European Commission

# Management Plan 2017

## European Anti-Fraud Office (OLAF)

# Contents

# INTRODUCTION

European Anti-Fraud Office (OLAF) shares its main general objective with other horizontal services of the European Commission: *To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents*. This general objective captures most activities and results of the Office.

Specific objective 1: *Efficient and effective management of OLAF's investigations and coordination actions* is dedicated to OLAF's investigative work and recommendations. As explained in OLAF's Strategic Plan 2016-2020, OLAF currently is performing at its full capacity. As other Commission services, the Office is subject to the Commission-wide staff reduction while receiving more information of investigative interest every year. Additionally, during 2015 five AD officials from OLAF were transferred with their posts to DG HOME due worsening of the migration crisis. Maintaining the current level of investigative efficiency at a steady level will thus present a significant challenge. Therefore, also the targets for the investigative and coordination activities will remain stable also for 2017.

Under Specific objective 2: *Provision of necessary IT tools to support OLAF's investigative activities* OLAF Content Management, a new system integrating case and document management, was deployed in OLAF in 2016. This first release will be followed by a series of releases in 2017 and 2018 that will cover reporting, monitoring and all other functionalities and features to ensure an optimal support OLAF investigative processes. Specific objective 3: *Compliance with legal obligations related to access to documents and personal data* will remain unchanged as the targets are linked to the legal obligations.

Specific objective 4: *Protection of the financial interests of the EU by developing anti-fraud policy, legislation and enhancing the cooperation with the Member States and other partners* covers various outputs related to fraud prevention, cooperation with and support of our stakeholders and anti-fraud policy. In 2017, the Commission will submit the evaluation report on the application of OLAF Regulation to the European Parliament and the Council. This evaluation carries a significant value as it can state the need for amending the Regulation.

With the ratification of the Framework Convention on Tobacco Control (FCTC) Protocol by the EU and its Member States an important step was made in 2016. However, work on OLAF's Specific objective 5: *Reduction of illicit trade in tobacco products* remains an important objective and obligation of OLAF and the Commission. The Commission is currently reflecting on how to implement a number of key provisions of the Protocol at EU level.

Promoting activities in the field of the protection of the European Union's financial interests is done through the Hercule III Programme. Actions under this programme are falling under OLAF's Specific objective 6: *To prevent and combat fraud, corruption and any other illegal activities affecting the Union's financial interests*. The achievements of this programme are each year reported in the Commission Staff Working Document accompanying the PIF report.  A mid-term evaluation of the Programme is due by the end of 2017.

Finally, OLAF's second General objective corresponds to one of the ten policy priorities that President Juncker highlighted for this Commission: *An Area of Justice and Fundamental Rights Based on Mutual Trust*. In his political guidelines, President Juncker stated that judicial cooperation in the EU must

improve "by making progress on new tools such as the European Public Prosecutor's Office which is designed to tackle criminal fraud which damages the EU budget". OLAF further specified its work in this regard in its Specific objective 7: *Strengthened legal framework for protection of the financial interests of the EU*. To that end, OLAF contributes to the negotiations on the proposal for the establishment of a European Public Prosecutor's Office (EPPO) and the proposal for a Directive on the Protection of EU's financial interests by means of criminal law (PIF directive), which were both proposed in co-responsibility with the DG JUST. Both initiatives are envisioned to be adopted in the course of 2017. The EPPO proposal provides for an independent Union body which will direct investigations and prosecutions in the Member States, ensure effective coordination of investigations and prosecutions, and reduce problems related to different applicable legal systems. The EPPO would investigate, prosecute and bring to judgment the perpetrators of offences affecting the Union's financial interests.

# PART 1.  Overview of main outputs for the year

### A. Investigative and coordination activities

This section sets specific objectives, indicators and targets for the selection of cases to be opened by OLAF, the conduct of investigations and coordination activities, as well as the implementation of recommendations issued by OLAF as a result of its investigative and coordination activities.

Before opening an investigation, OLAF assesses if the case falls within its competence to act and establishes whether the information is sufficient to open an investigation or coordination case. The decision to open an investigation or not, always takes into account the principles of subsidiarity and proportionality, and the need for an efficient use of the Office's resources. The decision further takes into account the Investigation Policy Priorities (IPPs) of the Office (see Article 5 (1) Reg. 883/2013) setting out special sectoral priorities. The IPPs do not refer to any specific financial indicators but the financial impact is taken into consideration as part of the proportionality principle.[1]

