

# Audit of the Armed Forces Pharmacy SAP migration

## Defence Group – Armed Forces Logistics Organisation

### Key facts

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Processes for the Armed Forces Pharmacy and the Armed Forces Logistics Organisation (AFLO) are currently run on two separate SAP systems. The project to integrate the Armed Forces Pharmacy's SAP system into that of the Defence Group aims to relocate around 150 processes. In addition, the project must ensure compliance with national legislation on therapeutic products, as well as with good practice (GxP). The integration project is now in the implementation phase, with the production phase scheduled for January 2021. It is part of the ERP LOG project; the cost of the 2020 project tranche is estimated at around CHF 18 million.

The Swiss Federal Audit Office (SFAO) is tasked with assessing the progress of the integration work, particularly the representation of Armed Forces Pharmacy structures and processes in the new systems. It is also evaluating the migration of data and the implementation of requirements for the therapeutic product systems. In March 2020, the Armed Forces Pharmacy was given a special mandate to procure medical equipment in connection with the COVID-19 pandemic. The volume of goods processed rose sharply, with orders linked to the fight against coronavirus amounting to nearly CHF 540 million. The effect of this spike in activity on the migration timetable was also assessed. The SFAO considers that, overall, the project is on the right track but there are areas which still need to be conclusively defined. It also highlighted the uncertainty linked to a possible second wave of COVID-19.

#### **Appropriate progress overall but work remains to be done**

The principles for integrating the Armed Forces Pharmacy processes, the details of the data migration and the structures to be defined in the target system are appropriately described. The existing AFLO process model has been used to represent that of the Armed Forces Pharmacy. The SFAO has not found anything to suggest a lack of coverage for the structures and processes due to be integrated into the target system. However, the changes in the working methods of the Armed Forces Pharmacy specialists will require a considerable effort as regards training and validation.

The project is structured as 19 work packages. The plans to integrate the Armed Forces Pharmacy processes contain the phases and activities usually defined for this type of entity. A number of preparatory activities are planned, such as various analyses, clean-up and deletion of obsolete data. Stock inventories are scheduled but not for all items. The SFAO recommends that a comprehensive stocktake be timetabled for 2021, once the migration has been completed.

#### **The testing framework still needs to be completed**

A testing framework has been defined, but the SFAO notes that not all the details have been finalised. It recalls that the tools to validate the completeness and accuracy of the data migration need to be defined in detail. Moreover, potential remedial activities need to be

documented for audit purposes. The smooth functioning of processes must be carefully tested, including key controls of the internal control system and potential regressions.

Four test cycles are planned, and the first two have already taken place. The test reports found that data clean-up is insufficient. The project participants are working hard to remedy the situation.

### **Regulatory compliance and good practice: a work in progress**

The Armed Forces Pharmacy's tools and processes must meet the requirements for systems which handle therapeutic products. These requirements apply both to the business processes and to the use of IT platforms. The SFAO is unable to pronounce on the material aspects of the Armed Forces Pharmacy's system compliance – this falls under the remit of the supervisory authority. Nonetheless, it notes that the phases defined in this connection are correct. The specifications are known and work has started on ensuring compliance. Tests are being drawn up and the validation steps are planned.

The SFAO notes that the work on compliance of business processes has progressed further than that on IT processes. The situation is known, and the IT selected service provider has drawn up a plan of action to achieve maximum compliance right from the start of live production.

### **Measures have been taken to combat the impact of coronavirus but the second wave poses a threat**

The onset of the coronavirus crisis severely impacted the rollout of the Armed Forces Pharmacy integration project. In particular, the high volume of work linked to the pandemic reduced the availability of staff assigned to project tasks. These employees are under considerable pressure. The risks are being closely monitored but it is still possible that deadlines will be missed.

The project managers have put various mitigation measures in place. Around 40 AFLO employees have been temporarily reassigned to the Armed Forces Pharmacy, to support their colleagues with day-to-day operations. The implementation of sanitary protection measures is taken seriously, with checks being carried out. However, the possibility of a second wave of COVID-19 continues to pose a threat to the project's deadlines and the health of its participants.

**Original text in French**