

IT management and operation following Solution Centre integration Audit of Central Compensation Office

Key facts

The Central Compensation Office (CCO) is an institution which is crucial to the smooth running of all first-pillar social security funds (old age and survivor's insurance, disability insurance and compensation for loss of earnings). It has the specific feature of not being an independent federal office, but rather a division of the Federal Finance Administration (FFA), to which it is subordinate hierarchically. Furthermore, the Federal Council authorized the CCO in March 2012 – by derogation from the Federal Information Technology Ordinance – to restore some of its IT services. This led to the creation of the new division Corporate Governance and Information Technology (CGIT), which employs 70 people.

The Swiss federal audit office (SFAO) wanted to review the implementation of this last reform which aims to improve communication between the CCO and its IT specialists, have a positive impact on both service quality and the safety of operations, and enhance the CCO's IT governance.

The audit has shown that the objectives set in 2012 have not yet been achieved. Priority has correctly been given to business continuity, and the modernization projects have picked up delays. Furthermore, the review of five key projects carried out or completed in 2013 revealed gaps in the definition of the deliverables, budget management, project supervision and particularly the validation of results. Both the heads of the CGIT and the CCO's IT steering body (ComInf) must properly assume their supervision tasks. To do this, however, they need information on resource planning and work progress, which is still lacking at the moment.

IT risk management is also in need of improvement in terms of both the security and continuity of operations and the protection of certain business applications, which present risks that are insufficiently managed in the SFAO's opinion.

In the procurement area, the SFAO has found that the CCO has been procuring IT services and goods for years without a delegation from the Federal Office for Buildings and Logistics. These operations were assigned to external workers and were not carried out in accordance with the provisions of public procurement legislation.

Both the CCO's steering bodies and the FFA management are aware of the seriousness of the situation and are committed to rectifying it. Since the start of 2014, administrative investigations have been conducted and other measures have been taken. The appointment of a new head of the CCO will help to improve the working atmosphere, which is currently very gloomy.

In order to take account of the CCO's specific subordination to the Director of the FFA and to strengthen the latter's resources, the SFAO has ultimately recommended directly subordinating the CCO's Internal Inspectorate to the Director of the FFA.

The SFAO has acknowledged the position adopted by the CCO and the FFA in response to its recommendations. As it was not possible to observe the effects of the measures taken during its audit, the SFAO confirms its observations and assessment of the situation. A follow-up of the measures taken will be carried out in the second half of 2015.



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