For any opening decision, the IPPs need to be taken into consideration and applied with the necessary degree of discretion. The opening and carrying out of an investigation is done by OLAF in full independence, without instructions from any government, institution, body, office or agency.[2]

| General objective 1: To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents. | | |
|---|---|---|
| Specific objective 1: Efficient and effective management of OLAF's investigations and coordination actions | | Related to spending programme(s): No |
| Main outputs in 2017: | | |
| Other important outputs | | |
| **Output** | **Indicator** | **Target** |
| Speedy initial assessment of whether a case should be opened | Average duration of selections | No longer than 2 months |
| | Percentage of selections closed whose duration is no longer than 2 months | At least 75% |
| Reasonable duration of investigations | Average duration of investigations | No longer than 20 months. |
| | Percentage of on-going investigations lasting more than 20 months | Less than 30% |
| Efficient investigations | Percentage of investigations closed with recommendations | At least 45% |

The following indicators are not a direct output of OLAF's work, as their outcome depends on the implementation of OLAF's recommendations by the recipients of those recommendations. However, these are important indicators of the impact of OLAF's investigative work.

A new output on the implementation of OLAF's financial recommendations will be introduced in OLAF's Management Plan 2018. The indicator of this output will be the *average amount established for recovery by the recipients of these recommendations*. OLAF is more in control of reporting on the amounts established for recovery rather than on amounts recovered. However, reporting on this output will only be possible in 2018 after a baseline is established for the year 2017.

| **Indicator** | **Desciption** | **Target** |
|---|---|---|
| Implementation of OLAF's judicial recommendations | Average rate of indictment following OLAF's judicial recommendations issued in the last 7 years | At least 50% for the reporting period 2008-2016 |
| Implementation of OLAF's disciplinary recommendations | Average rate of actions taken by EU disciplinary authorities following OLAF's disciplinary recommendations in the last 3 years | At least 75% for the period 2014-2016 |

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[1] See also European Parliament (European Parliament Resolution of 3 July 2013 on the Annual Report 2011 on the protection of the EU's Financial Interests – Fight against fraud (A7-0197/2013 / P7-TA (2013) 0318), paragraph 12).
[2] See Article 17(3) of OLAF Regulation 883/2013.

**B. Investigation support**

The Investigation Support Directorate in OLAF provides specialised services to support OLAF's investigation and coordination activities.

Within this Directorate, one unit monitors the efficiency, effectiveness and quality of the investigative process and supports it with the necessary tools. Digital forensic acquisition, data collection and analysis, as well as other relevant expert tools and related technical assistance are provided to OLAF investigative units and competent authorities in the Member States. An in-house legal advice unit provides advice and support to the investigative processes and handles complaints to the European Ombudsman and to the EDPS as well as requests for public access to documents and for access to personal data.

Two IT units complete this Directorate, IT infrastructure (procurement, infrastructure, support) and IT developments that has delivered the new OLAF Content Management (OCM) system.

| Specific objective 2: Provision of necessary IT tools to support OLAF's investigative activities | | Related to spending programme(s): No |
|---|---|---|
| **Main outputs in 2017:** | | |
| **Other important outputs** | | |
| **Output** | **Indicator** | **Target** |
| Deliver new release of OLAF Content Management (OCM) | OCM Infrastructure is available | The release of phase 2 and 3 are scheduled for the 1st and 3rd quarter of 2017 |

OCM is a tool used since October 2016 by all OLAF staff to manage cases and documents in a secured environment. The tool will allow users to organise case activities, handle case-related information, obtain approvals and decisions, and produce documents.

OCM has been developed in-house on a modern Documentum xCP platform which integrates investigation workflow and document management. OCM was successfully developed and implemented beginning of October 2016. This first phase focused on the core investigation activities and includes electronic workflows for the selection, investigation coordination and registry activities. OCM is a modern tool that integrates electronic workflows, e-signature, remote access etc.

Further releases will take place in 2017/2018 to reach a full-fledged Content Management System.

| Specific objective 3: Compliance with legal obligations related to access to documents and personal data | | Related to spending programme(s): No |
|---|---|---|
| **Main outputs in 2017:** | | |
| **Other important outputs** | | |
| **Output** | **Indicator** | **Target** |
| Timely replies to requests from the Ombudsman and the EDPS complaints | **%** of replies within the timeframe foreseen by the relevant Regulations | 100% |
| Timely replies to requests on access to documents and personal data | **%** of replies within the timeframe foreseen by the relevant Regulations | 100% |

### C. Anti-fraud policy, including fraud prevention

OLAF is the lead service in the conception and development of a European Anti-Fraud Policy. It deals with all phases of fraud prevention and detection, from the conception of a policy, the implementation of existing and new policies, to the reporting on its progress and effectiveness.

