

# Governance audit after the transfer of central services

## Swiss Agency for Development and Cooperation / Directorate for Resources in the Federal Department of Foreign Affairs

### Key facts

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The Federal Department of Foreign Affairs (FDFA) has undergone far-reaching reforms over the past ten years. The Swiss Federal Audit Office (SFAO) audited in particular the establishment of the Directorate for Resources (DR) as the service centre of the department. The main focus was on transferring the central services of the Swiss Agency for Development and Cooperation (SDC) to the DR and the General Secretariat (GS).

#### **Success of the reorganisation can hardly be assessed objectively**

All the reorganisation measures taken by the FDFA since 2008 have had clear substantive goals for increased awareness and effectiveness of Swiss foreign policy. In addition, the aim was to use funds more sparingly and to increase efficiency and effectiveness.

Within and outside the department the centralisation of all services is largely perceived as successful. However, further efforts are needed for cultural integration and to define responsibilities and optimise processes. Even with the introduction of the new federal management model (NMM) there is still room for improvement.

Since almost no indicators and targets have been defined for the measures, the retrospective success of the projects can hardly be measured and assessed objectively. Clear key figures are needed to steer and subsequently control a reform project.

In several areas such as internal auditing, specialist services, security, logistics and IT, the reorganisation went well. For others such as staff, the Contracts and Procurement Competence Centre and the previously non-centralised Knowledge-Learning-Culture division, the FDFA internal audit has already identified potential for improvement. There is still a particular need for action in the areas of finance and human resources which are not fully centralised.

#### **SDC's strategic financial planning and advisory services need clearer tasks, powers and responsibilities**

Financial responsibility for the department has been centralised in the DR. Each directorate now has a financial officer as a link to FDFA finance. Only in the SDC is there still an entire finance department to manage the high volume of framework loans for international cooperation.

The SFAO has found that the section does not have sufficient internal powers to actively manage the funds. It should also play a more active role in improving the data quality of the SDC's cost-performance analysis and the quality of personnel cost controlling. It is also entrusted with tasks which, in the SFAO's view, should have been the responsibility of the DR since the introduction of the global budget.

The section must therefore redefine its area of responsibility and be given more powers by the management.

### **The centralisation of human resources has not yet been completed**

The Swiss Humanitarian Aid Unit (SHA) still has its own human resources department and its own employer powers, despite the department's centralisation efforts. This autonomy was granted to the SHA because of the specific requirements for working in crisis situations.

The SFAO asks whether it is economically justifiable to permanently finance a second human resources department of over twenty employees in view of the current pressure to make savings in the Federal Administration. Only 9% of last year's SHA assignments were immediate deployments and required a special emergency response. The remainder were postings that could be planned in the longer term and their handling would be checked by the regular personnel service. The SDC must analyse the SHA's optimisation potential and, together with the DR, examine and implement any potential savings.

**Original text in German**