Ref. Ares(2018)1718968 - 28/03/2018

ANNEXES

ANNEX 1: STATEMENT OF THE RESOURCES DIRECTOR .....

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ANNEX 1: Statement of the Resources Director

"I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission[1], I have reported my advice and recommendations to the Director-General/Executive Director on the overall state of internal control in the DG/Executive Agency.

I sign this declaration as Head of unit OLAF 02 and in charge of Risk Management and Internal Control.

Consequently, I hereby certify that the information provided in Section 2.1 of the present AAR and in annexes 3, 4, 5 and 6, is, to the best of my knowledge, accurate and complete."

28 March 2018

(signed)

J. MARTEAU

[1] Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

ANNEX 2: Reporting – Human Resources

<table>
<tr><td colspan="3">Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.</td></tr>
<tr><td colspan="3">Indicator 1: Percentage of female representation in middle management
Source of data: DG HR</td></tr>
<tr><td>Baseline 2014:
OLAF: 30%
Commission: 25%</td><td>Current situation:

33.3% on 31 December 2017. In 2017, OLAF recruited 3 new Heads of Unit (2 female and 1 male).</td><td>Target 2020: 40% female representation in middle management functions.
In its meeting on 19 July 2017, the College adopted quantitative targets of first female appointments to be made per directorate general and service at middle management level by 1 November 2019, as set out in document SEC(2017) 359. The former indicative sub-targets of 2015 were repealed. The overall target is to have at least 40% of middle management positions occupied by women.</td></tr>
<tr><td colspan="3">Indicator 2: Percentage of staff who feel that the Commission cares about their well-being
Source of data: Commission staff survey</td></tr>
<tr><td>Baseline 2014:
OLAF: 33%
Commission: 35%</td><td>Current situation:
OLAF: 19%
Commission: 35%</td><td>Target 2018: Close to Commission average

More positive results are expected at medium term following the wellbeing policy put in place by the Commission and local actions taken such as encouraging the participation of OLAF staff to events as VeloMai, Eikiden Marathon, social events outside the working hours, weekly breakfasts within the Units,etc.</td></tr>
<tr><td colspan="3">Indicator 3: Staff engagement index
Source of data: Commission staff survey</td></tr>
<tr><td>Baseline 2014:
OLAF: 59%
Commission: 65.3%</td><td>Current situation:
OLAF: 56%
Commission: 65%
The staff engagement index is based on seven questions in DG HR Staff survey. Despite the slight overall decrease, DG OLAF scores were equal or above on four out of the seven questions, compared to the previous Staff Survey.</td><td>Target 2020: Close to Commission average

OLAF has put actions in place to enhance managers' competences (coaching sessions and enhanced information on management trainings) and is currently working on the identification of training and development needs. These actions will be pursued.</td></tr>
<tr><td colspan="3">Indicator 4: Vacancy rate
Definition: Vacancies measure the capacity to use the job quotas allocated to the DGs. The following figures represent the percentage of unused job quotas and vacant posts (frozen job quotas included) on the first calendar day of the month in relation to the total available job quota of the DG (both operational and special job quotas and loans in all establishment plans).
Source: Sysper – HR Dashboard – November 2014</td></tr>
</table>

Baseline November 2015	Current situation	Target 2017
OLAF: 4.3% Commission: 4.5%	OLAF: 7.7 % (on 1 January 2018) Commission: 6.2 %	Equal or lower than the Commission average at the end of 2017

Indicator 5: Sick leave rate **Definition**: The annual sick leave rate, based on 365 days, is computed for officials, temporary agents and contract staff and includes the following types of absences: with and without medical certificate, medical visit outside place of employment, mandatory leave on health grounds and medical part time. It is calculated by dividing the number of sick leave days by the number of assignment days. **Source**: Sysper – HR Dashboard		
Baseline **First 6 months of 2015**	**Current situation**	**Target 2017**
OLAF: 4.3% Commission: 4.5%	OLAF: 5.4% Commission: 4.6%	Equal to or lower than the Commission average
Indicator 6: Local Overheads **Definition**: This indicator shows the proportion of jobs categorised as local overheads (with adjustments for inter-service contributions) in the Screening process. Overheads refer to administrative support (HR, document management, IT, logistics, etc.) and coordination (communication, publication, etc.) functions. **Source**: Annual Screening Exercise		
Baseline **Screening Exercise 2015**	**Current situation**	**Target** **2017**
OLAF: 8.3% Commission: 6.8%	OLAF: 4.2% (on 1 June 2017 - Result of the Screening exercise of 2017) Commission: 6.2%	Close to Commission average

Train investigative staff		
Indicator 7: At least one training session organised for newly appointed investigators during the year **Source:** Syslog		
Baseline **2015**	**Current situation**	**Target** **2016-2020**
One training session in 2015	One training session in 2017	One training session per year

ANNEX 3: Draft annual accounts and financial reports

The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.

