

## **Public procurement audit Federal Customs Administration**

### **Key points**

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The Swiss Federal Audit Office (SFAO) conducted a procurement audit on the Federal Customs Administration (FCA). The aim of the audit was to assess whether the procurement system is implemented correctly, cost-effectively and in accordance with the law. As the FCA is currently being reorganised, the SFAO also assessed the planned organisation of procurement.

The FCA is one of the largest administrative units in the Confederation. In 2014, it employed some 4 300 people and its receipts amounted to CHF 23.6 billion. It thus accounts for about one third of the Confederation's total revenue. Overall, the FCA spends about CHF 100 million on procurement each year. A significant part of this is transacted via framework agreements or the central procurement offices.

The audit results led the SFAO to conclude that most of the procurements audited had not been executed correctly and some had not complied with procurement law. At the time of the audit, the FCA did not have the conditions that would enable procurement transactions to be carried out based on the principles of economic efficiency, strengthened competition between service providers, transparency and equal treatment. That is why it is important to urgently reorganise procurement by setting up a competence centre for the FCA.

The main reasons for the weaknesses are the lack of a standardised procurement process, the absence of the necessary basis for this and inadequately defined responsibilities. In addition, poor use of the controlling instrument "Federal Administration Contract Management" means that management does not have the information to ensure the effective monitoring and controlling of procurement. In relation to the delegations, the FCA should also subsequently seek a formal joint report from the central procurement offices for the reorganisation of the procurement system.

The LSVA (performance-related heavy vehicle charge) system works well and has a long-term plan in place for further development. The LSVA division works very autonomously within the FCA, but this will be remedied with the separation of business and support processes as part of the reorganisation. Attention must also be paid to guaranteeing the transfer of knowledge here. The SFAO further recommends posting both the revenue and expenses of the LSVA transparently with the introduction of simple cost accounting.

There is considerable room for improvement in the LSVA contracts. The FCA outsourced tasks in standardisation bodies to external service providers. The option of insourcing these activities should be checked. As no specialist legal experts were involved, this led to inadequate contracts for the development and maintenance of the LSVA II system. Legal clarifications are all that is required in some cases, while in others the contracts need to be renegotiated in the following areas: increased transparency of service provision and pricing, excessive increase of fixed costs, excessively long terms of contracts, transparency in the calculation of inflation, risks concerning the storage of on-board equipment that has been paid for, risks concerning the safe depositing of LSVA software, etc. The SFAO also expects the reorganisation to introduce measures that would reduce the risk of an overly close relationship between FCA employees and their suppliers and service providers.

**Original text in German**