

External employees in the Federal Administration: brief follow-up evaluation

Summary of the report by the Parliamentary Control of the Administration for the Council of States' Control Committee

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Transparency in the use of external employees in the Federal Administration has improved since the last evaluation was conducted. The Federal Council has issued clear directives on hiring workers via third parties; for the most part, these are observed. However, the risk of pseudo-temporary positions still exists. The Confederation has created numerous internal positions, although it is not clear how much money has actually been saved by doing so and whether the potential for cost-saving has been fully exploited.

In 2014, in response to an evaluation by the Parliamentary Control of the Administration (PCA) on external employees in the Federal Administration, the Council of States Control Committee (CC-S) made six recommendations to the Federal Council. In February 2017 it then commissioned the PCA to conduct a short evaluation to look at how the recommendations had been applied and to consider certain aspects in greater detail. At its meetings of 29 June 2017 and 22 February 2018, the relevant CC-S sub-committee, the FFD/EAER sub-committee, decided that this short evaluation should look at the following: the clarity and application of directives on external employees issued by the Federal Council; how transparent the practice of employing externals is, including the problem of 'pseudo-temporary' employment; the internalisation of jobs and the resulting cost-savings.

The PCA looked closely at the use of external employees and the internalisation of positions in five federal offices. It also evaluated data from budget proposals, state financial statements and federal procurement controlling, analysed documents and commissioned an expert legal opinion. The main findings are presented below.

Expenditure largely transparent, but with shortcomings

Expenditure on hiring external staff on a temporary basis via a third party has been recorded in the federal financial statements and budgets since 2017. This has created greater transparency for Parliament, although the budgeted figures have so far always been too low. Since 2016, procurement controlling has also recorded expenditure on external employees hired via temporary recruitment services in separate categories; however, it is difficult to make a comparison of the figures for the different federal offices. Furthermore, there is a lack of information regarding the number of full-time equivalent positions filled via third parties and the number of employees involved. As it is not known how long some individuals are employed for, it is not possible to ascertain clearly whether the Federal Council's directive on a maximum employment period of two years is generally observed.

Principles on hiring via temporary recruitment services are largely clear and generally observed

The Federal Council's directives on hiring via third parties are largely clear and are generally observed. This practice forms the exception throughout the Federal Administration, in line with the directives. In some offices and departments, however, the figures are high, either as a proportion of total staff numbers or in terms of the number of external assignments and contracts. In accordance with the directives,

externals hired via third parties are primarily employed to meet short-term staff shortages. Half of the contracts are for a maximum of 12 months, and only 12 per cent run for more than two years. However, the duration of the individual contracts is not an entirely reliable indicator, as federal offices often conclude several contracts with the same agency or company; that said, there is some controlling of follow-up contracts, although this does not reveal whether the Federal Administration disregards the directives and uses staff from different companies in succession in order to carry out tasks over a long period.

Trend away from hiring via temporary recruitment services is appropriate but involves some risk

The great advantage of employing staff via third parties as opposed to internals is the flexibility this provides. However, limiting contracts to two years, as the Federal Council directives require, reduces the flexibility. In practice, therefore, federal offices are moving away from hiring staff via temporary recruitment services towards more temporary contracts for work and services. This trend is in accordance with the directives and is appropriate, as responsibility for the products and services is externalised. However, there is a risk that more pseudo-temporary positions are created that should in fact be standard employment or agency contracts, whereby it is difficult to ascertain whether this is the case, because in reality the various types of contract are less clearly defined than is set out in the directives and their annex. The legal opinion commissioned by the PCA, for which a small sample of contracts was considered, found that the contract wording did not reveal any indication of pseudo-temporary positions. However, the exact nature of the employment relationships could not be ascertained. Some statements made in discussions suggest that employment contracts via temporary recruitment services are sometimes replaced by work and services contracts with little change to the actual working conditions of the employees involved.

Internalisation may not fully exploit savings potential

The federal budgets reveal that a total of 476 full-time equivalent positions have been internalised since 2015. The Federal Council budgeted for permanent savings of CHF 13.4 million, or 15 per cent of the former costs for externals, which is considerably less than the PCA expected following its first evaluation. This may be because the main reason for internalising positions is not to save money but rather to retain and ensure the continuity of expertise, or because the tasks concerned are highly specific to the Federal Administration. In addition, there is no incentive for the offices to budget for large savings as their budget will be reduced by the amount they expect to save. There is currently insufficient information about budgeted savings, and the actual savings made as a result of internalisation have not been calculated. Under the current circumstances, the PCA questions whether the savings potential is being fully exploited.

The full report is available in German, French and Italian (www.parliament.ch).