



Internal control system in purchasing Federal Office for the Environment (FOEN)

Key points

The audit of the internal control system (ICS) in the procurement area showed a good overall result and the SFAO confirmed that FOEN staff involved in this process carried out the duties assigned to them conscientiously. The Swiss Federal Audit Office (SFAO) considers that the ICS in the procurement area is active and effective in FOEN.

The financial volume concerned by the processes examined is relatively significant since it amounts to more than CHF 81 million, all categories combined.

The SFAO audit revealed that there is room for improvement at the level of existing documentation, specifically with respect to risk and inspection matrices, which should be completed to take into account all existing risks and which should mention certain important ICS elements used specifically in practice. Moreover, the significance of the different risks should be re-evaluated and the clarity of the description of certain inspections should be improved. The SFAO also made a recommendation to improve the process descriptions and to replace the application which contains these descriptions since they can no longer be updated due to technical problems.

The SFAO also recommends that FOEN carries out an analysis to determine whether or not it is possible to place orders in SAP without a valid contract having been entered previously in contract management. If this is the case, measures should be taken to rectify this problem. Moreover, access rights should be reviewed to avoid the same person being able to enter contracts in contract management and approve invoices, because this combination of roles involves certain risks.

FOEN carries out double-checks of payment lists drawn up periodically, while all invoices have been checked by two approvers and a verifier. The SFAO is not convinced that this complementary double-checking is absolutely necessary. It believes that the only check which is important before payment approval is to make sure that the payment lists do not contain any invoices which have not been subject to the creditor workflow. It thus recommends that FOEN carries out an analysis to determine if the cost/benefit ratio of the current controls is truly beneficial or if it should be reviewed so that it is better geared to existing risks.

Finally, the SFAO wishes to point out that it did not carry out a detailed examination of compliance with the provisions of the Federal Act on Public Procurement and the Public Procurement Ordinance within the scope of this audit. It examined the way operations were conducted and tested existing internal controls, but it did not examine the choices made by FOEN in terms of procurement procedures to verify if these were correct or not. Likewise, it did not examine the implementation of the procedures to check whether they fully conformed to the legal and regulatory provisions.

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