



Annual Activity Report 2022

THE EUROPEAN ANTI-FRAUD OFFICE (OLAF)

Table of Contents

- OLAF IN BRIEF3
- EXECUTIVE SUMMARY 5
 - A. Key results and progress towards achieving the Commission’s general objectives and department’s specific objectives6
 - B. Key performance indicators10
 - C. Key conclusions on financial management and internal control.....11
 - D. Provision of information to the Commissioner(s).....12
- 1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION’S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT ().....13
- 2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL23
 - 2.1. Financial management and internal control.....24
 - 2.1.1. Control results25
 - 2.1.2. Audit observations and recommendations.....35
 - 2.1.3. Assessment of the effectiveness of internal control systems.....39
 - 2.1.4. Conclusions on the assurance.....39
 - 2.1.5. Declaration of Assurance [and reservations]39
 - 2.2. Modern and efficient administration – other aspects41
 - 2.2.1. Human resource management.....41
 - 2.2.2. Digital transformation and information management43
 - 2.2.3. Sound environmental management44
 - 2.2.4. Examples of economy and efficiency45

OLAF IN BRIEF

The European Anti-Fraud Office (OLAF) **protects EU revenue and expenditure** through independent **administrative investigations** into irregularities, suspected fraud and corruption. OLAF also **investigates serious misconduct** by EU staff and members of the EU Institutions, bodies, agencies and offices, according to its mission. In addition to its investigative work, OLAF coordinates the implementation of the **Commission Anti-Fraud Strategy** and develops **fraud risk analysis and anti-fraud policy measures** to support Commission services. The Office also contributes to developing and implementing anti-fraud legislation and policies and contributes to upholding the **rule of law in the EU**.

OLAF's mission and political priorities are guided by the Treaty on the Functioning of the European Union and further defined by the political framework set out in the President's six headline ambitions and in a seventh horizontal objective: 'A modern, high-performing and sustainable European Commission'. OLAF's relations with stakeholders are guided by **cooperation, trust and transparency**. OLAF has its own Spokesperson and press team, communicating with the media and European citizens on its activities through press material and social media outreach.

The revised **OLAF Regulation**¹, which entered into force on 17 January 2021, increased the effectiveness of OLAF investigations and adapted the Office to a new anti-fraud landscape, which evolved with the entry into operation of the **European Public Prosecutor's Office** (EPPO) on 1 June 2021.

During the course of 2022, OLAF continued to face operational challenges, including those caused by the **COVID-19 pandemic** which rendered on-the-spot-checks and missions difficult to complete. The Office maintained business continuity measures that allowed investigators to continue their work and the Office to retain cooperation with partners in the EU and third countries.

Through 2022, the **Recovery and Resilience** Facility remained in high focus. Further to OLAF's contribution to the assessment of the plans and the fraud risk training in the previous year, during the course of 2022 OLAF started probing the use of the funds in Member States and opened its first investigations. Moreover, OLAF organised dedicated RRF-related meetings with Member State counterparts to assess first experiences concerning the detection of irregularities, management capacities, and administrative structures to deal with the RRF. OLAF continued its good cooperation with its **Supervisory Committee**, whose members were newly appointed in 2022.

OLAF stepped up its engagement with **Ukraine** to ensure the protection of the EU's financial assistance against fraud and other illegal activities. OLAF contributed to designing the policy conditions in the €18 billion Macro-financial Assistance 'Plus' package, while strengthening the bilateral outreach to international partners engaged in Ukraine, such as

¹ Regulation (EU, EURATOM) No 883/2013 as amended by Regulation (EU, EURATOM) 2020/2223 [please insert the OJ references].]

the World Bank and the US. OLAF is in preliminary discussions with Ukraine on the possibility for the latter to join the Union Anti-Fraud Programme, which would provide financial support to Ukraine to acquire specialised anti-fraud equipment and knowledge.

EXECUTIVE SUMMARY

This annual activity report is a management report of the Director-General of the **European Anti-Fraud Office (OLAF)** to the College of Commissioners. Annual activity reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the treaties ⁽²⁾.

A. Key results and progress towards achieving the Commission's general objectives and department's specific objectives

The European Anti-Fraud Office (OLAF) is a modern investigative body at the service of EU taxpayers. It protects the integrity of the EU single market and the financial interests of the Union. The seven specific objectives presented below describe how OLAF contributed to the achievement of the President's six headline ambitions and to the seventh horizontal objective: 'A modern, high-performing and sustainable European Commission' in 2021.

Specific objective 1: Efficient and effective management of OLAF investigations

In 2022, despite challenging circumstances, OLAF staff continued to produce results in protecting the interests of the EU and its citizens, while applying the highest standards of protection of fundamental rights and procedural guarantees.

For the third consecutive year, COVID-19 restrictions made it difficult for OLAF to fulfil its investigative activities, consequently having a negative impact on operational effectiveness and the duration of investigations. Two other factors that influenced OLAF's operational activities was the workload that ensues from the cooperation with the EPPO and the delay in the appointment of the Controller of procedural guarantees. Following the first year and a half of EPPO's operations, OLAF has had to adapt its operations and investigative activities to ensure full cooperation by carrying out complementary investigations to ensure the recovery of EU funds and where necessary support ongoing criminal cases.

During 2022 OLAF continued adapting its procedures and operational work to optimise the cooperation with EPPO. The practice has shown that this adaptation is an ongoing mutual and day-to-day learning process between the two partners that requires permanent fine-tuning efforts on both sides. The Office has also adjusted its practices to optimise cooperation with the Controller of procedural guarantees, to deal with complaints that had remained untreated since the entry into force of the revised OLAF Regulation in January 2021.

These external factors continue to impact the Key Performance Indicators. The **average duration of closed selections**, the first Key Performance Indicator shortened to 1.8 months in 2022, thus complying with the target of 2.1 months. The **average duration of**

⁽²⁾ Article 17(1) of the Treaty on European Union.

closed investigations, the second Key Performance Indicator rose to 26.8 months, compared to the target of 24.3 months.

For investigations closed in 2022, the amount recommended for **financial recovery** was 426.8 million euro, compared with 529.9 million euro in 2021. The financial impact of OLAF investigations in relation to its administrative budget amounted to 6.08 in 2022 compared with 1.9 in 2021.

In 2022, OLAF continued its cooperation with Commission services to complete the implementation of the Action Plan accompanying the Commission Anti-Fraud Strategy of 2019. With 60 out of 63 actions completed by the end of the year, the Action Plan is considered as implemented and a revision was initiated in 2022. All 25 actions for which OLAF was in the lead have been completed.

Specific objective 2: Compliance with legal obligations under Regulation (EU) 2018/1725

OLAF continued to ensure timely replies to citizens' requests for access to personal data, rectification, blocking, erasure and objection as well as to the European Data Protection Supervisor (EDPS)³. Despite the challenges in complying with the short deadlines to reply to citizen requests (one month that may be prolonged to three months in justified cases) introduced by Regulation 2018/1725, OLAF dealt with all requests on time.

Specific objective 3: Cooperation between OLAF and the EPPO to ensure EU financial interests are better protected

OLAF and the EPPO have distinct and complementary mandates but remain natural partners with a common mission. Since it commenced its operations in June 2021, the European Public Prosecutor's Office (EPPO) has enhanced the protection of EU funds across Europe. The EPPO conducts criminal investigations and prosecutions while OLAF conducts administrative investigations at Union level. OLAF's administrative investigations protect the EU budget by facilitating speedy financial recovery or taking disciplinary or administrative action. OLAF investigations can lead to precautionary measures or to the development of solutions to systematic shortcomings identified. These actions are crucial for ensuring a comprehensive protection of the EU budget

The legal framework allows OLAF and the EPPO to cooperate in complementary investigations and support, which allow OLAF and the EPPO to work together using, respectively, administrative and criminal tools available to ensure a comprehensive protection of the EU's financial interests. OLAF and the EPPO continue to streamline the mechanisms of cooperation while clarifying and developing close working relationships. OLAF arranged specific training sessions on areas of spending, techniques and other matters of investigative interest for EPPO staff. Additionally, a clearing-house meeting is regularly taking place to clarify any outstanding issues of operational nature, mostly

³ In 2022, OLAF was not requested to prepare any reply to the EDPS related to exercise of data subject rights or possible complaints.

related to cases. Additionally, OLAF provides support to the EPPO and the Commission Services in the context of the Commission-EPPO Agreement signed on 18 June 2021⁴.

Specific objective 4: Strengthen EU framework to combat customs fraud

In 2022, OLAF negotiated four **international agreements containing mutual administrative assistance (MAA)** and effective antifraud provisions to ensure that movements of goods are compliant with the applicable rules. In 2022, OLAF continued to improve the Anti-Fraud Information System (AFIS) and developed an analytical platform to improve the ability to detect and prevent customs fraud.

In 2022, OLAF co-organised or supported **10 Joint Customs Operations (JCOs)** covering a broad spectrum of targets: from the fight of tobacco smuggling, counterfeit and substandard oncological medicines and hormonal substances, to counterfeit food and hazardous toys.

Specific objective 5: Strengthen EU framework to fight illicit tobacco trade

In 2022, OLAF and the **Commission completed the implementation of the 2nd Action Plan to fight the illicit tobacco trade 2018-2022**. OLAF completed the 25 items of the 49 specific policy and enforcement measures for which it is directly responsible.

At the international level OLAF took a leading role in the Working Group on Tracking and Tracing that prepares for the implementation of the Global Information-Sharing Focal Point (GISFP). OLAF also renewed the Administrative Agreement with the JRC on the operation of the laboratory facility for the analysis of seized cigarettes (TOBLAB). **TOBLAB** produced and disseminated 165 analysis reports concerning tobacco samples submitted by Member States.

Specific objective 6: Implementation of the Commission Anti-Fraud Strategy (CAFS) with a view to protecting the financial interests of the EU

Preventing fraud from happening - rather than correcting it later - is a crucial element to ensure that EU money reaches its intended beneficiaries. The **Commission Anti-Fraud Strategy (CAFS)** from 2019 plays a significant role to prevent the possible misuse of EU money. In 2022, OLAF continued its cooperation with Commission services to complete the implementation of the Action Plan accompanying the Strategy. With 60 out of 63 actions completed, the Action Plan is considered as implemented and a revision was initiated in 2022. All 25 actions for which OLAF was in the lead have been completed.

