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27 Federal Institute for Risk Assessment purchased unnecessary software

The time needed by the Federal Institute for Risk Assessment to introduce a new software was nearly three times as long as originally scheduled. The costs also nearly trebled. Moreover, the Institute purchased unnecessary licences for expanding the software.

In November 2009, the Institute let a contract worth €500,000 for the supply and introduction of software. This was designed to implement cost and performance accounting, plan its resources and carry out business processes. The project was to be completed by mid-2011. Up to late 2013, the Institute paid the contractor about €1.3 million. Operation of the software with the time recording function needed for cost and performance accounting began in early 2014.

At year-end 2010, the Institute bought a software extension with 500 user licences for an ordering system which it exchanged against other software directly from the manufacturer two years later, since it did not need it. Moreover, it bought 500 user licences for a reporting system. For more than four years, the Institute used only one of these licences. It paid the manufacturer maintenance fees of about 20 per cent of the software price. It had not assessed the cost effectiveness of the software extensions.

We highlighted that the Institute's project management was flawed. By soundly assessing its needs, it could have avoided the premature purchase of unnecessary licences. Erroneous assessment of needs led to considerable avoidable maintenance costs. In future, the Institute will have to comprehensively plan its projects, heed recommendations of the federal administration and buy licences only at the time when they are actually needed.