set price difference between generic and original drugs.

The practice in the Federal Administration of drawing on external employees raises questions of significance, transparency and expediency. The CCs therefore instructed the PCA to carry out an **investigation into external employees in the Federal Administration**. This investigation showed that a large number of externals are employed by the federal authorities, in particular in IT. In 2012 spending on external staff in the nine units investigated ran to over CHF 137 million, of which CHF 114 million was in the field of IT alone. This corresponds to about 500 full-time equivalents. The average cost of employing external staff is 40 to 50 per cent higher than for internal staff. There is little transparency or control in the practice of employing external staff in the Federal Administration. There are also legal issues regarding certain practices. Furthermore, the practice of employing externals is in many cases inappropriate as it involves high costs, is relatively widespread and therefore raises issues of dependence and security.

Ongoing investigations

Since 1999, «Security through cooperation» has been the motto of security policy in Switzerland. Since then the country has signed several international agreements on cooperation in the military field. As some of these attracted negative attention, the CCs commissioned an **assessment of international cooperation in military training and armament**. The PCA is analysing applicable statutory regulations and strategies and the extent to which these are observed when international cooperation agreements are concluded. It is also looking at whether it is expedient to conclude international agreements in order to participate in international military activities. The PCA will report to the relevant sub-committee of the CC of the Council of States (CC-S) in the first quarter of 2015.

The supervisory and regulatory authorities which are not part of the centralised Federal Administration – such as the Swiss Financial Market Supervisory Authority and the Swiss Federal Nuclear Safety Inspectorate – have been an object of criticism for some time now. Questions are raised primarily about the

independence of the management, whose members are appointed by the Federal Council. This power to appoint is one of the few steering instruments available to the Federal Council for this type of authority. The CCs have therefore asked the PCA to assess **the independence of supervisory and regulatory authorities in the decentralised Federal Administration**. The legal bases, more detailed statutory regulations and how they are applied in the individual authorities are being systematically examined. The PCA will present its findings to the relevant CC-S sub-committee at the beginning of 2015.

The preservation of agricultural land is set out in the Federal Constitution and in various federal laws. In the crop rotation areas sectoral plan of 1992, the Federal Council instructed the cantons as to which arable areas must be preserved. In view of the rapid loss of cultivated land, questions are arising as to the effectiveness of these measures. The PCA has been mandated by the CCs to evaluate in particular how this sectoral plan is implemented, focusing both on the Confederation's supervisory role with regard to the implementation by the cantons and the Confederation's efforts to protect crop rotation areas in the context of its own projects. The PCA is also investigating the Confederation's role in supervising the cantons' efforts to implement measures to preserve agricultural land in general, irrespective of whether this land was set aside by the cantons as part of the federal crop rotation quotas or not. The PCA's report is due to be presented to the relevant sub-committee of the CC of the National Council (CC-N) in the second quarter of 2015.

The **diplomatic service** aims to protect and represent the interests of Switzerland abroad. It requires **suitable staff** in order to ensure that the country is well represented in host countries and to cope with the growing complexity of international issues. The FDFA's Directorate for Resources is responsible for staffing in the diplomatic service. In recent years, questions have arisen regarding staff recruitment and development for a number of reasons (lateral entrants, early exit from the diplomatic service, competitive entrance procedures and skills currently required, instruments to maintain staff levels). The CCs have requested the PCA to conduct an assessment into whether staff with appropriate skills can be recruited to the diplomatic service using current procedures. In this evaluation, the PCA is also looking at staff development instruments to ensure the service has the staff it requires. The PCA's report is due to be presented to the CC-S's relevant sub-committee in the late summer of 2015.

Under Article 1 of the Federal Act on Vocational and Professional Education and Training (VPET), VPET is the joint responsibility of the Confederation, cantons and professional organisations. In view of the importance of vocational and professional education and training in Switzerland and criticism which has been voiced regarding the quality of the partnership between the players involved, the CCs have tasked the PCA with evaluating the **management of vocational and professional education and training**. The PCA will concentrate on looking at how well this partnership functions by analysing the strategic projects and operative activities carried out jointly by the various players. The PCA's report is due to be presented to the relevant sub-committee of the CC-N in the final quarter of 2015.

The full Annual Report is already available in German and French; the Italian version should be ready in March 2015: <http://www.parlament.ch> > Bodies and council members > Committees > Parliamentary Control of the Administration