

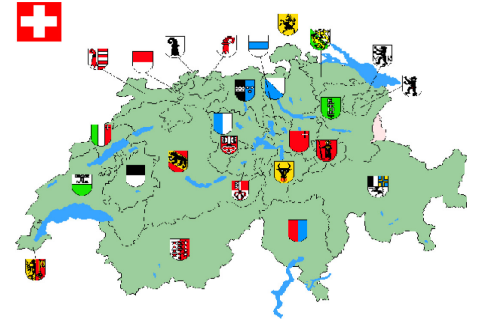


DigiTrans - Audits

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Who is the SFAO?



- The Swiss Federal Audit Office (SFAO) has been the supreme financial supervisory body of the Swiss Confederation since 1877. It assists the Federal Assembly and the Federal Council. Its independence is guaranteed by the Federal Audit Office Act (FAOA).
- The SFAO supervises the financial management of the Federal Administration and numerous semi-governmental and international organisations. Much of its work has been published since 2014.

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Audit universe & criteria

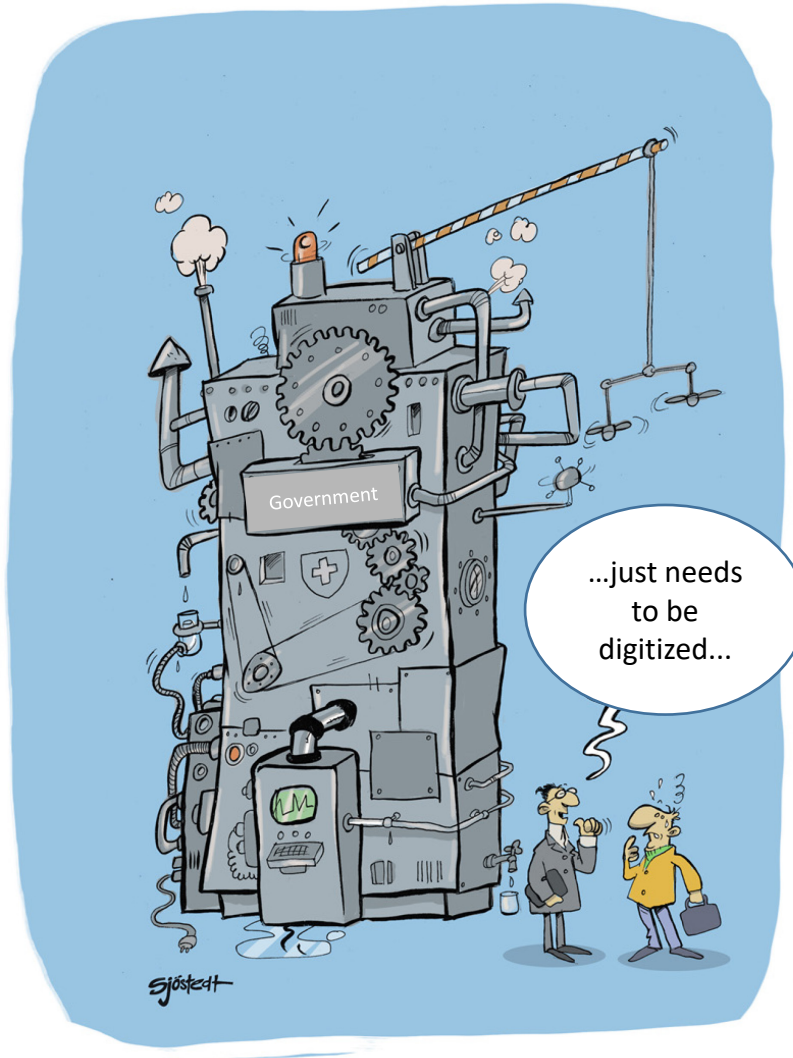
Audit universe:

- Federal Courts (limited to administrative sector)
- Central and peripheral Federal Administration
- Recipients of subsidies
- Private providers of public duties
- The Parliamentary Services
- Stock companies in which the Confederation holds a majority stake
- Quality assurance in fiscal equalisation

Criteria of financial supervision:

- Legality
- Regularity
- Economic efficiency (economy, efficiency, effectiveness)





Sjostedt

Audit objective: End-to-end consideration of digitisation projects (digital transformation projects)



Audit Objective

Assessment of process efficiency in dealing with (...) from an "end-to-end" perspective.