Attached PDF

ANNEX 4: Materiality criteria

OLAF used the following materiality criteria to assess the relevance of a reservation to the declaration:

Quantitative threshold

The quantitative threshold for materiality in OLAF is 2%, i.e. when the total amount of transactions affected by the deficiencies detected represents more than 2% of the amount for the budget line allocated to the ABB activity for the year concerned, the issue will be reported as material and thus may give rise to a reservation.

Qualitative criteria

As regards qualitative measures, OLAF identifies deficiencies to be relevant when considering the possibility of making a reservation to the declaration if they:

(1) concern significant (repetitive) errors;

(2) concern a significant weakness in one of the control systems;

(3) risk compromising the Commission's reputation;

(4) concern a breach of rights of individuals.

ANNEX 5: Internal Control Template(s) for budget implementation (ICTs)

GRANTS – DIRECT MANAGEMENT

STAGE 1 : Programming, evaluation and selection of proposals

A - Preparation, adoption and publication of the Annual Work Programme and Calls for proposals

Main control objectives: Ensuring that the Commission selects the proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The annual work programme and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.	Hierarchical validation within the authorising department on the draft Work Programme Consultation of the Commission's Services on the draft Work Programme	If risk materialises, all grants awarded during the year under this work programme or call would be irregular. Possible impact 100% of budget involved and significant reputational consequences. Coverage / Frequency: 100% Depth: Checklist includes a list of the requirements of the regulatory provisions identified.	Costs: estimation of cost of staff involved in the preparation and validation of the annual work programme and calls. Benefits: Possibility to detect and correct errors	Budget amount of the work programmes concerned. Effectiveness: Success ratio calculated as the total value of the proposals received over the budget available. Efficiency: Average cost related to the preparation, adoption and publication of an annual work programme.

B - Selecting and awarding: Evaluation, ranking and selection of proposals
Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among (a good balance of) the proposals selected
(effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, selection and award criteria defined in the annual work programme and subsequent calls for proposals.	Assignment of staff (e.g. programme officers as Committee members) and/or selection and appointment of expert evaluators (if foreseen as deviation from FR) Review (e.g. by a mixed panel) and hierarchical validation by the AO of ranked list of proposals Redress procedure	100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion of the members) 100% of proposals are evaluated. Coverage: 100% of ranked list of proposals. Supervision of work of evaluators. 100% of contested decisions are analysed by redress committee	Costs: estimation of cost of staff involved in the evaluation and selection of proposals. Cost of the appointment of experts and for the logistics of the evaluation. Benefits: Guarantee fair and equal treatment of all applicants	Effectiveness: Proposals challenged under the redress procedure. Number of litigation cases reported. Efficiency: Average cost per proposal received. Number of selected proposals/total number of proposals received. Average cost per selected proposal.

STAGE 2 - Contracting: Transformation of selected proposals into legally binding grant agreements

Main control objectives: Ensuring that the actions and funds allocation is optimal (best value for public money; effectiveness, economy, efficiency); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action. The beneficiary lacks operational and/or financial capacity to carry out the actions. Procedures do not comply with regulatory framework.	Hierarchical validation of proposed adjustments. Validation of beneficiaries (operational and financial viability) and planning of (mid-term and final) evaluations. Signature of the grant agreement by the AO. In-depth financial verification and appropriate measures for high risk beneficiaries. Robust financial circuits.	100% of the selected proposals and beneficiaries are scrutinised. Coverage: 100% of draft grant agreements. Depth may be determined after considering the type or nature of the beneficiary and/or the total value of the grant.	Costs: estimation of cost of staff involved in the contracting process. Benefits: Budget can be used for other applications.	Effectiveness: % of errors or challenges to contractual procedures Efficiency: Value of grant agreements completed over budget requested in the corresponding proposals

STAGE 3 - Monitoring the execution

This stage covers the monitoring of the operational, financial and reporting aspects related to the project and grant agreement

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed the applicable contractual and regulatory provisions.	Operational and financial checks in accordance with the financial circuits. Authorisation by the AOSD	100% of the projects are controlled. Riskier operations subject to in-depth and/or on-site controls.	Costs: estimation of cost of staff involved in the actual management of the on-going projects. Benefits: amount of the costs claimed by the beneficiary, but rejected by the project officers. Part of the grant not paid out as pre-financing for projects that have been stopped by the Commission. Amount of penalties.	Effectiveness: Number of cost claims with adjustments . Budget amount of the errors concerned . Success ratios; % of value of cost claims items adjusted over cost claims value. Efficiency: Cost/benefit ratio: Average cost per open project. % cost over annual amount disbursed, time-to-payment.

