

Audit of selected procurements

armasuisse

Key facts

armasuisse is the competence centre for procurement, technology and real estate within the Federal Department of Defence, Civil Protection and Sport (DDPS). Its procurement volume amounted to CHF 2.3 billion in 2021 and CHF 9.3 billion in 2022.

The Swiss Federal Audit Office (SFAO) examined whether armasuisse has adequate compliance requirements that focus on preventing corruption and whether these are also being enforced. This was done using selected individual cases. In addition, the SFAO reviewed the implementation of three recommendations from an external analysis¹ on improving procurement processes at the DDPS.

Overall, the audit findings were positive. However, the SFAO believes that the periodic awareness-raising of all employees could be strengthened in terms of corruption prevention. The implementation of the recommendations is on track, with one exception.

The existing compliance requirements are appropriate

armasuisse does not have a compliance management system (CMS) as defined by ISO 37301². However, there is a large number of compliance-relevant documents and specifications which have to be complied with and documented throughout the procurement process. The established HERMES DDPS project management method also standardises the procurement process.

In the nine case studies audited by the SFAO in the areas of competence of land systems, aviation systems and command and reconnaissance systems, there were no indications of compliance violations.

armasuisse is aware of its responsibility as a procurement office with regard to preventing and combatting corruption, and has the necessary instruments at its disposal. In addition to the federal and DDPS requirements, armasuisse undertakes additional efforts to systematically counter the threat of corruption in procurements. For example, armasuisse has its own directive on accepting gifts, invitations and other benefits.

Requirements are known, but self-declarations are not consistently checked

In the case of the audited procurements, the SFAO found that employees were aware of the compliance requirements and applied them. The SFAO considers it important that all parties involved in the procurement process receive regular information and awareness-raising measures on the subject of corruption; this should be mandatory. It would make sense for all employees to periodically update their declaration of impartiality. The SFAO therefore supports the planned update as part of the annual employee appraisal process.

¹ "DDPS procurements", report for the attention of the DDPS General Secretariat, Deloitte, 20 May 2020, available on the DDPS website

² ISO 37301 is a standard that defines the requirements for establishing, implementing and evaluating an effective CMS.

The self-declaration principle applies to armasuisse and to external employees when it comes to the disclosure of interests and secondary occupations. The accuracy and completeness of the information is not verified. In order to set an example and to counteract possible risks in the procurement process, targeted clarifications could be made on a random basis.

Most of the recommendations for improving the procurement process have been implemented

The recommendation to strengthen armasuisse's operating model by establishing a centre of excellence was implemented on schedule. Currently, there are two such centres, which are staffed by employees from different areas of expertise and competence. If necessary, further centres can be established. In armasuisse's view, the experience so far has been positive. The recommendation for innovation areas, consisting of beneficiary and procurer representatives and, if necessary, representatives from industry and research, has also been implemented. armasuisse's experience with eight pilot projects and the respective innovation areas has been positive on the whole and lessons have been learnt for the further development of the DDPS innovation areas. Innovation areas will continue to be used in a targeted manner in the future.

The introduction of a so-called "bus lane" in the procurement process in order to accelerate the implementation of projects with very short innovation cycles and/or high urgency was not put into practice as planned. In particular, a lack of human resources within the Armed Forces Command Support Organisation has meant that no procurements have yet been made using this method. In order to acquire initial experience, a new procurement project is now to be selected as a pilot.

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