



# **Strategic Plan 2016-2020**

## **EUROPEAN ANTI-FRAUD OFFICE (OLAF)**

\*The current Commission's term of office runs until 31 October 2019. New political orientations provided by the incoming Commission for the subsequent period will be appropriately reflected in the strategic planning process.

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## PART 1. Strategic vision for 2016-2020

### A. Mission statement

European Anti-Fraud Office's (OLAF) **mission** is:

- to conduct independent investigations into fraud and corruption involving EU funds so as to ensure that all EU taxpayers' money reaches projects that can stimulate the creation of jobs and growth in Europe;
- to strengthen citizens' trust in the EU institutions;
- to develop EU policies to counter fraud.

The first Strategic Plan for 2016-2020 overlaps with the **Multiannual Financial Framework (MFF)** for the period **2014-2020**. The EU budget for that seven-year period amounts to some EUR 960 billion in total. President Juncker's Mission Letter to Ms Kristalina Georgieva, Vice-President in charge of Budget and Human Resources, charged the Vice-President with "strengthening investigation of fraud against the EU budget, corruption and serious misconduct within the European institutions, by supporting the work of the European Anti-Fraud Office (OLAF), whose investigative independence must be preserved"<sup>1</sup>. Furthermore, Vice-President Georgieva has repeatedly stressed that the EU must assume a "zero tolerance" approach when it comes to fraud with EU funds, not only because, in times of scarce financial means, the protection of these funds is essential but also because such fraud damages the European project as such<sup>2</sup>.

OLAF protects the whole expenditure as well as a significant part of the revenue side of the EU budget. Regarding the EU revenue, OLAF carries out investigations concerning EU's traditional own resources, mostly relating to the customs duties. EU funds are not only spent by the EU institutions, bodies, offices and agencies alone, but to about 80% through **shared management**, i.e. at local, regional and national levels.

This raises the level of complexity substantially. The EU programmes and projects can and often do involve actors – contractors and subcontractors and their staff - from multiple Member States. This makes the prevention and early detection of fraud a significant challenge, also because the applicable rules on financial management are numerous and often complicated.

OLAF is also the primary service to investigate corruption, and serious misconduct in general, of EU staff and members of the EU institutions. In that respect, OLAF plays an important role in guaranteeing EU staff's integrity, which is an important precondition for the EU institutions to function efficiently.

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<sup>1</sup> [https://ec.europa.eu/commission/sites/cwt/files/commissioner\\_mission\\_letters/georgieva\\_en.pdf](https://ec.europa.eu/commission/sites/cwt/files/commissioner_mission_letters/georgieva_en.pdf).

<sup>2</sup> [https://ec.europa.eu/commission/sites/cwt/files/commissioner\\_ep\\_hearings/georgieva-statement\\_en.pdf](https://ec.europa.eu/commission/sites/cwt/files/commissioner_ep_hearings/georgieva-statement_en.pdf).

OLAF's investigative activity consists of administrative investigations. Their main outcomes are recommendations to relevant EU and/or national authorities. These recommendations may be of a financial, judicial, disciplinary or administrative nature.

In addition to its investigative work, OLAF contributes to developing a sound EU anti-fraud policy. In a context where fraud cases are increasingly transnational, OLAF is making significant efforts to strengthen cooperation with its EU and international partners. Furthermore, the Office supports anti-fraud efforts in the Member States, works on raising awareness about fraud both within the EU institutions and at the level of the Member States, in order to strengthen the prevention and early detection of fraud. Thanks to its anti-fraud expertise, OLAF also can support the EU institutions in building a legal framework that offers improved protection to the EU budget. As part of this work, the Office is engaged in the drafting and negotiation of legislative proposals concerning the protection of the EU's financial interests against fraud and corruption. While OLAF remains fully independent in its investigative function, it thus actively contributes to the political initiatives of Vice-President Georgieva to counter fraud and corruption and to ensure that EU taxpayers' money is put to good use to create jobs and growth in Europe.

