

Follow-up audit on the implementation of main recommendations: key ICT project ASALfutur

State Secretariat for Economic Affairs

KEY POINTS

The Swiss Federal Audit Office (SFAO) has audited the ASALfutur key project at the Unemployment Insurance Compensation Office in the Labour Market and Unemployment Insurance sector of the State Secretariat for Economic Affairs (SECO-TC) four times. The fourth, urgent audit in 2023 gave rise to six recommendations which have a direct impact on the continuation of the project and the viability of the revised plans. The SFAO has now audited the progress in implementing the recommendations with very short deadlines, according to their relevance. In addition, a follow-up audit is to be performed on the six recommendations from the 2021 audit.⁴

The plans for ASALfutur have been revised since summer 2023. As at the end of April 2024, they show an additional financing requirement of CHF 53.06 million compared to the previous planning status, taking total project costs to CHF 183.36 million. The project will be delayed by 24 months. On 26 April 2024, the Supervisory Commission for the Unemployment Insurance Compensation Fund (SC UI) approved a first round of additional costs amounting to CHF 7.4 million for the planned introduction of the benefit type "insolvency compensation". This is due to be introduced in June 2024. The remaining additional costs are to be submitted to the SC UI for approval in September/October.

The SFAO noted that measures have been taken to implement the recommendations. Overall, things are moving in the right direction. Nonetheless, the project situation continues to be critical, with some problems not yet resolved. Further cost increases and delays remain possible, as the validation results are still pending. The new project governance may also have an impact on this.

Risks continue to be very significant, and the recommendations remain open as a result

For all the recommendations, changes or measures were observed which are moving in the right direction. However, it is too early to make a definitive judgement. Some measures still have to be put in place, prove their worth or be developed further. This is, for example, the case where processes, roles or responsibilities were changed, for instance as regards appointments to the committees. Moreover, almost all the measures also entail a change of culture in the core organisation. This will not be achieved in the space of six months.

The changed project governance situation will also have an impact on the implementation of measures, as the change of project sponsor and project management means that key positions now need to be reassigned. One of the 12 recommendations has become obsolete as a result of the change.

The development of portfolio management is essential, in order to increase organisational maturity

There is as yet no meaningful portfolio management, although the core organisation is currently working on establishing one. This would, for example, manage the core organisation's projects across units, taking into account the capacity required for system operation, or map the technical dependencies between systems, applications and the critical paths of projects. This manageability must also be achieved given the magnitude of the next project in the pipeline, namely the replacement of the IT system for job placement and labour market statistics (AVAM), which is similar in size to ASALfutur.

⁴ "Audit of the key ICT project ASALfutur" (audit mandates 21304 and 23622), available on the SFAO website

The discussion about the setting of common goals across units must be given greater focus, and the overarching value added must be established in greater detail.

The SECO-TC must include the operability of ASAL 1.0 as an operational risk

The existing system for paying unemployment benefits, ASAL 1.0, is nearly 30 years old. Adjustments are only possible to a limited extent, and there are a number of technical challenges to operation. The system is due to be replaced by ASAL 2.0 at the end of 2025.

Even if there is no indication of a threat from ASAL 1.0 to the payment of unemployment insurance, the risk of a system failure increases every time operation is prolonged. Owing to the change in project governance and the still outstanding planning validation results, further delays to the introduction of ASAL 2.0 cannot be excluded.

The SFAO is therefore recommending that SECO thoroughly assess the further operation of ASAL 1.0 and that SECO-TC include it as a separate operational risk. Any further delays to the introduction of ASAL 2.0 must be aligned with this risk assessment.

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