⁴ OLAF provides support in its capacity as the relevant liaising Commission service.



In 2022, OLAF continued raising fraud awareness, notably by providing **more than 50 training sessions to Commission** services and agencies and other external partners, including Member States authorities. OLAF also provided advice to Commission services on their anti-fraud strategies, and continued cooperation with the services in the framework of the Early Detection and Exclusion System (EDES).

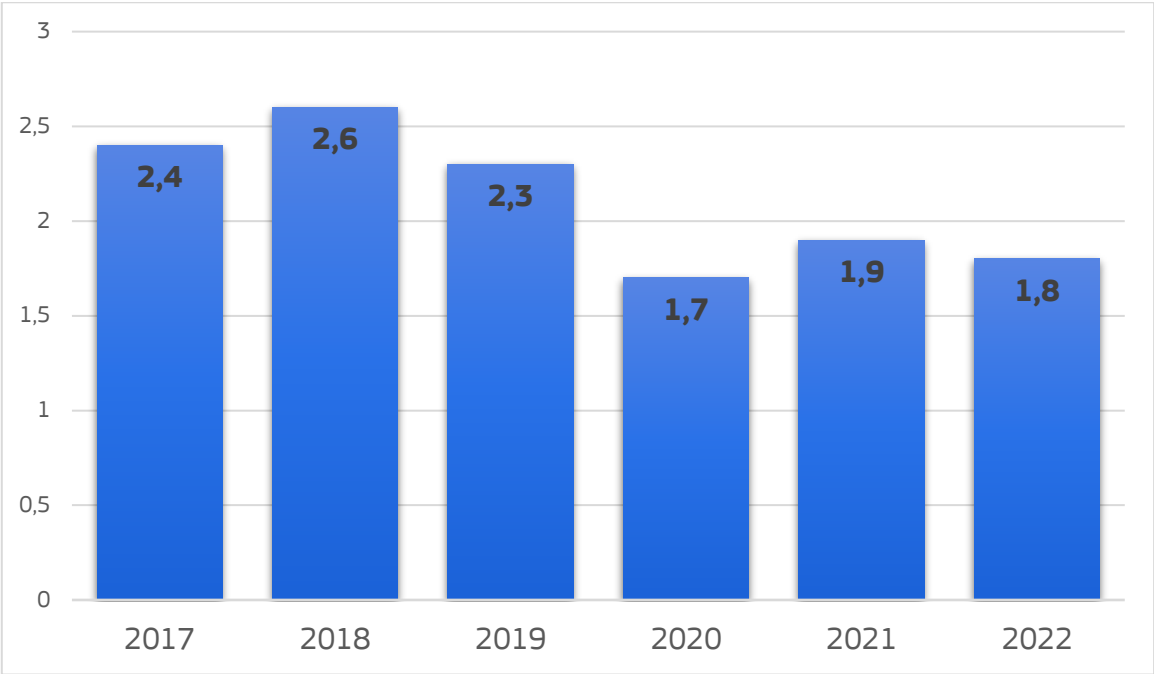
The **Recovery and Resilience** Facility remained in high focus. Apart from probing the use of the funds in Member states and opened the first investigations, OLAF organised meetings with Member State counterparts to assess first experiences concerning detection of irregularities, management capacities, and administrative structures to deal with RRF.

Specific objective 7: Support national authorities and other partners in the protection of EU financial interests through the EU Anti-Fraud Programme

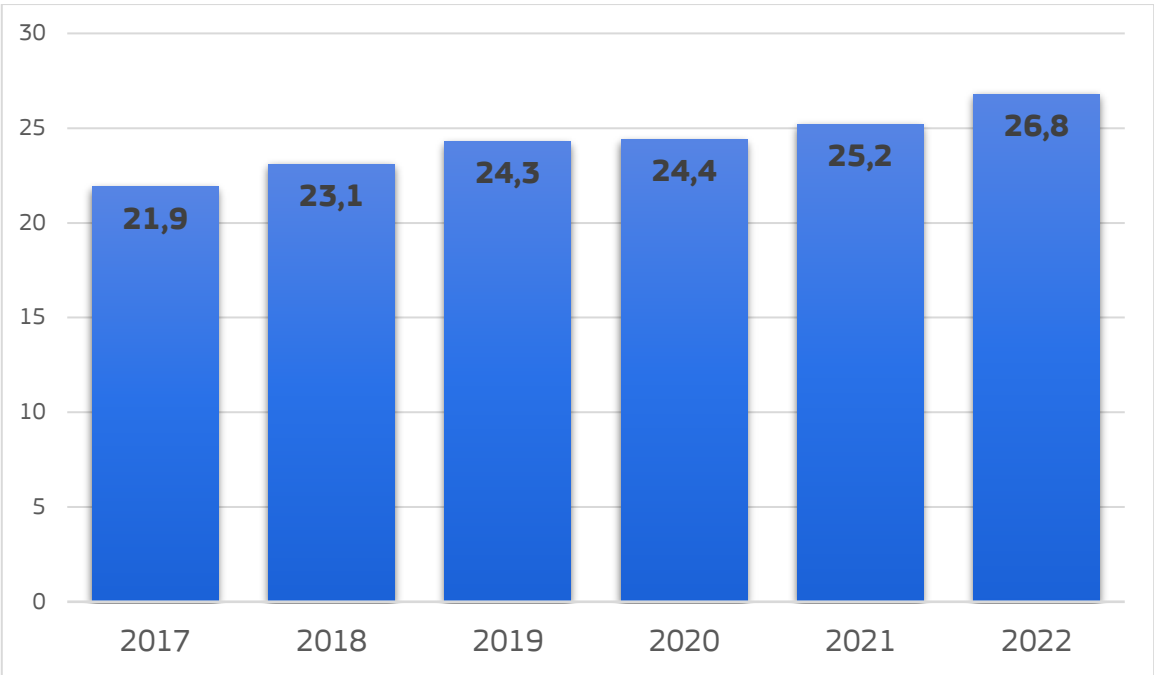
The Commission adopted the second Financing Decision for the Union Anti-Fraud Programme (UAFP) on 25 February 2022, thus establishing an EU contribution of 24.4 million euro for the implementation of the programme for 2022. The budget was allocated to the different strands of the programme, and following two public calls 64 proposals were received and evaluated. The programme also funded various procured activities to the benefit of the Member States authorities, enhancing their operational capacities for the protection of the Union's financial interests, such as specialised forensic and analyst training and access to commercial databases.

B. Key performance indicators

1. Average duration of closed selections (in months) Target 2022: 2.1 months



2. Average duration of closed investigations (in months) Target 2022: 24.3 months



C. Key conclusions on financial management and internal control

In line with the Commission's Internal Control Framework OLAF has assessed its internal control systems during the reporting year and has concluded that they are effective and the components and principles are present and functioning as intended. Please refer to annual activity report section 2.1.3 for further details.

In addition, OLAF has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

Provision of information to the Commissioner(s)

In the context of the regular meetings during the year between the European Anti-Fraud Office and the Commissioner on management matters, the main elements of this report and assurance declaration have been brought to the attention of Commissioner Hahn, responsible for Budget and Administration.

1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT ⁽⁵⁾

Specific objective 1: Efficient and effective management of OLAF investigations

In 2022, OLAF maintained an overall strong investigative performance despite difficult circumstances due to COVID-19 restrictions for a third consecutive year.

Missions and on-the-spot checks, with access to the premises of the economic operators and, where appropriate, forensic operations, are an essential investigative tool. During 2022, the number of missions performed by OLAF staff increased steadily to 75% (from

⁽⁵⁾ An Executive Agency uses as heading: 'Implementation of the Agency's Annual Work programme - Highlights of the year'.

30% during 2021) of pre-COVID-19 levels. The mitigating practices adopted due to the pandemic have led to new working methods, some of which (remote interviews, requests for documents) are likely to be retained in the future. The difficulty faced by OLAF in carrying out missions and on-the-spot checks was mitigated to a certain extent by cooperation with national authorities, but inevitably impacted on the duration of investigations. In 2022, despite a globally strong performance, all cases were impacted, while some cases were delayed as investigative actions could not be carried out.

In addition, the entry into operations of the EPPO in June 2021 impacted the duration of OLAF's investigations. OLAF is bound to report to the EPPO cases which could potentially fall under EPPO's competence, taking into account the temporal element (any offences that could have taken place as of 20 November 2017). The EPPO then has to decide whether to open a criminal investigation. Pending the EPPO's decision on any case reported, OLAF does not carry out investigative activities in these cases in order to avoid jeopardising potential criminal investigation.

Moreover, the delay to appoint the Controller of procedural guarantees for the handling of complaints in relation with the investigations by the Office had some impact on the timely closure of one (?) case. OLAF has adjusted its investigative procedures and practices to optimise cooperation with the EPPO and with the Controller to deal with untreated complaints since the entry into force of the revised OLAF Regulation in January 2021.

The **average duration of closed selections**, the first Key Performance Indicator, amounted to 1.8 months in 2022, thus complying with the target of 2.1 months. The **average duration of closed investigations**, the second Key Performance Indicator, amounted to 26.8 months, exceeding the target value of 24.3 months.

OLAF's investigative activities have a strong preventive and deterrent effect. After an investigation, OLAF issues recommendations to EU institutions, bodies, offices or agencies (IBOAs) to recover taxpayers' money spent on projects subject to irregularities or to collect customs duties illegally kept from the EU budget. OLAF also addresses recommendations to Member States' judicial authorities to prosecute fraudsters under criminal law. Similarly, through its disciplinary recommendations, OLAF recommends disciplinary actions on possible wrongdoing by staff of the institutions, bodies, offices and agencies.

During the reporting period, OLAF further intensified the monitoring of the follow-up given to its recommendations, focusing on administrative recommendations, which aim for example, to exclude fraudulent beneficiaries from EU funding or to enhance fraud prevention. Taking stock of the follow-up to administrative recommendations issued between 2016 and 2020, OLAF found that 60 % of recommendations have been either fully or partly implemented, 20% were still ongoing and 19% were not implemented due to administrative, legal or other reasons..

