

# Audit of the key ICT project ASALfutur

## Report to the Supervisory Commission for the Unemployment Insurance Fund and the State Secretariat for Economic Affairs

### Key facts

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The Swiss Federal Audit Office (SFAO) audited the key IT project ASALfutur at the Unemployment Insurance Compensation Office (SECO TC<sup>1</sup>) for the third time. The project is in the implementation phase. The existing ASAL application is used to pay unemployment insurance benefits. At the end of March 2021, unemployment benefits were paid to around 158,000<sup>2</sup> individuals and, due to the COVID-19 pandemic, short-time working compensation was paid to around 44,600<sup>3</sup> companies.

With the start of the COVID-19 pandemic in spring 2020, the burden on the unemployment insurance funds increased massively. They were therefore no longer able to provide resources for the project, meaning that it was almost at a standstill for a short time. The project situation was made worse because the SAP implementation partner did not have a realistic estimate of the remaining time and effort for the upcoming implementation work. The implementation date therefore had to be postponed by 18 months compared to the original schedule. The introduction is now planned for October 2022 and project completion for the end of 2023. The supplementary costs of CHF 14 million are due to additional requirements, the involvement of external specialists and the COVID-19 pandemic, among other things. The project volume now amounts to CHF 118 million.

The SFAO audited the revised overall planning, the quality and risk management and whether the e-services<sup>4</sup> introduced at short notice support improved handling of the processes and thus relieve the unemployment insurance funds. In addition to the usual audit procedures, seven interviews were conducted at six cantonal unemployment insurance funds and one private. The SFAO recommends that the Unemployment Insurance Compensation Office implement improvement measures in six areas.

### Carefully elaborated planning framework lays the foundation for the new implementation date

The new ASALfutur plans drawn up are based on the adjustment to the contractual basis with the SAP solution provider. They have been carefully drawn up and structured in a way that is transparent for the SFAO. The new implementation date is considered realistic and feasible by those involved in the project.

Nevertheless, the SFAO does not rule out the possibility that further adjustments will be necessary. The Supervisory Commission for the Unemployment Insurance Fund was informed of the additional costs and the new plans at an early stage. The project is solidly structured and well managed. The project management is professional and cooperation

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<sup>1</sup> Labour market/unemployment insurance performance area

<sup>2</sup> As of March 2021; see <https://www.arbeit.swiss/secoalv/de/home/menue/institutionen-medien/statistiken.html>; press documentation "The labour market situation in March 2021", viewed on 14 June 2021

<sup>3</sup> Ibid.

<sup>4</sup> The term "online services" is also used, see <https://www.arbeit.swiss/secoalv/de/home/menue/institutionen-medien/projekte-massnahmen/ealv.html>

with the project sponsor is well established. The SAP solution provider's appointment of a new implementation project manager meant that the desired results from the latest implemented iterations were achieved.

### **The launch of operations requires special attention**

Quality and risk management is effectively established. Regular assessments challenge the client and project management. The proposed measures for the identified risks are to be monitored consistently by the client and implemented promptly. Various risks have a strong influence on the success of the project and especially on the projected implementation date. These are, above all, the heavy burden on key employees, possible further effects of the COVID-19 pandemic, the acceptance of the new IT system and the associated process adjustments. To this end, the support of the unemployment insurance funds and their involvement must be intensified. Furthermore, reliable information on the performance and response times of the new system is an important point. They must be tested extensively before introduction, not only with migrated data but also with the full range of functions.

The operation of new, integrative applications poses great challenges with regard to the organisation of operations. This is not yet sufficiently mature and thus poses a risk for the rollout. Measures to strengthen and expand operations must be defined and implemented as quickly as possible by the SECO TC management.

### **A harmonised system landscape as an opportunity for digital processes**

At the end of 2020, SECO TC made the electronic advance notification to the cantonal offices and the settlement of the short-time working compensation in the summary procedure available to the economic sector at short notice. The connection was made to the existing ASAL system and made things easier for the companies as well as the unemployment insurance funds, provided the companies already used the online service. However, ASAL 2.0 will be introduced without the already planned/introduced e-services for insured persons and companies. The reason for this is that the project prioritises the timely introduction of the payment system, meaning that the provision of the e-services is to be postponed.

However, the SFAO is of the opinion that SECO TC should introduce the portal integration with the e-services for insured individuals and companies at the same time as ASAL 2.0 in October 2022. This would meet the expectations of the unemployment insurance funds and simplify interaction between the user groups.

The separation of ASAL and AVAM (information system for job placement and labour market statistics) is the historical consequence of two separate legal frameworks. The new ordinance on the information systems operated by the unemployment insurance compensation office<sup>5</sup> creates the basis for integrated and digital handling of all unemployment insurance processes. Under the SECO TC strategy, it is planned to transfer the systems to an integrated application landscape.

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<sup>5</sup> See also: <https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen.msg-id-79697.html>

The current way of working is strongly project-based. The projects and the upcoming challenges are still insufficiently coordinated. The management of the projects should be improved by means of an overarching portfolio management approach. This steering mechanism is currently still being developed and has the potential to be an effective management tool for implementing the digitalisation objectives of SECO TC.

The reporting on the ASALfutur project to the Federal Council and Parliament is reliable.

**Original text in German**