	For high risk operations: ex-ante in-depth and/or on-site verification plus reinforced monitoring Recommended: consider an *ex-ante* verification on-the- spot (OV and/or FV) - e.g. monitoring visit. Earmark projects for risk-based *ex-post* audit. If needed: application of suspension or interruption of payments and penalties. Consider referring grant to OLAF	Red flags: delayed interim deliverables, many amendments, recurring errors when claiming costs, EDES or anti-fraud flagging, etc. Depth: depends from results of ex-ante controls.		

STAGE 4 - Ex-Post controls

A - Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls by ex-post controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information).

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.	Ex-post control strategy: Carry out audits or desk- reviews of a representative sample of operations to determine effectiveness of ex-ante controls (+ consider ex-post findings for improving the ex-ante controls). If error rate over tolerable threshold, control a risk based sample to lower the residual error rate below the tolerable threshold. Recommended: multi-annual basis (programme's lifecycle)	Sample based on a stratification of the population and using MUS afterwards. Coverage: ideally, the random sample will be statistically representative to enable drawing valid management conclusions about the	Costs: estimation of cost of staff involved in the coordination and execution of the controls. Benefits: Value of the errors detected.	Effectiveness: Representative error rate.

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation	and coordination with other AOs concerned (to detect systemic errors) Validate audit results with the beneficiary Refer the beneficiary or grant to OLAF An ex-post supervision strategy, performed by independent staff not involved in the operational and financial circuits allocated to the ICC. In order to be able to serve multiple purposes (e.g. overall assurance), the procedure is a combination of respectively random and risk-based sampling.	entire population during the programme's lifecycle. Frequency and coverage to be determined in view of previous exercises and audit reports. Depth: desk review of all underlying elements and documents.	Costs: estimation of cost of staff involved in the supervision strategy (which may include missions, if applicable). Benefits: Value of the errors detected	Effectiveness: Number and value of detected errors corrected. Efficiency: Costs of control over total amount of grants

B - Implementing results from ex-post audits/controls

***Main control objectives*:** Ensuring that the (audit) results from the ex-post controls lead to effective recoveries (legality & regularity; anti-fraud strategy); Ensuring appropriate accounting of the recoveries made (reliability of reporting)

Main risks	**Mitigating controls**	**How to determine coverage, frequency and depth**	**How to estimate the costs and benefits of controls**	**Control indicators**
The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely fashion	Systematic registration of audit / control results to be implemented. Financial operational validation of recovery in accordance with financial circuits. Authorisation by AO	Coverage: 100% of final audit results with a financial impact. Depth: consider 'extending' the findings of systemic errors into non-audited projects by the same beneficiary	Costs: estimation of cost of staff involved in the implementation of the audit/control results. Benefits: Value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).	Effectiveness: Error rate of the ex-post controls

PROCUREMENT – DIRECT MANAGEMENT
STAGE 1 :

A - Planning

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity)

Main risks It may happen (again) that…	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
Planned procurements are not in line with the DG's objectives and priorities Discontinuation of the services provided due to a late contracting (poor planning and organisation of the procurement process)	Verification of coherence with set priorities and objectives Validation by AO(S)D of the justification (economic , operational) for launching a procurement process Decisions discussed/taken at management meeting	100% of the procurements (open procedures with prior notification) are justified in a note addressed to the AOSD 100% of the forecasted procurements All key procurement procedures are discussed at management meeting	Compliance with set priorities Costs*:* estimation of cost of staff involved and the related contract values (if external expertise is used). Benefits*:* Amount of unjustified purchases rejected. Estimation of litigation avoided and potential discontinuation of the service provided	Percentage of procurements approved by Senior Management Effectiveness*:* Number of foreseen tender procedures cancelled. Number of contract discontinued due to lack of use.

B - Needs assessment and definition of needs

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity).