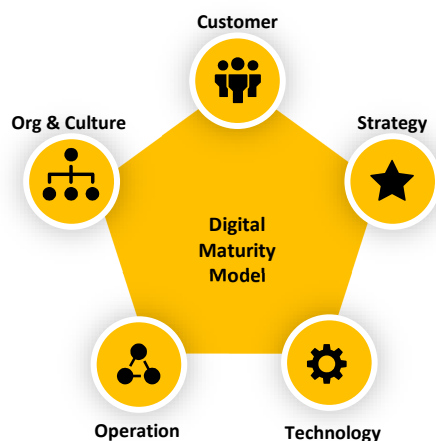


Derived audit questions

1. Is the efficiency enhancement potential of the digital transformation being exploited?
2. Are new potential customers, partners, products and services adequately considered?
3. Is the digital transformation adequately embedded, controlled and managed in an overall architecture?
4. Do the existing framework conditions (e.g. laws, technology) allow for timely and flexible implementation and continuous digitisation?

Basis for answering the audit questions is the DigiTrans model SFAO with five dimensions

The DigiTrans Model assesses digital capabilities and risks in 5 clearly defined dimensions and applies a holistic view.



Customer



Consideration of customer and stakeholder needs and existing pressure points.

Operation



Looking at processes and governance in terms of using digital technologies to improve efficiency and effectiveness.

Strategy



Looking at how the organisation should be transformed to increase impact and efficiency.

Org & Culture



Looking at the organisation and culture in terms of governance and talent processes to support progress.

Technology



Looking at how data is generated, processed, secured and exchanged to address customer needs at low variable and fixed costs.

19 Criteria for assessing the main risks



1. Customer*

Insufficient attention is paid to clients and their needs

1.1

Customer engagement
Customer needs are not known and/or not taken into account

1.2

Customer segmentation
The similarities and differences in the needs of customer groups/segments are not taken into account

1.3

Customer experience
The customer/user experience is not designed consistently and end-to-end



2. Strategy

There is no strategy in place that shows how and for what purpose transformation should take place

2.1

Legal basis
Legal adaptation needs are insufficiently addressed

2.2

Stakeholder management
(Potential) partners and customers are insufficiently considered

2.3

Strategic Management
An overarching strategy and planning is not in place

2.4

Finances & Investments
A clear budget framework and KPIs for evaluation are not defined



3. Technology

Technical solutions such as architecture, security, data integration are not clearly defined

3.1

Architecture & Applications
No overarching IT architecture and roadmap is defined

3.2

Data & Analytics
Data is not systematically collected, analysed and the necessary technology is not made available.

3.3

Implementation
There is no clear governance structure and planning for implementation

3.4

Security
Security (cyber security) is not adequately addressed



4. Operation

The operating model is not designed with the use of digital technologies in mind

4.1

Agile management
Those responsible cannot react quickly enough to new requirements

4.2

Process Management
Processes do not meet requirements and are difficult to adapt

4.3

Standards & Governance
Lack of clear governance, guidelines and standards

4.4

Semantic interoperability
Data is interpreted differently depending on the context, making collaboration across systems difficult or impossible



5. Org & Culture

Organisational development and change measures are insufficiently defined

5.1

Organisational culture
Organisational culture is passive and fearful, inhibiting digital transformation

