

**DECISION No 15/2021**

**OF THE ADMINISTRATIVE BOARD OF THE AGENCY FOR THE  
COOPERATION OF ENERGY REGULATORS**

**of 16 December 2021**

**adopting the Anti-Fraud Strategy of the European Union Agency for the Cooperation of Energy Regulators for the period 2022-2024 and repealing Decision 06/2019 of the Administrative Board of the Agency**

THE ADMINISTRATIVE BOARD OF THE EUROPEAN UNION AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

Having regard to Regulation (EC) No 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators<sup>1</sup>, and, in particular, Article 19(1)(n) thereof,

Having regard to Decision No 08/2019 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 21 June 2019 on the adoption of the Financial Regulation of the Agency for the Cooperation of Energy Regulators, and, in particular, Articles 30 and 32(1) thereof,

Having regard to Decision No 17/2018 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 13 December 2018 on the adoption of the Internal Control Framework of the Agency for the Cooperation of Energy Regulators, and in particular Internal Control Principle No. 8: assessment of fraud risks,

Having regard to the Communication to the Commission from Commissioner Oettinger on the Revision of the Internal Control Framework of 19 April 2017<sup>2</sup>,

Having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the Court of Auditors of 29 April 2019<sup>3</sup>,

Whereas:

- (1) Pursuant to Article 19(1)(n) of Regulation (EC) No 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators, the Administrative Board shall adopt an anti-fraud strategy, proportionate to the risk of fraud, taking into account the costs and benefits of the measures to be implemented.
- (2) Pursuant to Article 30 of the Decision No 08/2019 of the Administrative Board of the

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<sup>1</sup> OJ L158, 14.6.2019, p. 22–53

<sup>2</sup> C(2017) 2373 final.

<sup>3</sup> [Commission Anti-Fraud Strategy: enhanced action to protect the EU budget \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infobox-press-detail.cfm?id=14544)

Agency for the Cooperation of Energy Regulators of 21 June 2019 on the adoption of the Financial Regulation of the Agency for the Cooperation of Energy Regulators (hereinafter “the Financial Regulation”), internal control shall be applied at all levels of management and shall be designed to provide reasonable assurance of achieving, inter alia, “the prevention, detection, correction and follow-up of fraud and irregularities”. Effective internal control shall be based, inter alia, on “the implementation of an appropriate risk management and control strategy at recipient level”.

- (3) Pursuant to Article 32(1) of the Financial Regulation, the Agency is obliged to send, by 31 January each year, to the Commission, the European Parliament and the Council its draft single programming document, as endorsed by its Management Board. The draft programming document needs to contain, inter alia, the strategy for the organisational management and internal control systems including their anti-fraud strategy as last updated and an indication of measures to prevent recurrence of conflict of interest, irregularities and fraud. The anti-fraud strategy is to be assessed annually and updated as necessary.
- (4) Pursuant to Control Principle 8 set out in Annex I to the Decision No 17/2018 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 13 December 2018 on the adoption of the Internal Control Framework of the Agency for the Cooperation of Energy Regulators, the Agency sets up and implements proportional measures to counter fraud and any illegal activities affecting the financial interests of the European Union (EU) by putting in place a sound anti-fraud strategy to improve the prevention, detection and conditions for investigating fraud.
- (5) As established by Communication to the Commission from Commissioner Oettinger on the Revision of the Internal Control Framework of 19 April 2017, the measures referred to in recital (4) above, shall constitute an anti-fraud strategy within the internal control system for improving the prevention and detection of fraud. The anti-fraud strategy shall be reviewed every three years, following a re-assessment of the potential fraud risks to which the Agency is exposed.
- (6) Following the re-assessment performed by the Agency in November 2021, the Anti-Fraud Strategy of the Agency, adopted with Decision No 06/2019 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 22 March 2019, needs to be amended and replaced to reflect the current fraud risks in the activities of the Agency.
- (7) To that end, for legal certainty, Decision No 06/2019 of the Administrative Board of the Agency for the period 2019-2021 shall be repealed,

**HAS ADOPTED THIS DECISION:**

*Article 1*

The Anti-Fraud strategy of the Agency set out in Annex I is hereby adopted.