As regards financial recommendations, in 2022, OLAF closed 256 investigations resulting in 426.8 million EUR recommended for **financial recovery** compared to 527.4 million EUR in 2021. In addition OLAF recommended 197.9 million EUR to be prevented from being unduly spent, in comparison to 340.8 million EUR in 2021. The financial impact indicator (Annex 2,

Specific Objective 1, indicator 1.4) measures the financial impact of OLAF investigations retrospectively, in the period of two years preceding the reporting year as a ratio of amounts of potential damage to the EU budget prevented and amounts claimed back for the budget on the one hand, and OLAF's administrative budget on the other hand. The ratio currently stands at 6.08, significantly exceeding the target ration of 2.0. In addition, during 2022, OLAF enhanced the implementation of Art.7(6) Regulation 883/2013⁶ in its relations with the Authorising services that allows where possible the undue spending to be prevented instead to go to recoveries.

Furthermore, during 2022 OLAF completed 41 internal investigations, of which 17 were concluded with disciplinary recommendations, potentially impacting a total of 27 individuals.

OLAF's external communication

In 2022, OLAF's external communication activities remained targeted towards media and expert stakeholders, with a continued effort to create more synergies with corporate communication campaigns developed by the Directorate-General for Communication around the European Commission's main political priorities. The focus of OLAF's external communication actions was to communicate, via a combination of different channels, on OLAF's important role in protecting the EU budget; ensuring that EU taxpayers' money reaches projects that can stimulate the creation of jobs and growth; and strengthening citizens' trust in the EU institutions and the entire EU project.

In addition to the traditional communication mix consisting of increasingly proactive press and media relations, together with the publication and promotion of the annual OLAF Report, OLAF's communication activities included:

- developing more narratives on non-operational results of OLAF's work, in order to create easily quotable content without running into risks of legal claims,
- continuing to increase presence on social media, with the support of appealing and engaging audio-visual content,
- seeking synergies not only with the Directorate-General for Communication, but also EUROJUST, EUROPOL, the European Public Prosecutor's Office (EPPO), and the members of the OLAF Anti-Fraud Communicators' Network (OAFCN).

The **OLAF external communication team** explained OLAF's role in protecting EU funds in support of the EU economy and its recovery, to the benefit of citizens. OLAF **published 34 press releases and news items in 2022**. The solid number of interviews with influential media outlets across Europe – and beyond – was also maintained, with 18 interviews and background briefings. Throughout the year, OLAF continued to be active on Twitter, with more than 6600 followers in 2022 (compared to 5100 in 2021). OLAF is now also active on LinkedIn with 6100 subscribers, a notable increase from 1800 followers in 2021.

⁶ In one case, because of the OLAF intervention, the EU authorities prevented over EUR 90 million from being unduly spent.

Cooperation with national administrations via the OLAF Anti-Fraud Communicators' Network and institutional partners intensified in 2022. In addition to the annual OAFCN meeting that took place in January 2022, a seminar focusing on audio-visual production was organised in November 2022. The latter brought together communication officers from the national investigative services in Member States (i.e. customs, police, financial police, anti-fraud coordination services, prosecutor's offices) as well as participants from OLAF, the European Public Prosecutor's Office, the European Investment Bank, Eurojust and Europol.

OLAF's annual report focused on OLAF's role in preventing environmental damage and protecting the EU's green recovery. The report was presented during a press conference, which drew considerable media attention. In terms of media monitoring, over 60 separate reports were made across the EU and beyond.

Specific objective 2: Compliance with legal obligations under Regulation (EU) 2018/1725

OLAF continued implementing its specific objective of compliance with legal obligations related to the processing of personal data.

Persons involved in OLAF investigations can complain to the EDPS in relation to the processing of their personal data. In 2022, OLAF was not requested to provide input to any complaint submitted to the EDPS.

In relation to requests to exercise data subject rights (access, erasure, rectification, objection, restriction of processing of personal data), OLAF received nine requests in 2022. Out of the nine requests treated in 2022, seven were for access, one for access combined with erasure and one was for rectification of personal data. Despite the challenges in implementing the short deadlines (one month that may be prolonged to three months in justified cases) introduced by Regulation 2018/1725, OLAF dealt with all requests on time.

Specific objective 3: Cooperation between OLAF and the EPPO to ensure that the EU financial interests are better protected

The European Public Prosecutor's Office (EPPO) has been operational since June 2021, and its arrival enhanced the way forward for an increased protection of EU funds across Europe. The two bodies have distinct and complementary mandates but remain natural partners with a common mission. The EPPO conducts criminal investigations and prosecutions within the EPPO participating Member States to ensure the protection of the EU financial interests and OLAF conducts administrative investigations at Union level. The legal framework furthermore allows OLAF and the EPPO to cooperate in complementary investigations.

Complementarity means that OLAF investigates irregularities affecting the EU budget and serious obligations, by staff, of their obligations, while the EPPO focuses on establishing criminal liability for prosecution, by the EPPO, before the national courts. OLAF acts in complementarity with the EPPO to facilitate the speedy recovery of funds, the adoption of precautionary measures and development of solutions where systematic shortcomings are identified. These actions are crucial for ensuring a comprehensive protection of the EU budget.

In this context, OLAF and the EPPO have worked together using administrative and criminal tools available to ensure a comprehensive protection of the EU's financial interests. OLAF and the EPPO have made use of the available mechanisms and ways of cooperation foreseen in the legislation and relevant working arrangement.

Since 2021, OLAF and the EPPO have been in the phase of streamlining ways of cooperation. Both Offices continue clarifying and developing close working relationships between OLAF investigators, European Delegated Prosecutors and EPPO central staff. In this context, OLAF arranged specific trainings on areas of spending, techniques and other matters of investigative interest for EPPO staff. Additionally, a clearing house meeting is regularly taking place to clarify any outstanding issues of operational nature, mostly related to cases.

In over a year of operational cooperation, OLAF and EPPO have already produced tangible results, as expected by stakeholders and citizens alike. In 2022:

- OLAF reported 71 cases (EPPO Crime Reports ECRs) to EPPO (16 stemming from the European Commission, transferred to the EPPO by OLAF on behalf of the Commission). OLAF remains the EPPO's main source of incoming information at EU level, analysing allegations that it receives and ensuring grounded suspicions of criminal activity are reported.
- The EPPO opened 42 criminal investigations based on OLAF reporting.
- OLAF and the EPPO engaged in 19 complementary investigations.
- OLAF provided support to the EPPO through 15 support cases.
- The EPPO reported 9 cases to OLAF.

Some successes of OLAF-EPPO cooperation are already evident. Some successful actions taken by OLAF during administrative investigations in complementarity have included: conducting necessary on-the-spot checks to verify the veracity of purchased material declared, detection of weaknesses in controls by national authorities managing EU funds, contrasting information provided by suppliers and establishing financial irregularities. Other actions have also uncovered sophisticated fraud schemes on the revenue side, and issuing the necessary financial recommendations, in some instances amounting up to millions of euros. Being able to react from an administrative side while ensuring the criminal investigations of EPPO are not jeopardised has proven an effective way to fight fraud affecting the EU taxpayers' money.

In addition to complementary investigations, the EPPO also relies on OLAF expertise to support its investigations. For example, OLAF's investigators assisted the EPPO by serving as expert witnesses in complex cases, or analysed complex documentation of relevant EU projects and programmes. This support can also include assistance during interviews in the EPPO criminal investigation to cracking encrypted software in an international fraud case. EPPO has requested OLAF's support in their investigations 20 times in 2022, and these are cases which remain solely EPPO cases offer another way of cooperation that ensures that all available means are put into practice to safeguard EU's taxpayers' money from fraud and other irregular activities.

In the future, an increase in the number of investigations could be foreseen given the introduction of new financial instruments and increased deployment of EU budget. The challenges ahead include the reinforcement and continuous progress of the bodies and their close cooperation, enhanced reporting and efficient exchanges of information. Ensuring complementarity between the two bodies will continue yielding results for the overall protection of the EU's financial interests.

Specific objective 4: Strengthen EU framework to combat customs fraud



In 2022, OLAF continued to ensure an effective implementation of Regulation (EC) No 515/97 allowing Member States' national authorities to exchange information among themselves and with the Commission (OLAF) to ensure the correct application of the EU legislation.

At the international level, in 2022, the Commission (OLAF) negotiated four international agreements containing mutual administrative assistance (MAA) and effective antifraud provisions to ensure that movements of goods are compliant with the applicable rules on duties and taxes, and with measures of restriction, prohibition or control.

In order to support the mutual assistance activities in the anti-fraud area, Regulation (EC) No 515/97 establishes several IT systems (CIS – Customs Information System, FIDE – Customs File Identification Database, CSM – Container Status Messages directory, and IET – Import, Export and Transit directory), which are accessible to competent Member State authorities and designated Commission departments. In 2022, OLAF pursued its efforts in developing and improving the systems. All these applications are available under the umbrella of the Anti-Fraud Information System (AFIS). In 2022, OLAF developed an analytical platform in AFIS (AFIS FraudAP) to increase its analytical capacity to support the OLAF investigators as well as the Member States in their operational work, and to improve OLAF's ability to detect and prevent customs fraud.

OLAF

Moreover, in 2022, OLAF and the European Union Intellectual Property Office (EUIPO) signed a Service Level Agreement (SLA) for a 3-year period aimed at increasing cooperation in combatting Intellectual Property (IP) crimes. The SLA covers the development of an automated IT connexion between MS customs systems and OLAF's Customs Information System (CIS). It also foresees the organisation of workshops, trainings and knowledge events with MS and the detachment of a EUIPO seconded officer to OLAF to assist in this work.

In addition to its investigation activities, OLAF coordinates and cooperates in large-scale Joint Customs Operations (JCOs) involving EU and international operational partners. In 2022, 10 Joint Customs Operations (JCOs) were co-organised or supported by OLAF covering a broad spectrum of targets: from the fight of tobacco smuggling, counterfeit and substandard oncological medicines and hormonal substances, counterfeit food and beverages, counterfeit and/or hazardous toys to the detection of goods undervaluation, the smuggling of CITES protected species of wild fauna and flora and the control of cash entering or leaving the EU.