The Office operates in collaboration with a number of partners, be they EU institutions, Member States authorities or third country bodies and international organisations. To this end, it negotiates arrangements with some of these partners to facilitate practical cooperation. This is for instance the case with the working arrangements with its Supervisory Committee and the administrative cooperation arrangements with investigative partners. Direct contact is also key to maintain good collaboration, for instance through the annual meeting with Member States' anti-fraud coordination services (AFCOS) and the seminar with AFCOS of enlargement countries.

**CAFS II**

On 24 June 2011, the Commission adopted the Commission Anti-Fraud Strategy (CAFS), consisting of a Commission Communication[3] and an action plan[4]. The CAFS aimed at strengthening the entire anti-fraud cycle, from prevention to sanctions, by bringing a uniform approach across Commission services, while at the same time allowing Commission services room to tailor actions to their specific policy area.

The CAFS contained three priority actions:

1. Adequate anti-fraud provisions in Commission proposals on spending programmes under the new multi-annual financial framework, in light of the impact analyses.
2. The development of anti-fraud strategies at Commission Service level with the assistance of OLAF and of the Central services, and their implementation.
3. The revision of the public procurement directives with a view to addressing the need for simplification while limiting the risks of procurement fraud in the Member States.

Other actions include: the introduction of IT-tools in the fight against fraud, better guidance for whistleblowers and the institution of a network of fraud experts in the Commission, the Fraud Prevention and Detection Network (FPDNet). Starting from 2013, the Commission has reported on the implementation of the CAFS in the Article 325 Report (PIF report).

The adoption of an updated CAFS II is planned for the end of 2017. It will not change the main principles of the CAFS and mostly looks at the development of new actions for the Commission Services with regard to anti-fraud.

**Early Detection and Exclusion System (EDES)**

The Early Detection and Exclusion System (EDES) was set up through amendment of the Financial Regulation with effect as of 1 January 2016 as successor to the previous Early Warning System and Central Exclusion Database. The EDES database is run by the Commission (DG BUDG) with important input from OLAF. Results of OLAF investigations (as well as audit findings established by EU institutions and bodies) feed into action taken by Authorising Officers to exclude unreliable tenderers and grant applicants from EU funding and to flag suspicions in this respect. Such exclusion or flagging is recorded in EDES.

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[3] (COM(2011)376)
[4] (SEC(2011)787)

OLAF's role in the operation of EDES is three-fold:

1. Communicating preliminary or final investigation results to EU services. Such communication forms an integral part of OLAF's investigation-related work and is therefore not listed as output below.

2. Authorising Officers consult OLAF when flagging a risk-prone economic operator on the basis of information received from OLAF. OLAF reacts to the consultation within the applicable deadline (usually 10 working days, subject to extension) providing additional information where available. The timeliness of response depends on the state of play of the investigation in question and on communication channels with national authorities. A trade-off between timeliness and completeness of OLAF's reply may be necessary.

3. When Authorising Officers plan to exclude an economic operator from EU funding because of wrongdoing investigated by OLAF, they send their request to the Exclusion Panel, chaired by an independent expert and composed of experienced Commission officials, for assessment and recommendation. This panel may ask OLAF for supplementary information and will invite OLAF as observer. OLAF offers its advice and provides the requested information within the deadline set by the panel where such information is available. Deadlines may be extended where this is compatible with the panel's legal obligation[5] to issue a recommendation within 45 days. The explanation given above regarding timeliness and completeness of OLAF's contribution applies mutatis mutandis.

OLAF's specific contributions to early detection and exclusion cases as set out above form its recurrent output as actor in EDES. An additional one-off output planned for 2017 consists in drafting in-house guidelines so as to optimise cooperation between OLAF's policy directorate, which is responsible for coordinating OLAF's EDES-related activities and for liaising with DG BUDG, and OLAF's investigation directorates, which provide specific case-related input.

**Development of anti-fraud policy and legislation in particular by reinforced engagement with the Member States and other partners**

| Specific objective 4: Protection of the financial interests of the EU by developing anti-fraud policy , legislation and enhancing the cooperation with the Member States and other partners | Related to spending programme: AFIS |
|---|---|
| **Main outputs in 2017:** | |
| **Other important outputs** | |

| Output | Indicator | Target |
|---|---|---|
| Establish new working arrangements with Europol | Signature | 2017 |
| Revise working arrangements with the Supervisory Committee | Signature | 2017 |
| Administrative cooperation arrangements (ACAs) set out practical details for the cooperation between OLAF and other entities, in particular in connection with investigations. | Number of newly established and revised ACAs | 5 ACAs |
| Organise AFCOS seminar | AFCOS seminar has taken place | 2017 |
| Organise AFCOS group meeting | AFCOS group meeting has taken place | 2017 |