## B. Operating context

The Commission and the Member States are both required by the Treaty on the Functioning of the European Union (**Article 325 TFEU**) to counter fraud and any illegal activities affecting the financial interests of the Union. In addition, the Commission, in accordance with Article 317 TFEU, is responsible for implementing the EU budget, and must ensure that there is a framework in place to enable the effective prevention and detection of fraud. Within the Commission, anti-fraud responsibilities fall both on OLAF and on all services with responsibilities in the implementation of the budget. The modalities for the prevention, detection, investigation and sanctioning of fraud, and the respective responsibilities of the Commission and the Member States, vary depending on the method of implementation of the budget (direct, shared with Member States, or indirect).

In this context, **Regulation (EU, EURATOM) No 883/2013** concerning investigations conducted by the European Anti-fraud Office (OLAF)<sup>3</sup> empowers OLAF to conduct external administrative investigations at national level (Article 3 of Regulation 883/2013) and internal administrative investigations within the European Union institutions and bodies (Article 4 of Regulation 883/2013), wherever the EU's financial interests are at stake, as well as internal investigations concerning the discharge of professional duties.

OLAF opens **investigations** on the basis of information that it receives from a wide range of private and public sources. These can be on the side of the revenue to the EU budget (mainly customs fraud) and on the expenditure side of it. Approximately 45% of the investigations concern Agricultural and

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<sup>3</sup> 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.

Structural Funds<sup>4</sup>. Other investigations focus on EU staff, direct expenditures, new financial instruments (for example EU funds spent through another international body or instrument, such as the EIB or an UN agency), EU aid to non-EU countries and illegally traded tobacco products and counterfeit goods. On completion of an investigation, OLAF draws up a report and the estimated financial impact of the damage, and OLAF's Director-General, if necessary, adopts recommendations on action to be taken.

**Financial recommendations** are addressed to the EU institutions, bodies, offices or agencies providing or managing the EU funds, as well as to the competent authorities of Member States, and seek the recovery of the misused EU funds. **Judicial recommendations** are addressed to the national prosecution authorities, asking them to consider taking judicial actions. OLAF investigations do not affect the powers of the competent authorities of the Member States to initiate criminal proceedings. **Disciplinary recommendations** are addressed to the authority having disciplinary powers in the EU institution or body concerned, asking it to consider disciplinary action against its staff. **Administrative recommendations** are addressed to the EU institutions, bodies, organisations or agencies and aim at addressing the weaknesses in administrative procedures or legislation. The subjects of OLAF's recommendations can be the beneficiaries of EU funds, contractors employed by the EU directly or indirectly and individuals suspected of fraud.

OLAF's investigative activity is monitored by its **Supervisory Committee**, composed of five independent experts<sup>5</sup>. The Committee is tasked with monitoring the implementation of the investigative function, in order to reinforce OLAF's independence. OLAF is constantly working on rendering its working relationship with its Supervisory Committee ever more efficient.

OLAF is responsible for the preparation of legislative and regulatory initiatives of the Commission with the objective of fraud prevention. To that end, OLAF contributes to the negotiations on the legislative initiatives concerning the proposal for a Directive on the protection of EU's financial interests by means of criminal law (PIF directive)<sup>6</sup> and the proposal for the establishment of a European Public Prosecutor's Office (EPPO)<sup>7</sup>, which were both proposed in co-responsibility with the European Commissioner for Justice.

OLAF also works on strengthening fraud prevention by helping the Commission services develop and update their anti-fraud strategies, and by supporting their work to raise awareness, amongst their staff, about fraud issues. Developing appropriate anti-fraud training measures is another key facet of OLAF's policy activities. For example, OLAF provides fraud prevention training to EU agencies, organises seminars for staff of Member States' authorities on fighting fraud with EU funds and issues guidance documents on fraud prevention and detection. OLAF is responsible for the management of the Hercule III Programme. This Programme is based on Regulation 250/2014 and enables the continuation of financial support directly provided by the Commission since 2004 to national and regional Member States' authorities that promote the protection of the Union's financial interests. The annual financial support of the Programme of around EUR 15 million consists of grants covering

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<sup>4</sup> Fifteenth report of the European Anti-Fraud Office, 1 January to 31 December 2014; Figure 16: Ongoing investigations by sector at the end of 2014.

<sup>5</sup> Article 15 of Regulation 883/2013.

<sup>6</sup> COM(2012) 363 final.