5.2

Leadership & Governance
Leaders are insufficiently committed to the project

5.3

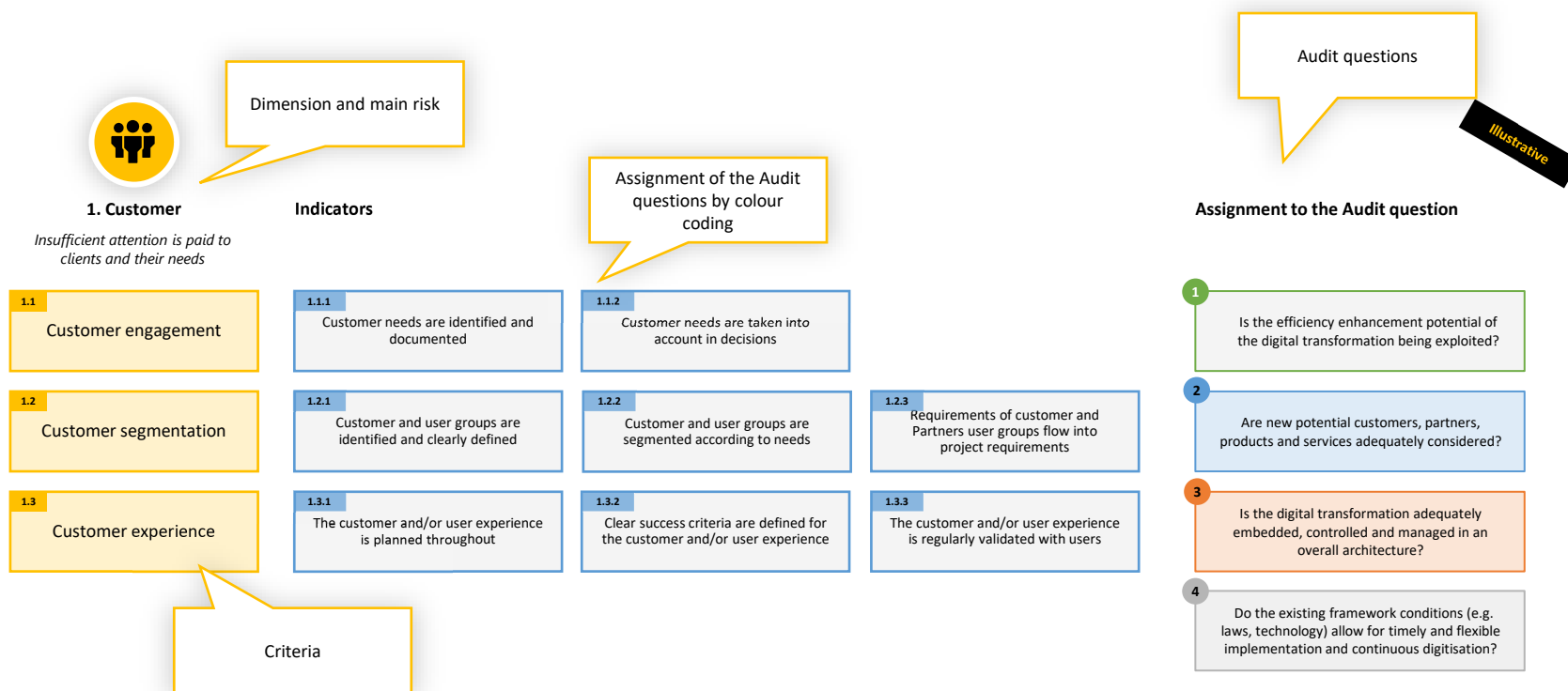
Enablement
Employees are inadequately trained and empowered with regard to the project.

5.4

Talent Management
The project is insufficiently staffed with (technical) experts and talents.

*Customers include both internal and external partners and stakeholders

Indicators for the criteria are assigned to the Audit questions



Dimension 1: Customer



1. Customer

Insufficient attention is paid to clients and their needs

Indicators

1.1
Customer engagement

1.1.1
Digital projects are planned and implemented from the customer's point of view

1.1.2
Customer needs are taken into account in decisions

1.2
Customer segmentation

1.2.1
Customer and user groups are identified and clearly defined

1.2.2
Customer and user groups are segmented according to needs

1.2.3
Requirements of customer and user groups flow into project requirements

1.3
Customer experience

1.3.1
The customer and/or user experience is planned throughout

1.3.2
Clear success criteria are defined for the customer and/or user experience

1.3.3
The customer and/or user experience is regularly validated with users

Assignment to the Audit question

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Dimension 2: Strategy



2. Strategy

There is no strategy in place that shows how and for what purpose transformation should take place