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[5] Article 108(8)(f) of the Financial Regulation

| | | |
|---|---|---|
| Update of the Commission Anti-Fraud Strategy | Adoption of the CAFSII by the College | 3rd quarter 2017 |
| Replying to consultations by other Commission services on early detection cases. | Proportion of consultations for which deadlines were met | Meet deadlines in 75% of consultations. |
| Annual Report (under Article 325(5) of TFEU) by the Commission to the EP and Council on the Protection of the EU's financial interests | Adoption

Decide planning reference number: PLAN/2016/420 | 3rd quarter 2017 |
| Guidelines to Pre-Accession Countries on irregularities reporting | Adoption | 2017 |
| Supporting the Commission's Exclusion Panel, in OLAF's role as observer, by providing case-related information and advice. | Proportion of panel cases based on OLAF investigations for which deadlines regarding OLAF's written and oral contributions to the work of the panel were met. | Meet deadlines in 75% of cases. |
| Guidelines for OLAF's investigation and policy directorates' cooperation on EDES. | Adoption | 2nd quarter of 2017. |

**Anti-fraud information system (AFIS)**

AFIS is an umbrella term for a set of anti-fraud IT applications operated by the European Commission (OLAF) which create contacts with the competent authorities in the Member States. These ensure the timely and secure exchange of fraud-related information between national and EU competent administrations. The AFIS Project encompasses two major areas: Mutual Assistance in Customs Matters and Irregularities Management.

AFIS supports Mutual Assistance in Customs Matters with the secure real-time information exchange system V-OCU (Virtual Operations Coordination Unit) used for Joint Customs Operations, secure web mail (MAB-Mail), specific information exchange modules and databases like MAB (Mutual Assistance Broker), CIS (Customs Information System) and FIDE (Customs Investigation Files Identification Database); and analysis tools like A-TIS (Anti-Fraud Transit Information System).

The legal basis for AFIS' support of Mutual Assistance in Customs Matters is Council Regulation (EC) No 515/97 as amended by Regulation (EU) No 2015/1525[6]. AFIS also provides the IMS (Irregularities Management System), a secure electronic tool which facilitates the Member States' obligation to report irregularities detected in agricultural, structural, cohesion and fisheries funds as well as pre-accession aid, and which supports the management and analysis of irregularities.

The AFIS Portal is a single and common infrastructure for the delivery of the above-mentioned services to more than 8 000 registered end-users in more than 1 200 competent services from Member States, partner third countries, international organisations, Commission services and other EU Institutions. The AFIS Portal enables substantial economies of scale and synergies in the development, maintenance and operations of such a wide and diverse set of IT services and tools.

By training and giving advice to the Member States' authorities and those in Candidate Countries in how to use the Irregularity Monitoring System and its new modules, OLAF aims to achieve compliance, by these authorities, with their obligations to report fraudulent and non-fraudulent irregularities. This will increase the protection of the EU's financial interests, as the potential fraud will be signalled and can then be investigated by OLAF or the relevant national authorities.

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[6] Regulation (EU) 2015/1525 of the European Parliament and of the Council of 9 September 2015 amending Council Regulation (EC) No 515/97 on mutual assistance between the administrative

In the context of joint customs operations (JCOs), OLAF plays a key role in coordinating the work of several national customs authorities, exchanging information and acting together against internationally organised contraband. In view of the resource restrictions, OLAF's target is to initiate in future two JCOs annually. However, OLAF will, in addition, provide support to the JCOs requested by the Member States as it has done in the past. AFIS also provides the IT platform for JCOs.

OLAF is currently reflecting on how to make best use of the data collected in its databases and IT systems, including new ones, in order to detect potential fraud patterns and generate new fraud cases through strategic data analysis. To this end a stakeholder discussion on strategic data analysis will be launched. Stakeholders in specific Member States are to be associated with this process.

| Main outputs in 2017: | | |
|---|---|---|
| **Other important outputs** | | |
| **Output** | **Indicator** | **Target** |
| Support mutual assistance in customs matters through the provision of secure information exchange tools for specific customs anti-fraud information exchange modules and databases such as the CIS | Number of active customs fraud cases for which information is available in the mutual assistance databases | 17 000 |
| Launch of a stakeholder discussion on strategic data analysis | Meeting with stakeholders | 2$^{nd}$ half 2017 |
| Support mutual assistance in customs matters through the provision of secure information exchange tools for Joint Customs Operations | Number of Joint Customs Operations (JCOs) led by OLAF | 2 JCOs |
| | Number of Joint Customs Operations (JCOs) supported by OLAF | 3 JCOs |
| IMS reporting | Number of communications exchanged between the Member States and the Candidate Counties via IMS to fulfil their irregularities reporting obligations under the different regulations. | 22 500 |
| IMS training to for OLAF units and Shared Management DGs | Number of training sessions organised<br><br>Number of staff trained on how to use and exploit the information stored in the IMS system | 5 sessions<br><br>30 from OLAF and 50 from other DGs |