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
Organisation and planning of procedure poorly defined The best offer/s are not submitted due to the poor definition of the tender specifications	AOSD supervision and approval of specifications Guidance and ex-ante support from Budget Unit Additional verification by specialised expert actor or entity.	100% of the specifications are scrutinised Depth: all underlying documents	Costs: estimation of cost of staff involved and the related contract values (if external expertise is used). Benefits: limit the risk of litigation, limit the risk of cancellation of a tender. Amount of contracts for which the approval and supervisory control detected material error.	Number of procedures cancelled Effectiveness: Number of 'open' procedures where only one or no (acceptable) offers were received. Number of requests for clarification regarding the tender. Efficiency: Estimated average cost of a procurement procedure.

C – Evaluation and selection

Main control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity). Fraud prevention and detection.

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The most economically advantageous offer is not selected, due to a biased, inaccurate or 'unfair' evaluation process	Formal evaluation process: Opening committee and Evaluation committee	100% of the offers analysed Depth: all documents transmitted	Costs: estimation of costs of staff involved Benefits: Compliance with FR. Value for money.	Effectiveness: Numbers of 'valid' complaints or litigation cases filed Efficiency: Average cost of a tendering procedure
	Standstill period, opportunity for unsuccessful bidders to put forward their concerns on the decision		Benefits: Potential irregularities/ inefficiencies prevented (amount of procurement for which the opinion raised significant concerns)	
	Opening and Evaluation Committees' declaration of absence of conflict of interests	100% of the members of the opening committee and the evaluation committee	Benefits: Amount of contracts for which the control prevented the risk of litigation or fraud.	
	Exclusion criteria documented	100% checked. Depth: required documents provided are consistent	Costs: estimation of cost of staff involved	

Stage 2 - Financial transactions

Main control objectives: Ensuring that the implementation of the contract is in compliance with the signed contract

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The products/services/ works foreseen are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions. Business discontinues because contractor fails to deliver	Operational and financial checks in accordance with the financial circuits. Authorisation by the AOSD	100% of the contracts are controlled Depth: all underlying documents	Costs: estimation of cost of staff involved. Benefits: Potential irregularities, errors and overpayments prevented by the controls	Effectiveness: % of contracts carried out as foreseen Efficiency: Time-to-payment Late interest payments

Stage 3 - Supervisory measures

Main control objectives: Ensuring that any weakness in the procedures (tender and financial transactions) is detected and corrected

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment	Supervisory desk review of procurement and financial transactions Ex-post publication (possible reaction from tenderer / potential tenderer such as whistle blowing) Review of ex post results Review of exceptions reported Review of the process after each procedure	Representative sample. *Depth:* review of the procedures implemented (procurement and financial transactions) Potentially 100% 100% at least once a year. Depth: look for any systemic problem in the procurement procedure and in the financial transaction procedure and any weakness in the selection process of the ex post controls 100% at least once a year. Depth: look for any weakness in the procedures (procurement and financial transactions) 100%. Depth: review any significant problem that occurred	Costs: estimation of cost of staff involved. Benefits: Amounts detected associated with fraud & error. Deterrents and systematic weaknesses corrected	Effectiveness: Amounts associated with errors detected during ex-post controls. Efficiency: Costs of the ex post controls over the total costs.

Annex 6: Evaluations and other studies finalised during the year

Title	Reason	Scope	Type	Associated DGs	Costs (EUR)	Comments	Reference
Mid-term evaluation of Hercule III Programme	Legal act	Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC	Expenditure Programme	SG, SJ, BUDG, HOME, JUST, TAXUD	EUR 150 000	N/A	COM(2018) 3 final and SWD(2018) 3 final; Bookshop link: https://publications.europa.eu/en/publication-detail/-/publication/472e59a1-07cd-11e8-b8f5-01aa75ed71a1/language-en/format-PDF/source-64253868
Evaluation of the application of Regulation 883/2013	Legal act	Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999; OJ L 248, 18.9.2013, p. 1–22	Regulatory measure	SG, SJ, BUDG, HR.IDOC, JUST,	EUR 389 550	N/A	COM(2017) 589 final and SWD (2017) 332 final; Bookshop link: https://publications.europa.eu/en/publication-detail/-/publication/d6926554-b2e6-11e7-837e-01aa75ed71a1/language-en/format-PDF/source-65845507

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Annex 3 Financial Reports - DG OLAF - Financial Year 2017

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures (excluding Building Contracts)

Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2017 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 24 Fight against fraud					
24	24 01	Administrative expenditure of the 'Fight against fraud' policy area	59,09	55,41	93,77 %
	24 02	Promoting activities in the field of the protection of the European Union's financial interests (Hercule III)	15,04	14,95	99,37 %
	24 04	Anti-fraud information system (AFIS)	6,7	6,68	99,72 %
Total Title 24			80,84	77,04	95,31%
Total DG OLAF			80,84	77,04	95,31 %

** Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).*

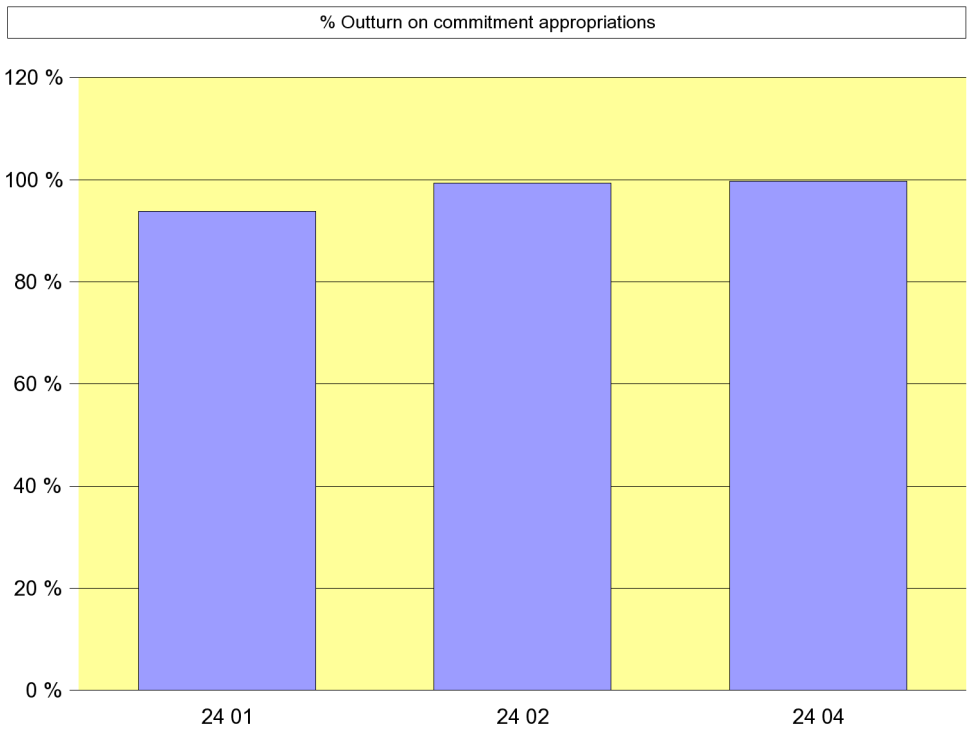


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2017 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 24 Fight against fraud					
24	24 01	Administrative expenditure of the 'Fight against fraud' policy area	64,31	12,35	19,20 %
	24 02	Promoting activities in the field of the protection of the European Union's financial interests (Hercule III)	18,21	15,12	83,05 %
	24 04	Anti-fraud information system (AFIS)	6,8	5,8	85,27 %
Total Title 24			89,32	33,27	37,25%
	Total DG OLAF		89,32	33,27	37,25 %

** Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).*

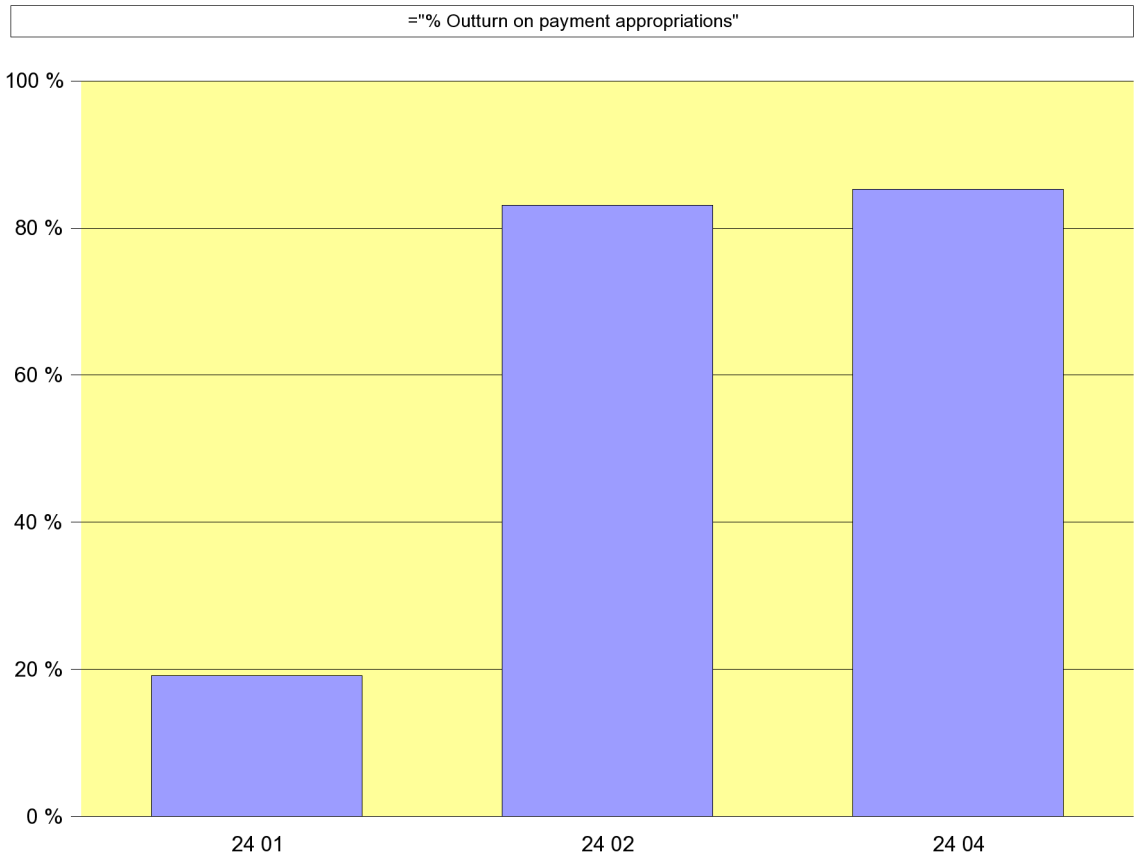
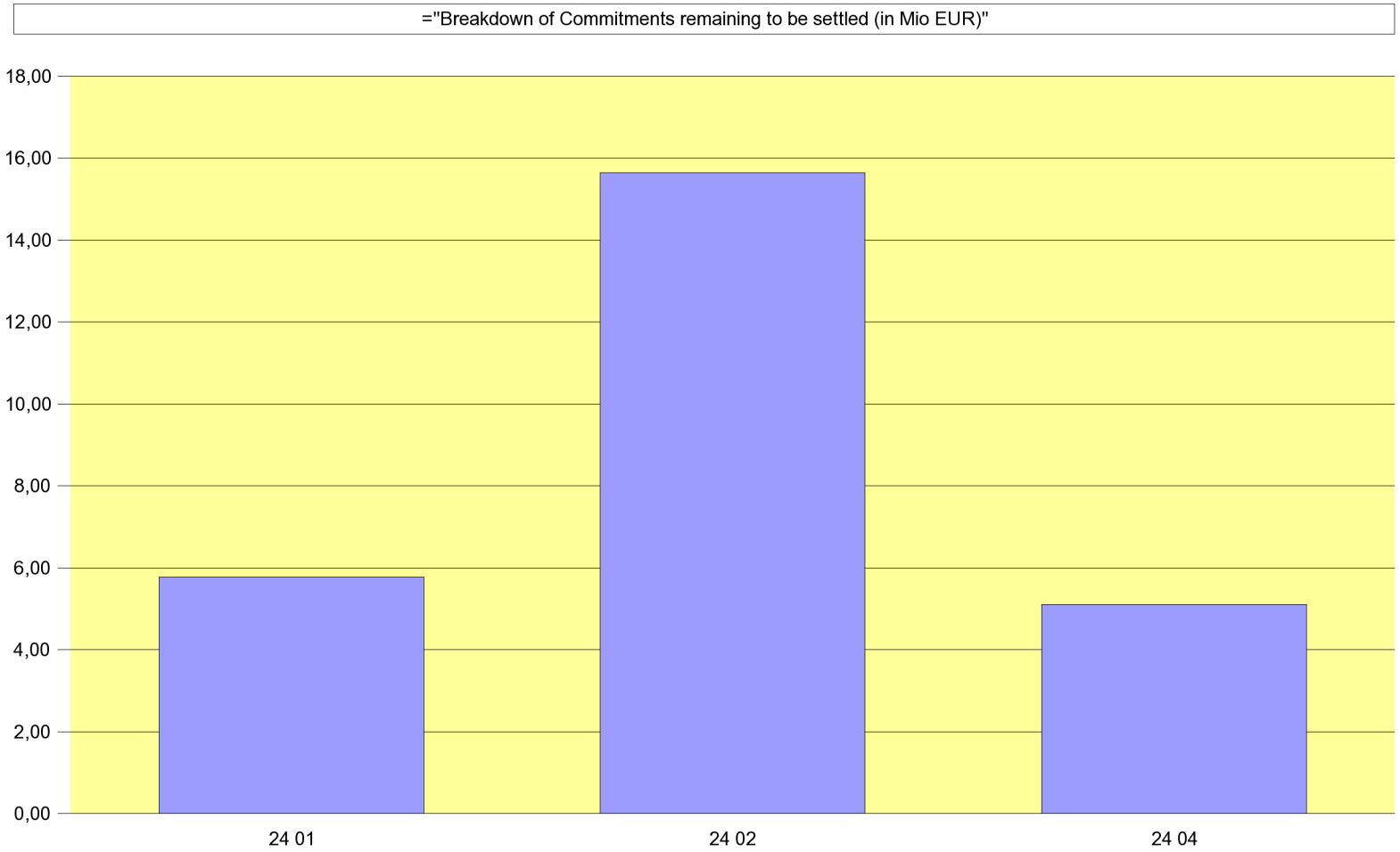