*Article 2*

The Director of the Agency is hereby mandated to adopt further measures necessary to implement the Action Plan of the Anti-Fraud Strategy.

*Article 3*

Decision No 06/2019 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 22 March 2019 adopting the Anti-Fraud Strategy of the Agency for the Cooperation of Energy Regulators is hereby repealed.

*Article 4*

This Decision shall enter into force on the date of its adoption.

Done at Ljubljana, at 16 December 2021

*For the Administrative Board*

*The Chair*

*Dr. J. PENKER*

## **Annex I**

**European Union Agency for the Cooperation of Energy Regulators**

**Anti-Fraud Strategy  
2022-2024**

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## 1. INTRODUCTION AND MAIN CONCEPTS

### 1.1 Introduction

The EU budget taxpayers' money shall be used only for implementing the policies, which the EU legislature has approved. Fraud involving EU funds has a particularly negative impact on the reputation of the EU institutions and the implementation of EU policies. In the context of the discharge procedures, the European Parliament and the European Court of Auditors have repeatedly called for better protection of the EU financial interests against fraud and irregularities.

The Agency operates in an EU environment and therefore draws on the practices of the European Commission and other EU agencies for the implementation of its Anti-Fraud Strategy, as well as the guidance and recommendations of the European Anti-Fraud Office (OLAF).

OLAF's methodology and guidance for anti-fraud strategies for EU decentralized agencies, which was communicated on 25 November 2013 to the Agency, proposes for the management boards of new agencies to adopt an anti-fraud strategy which is proportionate to their fraud risks, having due regard to the costs and benefits of the measures to be implemented.

On 29 April 2019, the Commission adopted its Anti-fraud Strategy ('CAFS')<sup>4</sup>, which focuses on protecting the EU's financial interests from fraud, corruption and other intentional irregularities and on the risk of serious wrongdoing inside the EU's institutions and bodies. It also adjusts to two significant additions to EU anti-fraud legislation adopted in 2017: the PIF Directive<sup>5</sup>, which sets stricter common standards for Member States' criminal laws to protect the EU's financial interests; and (ii) the Regulation that established the European Public Prosecutor's Office (EPPO)<sup>6</sup>. The guiding principles and target standards for Commission services and executive agencies in the fight against fraud remained valid.

The European Union Agency for the Cooperation of Energy Regulators ('the Agency'), committed to take strong measures to address and mitigate any fraud, corruption and other illegal activity affecting the financial interests of the European Union, developed the Anti-Fraud Strategy for the period 2015-2017, within the broader context of the CAFS, and in line with European Anti-Fraud Office (OLAF)<sup>7</sup> proposed methodology and guidance.

At the end of the validity of the Anti-Fraud Strategy 2015-2017, the Agency performed a new risk assessment exercise in September-October 2018 and developed the Anti-Fraud Strategy for the period 2019-2021. In November 2021 the Agency drafted an implementation report on the 2019-2021 Anti-Fraud Strategy. In order to pro-actively continue to reinforce a strong anti-fraud culture and actively encourage fraud prevention, as well as to address the risks identified in the 2021 risk assessment, the Agency developed the current Anti-Fraud Strategy having due regard to the

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<sup>4</sup> COM(2019) 196 final

<sup>5</sup> 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, OJ L 198, 28.7.2017, p. 29.

<sup>6</sup> Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO'), OJ L 283, 31.10.2017, p. 1.

<sup>7</sup> OLAF's Methodology and guidance for anti-fraud strategies for EU decentralised agencies, Ref Ares(2013)3560341. as well as the last update of the same Methodology dated 23.02.2016, ref. Ares(2016)931345

proportionality of the measures to be implemented.

## 1.2 Definition of fraud and purpose of the Anti-Fraud Strategy

In principle, fraud is a penal law qualification given by a judge. Intention is the key element that distinguishes fraud from non-fraudulent irregularity<sup>8</sup>.

