

SUPPORT MISSION WITHIN THE CONTEXT OF THE COVID-19 PANDEMIC

EURORAI SEMINAR - SARAJEVO

5 NOVEMBER 2021



COURT OF AUDITORS
REPUBLIC AND CANTON OF GENEVA

Summary

- ▶ Court of Auditors Presentation
- ▶ COVID-19 financial support in Switzerland and Geneva
- ▶ Accompanying and supportive mission

Court of Auditors Presentation

- ▶ Supreme external audit institution of the Canton of Geneva (independent and autonomous)
- ▶ The State supervision law governs the organisation and framework of missions
- ▶ Scope of Court intervention:
 - ❑ 300 State services
 - ❑ 100 public organisations
 - ❑ Several hundred subsidised organisations
 - ❑ 45 municipalities
 - ❑ > 40,000 employees
 - ❑ > CHF 15 billion operating budget



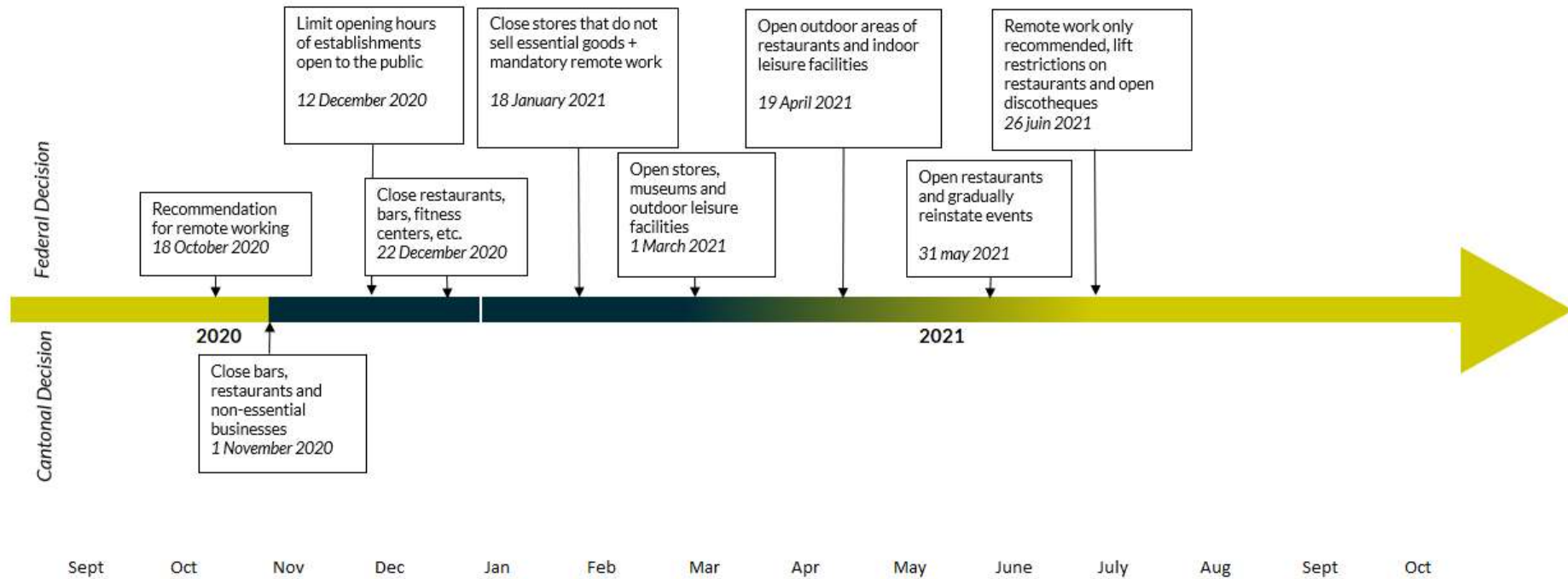
Court of Auditors Presentation

- ▶ Skills divided into three “units”:
 - ❑ Audit (8.5 FTE)
 - ❑ Evaluation (3.1 FTE)
 - ❑ Revision (4.3 FTE)

- ▶ Missions with varied origins:
 - ❑ Own initiative
 - ❑ Whistleblowers
 - ❑ Request from public authorities (areas of expertise)



Overview of health measures (2nd wave)



National level system

- ▶ Set of measures to safeguard jobs, guarantee salaries and support the self-employed (budget > CHF 70 billion)
- ▶ Panorama of financial support for businesses:
 - ❑ Allowances for loss of income for salaried employees and the self-employed
 - ❑ Allowances in the event of changed work schedules
 - ❑ COVID-19 loans (guarantee)
 - ❑ Specific measures for culture and sports
 - ❑ **Measures for hardship cases**

Cantonal level system

- ▶ The cantons implement federal support measures
- ▶ The cantons may decide to allocate additional financial support
 - ▶ For example: support for convenience stores and non-profits, supplemental support for hardship cases, etc.

