

# Audit of the DTI key project Data centres 2020 ICT architecture and infrastructure

## Defence Group

### Key facts

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The Swiss Federal Audit Office (SFAO) audited the project "DDPS/federal data centres 2020 ICT architecture and infrastructure (ICT A&I)", which the Federal Department of Defence, Civil Protection and Sport (DDPS) split off from the DDPS data centre 2020 programme in mid-2022. Under the ICT A&I project, the technical services of the Armed Forces new digitalisation platform (NDP) are to be provided by the Cyber Command and an external supplier. The aim is to set up an operating platform that ensures automated operation of information and communication technology (ICT) in the data centres by means of virtualised systems, i.e. an abstraction of physical IT resources which have the same functions.

Instead of the originally tendered and planned customised solution, and as agreed with the Cyber Command, the supplier is creating the platform in close alignment with industry standards using standard products and solutions and as few proprietary solutions as possible. This is because standard products and solutions with the required functional scope have become available in the meantime. The Cyber Command and the supplier are reducing risks such as complexity, scope and dependencies by using agile methods and breaking the work down into four releases. According to the three approved and two planned Armed Forces dispatches, the DDPS reckons on budget expenses of CHF 477 million.

The audit revealed a mixed picture. The highly complex project has been delayed but is making progress thanks to good collaboration with the supplier, and important principles have been established and initial results achieved. However, there are shortcomings to be addressed, mainly in the area of project governance. This is the focus of the reorganisation of NDP governance, which the Chief of the Armed Forces ordered by means of Commander's Guidance 4 on 24 May 2022. Despite this, the project controlling, reporting and external quality and risk management must be improved at the level of the A&I project. Given that the project is at an early stage – the concept phase has not yet been completed – it cannot be reliably estimated whether the project will achieve its objectives.

#### **The milestones will not be signed off until the services are of the required quality**

Milestone 30 – end of concept phase and start of implementation phase – which was originally scheduled for 1 April 2022, had not yet been signed off at the time of the audit because the design of the orchestration and automation had not been completed. The agile methods have nonetheless enabled the project to deliver the first results from the implementation phase in other sub-areas. The Cyber Command is confident that it will be able to put the platform into operation on schedule by 1 July 2026. It is not yet possible to tell whether the critical path can be adhered to.

The Defence Group (Group V) has made the ICT A&I project a top priority. However, an IT skills shortage has meant that the Cyber Command has not yet managed to fill all vacant posts. This is a known problem. In this regard, the SFAO carried out an audit on resource management<sup>7</sup> in 2022 and made similar findings.

### **Reporting is opaque and inconsistent**

In the draft status report on DTI key projects in the Federal Administration as at 31 December 2022, the DDPS reported budget expenses of CHF 141.5 million. The SFAO is unable to confirm whether this figure is correct, as Group V did not provide all the corresponding evidence from the SAP finance system. The project is hampered here by unsuitable management tools.

### **Reporting to Parliament must be improved**

In 2017, the SFAO found that reporting in the DDPS was opaque and not very meaningful, and issued a recommendation in that respect in its report "Follow-up audit of the key ICT project Armed Forces telecommunications"<sup>8</sup>. The current audit revealed that this recommendation has not been implemented by the DDPS. The SFAO is therefore issuing a new, high-priority recommendation.

The SFAO was unable to fully reconstruct the data provided in the status report of 30 June 2022 from the internal reporting. The financial figures are particularly unreliable. The completeness, accuracy and clarity of reporting should be based on reliable evidence from SAP and not, as hitherto, on the project manager's Excel file and the faulty D/ar project management tool. Likewise, as regards the status traffic lights and the risks, the SFAO was not always able to make the connection between the status report of 30 June 2022 and the internal reporting.

### **The project does not have the required external quality and risk manager**

Internal quality management is well run. With respect to risk management, the SFAO recommends that, in future, the DDPS base the risk evaluation in its status report on the binding evaluation criteria of the Digital Transformation and ICT Steering Sector (DTI), or else seek an exemption.

In its status report, the DDPS writes that it has engaged an independent external quality and risk manager, who regularly reports to the department. This statement is based on a misconception. There is merely an external adviser, who supports the project sponsor and/or the head of the Cyber Command with an external viewpoint as needed. The SFAO recommends that the Armed Forces Staff employ an external quality and risk manager for the A&I project in accordance with the job description in HERMES.

**Original text in German**

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<sup>7</sup> The audit report (audit mandate 22125) is available on the SFAO website ([www.sfao.admin.ch](http://www.sfao.admin.ch)).

<sup>8</sup> The audit report (audit mandate 17619) is available on the SFAO website ([www.sfao.admin.ch](http://www.sfao.admin.ch)).