In 2022, OLAF and the Commission's Joint Research Centre (JRC) continued their work under the CAFET project (Customs Anti-Fraud Emerging Technologies) to help Member States make best use of the data at their disposal in existing databases and IT systems, and strengthen their analytical capacities in the customs anti-fraud area. Good progress was made in transferring mature customs anti-fraud analytical algorithms developed in the JRC environment into AFIS where Member State customs analysts can use them. The modules improved relate to AFIS-AMT (import price monitoring) and AFIS-CSM (container movements). New research was also started related to key fraud areas such as undervaluation, misdeclaration of origin, tobacco fraud and misdescription.

Specific objective 5: Strengthen EU framework to fight illicit tobacco trade

In 2022, OLAF and the Commission completed the implementation of the 2nd Action Plan to fight the illicit tobacco trade 2018-2022. The Action Plan contains 49 specific policy and enforcement measures, including the strengthening of cooperation with relevant European partners, the implementation of the WHO FCTC Protocol to Eliminate Illicit Trade in Tobacco Products, and activities linked to the EU traceability system for tobacco products. The 25 action items for which OLAF is responsible have been completed.

At the international level, in 2022, OLAF took an active part in the work under the FCTC Protocol (now comprising 64 Parties, including the EU and the majority of its Member States) by taking a leading role in the Working Group on Tracking and Tracing established by the 2nd Meeting of Parties (MOP2) to the FCTC Protocol in November 2021. The Working Group prepares for the implementation of the Global Information-Sharing Focal Point (GISFP), which aims to allow Parties to make enquiries and receive relevant information for the purpose of the detection or investigation of illicit trade in tobacco products, by 2023.

Moreover, in 2022, OLAF continued to promote the FCTC Protocol with relevant third countries, notably in our Eastern neighbourhood and in key source and transit countries.

Furthermore, in 2022, the Administrative Agreement between OLAF and the JRC as regards the operation of the laboratory facility for the analysis of seized cigarettes (TOBLAB) was renewed. TOBLAB produced and disseminated 165 analysis reports concerning tobacco samples submitted by Member States.

Specific objective 6: Implementation of the Commission Anti-Fraud Strategy (CAFS) with a view to protecting the financial interests of the EU

Preventing fraud from happening – rather than correcting it later – is a crucial element to ensure that EU money reaches its intended beneficiaries. The **Commission Anti-Fraud Strategy (CAFS)** adopted in April 2019 plays a significant role to prevent the possible misuse of EU money. The CAFS is accompanied by an Action Plan with 63 actions to be implemented mainly by OLAF and other Commission services.

Three and a half years after its adoption, the CAFS Action Plan has been successfully implemented, despite considerable resource constraints. This achievement is the result of persistent efforts and cooperation by OLAF and the Commission. Implementation has been discussed in the regular meetings of the Fraud Prevention and Detection Network.

60 of the 63 actions had been completed⁷. In line with the first objective of the strategy (to improve data collection and analysis), OLAF continued its analytical work, notably by finalising a risk framework for the Recovery and Resilience Facility, analysing the reasons for the decrease in the reporting of non-fraudulent irregularities between the programming period 2007-13 and 2014-20 in the cohesion policy area and advancing further development of the Irregularity Management System (IMS). In line with the second objective of the CAFS (to improve coordination, cooperation and processes), work continued on a number of actions aimed at fostering coordination and cooperation between Commission departments and equipping the Commission with a more effective system of anti-fraud oversight. To ensure sustained anti-fraud efforts in the Commission, and address both the remaining actions of the CAFS action plan and new Commission priorities, in 2022 OLAF started consultations and preparations for the revision of the plan. The CAFS' main objectives and underlying principles remain valid and the intended focus of a revised action plan will be on Commission priorities such as the RRF and the role of digitalisation in the fight against fraud.

During 2022, DG BUDG issued corporate guidance on fraud-related recoveries and their monitoring in collaboration with OLAF. On that basis, OLAF started work on an overhaul of its own internal monitoring guidelines for financial recommendations. Following the 2021 analysis of financial recommendations issued since 2012, OLAF has conducted, in

⁷ For the state of play of the implementation of the CAFS action plan, see 'CAFS Action Plan - State of play June 2022' accompanying the 2021 PIF report.

cooperation with the Commission's central services, a stock-taking exercise of the follow-up to OLAF administrative recommendations, launched in 2021 and finalised in 2022. The follow-up to OLAF's financial and administrative recommendations is supported by systematic discussion at working level in the format of technical meetings with the spending services, involving DG BUDG. The progress was reviewed by horizontal services during the seventh monitoring meeting on the follow-up of OLAF recommendations, chaired by the Secretariat-General. The main results were presented to the Corporate Management Board.

In 2022, OLAF continued raising fraud awareness, notably by providing more than 50 training sessions to Commission services and agencies and other external partners, including Member States' authorities. OLAF also provided advice to Commission services on their anti-fraud strategies, and continued cooperation with the services in the framework of the EDES. Smooth cooperation with the EDES panel remained a high priority for OLAF, as such cooperation contributes to sanctioning fraudulent and other unreliable recipients of EU funding swiftly and with a deterrent effect.

The respect for the **rule of law** in the Member States is important for the protection of the EU's financial interests. Drawing on its mandate and expertise, OLAF contributes to the Commission's rule of law toolbox, including the Commission Rule of Law Report and the Rule of Law conditionality mechanism. In this respect, OLAF has developed a new module in the OLAF Case Management System ('OCM') to ensure that any potential rule of law breaches, encountered in the conduct of its administrative investigations, will be recorded and documented to feed into the Rule of Law Conditionality Mechanism.

In 2022, the Directorate-General for Justice and Consumers and OLAF continued to monitor the **transposition of the PIF Directive**⁸ into national law. Letters of Formal Notice for incorrect transposition have been sent to seventeen Member States: to eight Member States in December 2021⁹; to a further five Member States in February 2022¹⁰; and to another four Member States in May 2022¹¹. The Commission is currently assessing the replies to the Letters of Formal Notice received so far as well as the legislation of the other Member States in view of potential further action.

OLAF has stepped up the support it provides to Member States in the course of 2022.

OLAF issued specific anti-fraud advice '*for the purchase of IT hardware and software under EU funded projects*' and '*for EU funded environmental investment projects, in particular under the Recovery and Resilience Facility*'. These documents, based on OLAF's investigative

⁸ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law

⁹ December infringements package: key decisions, available at:
https://ec.europa.eu/commission/presscorner/detail/en/inf_21_6201

¹⁰ February infringements' package: key decisions, available at:
https://ec.europa.eu/commission/presscorner/detail/en/inf_22_601

¹¹ May infringement package: key decisions, available at:
https://ec.europa.eu/commission/presscorner/detail/en/inf_22_2548

experience, are intended to feed into fraud-prevention activities of the competent national authorities in the Member States. They have been shared also with other relevant stakeholders, i.e. Commission services, ECA and EP's CONT committee.

In 2022, under the umbrella of the COCOLAF Fraud Prevention group, OLAF set up an *ad hoc* expert group focusing on the anti-fraud IT tools for the RRF. The group had 15 members from 13 Member States and served as a platform for Member States to share best practices and pull together the already available information, databases and know-how. Based on the contributions of the national experts, OLAF drafted a practical document on the anti-fraud elements integrated in the IT tools for RRF. The document was presented to the members of the COCOLAF in December 2022.

Similarly, OLAF has stepped up the support it provides to decentralised agencies through pro-active advice in the drafting of their anti-fraud strategies and dedicated training sessions.

Specific objective 7: Support national authorities and other partners in the protection of EU financial interests through the EU Anti-Fraud Programme



In order to implement the UAFP, on 25 February 2022, the Commission adopted the Financing Decision 2022 and the Annual Work Programme. The decision allocated 24.4 million euro for 2022, out of which 15.4 million euro were geared towards the fight against fraud, corruption and any other illegal activities affecting the EU budget. Two calls for proposals were published at the end of March 2022: (1) Technical assistance (indicative budget 9.5 million euro) and (2) Training, conferences, staff exchanges and studies (indicative budget 1.1 million euro). 64 proposals were received and the evaluation was finalised in December 2022.

Since 2021, the call for proposals for technical assistance has included new eligible activities, such as the purchase of digital forensic hardware and data analytics technologies. These additional topics registered an increased number of applications in 2022, proving that the programme is actively and efficiently updating its activities in response to both the changing fraud-related landscape and the technological development.

The 2022 Work Programme consolidated its focus on expenditure fraud and other emerging threats. During a high-level event organised by OLAF in Prague in November

2022, more than 100 senior delegates from relevant EU institutions and national authorities discussed new challenges in fighting expenditure fraud and irregularities. Participants universally welcomed the opportunity to exchange in an open setting among partners, and identified common challenges faced by many actors.

The feedback received in the framework of the first workshop organised by OLAF (in Brussels, in April 2022) with the programme's past beneficiaries confirmed the findings of the final evaluation of the previous programme (Hercule III), mainly underlying the high relevance and effectiveness of the support provided to Member States activities related to fighting fraud.

The procured activities financed by the programme in 2022, such as forensic and analyst training sessions and access to commercial databases, provided valuable support to the Member States authorities that are on the front-line in the fight against fraud, corruption and other illegal activities affecting the Union's budget.

In 2022, OLAF continued implementing the recommendations stemming from the final evaluation of the *Hercule III* programme and enhanced the new programme's alignment and synergies with other relevant EU programmes, such as TAXUD's Customs Control Equipment Instrument.

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

2.1 Financial management and internal control

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes. This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports / documentation have been considered:

- the reports from Authorising Officers in other DGs managing budget appropriations in cross-delegation;
- the reports from Authorising Officers by Subdelegation (AOSD);
- the contribution by the Director in charge of Risk Management and Internal Control, including the results of internal control monitoring at DG level;
- the reports of the ex-post supervision and audit results;
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Article 92.3 of the Financial Regulation⁹);
- the opinion of the internal auditor on the state of control, and the observations and recommendations reported by the Internal Audit Service;
- the observations and the recommendations reported by the European Court of Auditors and
- periodic reports to management on resource issues.

These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director-General of OLAF.