**Reduction of illicit trade in tobacco products**

It is estimated that the smuggling of tobacco products costs the EU and Member States annual losses of around EUR 10 billion a year in lost revenue from customs duties and taxes. The Commission presented in June 2013 a strategy paper on how to step up the fight against cigarette smuggling. This Strategy was accompanied by an Action Plan setting out a number of regulatory and other initiatives which would contribute to reducing the illicit trade in tobacco products. These documents were largely endorsed by the Council in December 2013. At this moment, many of the Commission's activities in this field are in fact related to the implementation of the Strategy and the Action Plan.

In 2016, the FCTC Protocol was signed and is now awaiting ratification. The Commission is currently reflecting on how to implement a number of key provisions of the FCTC Protocol at EU level. The Commission may wish to propose legislation on some of these issues. Any such initiative would require careful analysis including impact assessment.

| Specific objective 5: Reduction of illicit trade in tobacco products | Related to spending programme(s): No | |
|---|---|---|
| **Main outputs in 2017:** | | |
| **Other important outputs** | | |
| **Output** | **Indicator** | **Target** |
| Operation of the new laboratory facility for the analysis of seized cigarettes | Number of seizure analyses | 100 tests in 2017 |
| Report on implementing the Strategy to step up the fight against cigarette smuggling and other forms of illicit trade in tobacco products, including policy orientations for the future | Adoption<br><br>Decide planning reference number: 2016/OLAF001 | 1st quarter 2017 |
| Impact assessment of the FCTC Protocol implementation | Tender study | 2$^{nd}$ half 2017 |

**Promoting activities in the field of the protection of the European Union's financial interests (Hercule III)**

The specific objective of the Programme "shall be to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union"[7]. The specific objective shall be measured through the four key performance indicators that are further elaborated below. The operational objectives[8] of the Programme are:

- to improve the prevention and investigation of fraud and other illegal activities beyond its currently reached levels by enhancing transnational and multi-disciplinary cooperation;
- to increase the protection of the financial interests of the Union against fraud, facilitating the exchange of information, experiences and best practices, including staff exchanges;
- to strengthen the fight against fraud and other illegal activities providing technical and operational support to national investigation, and in particular customs and law enforcement, authorities;
- to limit the exposure of the financial interests of the Union to fraud, corruption, and other illegal activities compared to the level of exposure known today with a view to reducing the development of an illegal economy in key risk areas such as organised fraud, including cigarette smuggling and counterfeiting;

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[7] Article 4 of Regulation 250/2014.
[8] Article 5 of Regulation 250/2014.

- to enhance the degree of development of the specific legal and judicial protection of the financial interests against fraud by promoting comparative law analysis.

In 2017, the Hercule Programme will be implemented on the basis of a Financing Decision and an annual work programme setting out the programme's priorities. The annual budget in 2017 is EUR 14.5 million.

| Specific objective 6: To prevent and combat fraud, corruption and any other illegal activities affecting the Union's financial interests | | Related to spending programme: Hercule III Programme |
|---|---|---|
| **Main outputs in 2017:** | | |
| **Other important outputs** | | |
| **Output** | **Indicator** | **Target** |
| Annual overview with information on the results of the Hercule III Programme in 2016 | Commission Staff Working Document accompanying the PIF report 2016 | 2017 |

**Legislative initiatives in the field of anti-fraud and protection of EU's financial interests**

OLAF is responsible for the preparation of legislative and regulatory initiatives of the Commission with the objective of fraud prevention. That includes working on strengthening the legal framework for protection of the financial interests of the EU (Specific objective 7). In 2017, two initiatives in this field will most likely be concluded. The proposal for a Directive on the Protection of EU's financial interests by means of criminal law (PIF directive)[9] has been negotiated since July 2012 and the proposal for the establishment of a European Public Prosecutor's Office (EPPO)[10] since July 2013 between the legislators (European Parliament and Council). The establishment of EPPO was mentioned in one of President Juncker's priorities for this Commission and OLAF's work on this topic is therefore falling under the General objective: *An Area of Justice and Fundamental Rights Based on Mutual Trust.*

| General objective 2: An Area of Justice and Fundamental Rights Based on Mutual Trust | | |
|---|---|---|
| Specific objective 7: Strengthened legal framework for protection of the financial interests of the EU. | | Related to spending programme(s): No |
| **Main outputs in 2017:** | | |
| **Other important outputs** | | |
| **Output** | **Indicator** | **Target** |
| PIF Directive | Adoption | 2017 |
| EPPO Regulation | Adoption | 2017 |

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[9] COM(2012) 363 final.
[10] COM(2013) 0534 final.