Origin of the mission

- ▶ Internal considerations on the role of a control entity in times of crisis
- ▶ Willingness of employees to make themselves useful and provide support
- ▶ A real challenge for the department designated to distribute aid

- ▶ Chronology of events:
 - ❑ November and December 2020: deployment of numerous aids at the cantonal level
 - ❑ January 2021: proposes support
 - ❑ February 2021: mission launch

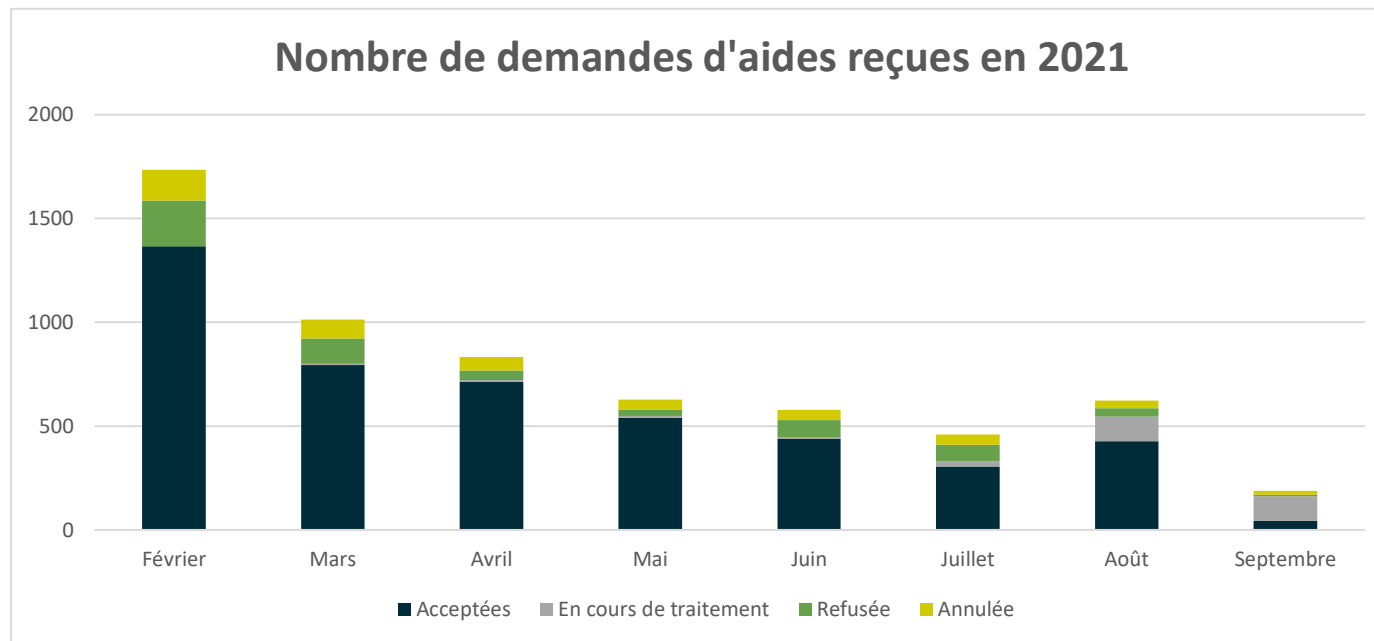


Scope of the intervention

- ▶ Focus on non-refundable financial support for hardship cases
- ▶ What is a hardship case?

Closure	Loss of sales > 40% + Avg. sales < CHF 5M	Loss of sales > 40% + Avg. sales > CHF 5M	Loss of sales between 25 and 40%
<ul style="list-style-type: none"> • Max. financial support CHF 750,000 • Funded 70% by the Federal government and 30% by Geneva • CHF 39.5 M paid 	<ul style="list-style-type: none"> • Max. financial support CHF 1,000,000 • Funded 70% by the Federal government and 30% by Geneva • CHF 107.4 M paid 	<ul style="list-style-type: none"> • Max. financial support CHF 5,000,000 • Funded 100% by the Federal government • CHF 198.5 M paid 	<ul style="list-style-type: none"> • Max. financial support CHF 1,000,000 • Funded 100% by Geneva • CHF 42.9 M paid

► Number of financial support requests received in 2021 in Geneva:

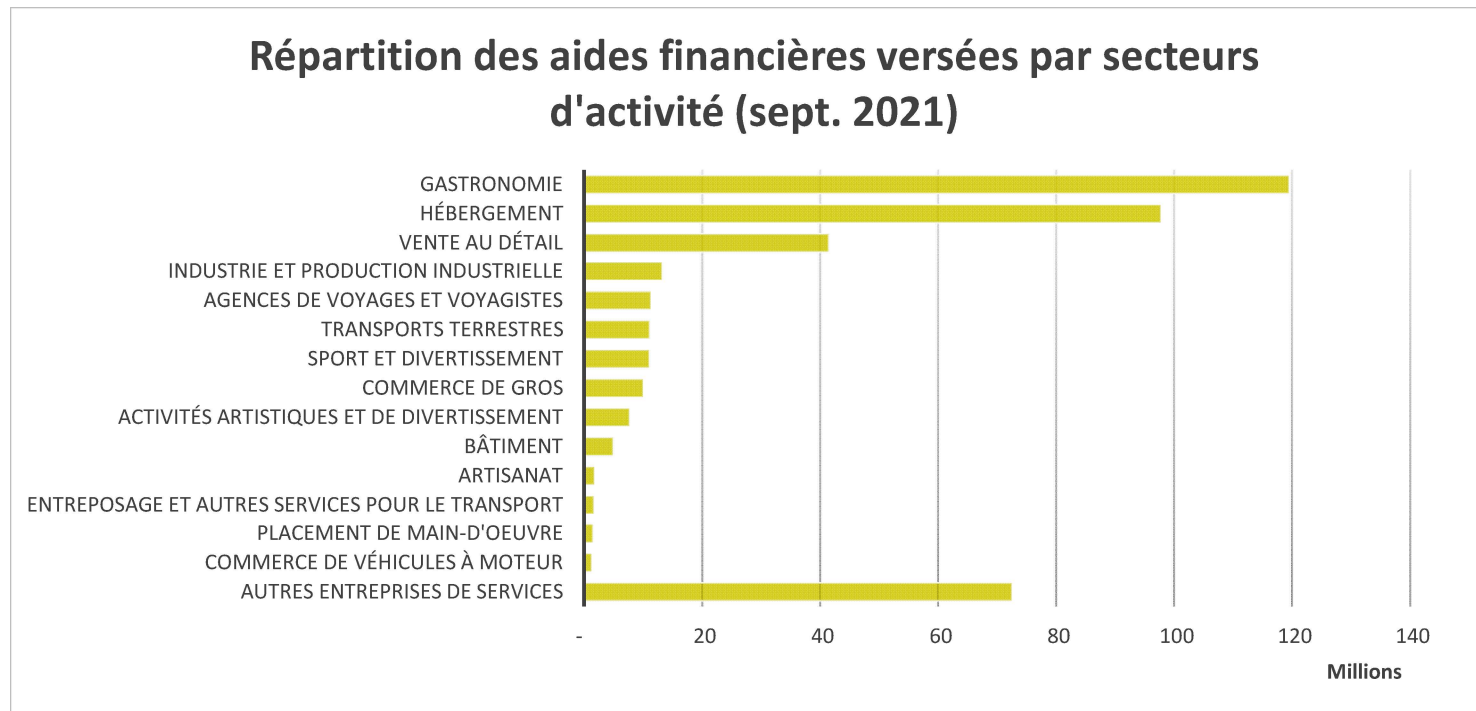


► More than 2,700 companies have received a financial support

► Total amount is near 400 MF



► Breakdown of financial support paid by activity sectors :



► Half of granted aid benefits two sectors (catering industry and hotel industry)



Scope of the intervention

- ▶ Goals of the mission:
 - ❑ Ensure proper use of public revenue
 - ❑ Verify application of federal and cantonal provisions
 - ❑ Strengthen the effectiveness of granting aid to businesses.

- ▶ Roll-out in two phases:
 1. Analysis of application processing procedure
 2. Advice on implementing a control strategy *a posteriori*



Work completed

- ▶ Examination of the legal framework
- ▶ Analysis of e-form and its suitability to the legal framework
- ▶ Review of processing procedure by managers (progress test)
- ▶ Tests of details based upon different samples:
 - ❑ Classification of applicants
 - ❑ Identification of outlier data (data analysis)
 - ❑ In relation to the changing legal framework
- ▶ Monitoring the preparation of a specific control programme and updating the e-form (for the category “average sales > CHF 5 M”)
- ▶ Advice on processing individual files



Added value of work

- ▶ Improved controls in processing applications
- ▶ Limiting the risk of error and abuse
- ▶ Advice on complex and specific problems (area of expertise)
- ▶ Recommendations sent regularly and quickly implemented



General evaluation and preliminary findings

- ▶ Publication of an interim report on 22 October 2021:
 - ❑ Strong commitment and capacity to adapt by the department in charge of granting aid
 - ❑ Aid paid quickly, limiting the risk of error and abuse
 - ❑ Beneficial cooperation between the administration and the Court

- ▶ Preliminary findings in view of the final report:
 - ❑ Insufficient transversality within the State
 - ❑ Computer support could be improved

Interim review of the mission: successes and difficulties

- ▶ Innovative nature of the mission
- ▶ Help to control risks
- ▶ Positive returns on the mission
- ▶ Boundary between control and advice
- ▶ Flexibility and reactivity to be maintained over several months
- ▶ Intervention in critical times within an overloaded department



THANK YOU FOR YOUR ATTENTION

Questions?





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