

AUDIT

Procurement audit focusing on IT and external human resources

Federal Office of Public Health

KEY FACTS

The Federal Office of Public Health (FOPH) carried out around 450 procurements per year from 2022 to 2024 for goods and services, with a total contract value of around CHF 186 million. At 47%, contracts for IT services, contract staff (external specialists) and temporary staff accounted for around half.

The Swiss Federal Audit Office (SFAO) has audited the FOPH's entire procurement process for the first time. The main aim was to assess whether the FOPH had organised its procurement system appropriately. Its organisation should ensure its procurement is lawful and economical, taking office-specific risks into account. IT services and contract staff were a particular focus because of their large share of the office's procurement figure.

The FOPH has established good requirements for lawful and orderly procurement. The SFAO did not identify any significant shortcomings in the procurement management or organisation. However, a relatively high number of cases deviated slightly from the defined specifications and some cases contained significant shortcomings. As such, the FOPH needs to take some measures.

A higher level of maturity in the procurement organisation is required

The FOPH has set up good organisational conditions for the standardised procurement process. However, there is still a need for improvement in their consistent implementation. Various defects of varying importance are evident, particularly in the analysis of the 15 procurements which were examined as examples. The summary of the findings came to the conclusion that the FOPH's own processes had not been implemented consistently. This means that the desired 'unity of doctrine' in the procurement process has not yet been achieved. The SFAO therefore recommends that the FOPH should set up a continuous improvement process and regularly audit the quality of the procurements carried out.

Continuous coordination of task, resource and procurement planning

Integrated task and resource planning (IARP) forms the basis for the preparation of procurement planning. It is drawn up and adopted once a year. At the FOPH, there is a fundamental requirement that planned procurements are also reflected in task and resource planning. There is a time-related discrepancy between the plans here. The IARP poses and answers the question of 'make or buy'. The lack of consistency in the planned procurements in the IARP carries the risk that this key question is not considered for every procurement.

The plans drawn up in the FOPH sections are consolidated into a procurement plan only at directorate level. There is no consolidation across offices. This means that any synergies cannot be systematically identified or exploited.

The FOPH is carrying out FAROS project with the aim of migrating task and resource planning into SAP. This provides the opportunity to develop rolling procurement planning and adapt it in such a way that potential synergies can be systematically identified and exploited. The SFAO has made a recommendation on how to coordinate the various plans.

The risks associated with a limited procurement market require greater sensitivity

As part of the internal control system (ICS), operational risks are identified by the FOPH along the procurement process, such as the choice of procurement procedure, financing or audit, then assessed, provided with measures and addressed. However, the key controls defined for this purpose are not described in detail, and in some cases are assigned to different roles. One possible consequence is a lack of awareness of the risk and the role.

Overarching risks (e.g. reputation, economic viability) outside of individual procurements are not systematically managed. The FOPH often operates in a restricted procurement market, in which the actors involved are naturally interconnected. This can lead to bias and conflicts of interest, which could pose a significant reputational risk to the FOPH. The restricted market can also lead to critical dependencies on service providers and ultimately to economic inefficiency. The FOPH has to identify these overarching risks, record them and counteract them with appropriate measures.