This section covers the control results and other relevant elements that support management's assurance. It is structured into 2.1.1 Control results, 2.1.2 Audit observations and recommendations, 2.1.3 Effectiveness of internal control systems, and resulting in 2.1.4 Conclusions on the assurance.

In the post-COVID era where new working conditions have been introduced, OLAF was able to continue its activities without any delays, while fully respecting legal obligations and deadlines. With the guidance provided by the Commission, OLAF could rely on a solid business continuity plan, which allowed OLAF to continue its financial and operational activities in sound and efficient way in support of its main activity namely fight against fraud. Transactions electronically, followed by paper copies later on.

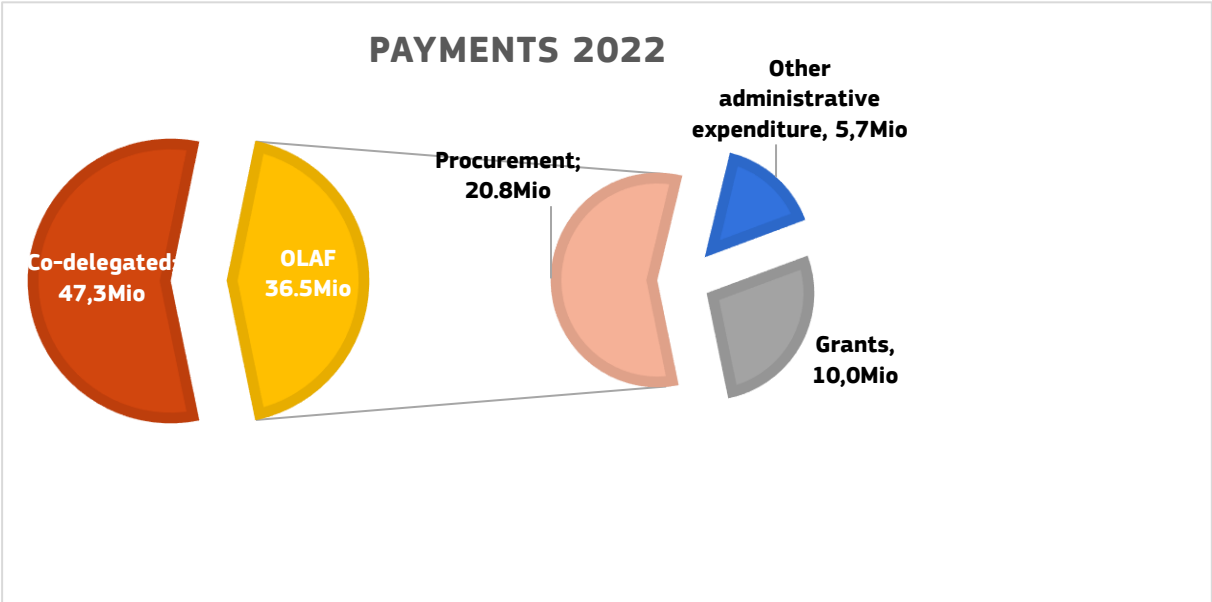
The risk connected to OLAF’s transactions is considered low and the impact on the accounts of the Commission, should there be a mistake, is immaterial. Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes.

2.1.1. Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives (ICO) ⁽¹²⁾. OLAF’s assurance building and materiality criteria are outlined in annual activity report annex 5. The annual activity report annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

OLAF is a low spending DG in the Commission with a total budget of 85.9 million euro (61.6 million euro administrative and 24.3 million euro operational¹³ managed in direct management mode). Financial resources managed by the Office fall into four types:

- administrative expenditure managed through the Office’s own budget, which is annexed to that of the Commission;
- operational expenditure: Union Anti-Fraud Programme;
- crossed-subdelegated funds received from Directorate-General for Neighbourhood and Enlargement Negotiations (15 000 euro)
- internal assigned revenue under Article 21(3)(c) of the Financial Regulation.



⁽¹²⁾ 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG’s activities.

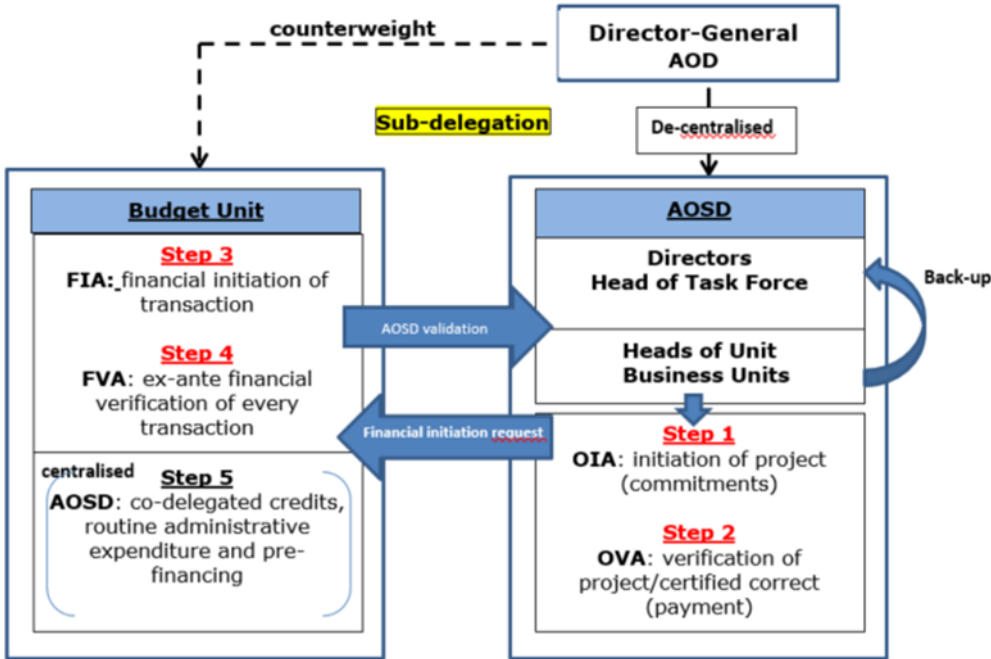
¹³ OLAF’s operational budget finances activities in the framework of the UAF programme, and the maintenance of the AFIS system as well as the irregularity management system.

Approximately 76% (47.3 million euro) of OLAF’s administrative budget was co-delegated to the Paymaster Office (PMO), Infrastructure and Logistics Office (OIB), Publications Office (OP), Secretariat-General and Directorates-General for Human Resources (HR), Competition (COMP), International Partnerships (INTPA) and Informatics (DIGIT). Additionally, OLAF has co-delegated the implementation of a share of its operational budget to the Directorate-General for Taxation and Customs Union (TAXUD) & Communication (COMM). Management assurance for this part of the budget depends on the assurance provided by the Authorising Offices by Delegations (AOD) of these entities in their own Annual Activity Reports.

OLAF has received a co-delegation from Directorate-General for Financial Stability, Financial Services and Capital Markets Union (FISMA) to cover for the expenses related to the development and maintenance of the FIU.net and signed a Service Level Agreement with the European Union Intellectual Property Office (EUIPO) and Joint Research Centre (JRC-ISPRA).

The Office combines a centralised management mode for the overheads and the pre-financing payments, with a decentralised financial mode with counterweight of the financial unit for the projects managed by the business units. Every Head of Unit and Director has been granted the powers of Authorising Officer by sub-delegation (AOSD). Both modes follow a full validation workflow (Financial Initiating Agent (FIA), Financial Verification Agent (FVA) and Authorising Officers by Sub-delegation) for commitments, recovery orders and payments.

Financial Management mode:



The expenditure managed by OLAF falls into the following categories:

- Procurement contracts mainly related to ICT (e.g. intra-muros staff for development and OLAF’s IT helpdesk).

- Grant agreement: co-financing projects proposed by law enforcement services in the Member States.
- Administrative expenditure of which 76% was entrusted to other Directorates-General and Offices such as PMO for the settlement of the monthly salaries. Those funds have been managed under the same Commission rules and control framework. OLAF is not aware of any issues or weaknesses, which may have a significant impact on the assurance and thus concludes that there are no control weaknesses affecting the assurance statement of the DG.
- Inter-service agreements with the Joint Research Centre and EUIPO.

In 2022, OLAF dealt with payments worth EUR 52.8 million by processing some 1.188 transactions of which 66 payments (EUR 16,3) relates to the implementation of the Anti-Counterfeit and anti-contraband tobacco agreements which falls outside the scope of OLAF's budget voted by the Budgetary Authority.

Many of the remaining 1.122 payments are routine in nature and around 19% of them are associated with OLAF's grants programme related to the Union Anti-Fraud Programme, which is subject to a highly automated approval workflow integrated in the corporate application Compass (eGrants).

Overall conclusion table (payment in million euro)

Risk-type Activities	Grants Actual costs based	Procurement	Other types	Cross-delegations received from other DGs	ICO indicators available at this level	Reservations
Administrative expenditure		7.5	5.6		No issues reported	No
UAFP – strand 1	10.0	4.7			No issues reported	No
UAFP – strand 2 IMS		0.9			No issues reported	No
UAFP – strand 3		7.7	0.9		No issues reported	No
Totals (coverage)	10.0	20.6	5.9			
ICO	Residual error rate: <2% Sound Financial Management=OK Anti-Fraud Strategy=OK Assurances cross sub-delegated funds = OK					
ICO-Conclusions	Positive	Positive	Positive	Positive		
Links to AAR annex 3	See table 2 page 5					
Legend: OP=Operational Programme, AOXDs =Authorising Officer by Cross-Delegation, ICO = Internal Control Objective, SFM= Sound Financial Management, AFS= Anti-Fraud Strategy measures, SAI=Safeguarding Assets and Information, RER=Residual Error Rate, CEC=Cost-effectiveness of controls, Mngt =Management.						

A total of EUR 47.3 million were charged-back by other Commission directorates-general using type II and III co-delegations. It should be noted that the Office does not apply any standard costing models and only charges-back externally contracted costs. The Guidance on the provision of services to other EU institutions, agencies and bodies is not applicable to the Office.