For the purposes of the CAFS and this Anti-Fraud Strategy, the term 'fraud' should be understood in a broad sense, encompassing<sup>9</sup>:

- fraud, corruption and misappropriation affecting the EU's financial interests, as defined in Articles 3 and 4 of the PIF Directive<sup>10</sup>;
- other criminal offences affecting the Union's financial interests, e.g. offences linked to an abuse of procurement procedures where they affect the EU budget;
- irregularities as defined in Article 1(2) of Regulation (EC, Euratom) No 2988/95<sup>11</sup> (insofar as they are intentional but not already captured by the criminal offences referred to above);
- serious breaches of professional obligations by staff or Members of the Union's institutions and bodies, as referred to in Article 1(4) of the OLAF Regulation and in the second subparagraph of Article 2(1) of Commission Decision (EC, ECSC, Euratom) No 352/1999<sup>12</sup>.

The present Strategy shall serve as a management tool for the Agency to ensure progress and transparency as regards the protection of the financial interests of the Union, compliance with ethical values of the Union and therefore the protection of the reputation of the Union. It takes into account the priorities set by the Commission within the framework of the Common Approach on EU decentralised agencies<sup>13</sup>, especially:

- Ensuring a proper handling of the conflict of interests; and
- Developing anti-fraud activities through prevention, detection, awareness raising and closer cooperation with OLAF.

The prevention and detection of fraud is one of the objectives of internal control and therefore responsibility of every staff member, as stipulated in Agency' Financial Regulation. In this context, the development of an anti-fraud culture at the Agency is considered of great importance.

Based on the above premise, the present Anti-Fraud Strategy has been developed around the following principles:

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<sup>8</sup> OLAF's Methodology and guidance for anti-fraud strategies, Ref. Ares(2021)4589215

<sup>9</sup> Ibid.

<sup>10</sup> 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, OJ L 198, 28.7.2017, p. 29.

<sup>11</sup> Council Regulation (EC, Euratom) No 2988/95 on the protection of the European Communities' financial interests, OJ L 312, 23.12.1995, p. 1.

<sup>12</sup> Commission Decision (EC, ECSC, Euratom) No 352/1999 of 28 April 1999 establishing the European Anti-Fraud Office (OLAF), OJ L 136, 31.5.1999, p. 20, as amended.

<sup>13</sup> [http://ec.europa.eu/commission\\_2010-014/sefcovic/documents/120719\\_agencies\\_joint\\_statement\\_en.pdf](http://ec.europa.eu/commission_2010-014/sefcovic/documents/120719_agencies_joint_statement_en.pdf)

- zero tolerance for fraud;
- fight against fraud as an integral part of internal control;
- cost-effectiveness of controls;
- professional integrity and competence of EU staff;
- transparency on how EU funds are used;
- fraud prevention;
- swift correction;
- good cooperation between internal and external players and
- effective internal and external communication on the fight against fraud.

## 2. THE AGENCY CONTEXT

Pursuant to Article 1(2) of Regulation (EC) No 2019/942, the purpose of the Agency is to assist the National Regulatory Authorities for energy (NRAs) in exercising, at Union level, the regulatory tasks performed in the Member States of the Union and, where necessary, to coordinate their action and to mediate and settle disagreements between them. The Agency was therefore established to fill the regulatory gap at the level of the Union (beyond and across national borders) and to contribute towards the effective functioning of the Internal Energy Market in electricity and natural gas.

The Regulation on wholesale energy market integrity and transparency (REMIT)<sup>14</sup> which established rules prohibiting abusive practices affecting wholesale energy markets, extended the Agency's responsibilities to the monitoring (at Union level) of wholesale energy markets in close collaboration with national regulatory authorities.

The Regulation on Guidelines for trans-European energy infrastructure (TEN-E Regulation)<sup>15</sup>, which lays down guidelines for the timely development of priority energy infrastructure in specified corridors and areas, expanded the Agency's responsibilities in the energy network planning area, by involving the Agency in the process for the selection of Projects of Common Interest and their regulatory treatment.

Commission Decision (EU) 2020/2152 on fees due to the Agency<sup>16</sup> sets the fees and the way in which they are to be paid to the Agency for collecting, handling, processing and analysing of information reported by market participants or by entities reporting on their behalf pursuant to Article 8 of Regulation (EU) No 1227/2011. As of 2021, the Agency collects the fees and the process also falls in the scope of this Strategy.

