

AUDIT

Digital transformation: Audit of the EO digitalisation programme

Central Compensation Office, Federal Social Insurance Office

KEY FACTS

Every year, more than 200,000 service personnel perform around 7 million days of military service, civil service or civil defence, or take part in courses for instructors in the "Youth+Sport" programme. Through the loss of earnings compensation (EO) scheme, these people receive payments totalling almost CHF 700 million a year. Every year, more than 600,000 forms are completed to apply for this compensation. In addition to service personnel, the payment process concerns their employers, the Armed Forces or other service organisations, the Central Compensation Office (CdC) and the compensation funds. The "Digitisation of the EO scheme (EO-D)" programme, run by the Federal Social Insurance Office (FSIO), aims to digitalise this process. This programme should be completed by the end of 2026 and, according to estimates by the FSIO, should result in annual savings of around CHF 6 million for companies and the compensation funds.

In 2022, the SFAO evaluated the management of this programme, which was then in the initialisation phase, and judged it to be appropriate, while at the same time making several recommendations.⁴ In this latest audit, the SFAO assessed the status of the programme in its implementation phase in terms of potential for digitalisation and analysed the implementation of the open recommendations.

Overall, the audit findings were positive: the variants chosen for implementing the programme are understandable, its management has been improved and two recommendations relating to the calculation of profitability and the programme overview have been implemented. However, the SFAO expects the FSIO to raise the ambitions of the programme, so as to ensure the end-to-end digitalisation of the EO execution process. Two recommendations remain open: firstly, stakeholder management still needs to be improved and, secondly, the FSIO needs to define its objectives more clearly, create a system for monitoring objectives and take remedial action if they are not sufficiently achieved.

The potential offered by digitalisation is only partially exploited

The digitalisation of maternity and paternity benefits was excluded from the programme. However, there is potential for synergy in digitalising these claims, which the FSIO has not analysed. The programme requires service personnel to enter several details themselves (bank account number, employer's company name), even though the service organisations already have this information, at least in part. To avoid the same information being collected several times, it is necessary to enhance these data exchanges within the Confederation.

The digitalisation of the process offers opportunities to rethink and improve the fight against errors and fraud. The SFAO recommends that the FSIO develop an end-to-end control concept to better manage the risks associated with errors and fraud, taking into account the balance between cost and efficiency.

⁴ The report on the "Audit of the initiation of the compensation for loss of earnings digitalisation programme" (audit mandate 22618) is available on the SFAO website (efk.admin.ch).

Monitoring of objectives remains unclear

Although this was already the subject of an SFAO recommendation in 2022, the FSIO has not yet implemented the objectives concerning efficiency, quality and the fight against errors and fraud. These objectives must be clarified quickly and their achievement must become a priority, including during the implementation of the programme. If certain objectives are not achieved, the FSIO will have to take remedial action.

Coordination between stakeholders is a challenge

The SFAO believes that the planned timetable for introducing the transmission of digital data between stakeholders, in particular between health insurance funds and employers, is unrealistic. This could slow down processing and compromise the achievement of most of the planned savings. In view of the multitude of players involved, and as recommended by the SFAO in 2022, the FSIO must increase the proactivity and transparency of communication between the stakeholders. This will enable it to maintain an overview, monitor the various players and manage the risks arising from their interdependencies.