

Audit of the 2023 ERP ICT strategy

Federal IT Steering Unit

Key facts

In June 2017, the Federal Council selected the business suite SAP S/4HANA as the new solution for Federal Administration support processes (finance, logistics, human resources, etc.). The Federal IT Steering Unit (FITSU) developed an initial version of the strategy for this new platform (2023 ERP ICT strategy). The implementation programmes include the modernisation of work processes in both the civilian and military fields. Scheduled for up to 2025, these programmes are currently priced at CHF 665 million.

The February 2018 consultation procedure showed that major questions remain concerning the proposed strategy. The Swiss Federal Audit Office (SFAO) also put forward proposals for improvement in this context. The FITSU has adopted a two-step approach. It will first submit its 2023 ERP ICT strategy to the Federal Council for approval in April 2018, with additional studies being conducted in parallel. The FITSU will then fine-tune the draft dispatch for funding. A decision is expected in spring 2019.

A good initial basis for work to be built upon

The SFAO is following up on an initial audit on the SAP ERP strategy¹, now examining whether the February 2018 version of this 2023 ERP ICT strategy and the draft dispatch form an adequate basis for decision-making.

Overall, these documents constitute a good initial basis for work. The topics that the SFAO expects from a strategy and a draft dispatch are addressed at this stage. Nevertheless, additional information is needed in order for the two documents to form a sounder basis for decision-making. The FITSU also carried out the clarifications requested by the SFAO in its assessment of the working document on the SAP ERP strategy. However, it only partially documented them.

Roadmap and costs: greater transparency required

For the SFAO, the steps and milestones proposed in the strategy's roadmap are ambitious and credible. The cost estimates presented in the strategy also appear plausible. However, many unknowns remain. The schedule for the delivery of various functional modules by SAP is uncertain. The availability of both internal and external resources will be another sensitive issue for SAP S/4HANA migration programmes. Dependencies with other key ICT projects of the Confederation will also put severe constraints on the implementation activities regarding the new software package.

These risks and other unknowns are not clearly highlighted in the preamble to the roadmap and cost estimates. Moreover, the calculation assumptions are partly documented in the strategy. Consequently, readers cannot form their own opinion of the soundness of the

¹ The report for audit mandate 17656, "Critical assessment of the working document on the Confederation's SAP ERP strategy" was presented to the Finance Delegation.

dates and figures presented. The same applies to their error margin. The SFAO has recommended that the FITSU better document the risks and assumptions in the roadmap and cost estimates.

The future solution's objectives and governance will have to be fleshed out

The 2023 ERP ICT strategy defines the scope, objectives and principles for future implementation programmes. For the SFAO, these results are logically constructed and form an adequate initial basis for work. Nevertheless, some principles are partly contradictory, e.g. standardisation and user-friendliness. It will be a question of defining the details to resolve the conflicts that will follow during implementation. The scope will also need to be specified and the results and activities not included in the programmes clearly stated. Finally, the SFAO noted that quantifiable profitability targets for the introduction of the new platform are not defined at this stage.

The strategy addresses the governance of the SAP S/4HANA platform. The principles will thus guide the definition of the tasks and powers of the authorities and the processes for steering and controlling the future solution. Particular attention will have to be paid to governance areas to be centralised (e.g. joint services). The desire to standardise practices and techniques could clash with the principles of departmental management autonomy. Limits will have to be set and resolution procedures provided for.

These elements will have to be addressed within the framework of the additional studies under way at the FITSU.

Original text in German