OLAF determines its error rate in financial processes through the following measures:

- Ex-ante verification of all transactions by the Financial Verification Agent (FVA) in the finance unit;
- Ex-post controls performed both by the finance unit and the internal control capacity. The latter, coordinates the overall exercise and ensures that the associated rules are adopted coherently;
- Regular reviews by OLAF's accounting correspondent in the framework of the accounting quality campaign.

The ex-post control is well established in OLAF. Its primary objective is to estimate the Office's error rate and thus the controls are based on a randomly selected representative sample of transactions. A second objective of the ex-post control campaigns is to identify and remedy any control weaknesses in financial management.

Although slightly increased, OLAF considers that controls are cost-effective if their costs are considered acceptable by management and if periodically these controls are re-assessed, improved, made less costly and/or more risk differentiated. Nonetheless, some controls, identified through periodic risk-assessments, have to be exercised irrespectively of their historic outcome.

In line with the 2018 Financial Regulation, OLAF's assessment for the new reporting requirement is as follows:

- Cases of 'confirmation of instructions' (new FR art 92.3) - no such cases detected
- Cases of financing not linked to costs (new FR art 125.3) – no such cases detected
- Financial Framework Partnerships >4 years (new FR art 130.4) – no such cases detected
- Cases of flat-rates >7% for indirect costs (new FR art 181.6) – no such cases detected
- Cases of 'Derogations from the principle of non-retroactivity [of grants] pursuant to Article 193 FR' (new Financial Regulation Article 193.2) – no such cases detected.

1. Effectiveness of controls

a) Legality and regularity of the transactions

OLAF uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned. The control objective is to ensure that the estimated error rate does not exceed 2 % annually.

Ex-ante controls are carried out by the Financial Verifying Agent (FVA) on every transaction (administrative, grants and procurement files) which requires an approval of the Authorising Officers by Sub-delegation (AOSD). During these ex-ante controls, the legality and regularity of transactions are checked on the basis of checklists. When errors and/or weaknesses are noted, the checklists are updated to cover the risk identified.

The accounts are also systematically checked in the framework of the Accounting Quality exercise by OLAF's Accounting Correspondent supervised by the AOSD of the Budget Unit.

A third layer are the sample based ex-post controls. In 2022, ex-post controls were carried out and the proportion of the underlying errors is 0 %. The conservatively estimated future corrections for 2022 payments are thus negligible (non-existent). The consideration of the amounts concerned leads to the estimated overall risk at closure for the 2022 expenditure of 0.210 million euro. The most prudent approach to estimate an overall theoretical amount at risk is to use the maximum possible error rate in the administrative expenditure recommended in the AAR instructions.

In the context of the protection of the EU budget, the Office's estimated overall risk at payment, estimated future corrections and risk at closure are consolidated at Commission level. OLAF's data is shown in Table (X) and its accompanying notes below.

Error rates achieved are also measured by exceptions and non-compliance events (ex-ante controls) complemented by ex-post controls and third-party assurance.

The control objective is to ensure reasonable assurance that the amount of financial operations authorised during the reporting year and which would not be in conformity with the applicable contractual or regulatory provisions, does not exceed 2 % of the total expenditure for the reporting year. Analysis of the registry of exceptions and non-compliance events in 2022 revealed 1 exception and 6 non-compliance events (20 % less compared to the previous year). The majority relates to OLAF's spending programme:

- In 5 cases the contractor started the delivery of services before the start date of the contract. Three of them concern renewals of software licenses for which the offers did not reach the Office in time or were not timely followed up. The other two involved incorrect information provided in the quotes by the supplier.

Mitigating action: Ensure proper and timely follow up of offers.

- In 1 case the budgetary commitment was signed after the start of the provision of services also related to a renewal of software license.

Mitigating action: Ensure proper and timely follow up of offers.

- In 1 Grant Agreement the final payment was processed after the final deadline for implementation due to exceptional circumstances faced by the grant beneficiary.

Mitigating action: The procedures in place are sufficient to identify in time this situations.

OLAF's portfolio consists of segments with a relatively low error rate. This is, respectively, thanks to the inherent risk profile of the beneficiaries (framework contractors and Member States (grants)) and the performance of the related control systems.

OLAF's relevant expenditure, estimated overall risk at payment, estimated future corrections and risk at closure are disclosed in Table X below. The estimated overall risk at payment for 2022 expenditure amounts to 0.17 million euro, representing 0.017 % of the DG's total relevant expenditure for 2022. This is the Authorising Officer by Delegation's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

This expenditure will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. Because of the intensive and adequate ex-ante controls, the conservatively estimated future corrections for 2022 expenditure amounts to €0 euro.

The difference between those two amounts results in the estimated overall risk at closure of 0.17 million euro, representing 0.17 % of the DG's total relevant expenditure for 2022. This is a slight decrease of 0.03% compared to 2021 which was in line with the expectations since OLAF maintained the same intensive way of controlling as last year (with a explicit focus on ex-ante controls).

In the context of the protection of the EU budget, the DGs' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated at Commission level in the AMPR.

In conclusion, the analysis of the available control results, the assessment of the weaknesses identified and that of their relative impact on legality and regularity have not unveiled any significant weakness, which could have a material impact as regards the legality and regularity of the financial operations. It is therefore possible to conclude that the control objective as regards legality and regularity has been achieved.

Table X: Estimated risk at payment and at closure (amounts in EUR million)
The full detailed version of the table is provided in annex 9.

OLAF	Payments made	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
	m EUR	m EUR	m EUR	%	m EUR	%	m EUR	%
20.0317	13.9	13.9	0.07	0.5%	0	0%	0.07	0%
03.030100	10.29	8.24	0.04	0.5%	0	0%	0.04	0%
03.030200	0.91	0.91	0	0.5%	0	0%	0	0%
03.030300	7.57	7.57	0.04	0.5%	0	0%	0.04	0%
03.039901	3.83	3.83	0.02	0.5%	0	0%	0.02	0%
OLAF total	36.5m EUR	34.45m EUR	0.17m EUR	0.5%	m EUR	0%	0.17m EUR	0.17%

20.0317 – Administrative expenses of the European Anti-fraud Office

03.0301 – Preventing and combatting fraud, corruption and any other illegal activities affecting the financial interests of the Union

03.0302 – Support the reporting of irregularities, including fraud

03.0303 – Provide funding for actions carried out in accordance with Regulation (EC) No 515/97

03.0399 – Completion of previous programmes and activities

AER applied for the calculation of the estimated risk at payment for the different budget lines.

(1) Differentiated for the relevant portfolio segments at a level which is lower than the DG total

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle. In all cases of Co-Delegations (Internal Rules Article 3), 'payments made' are covered by the Delegated DGs. For Cross-SubDelegations (Internal Rules Article 12), they remain with the Delegating DGs.

(3) In order to calculate the weighted Average Error Rate (AER) for the total relevant expenditure in the reporting year, the detected error rates have been used – or an equivalent.

(4) The recoveries and financial corrections decreased. In the previous year 2020, the financial corrections was 0 %.

The estimated overall risk at payment for 2022 expenditure is the AOD's best conservative estimate of the amount of relevant expenditure during the year, not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. This expenditure will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. This amount corresponds to the conservatively estimated future corrections for 2022 expenditure.

The difference between those two amounts results in the estimated overall risk at closure ⁽¹⁴⁾. There is a decrease of 0.03% compared to 2021 (0.2% in 2021) mainly due to the reduced number of call for tenders.

⁽¹⁴⁾ This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme.

For an overview at Commission level, the departments' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

b) Fraud prevention, detection and correction

OLAF has developed and implemented its own anti-fraud strategy since 2013, on the basis of the methodology provided by OLAF to the Commission DGs and Services. It was updated in 2018 and in 2021. The implementation of the OLAF Anti-Fraud Strategy 2021-2024 is being monitored and reported to the management at least once a year in the framework of the annual risk assessment exercise. All necessary actions except for one have been implemented. The implementation of the remaining action is in progress with completion expected for end of Q1 2023.

OLAF also contributed to the Commission anti-fraud strategy and was the lead service for 25 of the 63 actions. Please refer to Heading 1 of the Annual Activity Report where information on the implementation of the CAFS is provided under Specific Objective 6.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows: OLAF continued promoting the highest standards of professional ethics through training and awareness-raising sessions. Rules and procedures on conflict of interest, mission costs and protection of sensitive information continued to be disseminated and applied in OLAF. A high level of controls for funds managed by OLAF was implemented throughout the year, including ex-post controls.

On the basis of the available information, OLAF has reasonable assurance that the anti-fraud measures in place are effective overall. No additional measures are considered necessary.

c) Other control objectives: safeguarding of assets and information, reliability of reporting (if applicable)

OLAF manages one in-house development project - the OLAF Case Management System (OCM) for which the direct costs are capitalised as intangible assets. This system is built for storing, filing and managing sensitive data related to OLAF's investigations. The project was completed on 28 July 2022 and since then entered a lower effort maintenance mode.

OLAF's tangible assets are mainly IT assets that include hardware and off-the-shelf software, which are recorded in ABAC Assets and their declassifications are well documented. Every piece of hardware booked as an asset is labelled with a barcode and under normal circumstances a physical inventory is performed once a year, to identify discrepancies with the electronic inventory. The physical inventory exercises were postponed during the pandemic crisis – the first post-COVID-19 such exercise will be performed in 2023.

In compliance with Commission Decisions (EU, Euratom) 2017/46 and 2015/443 in 2021 OLAF continued to develop or maintain IT security plans for its information and physical

security systems, and to deliver IT, physical and information security awareness actions such as staff training, posters campaign and Intranet publications about phishing.

Actions for enhancing physical and personnel security have been implemented. This include new technology access control system, badges, CCTV cameras and electronic locks at most sensitive office doors, as well as more effective procedures for security screening of statutory and external staff.

2. Efficiency of controls

OLAF assessed the efficiency of controls based on 'time-to' indicators, measuring the time spent to complete a specific procedure.