<sup>7</sup> COM(2013) 0534 final.

up to 80% of the eligible costs of actions that aim at strengthening the operational capacity of its beneficiaries ("Technical assistance") as well as grants for the organisation of training, conferences and seminars for staff employed by e.g. customs, police forces or universities ("Training"). Grants are provided for example to customs for the purchase of scanners to detect smuggled items in cars or trucks or to police forces for the purchase of investigation equipment used in identifying and dismantling of organised crime groups involved in counterfeiting or smuggling of cigarettes. The Commission also procures services, such as access to databases or training courses, for staff of the Programme's beneficiaries.

Fighting against fraud and protecting the EU's financial interests requires a strong knowledge of the Member States' legislation and organisation. OLAF's staff come from 27 EU Member States, enriching the organisation with in-depth knowledge of national anti-fraud legal proceedings and a very wide range of language skills. Their backgrounds stretch from investigative and legal expertise in financial crimes to digital forensics and auditing of EU projects. Furthermore, OLAF's administrative, investigation support and policy staff is indispensable when it comes to supporting the investigative units in their work and creating the necessary policy tools to better protect the financial interests of the EU.

OLAF's **key stakeholders** in the Member States are the national law enforcement and customs authorities as well as the Member States' judicial authorities, who are the recipients of OLAF's judicial recommendations. OLAF has administrative cooperation arrangements which regulate cooperation between OLAF and its partners, in particular national anti-fraud authorities of third country authorities or international organisations. Also individual citizens and private companies are important stakeholders insofar as they are often at the source of information on possible frauds that is provided to the Office. At the EU level, OLAF's key partners in investigations are the spending Directorates General of the European Commission, as the main recipients of primarily financial recommendations. At the same time, the Commission is the most important source of information of investigative interest as all EU staff have an obligation of reporting possible "illegal activity, including fraud or corruption, detrimental to the interests of the EU, or of conduct relating to the discharge of professional duties which may constitute a serious failure to comply with the obligations of EU officials" to OLAF<sup>8</sup>. DGs, alongside other EU institutions, bodies, offices and agencies, can also receive administrative and disciplinary recommendations. Furthermore, OLAF closely cooperates with the Commission's policy Directorate Generals which develop and propose legislative initiatives in areas related to OLAF's activities, most notably DGs JUST, TAXUD and HOME. In addition, OLAF works closely on those initiatives with the legislators, the European Parliament and the Council of the EU.

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<sup>8</sup> Article 22a of the Staff Regulations.

## C. Strategy

The European Commission's General objectives are composed of the ten Juncker priorities and one for the horizontal services. OLAF contributes to two of those objectives: General objective No 11 (*"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"*) and General objective No 7 (*"An Area of Justice and Fundamental Rights Based on Mutual Trust"*).

### General objective 1

The first General objective for OLAF covering all its investigative activity is the one designed for all horizontal services. The related specific objective is rooted in Article 325 TFEU as well as in President Juncker's mission letter to Vice-President Georgieva<sup>9</sup>. Within this General objective, OLAF contributes primarily to safeguarding the EU's financial interests, including the Commission's budget, but also the budgets of other EU institutions, bodies, organisations and agencies. By doing that, OLAF makes sure that funds can be used in the right way and the other General objectives of the Commission can be attained. OLAF is also mandated with investigating potential misconduct of staff and members of the EU institutions, safeguarding institutional reputation and citizens' trust.

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	
<b>Impact indicator:</b> Trust in the European Commission	
<b>Source of the data:</b> Eurobarometer on Public Opinion in the European Union	
<b>Baseline</b> (2015)	<b>Target</b> (2020)
40% tend to trust	Increase
<b>Impact indicator:</b> Staff engagement index in the Commission	
<b>Source of the data:</b> European Commission	
<b>Baseline</b> (2014)	<b>Target</b> (2020)
65.3%	Increase

#### 1. Investigative and coordination activities

OLAF's **first Specific objective** is: efficient and effective management of OLAF's investigations and coordination actions. It contributes directly to the safeguarding aspect of the General objective for the Commission's horizontal services.

The activities under this objective focus on 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

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<sup>9</sup> See footnote 1.

