

# Audit of the key ICT project Fiscal IT

## Federal Tax Administration

### Key facts

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With the FISCAL IT programme, the Federal Tax Administration (FTA) is replacing its existing specialist applications which have reached the end of their lifespan. It wants to create a uniform IT system landscape and a modern ICT architecture with the new applications. At the same time, it wishes to increase efficiency.

The programme has been running since 2013. The FTA has had to postpone deadlines several times in recent years. In October 2017, it replaced the legacy systems of the Main Division for Direct Federal Tax, Anticipatory Tax and Stamp Duty (DAS) with DIFAS<sup>1</sup> as scheduled. At the time of the audit by the Swiss Federal Audit Office (SFAO), the FTA was working on replacing the old MOLIS system with the new MEFAS 2.0 application for the Main VAT Division. It is planned that it will go live on 1 July 2018. Despite considerable time pressure, the FTA has to ensure that the technical, end-to-end and load tests are carried out successfully for this rollout as well.

According to the programme controlling, costs of CHF 102 million had accrued by the end of April 2018, excluding internal FTA personnel expenses. According to the plan, the total costs amounted to CHF 117.6 million, with residual reserves of around CHF 600,000.

Of the 13 outstanding recommendations from past audits<sup>2</sup>, 12 have not yet been implemented.

### **STOLIS has been replaced, but DIFAS does not yet provide the required performance**

In order to ensure that the old systems were replaced on schedule and on budget, the FTA implemented the new DAS applications with the minimum functionality needed. When they went live, the new applications did not yet meet the quality requirements due to several critical errors and poor performance. Some important specialist functions are missing (e.g. declaration procedure, monitoring of subjection). Not all points from the replacement of STOLIS had been settled at the time of the audit. Furthermore, existing automation features are not yet being used by users. Consequently, efficient work in the specialist areas is still not ensured.

Between the rollout and the end of 2017, productivity had slumped by up to 60% in some cases. From January 2018, the FTA no longer systematically reported productivity indicators. The development of overall productivity from the start of the year to the time of the audit is unclear. Moreover, the FTA has been unable to send interest invoices and reminders since the introduction of DIFAS.

The FTA learned lessons from the introduction of DIFAS for the replacement of MOLIS. For example, it has defined various performance indicators for VAT. It thereby wishes to monitor and control productivity before and after the introduction of MEFAS 2.0. The

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<sup>1</sup> Application for DAS.

<sup>2</sup> Audits of the key ICT project FISCAL IT (audit mandates 13506, 14539, 16153 and 17441), available on the website of the SFAO ([www.sfao.admin.ch](http://www.sfao.admin.ch)).

cross-section areas (e.g. finance, debt collection) have not been included due to the capacity estimate. However, the FTA should apply this measurement instrument to all areas concerned. Due to signs that are similar to those for the replacement of STOLIS, the SFAO believes that the introduction of MEFAS 2.0 will likewise trigger a slump in productivity.

The FTA plans to implement two stabilisation releases after the replacement of MOLIS. It should focus primarily on measures to increase productivity.

### **The operating structures are still not stable seven months after DIFAS went live**

The operating structures (processes, roles) of the FTA and Federal Office of Information Technology, Systems and Telecommunication (FOITT) are not yet sufficiently stable. Both sides have made progress in various areas over the past year, but the situation is always unsatisfactory. There are frequent partial failures of systems.

Cooperation between the FTA and FOITT and the handling of the outstanding points from the DAS projects in operation have not yet been sufficiently clarified. Although the requirements have been defined, they have not been fully implemented.

At the time of the audit, there was still disagreement between the FTA and FOITT concerning the operating costs for 2018. Costs of up to CHF 15 million are under discussion. These would thus be slightly lower than the 16.5 million for the legacy systems STOLIS and MOLIS in 2014, but higher than the 12 to 13 million originally planned.

FISCAL IT applications are exposed to new IT security risks due to the use of online portals. In this respect, the audit of the applications launched did not reveal any critical shortcomings requiring immediate action.

**Original text in German**