DG RESULTS FOR THE REPORTING YEAR		
Key DG indicator on control efficiency	Grants	Procurement
Complaints received from unsuccessful economic providers	n/a	0
Number of new cases received by the Ombudsman in 2022 relating to grant / procurement procedures	0	0
Number of legal proceedings initiated by contractors or economic providers against the Commission relating to grant / procurement procedures	0	0
Number of instances of overriding of controls in relation to grant procurement procedures	0	0
Past due critical and/or very important audit recommendations	0	0
Average time to publication of selection results (days)		125
Coverage of first level ex-ante controls	100%	100 % of all commitments and payments and tender documents and evaluation reports
Average time to grant (TTG) (days)	90 days	
Average time to inform applicants of the outcome of the evaluation of the application (TTI) (days)	180 days	
Average time to pay (TTP) (days)	12.71	
Average days of suspension (days)	20.4	
Percentage of payments suspended in comparison to all payments executed	14.4%	

Time to procure

OLAF launched two call for tenders: one open procedure, one inter-institutional open call and two low value and nominated 6 evaluators who spent the equivalent of 1 FTE's. The

average time between the publication in the Official Journal and the signature of the Framework contract could not be computed since one procedure was cancelled and the open call is still in process.

OLAF continues with the initiative to streamline the different validation workflows and processes applied for the acquisition of ITC equipment in order to improve the efficiency, which would systematically lead to saving time, which could be dedicated to the core business of each business unit.

Time to Grant & Time to inform

During 2022 OLAF managed to improve the Time-To-Grant (TTG) significantly, reducing from 169 days in 2021 to 90 days in 2022. The Time-To-Inform (TTI) rose from 163 days in 2021 to 180 days.

Time to pay

The rather considerable high percentage of payments suspended in comparison to all payments executed is mainly caused by missing supporting documents (e.g. timesheets,...) or incomplete payment files submitted by the companies providing intra-muros staff for OLAF's helpdesk and development teams.

Indicator	<u>Timely Payments</u>
Category	Efficiency of Controls / Timeliness
Objective	Ensure efficient processing of payments within the legal deadlines
Result	OLAF achieved 99% compared to the EC result of 98%
Comment	OLAF managed to decrease the amounts paid late and doing even better than the EC average. OLAF will continue to closely monitor the payment deadlines and strengthen even more the follow-up of the invoices or cost claims.
Definition	<i>Indicator = Value A / Value B</i> <i>Value A : Payment Accepted Amount in time (EUR 55 935 842)</i> <i>Value B : Payment Accepted Amount (EUR 56 771 578)</i>

3. Economy of controls

The cost of controls has been estimated following the corporate methodology, i.e. on the basis of the workload (full-time equivalents (FTEs)) allocated to these control functions/activities.

In 2022, the total costs of controls for grants, procurement and other administrative expenditure was 1.12 million euro or 3.06 % of the managed funds as compared with 3.94 % in 2021. See Table Y in Annex 7 for further details. The cost decreased slightly because of the decreased number of call for tender procedures (see heading 2 in supra).

The ex-post controls (desk reviews) carried out covered 6 transactions on grants for a value of 3.240 million euro (representing 32% of the payments of 2022 for grants) and did not identify any financial errors that could have had a negative impact on the assurance. Programmes ran smoothly in 2022 without any reported litigation cases.

The ex-post controls (desk reviews) carried out on procurements covered 17 transactions for a value of 3.826 million euro (representing 19% of the value of the payments made in 2022 for procurements). The ex-post controls did not identify any significant financial error that could have had a negative impact on the assurance.

The *ex-post* controls (desk reviews) carried out covered 5 transactions concerning administrative expenditure for a value of 36025 euro (representing 31 % of the reimbursements made for experts). The ex-post controls did not identify any significant financial error that could have had a negative impact on the assurance.

OLAF has assessed these costs of controls as adequate taking into account the atypical position of OLAF as the Office in charge of the fight against fraud which pleads for a strong control environment.

4. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results, OLAF has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

The procurement, commitment and payment procedures are, to a large extent, a regulatory requirement which cannot be curtailed. Therefore, OLAF considers that the necessity of these controls is undeniable and, as shown by the risks outlined in Annex 5, a significant proportion of the appropriations would be at risk should they not be in place.

Ex-ante controls are performed on a file-by-file basis and checked by at least three OLAF agents, while ex-post controls are carried out on a sample basis, applying a stratified methodology. Furthermore, in the framework of OLAF's accounting quality, OLAF's accountant carries out random periodical checks at least four times per year.

OLAF reviews its control strategy on a regular basis depending on identified needs and risks. OLAF is constantly reviewing its processes to update the risk assessment and to identify further efficiencies including in terms of control.

The reorganisation in 2020 of the budget sector allowed for a more efficient use of resources dedicated to the management of financial transactions. Hence,

2.1.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control.

Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

OLAF is audited by its Internal Audit Function (IAF), the Commission Internal Audit Service (IAS) and the European Court of Auditors (ECA). Furthermore, OLAF's investigative function is regularly monitored by the OLAF Supervisory Committee, in accordance with Article 15 of Regulation (EU, EURATOM) No 883/2013.

Internal Audit Function (IAF)

The Internal Audit Service's (IAS) audits and consulting services do not cover issues, which fall under OLAF Director-General's independence with respect to investigations¹⁵. To ensure internal audit coverage for processes and procedures not covered by the IAS, OLAF management maintains an internal audit function in-house.

During 2022, audit fieldwork on 'Investigation Planning and Monitoring' was performed, but no audit report was issued as the former IA changed post. OLAF is presently moving forward with the recruitment of a new IA.

Internal Audit Service (IAS)

In the period 2018-2022, the IAS has undertaken the following work in OLAF:

- Audit of IT project management practices in OLAF (2019)
- Audit on human resources strategy in OLAF (2019)
- Audit on performance management (2021)
- Audit on preparedness of OLAF to implement the EPPO regulation (2021)
- Consulting engagement on risk management in OLAF (2021)

OLAF has accepted all recommendations issued by the IAS. To implement these recommendations, OLAF management has adopted action plans, which the IAS considers adequate to address the residual risks identified by the auditors. OLAF considers that the recommendations still open from the earlier audits mentioned have been implemented in 2022. In 2022, OLAF adopted an action plan to address the recommendations from the audit on preparedness of OLAF to implement the EPPO regulation which was accepted by the IAS. This Action Plan has been implemented as planned.

In addition, in 2022 the IAS carried out an Audit on the European Commission actions against food fraud in DG AGRI, DG JUST, DG SANTE and OLAF. The audit scope did not cover issues which fall under the OLAF Director-General's independence in the execution of his duties with respect to investigations, thus it did not cover the investigative activities related to the audit topic. The audit work regarding OLAF resulted in no findings and no recommendations.

¹⁵ Article 17 of Regulation 883/2013 and Articles 3, 5 and 6 of Commission Decision 1999/352

Following the IAS consulting engagement on risk management in OLAF carried out in 2021 the advice of the IAS was taken into consideration in revising the Framework for Risk Management in OLAF.

The IAS has issued a limited conclusion on the state of internal control in OLAF based on the audit work carried out in the period 2018-2022 and has concluded that the internal control systems in place for the audited processes are effective.

European Court of Auditors (ECA)

OLAF made progress on the outstanding ECA recommendations issued in the context of three 2019 Special Reports for which OLAF is the lead service in their implementation:

Special Report 1/2019 ‘Fighting Fraud in EU Spending: Action Needed’

Recommendation 1: The Irregularity Management System (IMS) is developed and updated on a continuous basis. Training material is at the disposal of all users and is regularly updated. OLAF has trained national officials and provided assistance and support whenever requested. The quality of data is primarily a responsibility of Member States authorities. When the Commission through audits detects any irregularities which fulfil the reporting criteria, the Commission reminds Member States authorities of their obligation to report them via IMS.

This recommendation is implemented.

Recommendation 2: OLAF continued developing its analytical capabilities, providing advice on the service-level anti-fraud strategies and fraud risk assessments, The Commission Anti-Fraud Strategy (CAFS) was adopted on 29 April 2019 and was accompanied by a fraud risk assessment. The 2019 CAFS had seven objectives, out of which two main objectives. The Strategy was accompanied by an Action Plan of 63 actions. The Commission reports on the state-of-play of implementation of these actions in its annual PIF Report. Indicators were developed in line with action 63 of the Action Plan and regularly monitored.

This recommendation is implemented.

Special Report 6/2019 ‘Tackling fraud in EU cohesion spending: managing authorities need to strengthen detection, response and coordination’

Recommendation 3: the Commission has included in the Recovery and Resilience Facility Regulation a provision to make available to Member States an integrated and interoperable information and monitoring system including a single data-mining and the risk-scoring tool. For the Multi-Annual Financial Framework 2021-2027 the co-legislators agreed on a recital of similar content. The Commission has been constantly encouraging Member States to use the existing data mining and risk scoring tool.

The recommendation has been partially implemented.

mitigate the risk of fraud, the programmes cannot effectively use a fraud-reporting IT tool recommended by the Commission because participating non-EU countries do not have access.

Recommendation 3: ‘Adapt a fraud-reporting IT tool’ The Commission should allow anti-fraud bodies in non-EU countries (identified in financing agreements) to report potential irregularities directly via the Irregularity Management System.

The Commission has accepted this recommendation. Access to new reporting authorities and users is technically possible and will be granted if needed. However, the provision of training, guidance and assistance to the new users may be challenging given the current level of human resources available. There may also be issues of competence for reporting irregularities via the Irregularity Management System in non-EU countries benefiting from EU assistance.

The ECA recommendations discussed have no material impact on the achievement of the internal control objectives and therefore on the management assurance.

2.1.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

OLAF uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

OLAF has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended.

This assessment is based on self-assessment and regular monitoring of relevant indicators of OLAF operations, on the analysis of exceptions and non-compliance events during 2022, the results of ex-ante and ex-post controls, risk assessments, relevant audit results by OLAF internal and external auditors and opinions by the OLAF Supervisory Committee.

2.1.4. Conclusions on the assurance

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

2.1.5. Declaration of Assurance [and reservations]

Declaration of Assurance

I, the undersigned,

Director-General of the European Anti-Fraud Office (OLAF)

In my capacity as authorising officer by delegation.

Declare that the information contained in this report gives a true and fair view ⁽¹⁶⁾.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, [the work of the Internal Audit Service - delete this if not applicable] [and the lessons learnt from the reports of the Court of Auditors - delete this if not applicable] for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Brussels, 31 March 2023

.....