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<sup>14</sup> Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1).

<sup>15</sup> Regulation (EU) No. 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009.

<sup>16</sup> Commission decision (EU) 2020/2152 of 17 December 2020 on fees due to the European Union Agency for the Cooperation of Energy Regulators for collecting, handling, processing and analysing of information reported under Regulation (EU) No 1227/2011 of the European Parliament and of the Council (OJ L428/68, 18.12.2020.)



The Agency budget is in majority implemented through public procurements and/or direct payments. The Agency does not manage grants.

The Agency aligned its internal control framework<sup>17</sup> to the one of the European Commission<sup>18</sup>, and developed its Internal Control Principles, which are regularly monitored via Internal Control Indicators with the aim of assessing the effectiveness of its internal control system.

The Agency's internal structure comprises five Departments, i.e. Electricity, Infrastructure, Gas and Retail, Market Integrity and Transparency, Market Surveillance and Conduct, and Corporate Services. Staff members are obliged to respect all relevant provisions laid down in the Treaty on the Functioning of the European Union (TFEU)<sup>19</sup>, the Staff Regulations and the Conditions for Employment of Other Servants (CEOS)<sup>20</sup>.

Working Groups ('WG') and Task Forces are established in order to support the Agency in the planning, implementation and decision-making in key areas of operation. Detailed rules on the functioning of the Working Groups have been adopted in order to ensure conformity with the existing rules and provisions on confidentiality and integrity, and to legally align the provisions governing the Working Groups and Task Forces with those governing the functioning of the Agency.

The present Anti-Fraud Strategy sets out the Agency's commitment in preventing, detecting and deterring fraud or other irregularity and taking appropriate actions in the event of their occurrence. The Strategy focuses on developing a strong anti-fraud culture and actively encourages prevention through awareness raising activities, training courses and dedicated actions designed to the specifics of the Agency's activities.

The current Strategy follows the Anti-Fraud Strategy for the period 2019-2021, and will be updated after its assessment at the end of the implementation period. It may also be updated, as appropriate during its implementation.

### **3. THE AGENCY'S RISK ENVIRONMENT AND ANTI-FRAUD MEASURES**

In order to ensure a proactive approach towards active fraud risk management, rather than implementing reactive measures, the Agency has introduced a number of tools and control systems to reduce and keep fraud risk at a tolerable level and to create an Agency environment that discourages any fraudulent behaviour. Some key tools include:

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<sup>17</sup> Decision No. 17/2018 of the Administrative Board of the Agency for the Cooperation of Energy Regulators 13 December 2018 on the adoption of the Internal Control Framework of the Agency for the Cooperation of Energy Regulators.

<sup>18</sup> Communication to the Commission: Revision of the Internal Control Framework, C(2017) 2373 of 17.04.2017.

<sup>19</sup> OJ C 326, 26.10.2012, p. 47–390

<sup>20</sup> OJ P 045 14.6.1962, p. 1385

## Annual risk assessment

A thorough risk assessment exercise is conducted on an annual basis as part of the Annual Work Programme drafting process. Risk assessment is performed in line with applicable provisions and guidelines of the European Commission. It contributes to performance improvement, compliance with the relevant rules and regulations, reliability of information and safeguarding assets and information.

To that end, any identified critical risks, as well as other significant risks, are clearly documented in the Agency's Risk Register, addressed a timely manner and followed up in the Consolidated Annual Activity Report.

## Management of Conflict of Interest

The Staff Regulations, and specifically Article 11(2) thereof provide that officials, temporary agents, contractual agents and special advisors shall not accept any favour, gift or payment from sources outside of the institution without the permission of the Appointing Authority. In order to avoid such risks, constituting potential conflict of interest, the Agency applies the European Commission **Guidelines on Gifts and Hospitality for the staff members**<sup>21</sup>.

Furthermore, in order to facilitate the prevention of conflict of interest at the Agency, the Administrative Board has adopted **Guidelines on preventing and managing potential or actual conflicts of interest in the Agency**. The Guidelines have been further developed into a fully-fledged **Policy on the prevention and management of conflict of interest**<sup>22</sup>, adopted in 2015.

