

Follow-up audit of the key ICT project Armed Forces telecommunications

Federal Department of Defence, Civil Protection and Sport

Key facts

The Armed Forces is planning to replace its mobile and partially mobile telecommunications systems in the next few years with the Armed Forces telecommunications project (TC A). Implementation is to take place in six procurement stages. CHF 1,800 million¹ should be made available for this through armament programmes.

The TC A project is part of the FITANIA programme, which the Swiss Federal Audit Office (SFAO) first audited in 2016². The object of this follow-up audit is the approved first procurement stage, with an armament credit facility of CHF 118 million. In addition, there are internal personnel costs and expenditure with a financing effect of CHF 26 million³. This stage includes the concept and planning for the future transmission platform, the procurement of directional beam devices with more extensive functionality and preparation for the second procurement stage, including the procurement of a replacement tactical radio system.

Overall concept for a telecommunications platform is a decisive success factor

The Federal Department of Defence, Civil Protection and Sport (DDPS) has recognised that the architectural foundations developed so far must be designed in greater detail in order to integrate the mobile communication system components, procured in stages, in an information and communication platform.

At the time of the audit, work on the development of a TC A system architecture had been commissioned by various organisational units or a first version had already been completed. Because of technological change and the further development of systems on the market, iterative enhancement of the modular system architecture is required within the framework of further procurement stages. The reconciliation of architectural work with the existing ICT platforms and other major defence projects is equally important.

Architecture development is crucial for the success of the project. The SFAO expects direct management of all work packages defined for this purpose, including integration in the system network in coordination with the TC A project.

Project management and control is complex and challenging

A high project priority at the DDPS, rigorous management and an open and matter of fact discussion culture at all levels are necessary to keep the project's complexity and its organisation under control for the entire duration. This situation was observed during the

¹ In addition, there are internal personnel costs and expenditure with a financing effect which will be financed by real estate and development, testing and procurement preparation credits

² Audit of the key ICT project FITANIA (audit mandate 16613), available on the SFAO website (www.sfao.admin.ch)

³ 07 development, testing and procurement preparation credit

audit. However, the residual risks, e.g. a personnel change regarding the project manager or line organisation changes, could have a major impact on the project.

The phased financing of the TC A project through various armament programmes carries the risk of the procurement stages being implemented in isolation. The project's main goal of building a uniform solution may be jeopardised by this. Using a guarantee credit to finance the entire project could minimise this risk and would be in line with the procedure for other key ICT projects. However, this approach is contrary to the usual DDPS approach of financing procurements through armament programmes. To prevent the procurement stages from being considered in isolation, the DDPS should outline the overall cost situation in the subsequent armament programmes and comprehensibly show at least the TC A project's total accrued and future costs.

The project reporting as at 31 December 2016, including the ICT status report, contains different statements on deadlines, resources, finances and risks. The informative value and readability are thus limited for outsiders. The SFAO recommends that the DDPS set out the structure, content and statement of costs in a uniform and meaningful manner in reports.

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