

## AUDIT

# Procurement audit

Swiss Federal Institute of Intellectual Property

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## KEY FACTS

The Swiss Federal Institute of Intellectual Property (SFIE) is a public-law federal institution with its own legal personality. It assesses, issues and manages commercial property rights such as patents, trade marks and designs. It is funded mainly by receipts from fees for these property rights and is independent of the federal budget.

The SFIE organises itself and operates autonomously. This autonomy also extends to procurement. The Institute therefore bears sole responsibility for procurements but is subject to the Public Procurement Act. Its average procurement volume for 2023 and 2024 amounted to CHF 15 million. With over 170 procurement awards every year, the SFIE obtained services from various areas, including IT, consultancy or language services.

This was the first separate procurement audit conducted at the SFIE by the Swiss Federal Audit Office (SFAO). Using ten selected case studies, the SFAO examined whether the SFIE's procurements in 2023 and 2024 were legal and economical. The results show that the organisational and system prerequisites for successful procurement are essentially present. However, there is room for improvement as regards strategic management, efficiency gains in procurement processes and the implementation of awards: funds should be used more economically and potential reputational risks should be reduced.

## Opportunities arising out of the transformation of procurement must be exploited

The previous procurement and contract management tool was replaced in December 2024, the aim being to ensure that future procurement processes are workflow-driven. Performance and invoice monitoring should also be carried out with the new tool. However, the structure of approval powers for the various approval stages of the procurement process is still too complicated to ensure that the desired workflow steering is achieved. The division of powers must be simplified, so that the intended process efficiency really is achieved.

The ten audited procurements contained isolated errors. They occurred mainly during invitation procedures and in cases where direct awards exceeded thresholds. Among other things, there was a lack of market assessments. Where competitive conditions would have been possible, they were not always created, and in some cases suppliers were not treated equally. The observed deficiencies carry risks which could impact on the SFIE's reputation first and foremost, but also on the economic efficiency of the procured goods and services. The ongoing phase of transformation in procurement offers the opportunity to correct and permanently eliminate the deficiencies identified, as part of a continuous improvement process. Such a process should be put in place as soon as possible.

## More attention should be paid to economic aspects in procurement

The SFIE's strategic management of core and service tasks takes place in the context of commercial property rights. Procurement acquires a support function in this regard. However, procurements could have a significant qualitative and financial impact on the SFIE's operating results. It is therefore important to establish strategic management of procurements, with targets and key indicators for monitoring the achievement of objectives. In future, the procurement planning which is in the process of being set up must ensure that potential synergies are identified early and exploited. Only in this way can procurement contribute to achieving a more economical overall result.