In order to prevent conflicts of interest relating to the processes of selection, recruitment and reclassification, the Director has adopted **Guidelines on prevention and management of conflicts of interest concerning staff members involved in selection, recruitment or reclassification procedures**<sup>23</sup>. Moreover, HR documentation and the standard operating procedures regarding these processes were updated and further elaborated in the course of 2018.

The Human Resources Management (HRM) team collects and reviews the declarations of newcomers and assesses the forms of all appointed selection committee members and that staff is amending their declarations in case of need.

Due to the nature of its duties, the Agency is obliged to consult widely in carrying out its tasks, therefore, the Director has adopted a **Decision on the publication of information on meetings with organisations or self-employed individuals**<sup>24</sup> in order to support a high-level of transparency on its contacts.

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<sup>21</sup> Communication from Vice-President Šefčovič to the Commission on Guidelines on Gifts and Hospitality for the staff members SEC(2012) 167, 7.03.2012.

<sup>22</sup> Decision No. 02/2015 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 31 January 2015 laying down a policy for the prevention and management of conflict of interest

<sup>23</sup> Decision 2018-22 of the Director of the Agency for the Cooperation of Energy Regulators of 27 September 2018 adopting guidelines on prevention and management of conflicts of interest concerning staff members involved in selection, recruitment or reclassification procedures.

<sup>24</sup> Decision 2017-35 of the Director of the Agency for the Cooperation of Energy Regulators of 21 December 2017 on the publication of information on meetings with organisations or self-employed individuals.

## **Whistleblowing**

In order to detect and investigate serious concerns about fraud, corruption or other serious wrongdoing, and to take appropriate actions to protect its assets, integrity and reputation, the Agency's Administrative Board adopted **internal rules<sup>25</sup> on whistleblowing**.

The rules aim to encourage staff to report concerns, while providing assurance for their own position, which will facilitate the detection of any potential or actual instances of fraud, corruption and serious irregularities. The guidelines further strengthen the Agency's overall policy towards ethics and professional conduct.

### **Policy and procedure for management of sensitive functions**

Sensitive functions imply the risk that the jobholders deliberately use their decision-making power or influence with a view to gain personal advantage (financial or non-financial). Such behaviour would negatively affect the Agency in a significant way. To that end, it is subject to careful management, with the aim to reduce or control to an acceptable level the risk of misuse of powers.

To ensure that, the Director adopted the **Policy and procedure for management of sensitive functions<sup>26</sup>** with the overall purpose to define sensitive functions and introduce relevant mitigating controls in order to prevent irregularities, fraud and corruption. The policy ensures that the Agency's sensitive functions are clearly defined, recorded and kept up to date. In this respect, the Agency performed regular assessments of its sensitive functions (in 2014, 2018 and 2021) and the risks associated with these functions were assessed and addressed through mitigating measures and specific ex-post controls.

### **Ethics and integrity**

The Agency has taken appropriate measures to foster its mission and values throughout the organisation. A welcome pack, including a Code of good administrative behaviour, is distributed to all newly recruited staff, including ethical matters.

The Agency has further translated these rules into concrete terms through relevant and regular training on Ethics and Integrity. The training is part of the Agency's Learning and Development Framework and is obligatory for all new staff members. It focuses on enhancing awareness about professional ethics and contributes to a better understanding of: the main staff conduct principles and rules/code of good administrative behaviour; main staff obligations; conflict of interest; reporting of frauds and disciplinary matters; prevention of wrongdoings; protection of staff in working relationships and delivery of work; recognising and minimising risk situations.

Moreover, fraud awareness sessions are conducted at least once a year and are available to all staff. In addition, an information page, dedicated to anti-fraud, is kept up-to-date on the Agency's

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<sup>25</sup> Decision No. 09/2018 of the Administrative Board of the Agency for the Cooperation of Energy Regulators June 2018 establishing the guidelines on whistleblowing and repealing Decision No 14/2014.

