

Audit of the key ICT project regarding a consumption tax platform Federal Customs Administration (FCA)

Key facts

Lack of specifications and unsecured financing lead to suspension

The Swiss Federal Audit Office (SFAO) audited the key ICT project concerning a consumption tax platform from May to June 2015. The programme was launched in January 2014 with a budget of CHF 13.5 million. The instructing parties were the management of the Federal Customs Administration (FCA), the Swiss Alcohol Board (SAB) and the Federal Office of Information Technology, Systems and Telecommunication (FOITT). A modern, scalable and homogeneous platform was to be created for all the consumption taxes levied by the FCA and SAB, as well as refunds. In May 2015, even before the conceptual phase was concluded, the consumption tax platform project was suspended in consultation with the General Secretariat of the Federal Department of Finance (GS-FDF) due to unclear specifications and unsecured financing. Whether or not the costs of almost CHF 4 million accrued up to that point will have to be written off will depend on the reuse of the results.

In spite of the potential loss, the SFAO supports the logical decision to suspend the project, but believes that, in hindsight, IT implementation in the consumption tax platform project was tackled too quickly. In order to have the IT systems ready when the new laws were expected to enter into force, the FCA, SAB and FOITT could not delay matters any further. In spite of the unclear legal basis and thereby the organisational basis as well, conceptual work on the consumption tax platform was pursued.

The revision of the Alcohol Act, which dates from 1932, has been under discussion by Parliament since 2013. The uncertainty concerning the outcome of this resulted in unclear requirements for the IT systems. The integration of the SAB in the FCA and the shaping of future processes led to conflict-ridden discussions in projects. Even during the conceptual phase, the instructing parties had the project's progress appraised by an external expert. The results of the review revealed that the CHF 13.5 million in budgeted funds would not be sufficient. According to a rough project estimate, overall costs of approximately CHF 38 million were to be expected. This led to unsecured financing.

FCA lays foundation for complete overhaul of application environment

During the suspension work, the results already achieved in the consumption tax platform project were saved and transferred to the "Business principles, IT architecture & FCA roadmap" study for further use. The strategic basis should be redefined in the process. The goal by the end of September 2015 is to examine the entire FCA application environment and the SAB components concerned to define a target architecture and to present a migration roadmap and an implementation plan.

The "Business principles, IT architecture & FCA roadmap" study will integrate the experience gained and lay the foundation for a complete overhaul of the FCA application environment. The work is following the federal architectural specifications in terms of methodology, and the SFAO believes it is proceeding in the right direction. The SFAO recommends that the FCA put the "Business principles, IT architecture & FCA roadmap" study on a firm and reviewed financial, organisa-



tional and technical footing. In addition, comprehensive lifecycle management should be established for all applications.

FCA, SAB and FOITT have been working together on reducing complexity and harmonising the diverse ICT landscape since 2013

The ICT landscape of the FCA/SAB covers a large number of applications that were created during a period of over ten years without consistent and uniform architecture and technology principles. They are very diverse and have numerous dependencies and interfaces. The systems will reach the end of their lifecycle at different times over the next few years and some are being looked after by key individuals who will soon reach retirement age.

With the consumption tax platform project, the FCA, SAB and FOITT pursued the joint vision of using potential synergies which the FOITT identified in the Spitfire study in 2012/2013. With the consumption tax platform, a comprehensive basis was to be set up for the central provision of 70% of the functions and interfaces with peripheral systems required by specialist applications for consumption taxes. Based on this, a joint IT platform was to be designed and built for various consumption taxes (mineral oil tax, spirits tax, beer tax and tobacco duty) as well as for processing traffic, export contributions and customs reliefs. The consumption tax platform project was to make use of the experience and results which the FOITT acquired in the course of FISCAL IT.

Capacity will be freed up with the suspension and both FISCAL IT and the "Business principles, IT architecture & FCA roadmap" study can benefit from this. By contrast, the FCA and the SAB must ensure the continued operation of the old systems and take measures to retain the know-how of key individuals in the process.

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