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2017 (in Mio €)									
Chapter			2017 Commitments to be settled				Commitments to be settled from	Total of commitments to be settled at end	Total of commitments to be settled at end
			Commitments 2017	Payments 2017	RAL 2017	% to be settled	financial years previous to 2017	of financial year 2017	of financial year 2016
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 24 : Fight against fraud									
24	24 01	Administrative expenditure of the 'Fight against fraud' policy area	55,29	49,52	5,78	10,45 %	0,00	5,78	6,60
	24 02	Promoting activities in the field of the protection of the European Union's financial interests (Hercule III)	14,95	6,99	7,96	53,22 %	7,69	15,65	17,19
	24 04	Anti-fraud information system (AFIS)	6,68	1,82	4,86	72,73 %	0,25	5,11	4,37
Total Title 24			76,93	58,33	18,59	24,17%	7,94	26,53	28,16
	Total DG OLAF		76,93	58,33	18,59	24,17 %	7,94	26,53	28,16

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors



Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 4 : BALANCE SHEET OLAF

BALANCE SHEET	2017	2016
A.I. NON CURRENT ASSETS	6.890.777,75	5.536.144,36
A.I.1. Intangible Assets	6.068.299,81	4.268.418,15
A.I.2. Property, Plant and Equipment	822.477,94	1.267.726,21
A.I.5. Non-Current Pre-Financing	0,00	
A.II. CURRENT ASSETS	12.413.295,02	12.688.997,36
A.II.2. Current Pre-Financing	12.415.671,02	12.613.479,89
A.II.3. Curr Exch Receiv &Non-Ex Recoveral	-2.376,00	75.517,47
ASSETS	**19.304.072,77**	**18.225.141,72**
P.II. CURRENT LIABILITIES	-1.356.582,55	920.196,06
P.II.3. Current Financial Liabilities	0,00	0,00
P.II.4. Current Payables	-1.356.582,55	-107.631,66
P.II.5. Current Accrued Charges &Defrd Incc	0,00	1.027.827,72
LIABILITIES	**-1.356.582,55**	**920.196,06**
NET ASSETS (ASSETS less LIABILITIES)	**17.947.490,22**	**19.145.337,78**

P.III.2. Accumulated Surplus/Deficit	68.936.353,30	69.031.793,58

Non-allocated central (surplus)/deficit*	-86.883.843,52	-88.177.131,36

TOTAL	**0,00**	**0,00**

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE OLAF

STATEMENT OF FINANCIAL PERFORMANCE	2017	2016
II.1 REVENUES	-1.852.269,62	-8.412.156,8
II.1.2. EXCHANGE REVENUES	-1.852.269,62	-8.412.156,8
II.1.2.2. OTHER EXCHANGE REVENUE	-1.852.269,62	-8.412.156,80
II.2. EXPENSES	29.024.449,65	8.316.716,52
II.2. EXPENSES	29.024.449,65	8.316.716,52
II.2.10.OTHER EXPENSES	7.594.584,18	7.541.077,66
II.2.2. EXP IMPLEM BY COMMISS&EX.AC	20.150.870,06	-711.552,50
II.2.6. STAFF AND PENSION COSTS	-541.592,50	-454.948,80
II.2.8. FINANCE COSTS	1.820.587,91	1.942.140,16
STATEMENT OF FINANCIAL PERFORMANCE	**27.172.180,03**	**-95.440,28**

Explanatory Notes (facultative):
Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use \\\"ctrl+enter\\\" to go to the next line and \\\"enter\\\" to validate your typing.