<sup>26</sup> Decision 2012-38 of the Director of the Agency for the Cooperation of Energy Regulators of 22 November 2012 on the adoption of the policy for the management of sensitive functions.

intranet. The Agency has appointed<sup>27</sup> an Ethics Correspondent, who acts in confidence by serving as the focal contact point for all ethics- related issues for Agency’s services, their staff and other persons working for the Agency.

## Other measures

Additional measures, both preventive and detective, were introduced in order to support effective risk management (including the risk of fraud):

- **Preventive** – include segregation of duties, as per Decision of the Director of the Agency 2018-09<sup>28</sup> with regards to ‘four eyes principle’ for financial transactions, ex-ante and ex-post legal checks on procurement documentation, management supervision, regular meetings and monitoring tools (financial and non-financial), awareness raising actions on general conduct and other measures.
- **Detective** – the various checks and verifications performed to detect any issues related to sensitive functions, including independent audits, ex-post reporting, etc.

A fraud risk assessment was conducted in 2021 as part of both the annual risk assessment exercise and the process of the revision of the Anti-Fraud Strategy in order to identify any fraud risk areas, not covered by the existing controls, and to propose specific actions to address the potential risks. The results are presented in section 4.

## 4. ANTI-FRAUD STRATEGY

### 4.1 Fraud risk assessment

The following considerations are taken when assessing the fraud risk related to the Agency’s activities:

- In any organisation, certain staff members are required to perform functions involving significant autonomy or executive power, implying a risk that such powers may be misused for personal gain;
- The commitment to a zero tolerance towards fraud does not lead to the systematic achievement of a “zero risk” situation, Management has to determine the level of residual risk that can be accepted, considering the cost-benefit and proportionality of controls and the objective to achieve the best level of protection possible;
- The degree of personal judgement in decision-making processes within the Agency is limited. The Agency is implementing and executing tasks from a pre-defined framework, either on the basis of Union legislation or on the basis of its Work Programme adopted by

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<sup>27</sup> Decision 2018-31 of the Director of the Agency for the Cooperation of Energy Regulators of 12 November 2018 appointing the Ethics Correspondent.

<sup>28</sup> Decision 2018-09 of the Director of the Agency for the Cooperation of Energy Regulators of 25 May 2018 On Guidelines on Financial Circuits and Segregation of Duties at the Agency for the Cooperation of Energy Regulators and repealing Decision No 2015-16 of the Director of the Agency for the Cooperation of Energy Regulators of 10 July 2015.

the Administrative Board. The process of adoption of Agency' decisions in the regulatory area acts combines the proposal from the Director and a formal opinion by the Board of Regulators. Therefore, although the proposal from the Director in those cases is influential, policy decisions instead of being taken by staff of the Agency, are taken by the Board of Regulators, or by the Administrative Board for administrative matters.

- For most internal decisions, proper measures are put in place and single individuals never take decisions. The 'four eyes principle' is strictly respected by the Agency's staff.

In this framework and in line with **OLAF's Methodology and guidance for anti-fraud strategies for EU decentralised agencies**, the Agency has conducted a fraud risk assessment of its activities based on the estimated likelihood and possible impact of fraud. The assessment was performed in 2021 as part of the general risk assessment exercise. No critical fraud risks were identified. The following risk areas were identified:

- Leak of information,
- Deletion of/ tampering with information and
- Conflict of interest.

The identified major risks formulate the basis for the specific objectives for the Agency for the next three years. A careful assessment of the main resources at the Agency's disposal has taken place in order to provide for the formulation of realistic and reachable objectives. Detailed mitigating measures to address effectively all the risks identified are presented in the Action Plan in Annex A.

An annual review of the fraud risks will be part of the Agency's annual risk assessment, implemented in the framework of the preparation of the Annual Work Programme. The fraud risk assessment will also be reviewed each time significant changes occur or new risks are identified. If, following the review, new risks are identified, the management will define appropriate mitigation actions.

## 4.2 Objectives

On the basis of the results of the risk assessment, the Agency has formulated three strategic objectives, accompanied by an Action Plan (Annex A). When implementing the proposed actions, the Agency will take, to the extent possible, advantage of synergies through cooperating with other Agencies and external partners by sharing best practices.