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 are determined on the basis of a risk assessment. They do not refer to any specific financial indicators but the financial impact is taken into consideration as part of the proportionality principle.<sup>10</sup> OLAF's IPPs for 2016 are presented as an annex to the yearly Management Plan.

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.<sup>11</sup>

Recommendations are the main outcome of OLAF's investigative activity. It is mainly through issuing these that the Office supports the work done by the EU institutions to ensure that EU funding reaches the projects it was intended for or is recovered for the EU budget and that any concerns regarding the conduct of EU staff and members of the EU institutions are promptly addressed.

While it is OLAF's primary objective to ensure high quality of its investigations and its final reports, the success of OLAF's investigative activity also depends on various factors outside of the investigators' control: these can be reliability and availability of evidence and witnesses, their degree of collaboration during the investigation, the impact of applicable national rules, in particular on time limitations, etc. In a similar way, also the implementation of OLAF's recommendations depends to some extent on external factors. Authorities receiving them decide whether or not to implement judicial, financial, administrative or disciplinary recommendations and how that can be done. Therefore there can be discrepancies in results from one year to another.

OLAF currently is performing at its full capacity, as stated in the last OLAF annual report, for the year 2014. As other Commission services, the Office is subject to the Commission-wide staff reduction while receiving more information of investigative interest every year. In addition, with the worsening of the migration crisis, human resources needed to be shifted to the relevant Commission services. This had an impact on OLAF's human resources as five AD officials from OLAF were transferred with their posts to DG HOME and further redeployment exercises could be forthcoming. Maintaining the current level of investigative efficiency at a steady level will thus present a significant challenge in the next few years. Therefore, also the annual targets for the investigative and coordination activities will remain stable.

<b>Specific objective 1: Efficient and effective management of OLAF's investigations and coordination actions</b>	
<b>Speedy initial assessment of whether a case should be opened</b>	
<b>Result indicator 1.1: Average duration of selections</b> <sup>12</sup>	
Source: CMS	
<b>Baseline 2015</b>	<b>Target 2020</b>
<b>2015: 1.7 months</b> 2014: 2 months	No longer than 2 months.

<sup>10</sup> 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).

<sup>11</sup> See Article 17(3) of OLAF Regulation 883/2013.

<sup>12</sup> Including both the items that resulted in an investigation or coordination case and those that did not.

<b>Result indicator 1.2: Percentage of selections closed whose duration is no longer than 2 months</b> Source: CMS		
<b>Baseline 2015</b>	<b>Target 2020</b>	
2015: 94% 2014: 70%	At least 75%	
<b>Duration of investigations</b>		
<b>Result indicator 1.3: Average duration of investigations<sup>13</sup></b> Source: CMS		
<b>Baseline 2015</b>	<b>Milestone 2018</b>	<b>Target 2020</b>
2015: 18.7 months 2014: 18.1 months	No longer than 20 months.	No longer than 20 months.
<b>Result indicator 1.4: Percentage of on-going investigations lasting more than 20 months</b> Source: CMS		
<b>Baseline 2011-2015<sup>14</sup></b>	<b>Milestone 2016</b>	<b>Target 2020</b>
2011-2015: 28% 2010-2014: 31%	Less than 30%	Less than 30%

<b>Result indicator 1.5: Percentage of investigations closed with recommendations</b>			
<b>Definition:</b> In accordance with Article 11 of Regulation No 883/2013, on completion of an OLAF investigation, a Final Report shall be drawn up giving an account of the findings established and the conclusions of the investigation on the basis of which the Director-General may issue judicial, financial, disciplinary or administrative recommendations for action to be taken by the competent authorities of the Member States and/or responsible EU institutions, bodies, offices or agencies.			
<b>Source of the data:</b> OLAF's Case Management System (CMS)			
<b>Baseline 2014</b>	<b>Milestone</b>		<b>Target 2020</b> Explanation: as OLAF reached a recent record in % of recommendations closed in a year and as it is currently working in full capacity, with likelihood of further staff cuts, this target is ambitious and realistic at the same time.
	<b>2016</b>	<b>2018</b>	
<b>59% - 147 investigations closed with recommendations</b> 2013: 51% - 164 investigations closed with recommendations	At least 45%	At least 45%	At least 45%

<sup>13</sup> This indicator does not include coordination cases.