# PART 2.     Organisational management outputs for the year

**A. Human resource management**

**HR Modernisation and new HR delivery model for OLAF**

The HR Modernisation project implemented according to the Communication on Synergies and Efficiencies of April 2016 makes changes to the way that HR services are delivered.  HR services will be delivered by an Account Management Centre (AMC) inside DG HR.  Each DG will have an HR Business Correspondent, responsible for defining HR strategy and taking HR decisions, in consultation with the management of the DG, as well as ensuring that the DG gets the HR service it needs, in cooperation with the AMC.

OLAF will move to the new way of working in 2017.  OLAF will be supported by AMC 5 which will serve the following group of DGs: Collège, COMM, EPSC, HOME, IAS, JUST, OLAF, SG, SJ.

Definition of HR strategy and priority actions to make progress towards the Strategic Plan targets are the responsibility of the HR Business Correspondent and will continue to be addressed in the DG Management Plan and Annual Activity Report.

**OLAF specialised Competitions**

In May 2016, two competitions in the investigative field for AD7 and AD9 administrators were published. These competitions are meant to compensate the loss of expertise OLAF is facing due to the ageing of its staff and the termination of many temporary agent contracts. The publication of the reserve lists is expected by mid-2017.

**Staff Development**

OLAF invests in the professionalisation of its staff through continuous learning and training. In 2017, OLAF will continue to offer specific in-house operational training on core business topics such as interviewing, evidence gathering, report writing etc. In addition, a special welcome day focusing on the investigative work is offered to all newcomers to OLAF to get familiar with the core business of the Office. The content of this specific training is regularly reviewed taking into consideration the feedback received from the participants. OLAF will also continue to support requests for specific external training as it can help senior investigators to update their knowledge and skills and it is a good opportunity to exchange experience with the stakeholders.
In 2016, OLAF established a learning path for new investigators (i.e. with less than 18 months of experience in OLAF) and identified the specific learning needs for Directorates A and B for 2016 and 2017.
In order to improve the sharing of knowledge and communication within the DG, OLAF will equally continue in 2017 to propose lunchtime debates and support teams focusing on work related issues that have a direct impact on teams' effectiveness. OLAF staff will continue giving trainings/speeches to stakeholders outside the DG and is organising visits within OLAF premises. These activities contribute to a positive image of the Office vis-à-vis the outside world.

**Female representation in middle management**

With 25% female Heads of Unit in 2016, the female representation in middle management remained stable compared to 2015. Female applications in management positions are always carefully considered but are still a minority. On the two management positions published in 2016, one female, newly appointed Head of Unit, was chosen. In the course of 2017 several middle management positions are scheduled to be open which will contribute to give OLAF an opportunity to reach over

time the target of 40% of women in middle management positions, (5 additional female Heads of Unit to be appointed by 2020). Female officials will be encouraged to apply for future middle management positionsthat become vacant. Junior managers will be regularly invited to participate in management trainings and offered coaching sessions in order to develop their management skills.

**Talent Management**

In the framework of a new Talent Management Strategy of the Commission and the new Decision on Middle Management Staff (C(2016)3288 ), new rules on mobility for Middle Managers have been launched in the last quarter of 2016. OLAF has participated in the first Inter-DG mobility exercise for 2016 and will take part in a  similar exercise in 2017.
Furthermore, in the framework of the Commission's talent management policy, OLAF will continue to invest in the development of the managerial competences. Managers will continue to be regularly invited to training and coaching sessions for managers in order to enhance their leadership competences, as well as continued focus on ensuring equal opportunities to a diverse population of OLAF staff.
OLAF will continue to monitor staff satisfaction through analysis of EC staff surveys and other local initiatives. With respect to the "EC Speak Up Staff Survey" for 2016, OLAF will establish a follow-up action plan, which will be launched during the first months of 2017.