(signature)

Ville Itälä

⁽¹⁶⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

2.2. Modern and efficient administration – other aspects

2.2.1. Human resource management

In 2022, OLAF underwent a small-scale reorganisation to fine-tune its structure by concentrating legal resources in a sole directorate and adjusting the names of OLAF units dealing with investigations on funds disbursed under the Resilience and Recovery Facility. In late 2022, OLAF finalised strategic recruitments of laureates successful in specialised competitions in grades AD7 and AD9, and offered specialised training and development for existing staff throughout the year. The positive evolution of health and safety measures related to the COVID-19 pandemic followed by the return to the office in a hybrid working style allowed OLAF to restart physical and hybrid meetings, team events, wellbeing and training programmes.

In 2022, OLAF staffing was reduced by fourteen full-time equivalents (FTE) and four contract agents. Sixteen FTEs were transferred to the EPPO, two FTEs were returned to the Commission in the framework of the cuts for surcharge. To preserve effectiveness, despite a reduction of staff, OLAF reviewed priorities and redeployed internally staff during the implementation of the December 2022 small-scale reorganisation.

Equal opportunities

The Commission target on gender balance in management remained a priority for OLAF. In 2022, OLAF paid special attention to women candidates in general, and proactively encouraged female candidates to apply for junior, middle and senior management positions. In 2022, women accounted for 48 % of OLAF's management.

The female representation in middle management increased from 41.2 % in 2020 to 43.8 % in 2021 and 53%% in 2022. Two colleagues were selected to participate in the 2022 EC Female Talent Development Programme.

To ensure that OLAF proactively supports female colleagues, it has designed and implemented a 'Local Female Talent Development Programme'. This is the first of its kind in the Office and kicked-off in Q1 2022. OLAF sponsored, via its independent external training budget, 11 female colleagues of AD 7 grade and above who aspire to pursue a career in pre-management and management. The programme combined individual, targeted learning actions and group activities. The different training methods and activities helped participants to develop their management competences and leadership behaviours in the areas required for successful managers in OLAF.

In 2022, there were two first female appointments to deputy middle manager and middle management positions respectively. OLAF has reached its objectives for the appointment of first female appointment as middle managers and as senior managers until 2024. Thus, from now on, the Office contributes to the general policy of the Commission.

Following an all staff away day in June 2022, OLAF has adopted a Charter on Equality, Diversity and Inclusion. OLAF's work plan on equality is almost fully implemented in 2022.

Well-being

OLAF resumed on-site wellbeing activities such as yoga, pilates and chair massage, and continued encouraging its staff to participate in wellbeing activities offered by DG HR's corporate 'BeWell' programme. In June 2022, OLAF's cycling group initiated 'green-transport to the away day event' using the Commission's e-bikes with a group of 20 colleagues. In addition, OLAF proudly participated in the EKIDEN marathon in October 2022. Regarding mental health, OLAF has continuously communicated, via its intranet, monthly training activities and events to promote mindfulness, mental health, and activities for parents and children. OLAF organised its first physical away day event for all staff with a participation of 300 colleagues.

Talent management and career development

With regard to its current and future workforce, targeted training has been organised to ensure that staff are ready and able to rise to the new challenges. In addition, OLAF invested in targeted recruitments through specialist competitions of grades AD7 and AD 9 to ensure that profiles that are needed are recruited. Throughout 2022, OLAF invested in external training absorbing the entirety of its independent training budget to ensure that its workforce is well equipped with the relevant specialised skills and knowledge.

In 2022, OLAF focused on managerial coaching, making use of primarily external coaches who could actively support the OLAF managers to reach their full potential by developing their commitment to improve organisational performance, to motivate and engage their staff during challenging times, and to start moving towards a new culture and management style.

OLAF will continue to invest in its staff via a tailor-made learning and development (L&D) package that includes both in-house and external training. The OLAF learning and development strategy was adopted in QII 2022.

Lastly, the results of the OLAF Staff Survey 2021 showed an increase in staff engagement by 9 percentage points in comparison with 2018. Staff engagement stands at 70% in OLAF. OLAF scored higher than EC average in eight survey themes such as digital skills, appropriate work equipment at the office and at home, a sense of pride in doing their job, making a difference in EU citizens' lives, having managers that care, and physical working arrangements at the office.

HR Strategy

In 2022, the OLAF Director-General adopted the revised local HR strategy for OLAF following the adoption of the Commission's new HR strategy.

In line with the Commission's HR strategy, OLAF's strategy aims to maintain a modern, flexible and values-driven Office that empowers staff to deliver outstanding results and

fulfil its mandate by protecting EU taxpayers' money. The strategy focuses on attractiveness and recruitment, staff engagement, health and wellbeing, equality, diversity and inclusion and talent development. It is accompanied by an action plan with 24 specific actions on strengthening collaboration, improving in-house skills and knowledge mapping, improving working methods, strengthening professional development for OLAF managers and staff.

The OLAF HR Strategy focuses on specific challenges:

- Attract the talent we need
- Efficient recruitment and selection of staff
- Induction, people development and performance management
- Foster more efficient flows of information across OLAF
- Retain specialists and key experts and ensure a smooth transition between job performers
- Ensure wellbeing and health of staff
- Improve work-life balance
- Align training with OLAF's priorities and objectives to achieve organisational goals
- Make OLAF a more equitable, diverse and inclusive office

The OLAF HR Strategy sets the course for the next four years, but it can and will be updated as needed, in view of new developments in OLAF as regards HR management.

Internal Communication

OLAF uses multiple forms of internal communication channels to enhance staff engagement. In 2022, 'My OLAF Intranet' and a weekly OLAF news update, continued to inform OLAF staff about issues pertaining to their work and professional development. These were complemented by the monthly internal newsletter, which together with the information screens, weekly video debriefs by senior management (introduced in 2022) as well as regular OLAF debates, trainings training and events, supported staff awareness, motivation and engagement. In 2022, a comprehensive staff survey on internal communication was also carried out to steer strategic internal communication looking forward.

2.2.2. Digital transformation and information management

The OLAF Case Management System (OCM) reached two major milestones in 2022, i.e. the development in January of business changes triggered by the revised Regulation 883/2013 and the end of the project phase on 28 July, thus entering maintenance mode with focus put on technical upgrades and the implementation of business changes.

The AFIS (Anti-Fraud Information System) became more interoperable with the provision of a new web service for the transfer of intellectual property right infringements to the World Customs Organization, in addition to the already existing web services related to tobacco cases, as well as cash declarations and related infringements. This facilitates the

automated exchange of relevant cases and contributes to the once-only reporting principle by avoiding situations in which the same information has to be entered multiple times by Member States' authorities in different systems. The updated AFIS Security Plan was adopted in 2022 and additional security measures were identified for implementation in 2023. Continuous Integration and Deployment were further improved as part of the AFIS' software development process to increase agility and consequentially reduce the 'time to market' for new features.

In 2022 OLAF launched GETI4ALL, an integrated platform allowing to retrieve information available on EU funds implemented in shared and direct management mode, as well as to search other information sources for investigative purposes. On a need-to-know basis, the system provides operational users with a comprehensive overview of their searches and adds data enrichment to the initial queries.

As a major addition to GETI and ultimately to the new GETI4ALL platform, OLAF established a direct link to Kohesio, a database with up-to-date information related to the EU Cohesion policy projects. Various new data sources for querying social media were also put in use.

GETI4ALL fully meets objective No 1 of the Commissions Rolling Action Plan on data, information, and knowledge management. By improving data sharing in the organisation and making data easily available to the people who need it, the system enhances the management, sharing, discovery and reusability of data, information, and knowledge.

OLAF is committed to meet the objectives of the Commission's Data Protection Action Plan and has ensured timely and qualitative handling of data subject requests as well as transparency of OLAF processing operations.

In particular, OLAF, under the supervision of the OLAF Data Protection Officer, addressed the horizontal target of awareness raising activities by continuing to organise training sessions. Such trainings have been regularly provided over the last couple of years with the long term objective of 100 % trained staff by 2024. In 2022, data protection trainings sessions were attended by 142 OLAF staff¹⁷, aiming mainly at not yet trained staff, in particular covering all types of newcomers for whom attending such training is mandatory. It is estimated that at least 95 % of OLAF staff has been reached by these trainings since 2019¹⁸.

2.2.3. Sound environmental management

OLAF participated in EMAS actions and campaigns throughout 2021. The OLAF Green Team initiated actions such as a digital cleaning exercise and an outdoor cleaning activity in a park in Brussels. The Green Team continued to raise environmental awareness in the office,

¹⁷ The total of OLAF staff eligible for training is 368 persons, thus attendance in 2022 represents 38.9% of all eligible staff. Newcomers of all types have attended dedicated training(s) at 100%,

¹⁸ Due to change of the access rights in EU Learn, the nominative lists in EU learn are no longer accessible to the HRC.

in particular the publication of five OLAF's EMAS team and Green Team articles in OLAF's newsletter. These activities are also aimed at encouraging more staff to volunteer to join the team.

2.2.4. Examples of economy and efficiency

In OLAF's new structure, flexibility and adequate prioritising of all activities, by combining some tasks and creating synergies, has progressed remarkably throughout the whole Office. For instance the centralisation of the procurement related tasks managed by the Office's budget and finance unit should entail a more robust control structure to further reduce the time-to-pay targeting >90%. In fact OLAF's average payment time of over 98% shows that the new initiatives of improved monitoring and sharing responsibilities between the business units and OLAF's budget unit, appear to be effective.

Further to this new structure, an improved back-up procedure for senior management, investigators, desk officers and file managers has been put in place. The new structure foresees the substitution of OLAF staff members, as well as for the replacements of the substituting agent (level 2). This new system has many advantages, such as business continuity, as there are no interruptions during short or long absences. Since the risk of interruptions is removed, the risk of not respecting deadlines, - e.g. payment time, has been mitigated.

Both main OLAF information systems, i.e. OCM and AFIS are moving toward implementing the DevOps approach. This has already advanced for the AFIS whereas for OCM it has been implemented for that part that concerns coding/packaging and deployment. Also, work continued in relation to the preparation of IT security plans, where a common approach to risk assessment was sought for the major information systems in OLAF.