<sup>14</sup> Baseline calculated as a five year average (2011-2015) with respect of an average duration of 20 months.

<b>Result indicator 1.6: Results from the monitoring of the implementation of OLAF's recommendations</b>														
<b>Definition:</b> OLAF collects information from its partners (in particular EU institutions and Member States authorities) on the actions they have taken following recommendations made by the Office (including the recovery of funds and judicial or disciplinary follow-up). OLAF applies this as a general indicator to measure the value-added of anti-fraud action.														
6.a. Financial recommendations => average amount recovered for last 2 years														
6.b. Judicial recommendations => rate of indictment														
6.c. Disciplinary recommendations => rate of administrative enquiries initiated														
<b>Source of data:</b> Annual reporting by OLAF's partners and stakeholders														
<b>Baseline</b> <b>2014, unless otherwise indicated</b>	<b>Target</b> <b>2020, unless otherwise indicated</b>													
<b>6.a</b> Average amount recovered for last 2 years compared to the average OLAF's budget for the same time period	A ratio of 2:1 or above between recoveries as a result of OLAF's investigations and OLAF's administrative budget													
<table border="1"> <thead> <tr> <th>Year/Ratio</th> <th>Recoveries</th> <th>Admin. budget</th> </tr> </thead> <tbody> <tr> <td>2013 – 2:1</td> <td>€ 117m</td> <td>€ 57.7m</td> </tr> <tr> <td>2014 – 3.6:1</td> <td>€ 206.5m</td> <td>€ 57.2m</td> </tr> <tr> <td colspan="3">Two year average: 2.8:1</td> </tr> </tbody> </table>	Year/Ratio	Recoveries	Admin. budget	2013 – 2:1	€ 117m	€ 57.7m	2014 – 3.6:1	€ 206.5m	€ 57.2m	Two year average: 2.8:1				
Year/Ratio	Recoveries	Admin. budget												
2013 – 2:1	€ 117m	€ 57.7m												
2014 – 3.6:1	€ 206.5m	€ 57.2m												
Two year average: 2.8:1														
<b>6.b</b> Average rate of indictment following OLAF's judicial recommendations issued in last 7 years 2007-2014: 53%	At least 50% for the reporting period 2013-2020 (seven-year average is being used already in OLAF's annual report)													
<b>6.c</b> Average rate of actions taken by EU disciplinary authorities following OLAF's disciplinary recommendations in last 3 years 2012-2014: 70%	At least 75% for the period 2015-2017													

## 2. 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. Data-gathering and analysis, forensic acquisition, as well as other relevant tools and related technical assistance are provided to OLAF investigative units and competent authorities in the Member States. As a result of a restructuring in January 2014, a unit was created dedicated to coordinating action regarding OLAF's IT and specifically future IT needs. Furthermore, there is a unit that provides in-house legal advice; this unit also 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.

These services of great importance for OLAF and the Commission, especially for the safeguarding of OLAF's own assets and resources and those of the EU more in general. They are therefore captured in **Specific objectives 2 and 3** with ambitious annual targets for the entire 2016-2020 period illustrating that. The supply, maintenance and development of IT tools are indispensable activities for the performance of investigative activities in OLAF.

OLAF also attaches high importance to good administration. This includes ensuring timely and meaningful responses to requests for access to personal data (Regulation 45/2001) as well as to requests for public access to documents (Regulation 1049/2001). It seeks to maintain good

cooperation with the European Ombudsman and the European Data Protection Supervisor, inter alia by ensuring timely and meaningful responses to enquiries, complaints or other requests from them.

Specific objective 2: Provision of necessary IT tools to support OLAF's investigative activities	
<b>Supply Information and Communication Technology (IT) tools</b>	
<b>Result indicator 2: Internal users' degree of satisfaction with IT infrastructure and services</b> Source: OLAF IT user satisfaction survey	
<b>Baseline 2014</b>	<b>Target 2020</b>
98.5 % <sup>15</sup>	At least 90%
Specific objective 3: Compliance with legal obligations related to access to documents and personal data	
<b>Result Indicator 3.1: Timely replies to requests from the Ombudsman and the EDPS complaints<sup>16</sup></b> Source: CMS/Unit C.4	
<b>Baseline 2015</b>	<b>Target 2020</b>
91%	100% of replies within the timeframe foreseen by the relevant Regulations
<b>Result Indicator 3.2: Timely replies to requests on access to documents and personal data<sup>17</sup></b> Source: CMS/Unit C.4	
<b>Baseline 2015</b>	<b>Target 2020</b>
93%	100% of replies within the timeframe foreseen by the relevant Regulations