**EC Staff Satisfaction Survey and engagement index**

The EC staff engagement index (64.3%) has decreased compared to 2014 (65.3%). The engagement index for OLAF in 2016 is 56% and is based on the participation rate of 42% of its staff. This result is lower than OLAF's index in 2014 (59%) and is also lower than the Commission average (64%), which has declined since 2013 (70.8% in 2013 and 65.3% in 2014). OLAF's results on the engagement index are varied, with some improvements and some declining scores. The negative trends in the engagement index will be carefully analysed and discussed with OLAF staff and management. The Well-Being section of the Staff Survey report for 2016 had a 50% positive score for OLAF. The OLAF respondents to the 2016 survey are satisfied with their work environment, colleagues and work-life balance, which has improved since 2014. However, OLAF respondents expect more regarding their well-being and health care.

| Objective: The DG deploys effectively its resources in support of the delivery of the Commission 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 | | |
|---|---|---|
| **Main outputs in 2017:** | | |
| Output | Indicator | Target |
| The publication of the reserve lists for two competitions in the investigative field for AD7 and AD9 | The reserve lists are published | 3rd quarter 2017 |
| Vacancies measure the capacity to use the job quotas allocated to the DGs. It represents 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). | Vacancy rate (%) | Equal or lower than the Commission average  at the end of 2017 |

| Increase gender balance through promotion of equal opportunities | Representation of women in Middle Management posts in OLAF (%) | No target fixed for each DG by DG HR per year, however, by 2019 there should be 40% of women in Middle Management posts (Commission on 15 July 2015 – SEC(2015)336) |
|---|---|---|
| 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. | Sick leave rate (%) | Equal to or lower than the Commission average. |
| 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 | Local overheads (%) | Close to Commission average |
| Train investigative staff | Newly appointed investigators trained | At least one training session per year for new investigators |
| Positive staff engagement index | Average of positive response to DG HR staff survey (%) | Close to Commission average |

**B. Financial Management: Internal control and Risk management**

In relation to the control effectiveness as regards legality and regularity, OLAF has set up the internal control processes aimed to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions. The control objective is to ensure that the cumulative budgetary impact of any residual error rate does not exceed 2%. The capacity to detect and correct the errors having a financial impact is also a key element in the control strategy that is carefully monitored in OLAF. The indicators regarding the estimated overall amount at risk for the year for the entire budget under the DGs responsibility and the estimated future corrections are not key management indicators for OLAF but rather corporate ones. Therefore OLAF is maintaining corporate targets for these indicators.

| Objective 1: Effective and reliable internal control system giving the necessary guarantees concerning <u>the legality and the regularity</u> of the underlying transactions | | |
|---|---|---|
| **Main outputs in 2016:** | | |
| Output | Indicator | Target |
| Error rate detected on the legality and regularity of the underlying transactions in OLAF | Estimated residual error rate | Less than 2% |

| Estimated overall amount at risk for the year for the entire budget under the DGs responsibility. | Estimated overall amount at risk | Less than 2% |
|---|---|---|
| Estimated future corrections | Estimated future corrections | To correct in a cost effective manner any error and irregularity detected |

| **Objective 2: Effective and reliable internal control system in line with sound financial management.** | | |
|---|---|---|
| **Main outputs in 2017:** | | |
| Output | Indicator | Target |
| Part of the cost of control in proportion of the budget controlled. | Cost of control in proportion of the budget controlled (%). | Grants < 15%<br><br>Procurements < 5% |
| Timely execution of payments | Percentage of payments made within the time limits | >95% |
| Open recommendations from the European Court of Auditors (ECA) and Internal Audit Service (IAS) | Number of critical recommendations overdue for more than 6 months | None |

| **Objective 3: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.** | | |
|---|---|---|
| **Main outputs in 2017:** | | |
| Output | Indicator | Target |
| Implementation of the anti-fraud strategy as planned for 2017 | Percentage of implementation of actions | 100% target |
| Updated anti-fraud strategy of OLAF, elaborated on the basis of the methodology provided by OLAF | Updated anti-fraud strategy | Update every year, as set out in the AFS |
| Increased level of anti-fraud awareness | Number of training sessions organised for newcomers.<br><br>New comers trained on Ethic's matters. Percentage of population reached. | Minimum 2 per year<br><br><br>100% target population reached |

**Initiatives to improve economy and efficiency of financial and non-financial activities**

Despite the consecutive staff cuts since 2013, so far OLAF has managed to deal effectively with the structural increase of its workload. Several reorganisations have led to a better distribution of responsibilities and competences, the reduction of non-core activities, overheads and administrative burden and have improved the efficiency of investigations, despite the increased notification duties and legality checks imposed by Regulation 883/2013.