### **Objective 1: Maintain and enhance an anti-fraud culture underpinned by high levels of awareness, integrity, impartiality and transparency within the organisation**

As described above, the Agency has introduced a number of internal control principles and measures that support effective prevention and detection of fraud, as well as support the investigation and, where necessary, the introduction of corrective measures in areas where real risks have occurred.

The increased communication and awareness raising amongst staff on fraud prevention and detection and the specific measures and instruments they have at their disposal will ensure that these specific controls are known and used by all staff. It will also decrease the chances that the real risks materialise and will improve staff's ability to deal with such cases when and if they occur.

Therefore, the Agency will continue to enhance an anti-fraud culture supported by high levels of awareness, integrity and transparency through appropriate targeted training/information sessions made available to all staff and that the relevant information on to the prevention, detection investigation and corrective measures related to fraud are being kept up-to-date on the dedicated sites on Agency's Intranet.

**Objective 2: Strengthen measures for detection of suspicious behaviours, including through maintaining an efficient system for internal reporting and handling of suspected irregularities**

Identification and management of risks are key components of the risk management process in the Agency and an agile and effective monitoring system is needed to allow the Agency keeping the fraud risks at acceptable levels. The Agency has established **ex-ante and ex-post controls** in both the administrative and the operational areas. However, as certain procedures have not been specifically designed to detect fraud, the Agency will aim to explore if the performed checks could also address fraud prevention and detection, taking cost-benefit and proportionality considerations into account, and appropriate actions to increase awareness of those involved in the controls. Specific control procedures shall be introduced in areas where there is potentially high fraud risk.

In order to increase internal exchange of information and coordination, fraud risks and results from audits, on-the-spot visits, financial and other controls could be discussed at the regular departments meetings, whenever relevant. This is expected to significantly improve prevention and detection of fraud.

Furthermore, the Agency will develop or further enhance existing procedures and guidelines and/or strengthen controls in the high-risk areas identified during the risk assessment: leak of information, deletion of/ tampering with information and conflict of interest.

**Objective 3: Implement all actions necessary for fraud risk mitigation, also identified through internal assessments and external audits**

This objective aims at substantiating the remaining level of risks after the current mitigating measures have been applied. This is performed mainly through the annual fraud risk assessment, which allows the Agency to focus its fraud-mitigating efforts on those areas where the risks scores turned out higher. The need for such additional actions can also be identified through external audits.

In implementing all actions necessary for fraud risk mitigation, the Agency will also cooperate with, and learn from the experience of, other organisations, such as OLAF, the European Commission and other Agencies in countering internal and/or external fraud.

### 4.3 Roles and Responsibilities

**The Administrative Board** is responsible for the adoption of this Anti-Fraud Strategy and related action plan.

**The Director** promotes the anti-fraud culture across the Agency, sets anti-fraud objectives and puts in place effective arrangements for combating fraud.

**Heads of Department and Team Leaders** are responsible for promoting the anti-fraud culture within their Departments and Teams, checking staff awareness and ensuring that all suspected cases of potential fraud are immediately reported, cooperating with all other functions involved in the implementation of the Anti-Fraud Strategy, including through the use of ex-ante and ex-post controls where required.

**The Planning, Reporting and Horizontal Policies Team** within the Agency's Corporate Services Department will coordinate the annual (fraud) risk assessment and will regularly follow up on the implementation of agreed actions to further mitigate significant risks.

**The Team Leader - Budget, Finance and Procurement** is responsible for ensuring that financial systems incorporate strong measures to reduce the risk of fraud and detect potential fraud cases at an early stage.

**The Head of Department – Corporate Services** contributes to promoting staff awareness about the anti-fraud principles and strategy; applies sanctions commensurate to the breach by the relevant staff member, as decided by the Director in accordance with the reports and recommendations drawn up by OLAF following an OLAF investigation.

**All staff members** comply with the Agency's anti-fraud principles and strategy; forward any reasonable concerns with regard to fraud to their reporting officer and/or senior management, in accordance with the existing guidelines, for example, on internal whistleblowing.

