

AUDIT

Procurement audit

Agroscope

KEY FACTS

Agroscope is the federal government's competence centre for research in the agriculture and food industry and is part of the Federal Office for Agriculture (FOAG). The FOAG is a specialist office of the Federal Department of Economic Affairs, Education and Research (EAER). Agroscope's activities focus on research.

Since 2014, Agroscope has had to cope with numerous organisational changes, and since 2017 it has had a centralised cross-site procurement organisation. The head of procurement position could not be filled for a long time. A new person has been employed since July 2024 and she has the task of optimising procurement. The procurement volume of the contracts concluded by Agroscope in 2023 totalled around CHF 23 million and payments from current contracts amounted to around CHF 106 million.

The Swiss Federal Audit Office (SFAO) carried out the last procurement audit at Agroscope in 2015 and issued seven recommendations.⁴ A follow-up audit of these recommendations was carried out in 2018, which confirmed the existence of new requirements. No audit was conducted concerning the implementation of these requirements. The maturity of the procurement organisation has not increased noticeably since 2015 and remains low. This has resulted in various problems, including incorrect or non-compliant procurements. Agroscope has recognised the need for action and has introduced various measures. However, there is an urgent need for them to be intensified and timetabled.

The efforts to optimise procurement were reactivated

Due to ongoing organisational and personnel changes at Agroscope, improvement efforts in the area of procurement were not given high priority. In summer 2023, the Agroscope procurement optimisation project was launched at the same time as the announcement of the current procurement audit. Based on the analysis of the 2015 SFAO report, Agroscope identified initial improvement measures. A new project proposal was approved by the project steering committee in mid-October 2024. As the project should improve significant weaknesses, the SFAO recommends pressing ahead with the project in a timely manner.

Low level of maturity in the procurement organisation

Agroscope's procurement organisation was overstretched at the time of the audit. Procurement is a task of the finance section, which is part of the resources unit. In recent years, there has been a very high staff turnover in the entire resources unit and in procurement. The area will continue to be affected by numerous absences in the future and this weakens purchasing activities.

Strategic purchasing issues have been neglected in recent years as operational matters have taken priority. However, the lack of strategic guidelines has an impact on the quality of operational purchasing. As there is no adequately documented procurement process, for example, the beneficiaries are sometimes unfamiliar with the processes and therefore act according to the situation. This situation favours so-called maverick buying, i.e. purchases are made without involving the procurement office.

Due to the lack of involvement and thus the lack of checks by the procurement office, the SFAO audit found significant shortcomings in terms of procurement law in 7 of the 19 cases examined. These in the form of splitting or incorrect choice of procedure. Overall, these awards were not transparent or the necessary

⁴ Audit report 15192, available on the SFAO website (www.efk.admin.ch).

competition was completely lacking. Given the awards were not transparent, it is not clear whether they were open-ended. The SFAO recommends drawing up a procurement process and monitoring compliance.

Agroscope implemented an internal control system (ICS) and defined the roles and tasks involved. Although deficiencies in the procurement processes were identified as part of the ICS, the risk control matrix and risk assessment have not been adjusted. The SFAO considers it imperative to keep the ICS up to date and has issued a recommendation in this regard.

Lack of risk awareness regarding bias and conflicts of interest

Researchers need to be well networked with each other but this network can lead to bias and conflicts of interest when it comes to tenders. The SFAO identified a lack of risk awareness in this area. There is a lack of measures to educate and raise staff awareness of these risks. Only one of the 19 case studies reviewed had all the necessary declarations of impartiality and many of the beneficiaries did not know what declarations of impartiality were. The SFAO issued a recommendation to ensure that measures are taken in this area.

Management awareness of procurement issues must be increased

Procurement issues were not a high priority for management until 2024. It expressed its interest in promoting a cultural change in order to increase the relevance of the support centres and their tasks. However, the SFAO still sees a need for action here for specific measures, including at management level. For example, reporting to the Executive Board could serve as a management tool to monitor and improve the efficiency and effectiveness of purchasing processes.