Indicators

2.1
Legal basis

2.1.1
Legal obstacles to projects are identified in good time and measures taken to eliminate them

2.1.2
Any gaps in the law are known and measures have been taken to eliminate them.

2.1.3
Data protection, security and regulatory requirements are identified.

2.2
Stakeholder management

2.2.1
There is an overview of the stakeholders in the ecosystem of the project

2.2.2
An explicit partner/ecosystem approach is stated in the strategy

2.2.3
Potential partners and clients are considered across organisational boundaries according to their needs

2.3
Strategic Management

2.3.1
A clear vision and ambition for digital transformation are in place

2.3.2
An overarching strategy for digital transformation is defined

2.3.2
Detailed planning (e.g. technology roadmap) is in place and up to date

2.4
Finances & Investments

2.4.1
A clear budget framework is defined

2.4.2
Clear KPIs are defined for the transformation strategy to evaluate investment decisions

2.4.3
Synergies with other projects have been identified and efforts are being made to realise them.

Assignment to the Audit question

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Dimension 3: Technology



3. Technology

Technical solutions such as architecture, security, data integration are not clearly defined

Indicators

- 3.1 Architecture and applications
- 3.2 Data & Analytics
- 3.3 Implementation
- 3.4 Security

3.1.1
A technology roadmap is in place and aligned with the business strategy

3.1.2
The architecture design follows a service-oriented approach and APIs are used for integration

3.1.3
The system and technology architecture is oriented towards the business architecture

3.2.1
A Big Data platform exists and is used for data analysis

3.2.2
IoT solutions are used to obtain data

3.2.3
AI solutions are used to automate and increase efficiency

3.3.1
A technology governance framework is in place to monitor implementation

3.3.2
The project relies on industry standards

3.3.3
The project automates and optimises processes to increase efficiency

3.4.1
Security is embedded in the design and deployment of components

3.4.2
Processes and systems are monitored for harmful activities and policy violations

Assignment to the Audit question

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Dimension 4: Operation



4. Operation

The operating model is not designed with the use of digital technologies in mind

Indicators

4.1
Agile management

4.1.1
Agile methods are used in the development and evolution of products

4.1.2
Design thinking is used to understand stakeholder needs and challenges

4.1.3
Operating processes are continuously improved

4.2
Process Management

4.2.1
Applications can be configured according to business requirements

4.2.2
Existing Existing services are continuously improved and new ones introduced

4.2.3
Effective operations and change management exists

4.3
Standards & Governance

4.3.1
The operating model embodies the digital strategy

4.3.2
A risk management system is applied in day-to-day business

4.3.3
Operation is compliant with legal and regulatory requirements and standards

4.4
Semantic interoperability

4.4.1
Semantic interoperability is given

Assignment to the Audit question

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Dimension 5: Org & Culture



5. Org & Culture

Organisational development and change measures are insufficiently defined

Indicators

5.1
Organisational culture

5.1.1
The employees take their role in the sense of the project

5.1.2
The organisation focuses on inclusion and diversity

5.1.3
There is an Optimistic attitude towards the project ("can-do" culture)

5.2
Leadership & Governance

5.2.1
Digitisation projects have priority on the management agenda

5.2.2
The performance mandate and the annual targets create incentives for the implementation of the digital strategy

5.3
Enablement

5.3.1
Work tools provided support productivity and innovation (e.g. virtual collaboration)

5.3.2
Work policies and processes support productivity and innovation

5.3.3
Knowledge is effectively captured and shared across the organisation

5.4
Talent Management

5.4.1
Competences of the employees are known and the necessary skills to implement the strategy are available.

5.4.2
There is access to a pool of external talent

5.4.3
There is continuous investment in the further development of employees in digital topics

Assignment to the Audit question

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Preparation Work (1)

