

## Audit of the key ICT project Fiscal IT Federal Tax Administration

### Key facts

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At the start of 2016, the Swiss Federal Audit Office (SFAO) audited the key ICT project Fiscal IT of the Federal Tax Administration (FTA) for the third time.<sup>1</sup> Fiscal IT will update the FTA's IT.

#### **Deadlines that are difficult to plan, the use of new technologies could lead to a budget overrun**

To date, around CHF 42 million has been spent on the Fiscal IT programme since 2013. Based on the request to the Federal Council, CHF 85.2 million has been budgeted up to the end of 2018. In the SFAO's view, there are signs that the budget could be overrun.

The building of infrastructure and knowledge due to the new technologies in the service-oriented architecture produced additional programme costs. The service provider, the Federal Office of Information Technology, Systems and Telecommunication (FOITT), had little experience with costs of this level of complexity. For the moment, the additional costs can be borne by reserves and the budgets from optimisations in the final programme phase.

Despite the fact that some projects have picked up delays, primarily because of previous delays in the WTO tenders, the final deadline set in the master plan is not in jeopardy at present according to the FTA's assessment. The SFAO cannot gauge currently how reliable that assessment is.

#### **Initial success can be shown, now comes the "trial stage" with risks in software distribution and in the setting up of support**

The programme was able to put various non-integrated applications into operation in 2015. The application for the submission of VAT (MOE) that taxpayers can use to enter their VAT returns online themselves has the largest external impact. For the FTA itself, the replacement of EFIM (electronic form-reading and information system) by the subsequent system MEFAS (technical VAT system) is of major importance.

A release based on several technologies is being put into operation for the first time in May 2016. This will serve as a test for the launch of more complex releases and it will show whether or not the software distribution (deployment) and support structures in the FTA and the FOITT are already capable of managing this.

The SFAO believes that the automation of deployment, the setting up of the support organisation and the development of new processes and skills for diverse launches are the greatest challenges for the programme. With regard to the aforementioned issues, the FTA and the FOITT must get on top of things before the complex November 2016 release so that the launch runs smoothly and the future timetable can be met.

These tasks are only beginning to get under way, and the programme is currently running as an exception to the norm. At the moment, the extraordinary efforts of key individuals are what is enabling

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<sup>1</sup> The audit reports for mandate 13506 and mandate 14539 are available on the SFAO's website.



the launches to be performed at all. Although this situation carries great risks, it is not managed in risk management at the programme level.

The FTA and the FOITT shoulder the responsibility equally. The FOITT in particular must put itself in a better position in general in order to be able to roll out, run and support solutions with the level of complexity of Fiscal IT. While the change of culture required for this has been set in motion, not all FOITT employees have internalised it yet. In the SFAO's view, the launch and migration plan and the conclusion of the maintenance contract, which was not included in the WTO tender, have to be completed for the November 2016 release.

#### **Necessary improvements in proper data processing and administration of rights**

The demands made of the internal control system for the IT projects are only partially met. It could therefore be that when the different projects are put into operation, not all of the critical risks of the administrative unit are covered by control measures.

The existing organisation and processes and the administrative system for access rights to the newly developed applications allow for the proper administration of access rights. Nevertheless, improvements are still needed, namely with respect to the division of functions, the reporting tool and change management.

#### **The programme is managed tightly, but is missing a risk manager at the steering level**

The granular structure of the programme made sense at the time of the last audit because most projects were in the initialisation or planning phase. Currently, many projects are in the implementation or introductory phase, the programme management's steering of the projects and their interfaces is becoming increasingly complex. The projects were therefore grouped into three clusters, each of which is managed by a project manager. The SFAO and the parties concerned believe that this organisational change makes sense.

The core disciplines of programme management and steering are performed well. A reservation here is the fact that the critical path is set and pursued only with regard to a maximum of two upcoming releases. In the SFAO's view, this is too short a time period to be able to reliably assess the impact of individual deadline extensions on the overall programme. The SFAO believes that measures could be followed up and effectiveness assessed more consistently and proactively in risk management. Furthermore, the position of risk manager at the steering level, who directly advises the client, has still not been filled.

#### **Recommendations from the 2014 key project audit**

The recommendations from the 2014 key project audit have been partially implemented. The SFAO considers that the measures taken have had a positive effect on the course of the programme. The outstanding recommendations are discussed in appendix 3.

#### **Original text in German**