Requests for access to personal data or public access to documents may involve the scrutiny of large numbers of files and/or files of large volume, as well as the sensitive nature of the information collected during OLAF investigations. For both purposes, OLAF checks carefully whether exceptions to the right to access apply as it is extremely important to protect the identity of informants and other persons relevant to OLAF investigations, as well as protecting information which could impinge on the integrity and reputation of interested parties. To carry out this analysis with due diligence and to involve all relevant stakeholders, the time-limits set by Regulation 1049/2001 are tight in practice which can lead to a small number of requests being responded to after expiring of the applicable time-limits, due to particular circumstances.

<sup>15</sup> OLAF IT user satisfaction survey 2014.

<sup>16</sup> The requests included are individual complaints, requests by the EDPS and requests from the Ombudsman.

<sup>17</sup> The requests included are requests for access to documents, confirmatory applications for access to documents and requests on personal data. The figures take into account holding replies for requests falling under Regulation 1049/2001.

### **3. 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.

Specific objectives and corresponding indicators in the field of fraud prevention and anti-fraud policy have been defined for three main areas:

- Development of anti-fraud policy and legislation, in particular by reinforced engagement with the Member States;
- Reduction of illicit trade in tobacco products;
- Support to Member States in fighting fraud, corruption and other illegal activities by financing concrete projects and initiatives through the Hercule programme.

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

In order to safeguard the EU's assets and resources (General objective 1), OLAF develops anti-fraud policy for its stakeholders. This includes cooperation with the Member States and, to some extent, non-EU countries. The main activities falling under this **Specific objective 4** are described below.

OLAF organises regular meetings of the Commission's Fraud Prevention and Detection Network with the Commission services and executive agencies and actively supports them in implementing the Commission's Anti-Fraud Strategy (CAFS)<sup>18</sup>. OLAF is also the Commission service responsible for the coordination of the anti-fraud activities in cooperation with Member States (e.g. in the framework of the Consultative Committee for the fight against fraud (COCOLAF) and its expert groups). The structure is also used to exchange best practices among Member States.

Furthermore, OLAF Policy Directorate drafts new legislation, policy papers and guidance documents and builds contacts with the competent authorities in the EU Member States as well as with counterparts outside the European Union, to support OLAF's investigations and anti-fraud efforts. In this context, Regulation 515/1997 was revised by Regulation (EU) 2015/1525 of the European Parliament and of the Council on 9 September 2015<sup>19</sup>, in order to strengthen the fight against customs fraud. The amended regulation will be implemented over the next few years.

In 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.

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<sup>18</sup> COM(2011) 376 final

<sup>19</sup> 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 authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters, OJ L 243 of 18 September 2015.

While OLAF is in the lead with a view to all of these activities, the achievement of this objective depends also on the readiness and the capacity of the partners in the Member States, (potential) Candidate Countries and other non-EU countries, to cooperate to this end.