- Who are the end customers
- Where are the entry points?
- What are the services to be provided?
- What are the information (not data) flows?
- Which (potential) authority is involved (all levels)
- Are there user associations (farmer's association, etc.)
- Which official conferences are there
- What are the legal bases regulating the scope



Preparation Work (2)

- Outline the information flows incl. authorities and services
- Outline existing applications and interfaces
- Identify ongoing projects (ICT, reorganization, changes in legislation, etc.)
- Identify the political initiatives



Preparation Work (3)

- Estimate the quantity structures (end users, transactions, mass-transactions/standardization level,...).
- Identify the media breaks
- Identify the "authority marathons"
- "Networking of services instead of sequential processes" possible?
- Identify projects with insufficient ambition (digitization without transformation, silo thinking, etc...)



Challenges in federal DigiTrans activities?

- Leadership at all levels
- Numerous players need to be orchestrated. Who does it?
- Framework in place (goals, strategy, architecture)?
- Common and understandable big picture (vision) is missing
- Understand and educate customers and employees (culture and consistency).
- Legal possibilities are not exploited
- Poorly chosen scope
 - Low ambitions (e.g. replacement of legacy system 1:1)
 - Lack of overview (stakeholders, systems, processes, ...)
 - Missing End-to-end view
- Attention on Data (semantic interoperability, higher-level data model, master data, ...) Data is the raw material for DigiTrans
- Challenging general conditions (lack of specialists, budgets vs. agile development, federalism)
- Proceed step-by-step and iteratively towards the vision instead trying to achieve everything in of one big project

Heat map – Number of our auditors votes in Workshop Jan '23



- Small Challenge
- Medium challenge
- Big Challenge



Backup Slide



The 7 audits planned in 2021

- 21325 BLW Digitale Transformation: Prüfung der Prozesseffizienz bei der Bewirtschaftung von Kontrolldaten
- 21389 V – A Stab Digitale Transformation: Prüfung der Prozesseffizienz im Umgang mit Wehrpflichtigen
- 21401 BSV Digitale Transformation: Prüfung der Prozesseffizienz bei der Regressabwicklung
- 21439 BWL Prüfung der Prozesseffizienz bei der Ablösung der Meldeplattform Heilmittel
- 21511 BAG Digitale Transformation: Prüfung der Prozesseffizienz Aufsicht über die Versicherer
- 19404 EDA Prüfung der Prozesseffizienz und der Datenzuverlässigkeit von E-VERA
- 21503 BGer Digitale Transformation: Prüfung des Projektes Justitia



The 9 audits planned in 2022

- 22207 SEM Prüfung des DTI-Schlüsselprojektes Erneuerung zentrales Migrationsinformationssystem mit Schwerpunkt digitale Transformation
- 22239 BJ Digitale Transformation: Prüfung Neubau Handelsregister-Applikationen
- 22301 ASTRA Digitale Transformation: Prüfung der Prozesseffizienz bei der Weiterentwicklung des Informatiksystems MISTRA
- 22355 GS-UVEK Digitale Transformation: Prüfung der Online-Verwaltung der Sonderabfälle
- 22452 ZIVI Digitale Transformation: Prüfung der Ablösung von E-ZIVI
- 22524 ESTV Digitale Transformation: Prüfung von Core-IT
- 22651 BAK Digitale Transformation: Prüfung der Digitalisierung des analogen Kulturerbes
- 22604 ALV Digitale Transformation: Prüfung der Digitalisierung Arbeitslosenversicherung
- 22742 BK (DTI) Metabericht zu Prüfungen zur digitalen Transformation

The 4 audits planned in 2023

- 151 V (A Stab) Digitale Transformation: Prüfung der Prozesseffizienz bei der Ablösung von FIS Heer
- 245 BJ Digitale Transformation: Prüfung des Projektes zur Erneuerung der Handelsregister-Applikationen
- 384 BGer Digitale Transformation: Prüfung der neuen Plattform Justitia.Swiss
- 459 GS-WBF Digitale Transformation: Prüfung der Kernprozesse der Preisüberwachung