In the course of 2017, OLAF expects to draw additional benefits from efficiency gains through a further implementation of e-Government. As a matter of fact, in compliance with Article 95 of the Financial Regulation, the DG should be able to implement uniform standards for the electronic exchange of information with third parties participating in procurement and grant procedures. So far, OLAF, in close collaboration with DG DIGIT, has successfully deployed a module which caters for the publication of calls for tender and related exchange with possible tenderers and a module which allows for an electronic signature of contracts for suppliers. The next module which will be operational concerns the reception and opening of call for tenders (as per 01 January 2017).

As regards grants, as from 2017 OLAF plans to use the Commission's e-grant tool for the electronic management of grant applications enabling applicants to submit applications electronically.

**C. Better Regulation**

The main planned outputs linked to the Better Regulation objective in the Strategic Plan are listed in Part 1 under the relevant specific objective. They are presented in the tables under the headings "All new initiatives and REFIT initiatives from the Commission Work Programme" and "other important items".

| Specific objective: Prepare new policy initiatives and manage the EU's acquis in line with better regulation practices to ensure that EU policy objectives are achieved effectively and efficiently. | | |
|---|---|---|
| **Main outputs in 2016:** | | |
| **Description** | **Indicator** | **Target** |
| Finalise the Evaluation of Regulation 883/2013 | Evaluation Report submitted to the European Parliament and the Council<br><br>Decide planning reference number: 2017/OLAF/001 | 4$^{th}$ quarter 2017 |
| Finalise the Evaluation of Hercule III Programme | Evaluation Report submitted to the European Parliament and the Council<br><br>Decide planning reference number: 2017/OLAF/002 | End of 2017 |
| Organise the stakeholder conference on the relation between EPPO and OLAF | Conference has taken place | 1$^{st}$ quarter 2017 |

**D. Information management aspects**

Due to the specific nature of OLAF's work, OLAF's investigative information is subject to strict data protection and confidentiality rules. Therefore the majority of files may only be shared on a strict "need-to-know" basis. Nevertheless, in 2016 the transfer of information, including case related information, improved thanks to a new release of Thor (investigative information registration and management tool). This reduced the double registration of investigation documents in Thor and Ares.

In 2017, this trend will continue as the new OLAF Content Management System (OCM) will integrate case management application (investigation workflow) and document management in full electronic mode.

| Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable | | |
|---|---|---|
| **Main outputs in 2017:** | | |
| Output | Indicator | Target |
| Better use of electronic workflows, to reduce errors caused by the double circulation and to reduce paper storage in eligible cases. | Number of registered documents with a fully approved e-signatory (no paper circulation in parallel). | 70% of registered documents approved in full electronic mode (without paper signatories circulation). |

## E. External communication activities

When European funds are lost to fraud, European taxpayers are ultimately the victims. It is therefore crucial that European citizens are informed about the work of OLAF, as a dedicated service that benefits taxpayers by protecting the EU budget and making sure their money is well spent.

Our actions will be geared to informing our target audiences on how OLAF contributes to a sound financial administration of the EU budget and why it is essential to maintain a policy of zero tolerance to fraud. By proactively communicating on OLAF successes, case studies, results and initiatives, we aim to contribute to fraud prevention and deterrence. We will strive to continue nourishing a positive relationship with press both in Brussels and in the EU Member States, ensuring coverage of our activities and outcomes. To facilitate that, we will organise briefings for journalists in Brussels and in the Member States, who will get the opportunity to familiarise themselves with OLAF's work.

We will also raise awareness of OLAF's mission and activities with the relevant public authorities at Member State level, as well as with the NGO sector and other stakeholders. Through all our communication channels, we will showcase OLAF's work in a clearer and more reader-friendly manner, based on concrete figures and explanations. Our goal is for European citizens to understand how OLAF's work is relevant to their lives, as well as what they do to assist the European Institutions in fight fraud with EU funds.

The OLAF Press Office will try to consistently publish informative materials that are relevant for European citizens, as well as engage them in discussions on social media. In 2016, OLAF has started using Twitter, which has helped the office reach a new, wider audience. In 2017, OLAF will further develop its social media strategy, and will focus on partnering with OAFCN services. It will delve into online campaigns, and will increasingly try to incorporate visual elements in its communications.

**Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.**

**Main outputs in 2017:**

| Output | Indicator | Target |
|---|---|---|
| Published materials related to OLAF activities and achievements | Number of press releases, news items, speeches and articles authored by OLAF Management published on the OLAF website. | 30 items |
| Press events and organised visits for groups of journalists | Numbers of press events and visits, number of participants | 3 events, 60 participants |
| Communications with citizens on social media | Number of Twitter followers, engagement rate | 1500, 1.2% engagement rate |

| **Annual communication spending** (based on estimated commitments): | |
|---|---|
| Baseline (2016): | Target (2017): |
| EUR 70.000 | EUR 70.000 |