**All delegates/experts, partners, suppliers, contractors and consultants** comply with the Agency's anti-fraud principles and strategy.

## 5. REVIEW AND MONITORING

The review of the present Strategy shall be launched by the end of 2024. As a follow up of the above mentioned review, the Director may submit to the Administrative Board a proposal for revising the current Anti-Fraud Strategy.

*ANNEX A*  
**ACTION PLAN**

This action plan, designed to implement the Anti-Fraud Strategy of the Agency, covers the period 2022-2024. The target dates are set according to the level of priority as well as availability of resources. The actions cover all stages of the anti-fraud cycle: prevention, detection, investigation and corrective measures.

Objective 1	Actions to be taken	Responsible	Deadline	Indicator/Target
<b>1. Maintain and enhance an anti-fraud culture underpinned by high levels of awareness, integrity, impartiality and transparency within the organisation.</b>	1.1 Information session on fraud prevention and detection to be organised and accessible to all staff.	PRHP <sup>29</sup>	Recurrent action	1/year
	1.2 Regular updates of the anti-fraud resource page on the Agency's intranet.	PRHP	Recurrent action	1/year and whenever necessary
	1.3 Monitoring and review of Agency's anti-fraud policies, including follow-up to OLAF's investigation-based recommendations and overall action plan status;  Include findings and information on the implementation of the Anti-Fraud Strategy in the Consolidated Annual Activity Reports	Senior Management; PRHP	Recurrent action	Management will oversee the implementation of the Action Plan on an ongoing basis. It will be placed on the Senior Management Meetings' agenda at least once per year, or as necessary.  1/year
<b>2. Strengthen measures for detection of suspicious behaviours, including through maintaining an efficient system for internal reporting and handling of suspected irregularities.</b>	2.1. Strengthen staff's awareness of internal reporting and whistleblowing procedures	PRHP, Heads of Department	Recurrent action	See Actions 1.1 and 1.2
	2.2 Continue to apply ex-ante and ex-post controls also as fraud prevention and detection measures, and identify appropriate actions to continuously keep the awareness of those involved in controls.	Corporate Services	Recurrent action	A report on the measures undertaken and the results achieved (where possible) will be drawn and reported in the Consolidated Annual Activity Report ('CAAR') at the end of the reference period.
	2.3 Additional actions possibly needed based on the continuous monitoring of ethical behaviours and on the annual fraud risk assessment	Director	Recurrent action	Ad hoc, as necessary;  Such actions to be reported in the CAAR (when appropriate)
	2.4 Administrative enquiries where required or appropriate	Director	As needed	Ad hoc, as necessary;
<b>3. Implement all actions necessary for fraud risk mitigation, also identified through internal assessments</b>	3.1 Ensure that fraud risk is assessed as part of the annual risk assessment exercise to draw attention to fraud risk areas during the risk assessment exercise.	PRHP	Recurrent action	2/year (including mid-term review of risk assessment)
	3.2. Assess the adequacy and effectiveness of the associated	ICC <sup>30</sup> , PRHP	Recurrent	1/year (results disclosed in CAAR)

<sup>29</sup> Planning, Reporting and Horizontal Policies Team

<sup>30</sup> Internal Controls Coordinator



<b>and external audits</b>	systems of internal controls, also through monitoring and external audit activities		action	
	3.3 Evaluate the use of declarations of interest / absence of conflict of interest	ICC, PRHP, HRM <sup>31</sup>	Recurrent action	1/year (results disclosed in CAAR)
	3.4 Review the Guidelines on whistleblowing	PRHP	Q2 2022	Revised Guidelines (date)
	3.5 Run the Management of Sensitive Functions Exercise	PRHP, HoD-CS <sup>32</sup>	Q3 2024	Management of Sensitive Functions Exercise completed in line with set timeline
	3.6 Reinforce the corporate procurement-related training cycle, a procurement community of practice, and continuous support, including training and support for staff who are exceptionally involved in a procurement process	BFP <sup>33</sup>	Recurrent action	1/year and as needed

<sup>31</sup> Human Resources Management Team

<sup>32</sup> Head of Department – Corporate Services

<sup>33</sup> Budget, Finance and Procurement Team