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5bis : OFF BALANCE SHEET OLAF

OFF BALANCE	2017	2016
OB.1. Contingent Assets	19.500	19.500
GR for performance	19.500,00	19.500,00
OB.2. Contingent Liabilities	3.195.779,4	
OB.2.7. CL Amounts relating to legal ca	3.195.779,40	
OB.3. Other Significant Disclosures		0
OB.3.2. Comm against app. not yet con		0,00
OB.4. Balancing Accounts	-3.215.279,4	-19.500
OB.4. Balancing Accounts	-3.215.279,40	-19.500,00
OFF BALANCE	**0,00**	**0,00**

Explanatory Notes (facultative):
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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 6: AVERAGE PAYMENT TIMES FOR 2017 - DG OLAF

Legal Times							
Maximum Payment Time (Days)	**Total Number of Payments**	**Nbr of Payments within Time Limit**	**Percentage**	**Average Payment Times (Days)**	**Nbr of Late Payments**	**Percentage**	**Average Payment Times (Days)**
14	1	1	100,00 %	14			
30	745	726	97,45 %	18,23	19	2,55 %	36,95
45	3	3	100,00 %	33,33			
60	2	1	50,00 %	16	1	50,00 %	270
Total Number of Payments	**751**	**731**	**97,34 %**		**20**	**2,66 %**	
Average Net Payment Time	**19,09**			**18,29**			**48,6**
Average Gross Payment Time	**19,63**			**18,73**			**52,35**

Suspensions							
Average Report Approval Suspension Days	**Average Payment Suspension Days**	**Number of Suspended Payments**	**% of Total Number**	**Total Number of Payments**	**Amount of Suspended Payments**	**% of Total Amount**	**Total Paid Amount**
0	19	21	2,80 %	751	307.725,71	0,15 %	209.391.912,67

Late Interest paid in 2017			
DG	**GL Account**	**Description**	**Amount (Eur)**
OLAF	65010100	Interest on late payment of charges New FR	260,71
			260,71

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2017

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	0	0	0	0	0	0	0
66	OTHER CONTRIBUTIONS AND REFUNDS	3.547,5	77.893,47	81.440,97	3.547,5	77.893,47	81.440,97	0
90	MISCELLANEOUS REVENUE	3.144.325,13	0	3.144.325,13	3.144.325,13	0	3.144.325,13	0
Total DG OLAF		**3.147.872,63**	**77.893,47**	**3.225.766,1**	**3.147.872,63**	**77.893,47**	**3.225.766,1**	**0**

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 8 : RECOVERY OF PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2013			1	0		
2015			2	60.191,01		
2016			3	252.327		
2017			1	593,08		
No Link			18	2.834.761,54		
Sub-Total			**25**	**3.147.872,63**		

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS									28	221.337,76		
CREDIT NOTES									34	151.471,22		
Sub-Total									**62**	**372.808,98**		
GRAND TOTAL									**87**	**3.520.681,61**		

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors. The provisional closure will be based on the recovery context situation at 31/01/2017.

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2017 FOR OLAF

	Number at 1/01/2017	Number at 31/12/2017	Evolution	Open Amount (Eur) at 1/01/2017	Open Amount (Eur) at 31/12/2017	Evolution
2016	1		-100,00 %	77.893,47		-100,00 %
	1		-100,00 %	77.893,47		-100,00 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2017 >= EUR 100.000						
	Waiver Central Key	**Linked RO Central Key**	**RO Accepted Amount (Eur)**	**LE Account Group**	**Commission Decision**	**Comments**

Total DG OLAF	

Number of RO waivers	

Justifications:
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TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG OLAF - 2017

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(b) (Without prior publication) Work of art, technical reasons or protection of exclusive rights	1	338.000,00
Total	**1**	**338.000,00**

TABLE 12 : SUMMARY OF PROCEDURES OF DG OLAF EXCLUDING BUILDING CONTRACTS

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	1	338.000,00
Total	**1**	**338.000,00**

Additional Comments:

TABLE 13 : BUILDING CONTRACTS

Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET

Legal base	Contract Number	Contractor Name	Description	Amount (€)