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		<input checked="" type="checkbox"/> Non programme-based	
<p><b>Result indicator 4.1: Compliance of Member States with obligations for reporting of fraudulent irregularities</b>  <b>Definition:</b> Legal bases for the reporting are the sectoral provisions and the supplementing Commission Regulations or Commission Delegated and Implementing Regulations applicable for the programming periods from 1989 to 2020.</p> <p>The analysis of fraudulent and non-fraudulent irregularities reported via IMS still shows significant differences in the level of reporting among and within Member States. These differences can be partly explained by different interpretations of the basic concepts concerning the obligation to report.</p> <p><b>Source:</b> AFIS/IMS modules</p>			
Baseline 2015	Milestone 2017	Target 2020	
Some Member States / Candidate Countries do not yet fully comply with their reporting obligations.  Member States have been trained and are equipped to use IMS new modules.	Guidelines on reporting of fraudulent and non-fraudulent irregularities via IMS based on the new legal framework.  Candidate Countries have been trained and are equipped to use IMS new modules.	A more consistent reporting from Member States and an overall increase in the fraudulent irregularities reporting.	
<p><b>Result indicator 4.2: Developing databases as a tool bringing added-value to customs investigations at national and European level, leading to additional investigations</b></p> <p><b>Source:</b> Databases falling under Council Regulation (EC) No 515/97 as amended by Regulation (EC) No 2015/1525, Council Decision 2009/917/JHA, Decision on the use of information technology for customs purposes</p>			
Baseline 2015	Milestone		Target 2020
	2016	2018	
Adoption of amendment of Council Regulation (EC) No 515/97.	Adoption of implementing and delegated acts for modified Council Regulation (EC) No 515/97.  Establish CSM directory and Import, Export and Transit directory.	Further develop CSM and Import, Export and Transit directories in line with the objectives of Regulation 515/97 as amended, based on stakeholders' experiences.	Directories offer tangible benefits for national and European investigations.
<p><b>Result indicator 4.3: Number of Joint Customs Operations (JCOs) (including EU wide and regional operations) supported/year</b></p> <p><b>Source:</b> Databases falling under Council Regulation (EC) No 515/97 as amended by Regulation (EC) No 2015/1525, Council Decision 2009/917/JHA, Decision on the use of information technology for customs purposes</p>			
Baseline 2014	Target 2016-2020		
2 JCOs led by OLAF	2 JCOs per year led by OLAF		

<b>Result indicator 4.4: Satisfaction by stakeholders with OLAF's support in the area of anti-fraud policy</b>		
<b>Definition:</b> <i>Level of satisfaction expressed by respondents, covering four categories of beneficiaries: (i) users of AFIS IT-applications; (ii) Hercule-funded conferences and training events; (iii) beneficiaries of Hercule-funded technical assistance; (iv) participants of conferences/training events organised by OLAF as well as of the AFCOS annual meeting.</i>		
<b>Source of data:</b> <i>Satisfaction surveys / feedback forms / evaluation forms</i>		
<b>Baseline 2014</b>	<b>Milestone 2017</b>	<b>Target 2020</b>
New indicator  One standard question inserted in all satisfaction surveys / feedback forms / evaluation forms.	Start reporting in AAR on the basis of responses received during the year.  At least 60% of respondents reply positively to OLAF's support in the area of anti-fraud policy.	At least 70% of respondents reply positively to OLAF's support in the area of anti-fraud policy.

**Planned evaluations:** On the application of the Regulation 883/2013 (concerning investigations conducted by the European Anti-Fraud Office) by October 2017.

### Reduction of illicit trade in tobacco products

**Specific objective 5** contributes directly to the General objective 1 by safeguarding the EU's assets and resources through the 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. Furthermore, illicit trade in these products undermines anti-smoking and public health campaigns and violates the strict rules that the EU and Member States have put in place on manufacturing, distribution and sale.

OLAF has a mandate to fight cigarette smuggling as part of the EU efforts to curb this phenomenon. It provides analysis, technical support and information obtained from Member States and third countries with the help of law enforcement agencies and other sources. 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. However, the environment of the illicit trade in tobacco is ever-changing, starting from different smuggling routes, actors involved in illicit trade or production of tobacco, etc. Based on an implementation report due by the end of 2016, it will therefore be examined whether a revised Strategy taking into account these external factors should be developed.

<b>Specific objective 5: Reduction of illicit trade in tobacco products</b>		<input checked="" type="checkbox"/> Non-spending
<b>Result indicator 5.1: Implementation of the Strategy to step up the fight against cigarette smuggling and other forms of illicit trade in tobacco products and its Action Plan</b>		
<b>Definition:</b> The Action Plan contains 50 actions that must be completed by a certain date, or in the "short", "mid-" or "long-term".		
<b>Source:</b> COM (2013) 324 final, SWD (2013) 193 final		
<b>Baseline 2013</b>	<b>Target 2016</b>	
Council adopted Conclusions concerning the Communication in December 2013.	Implementation of actions in accordance with the Action Plan by mid-2016.	

<b>Result indicator 5.2: Increased coverage and use of IT tools to draw statistical information relating to illicit trade in cigarettes</b> <b>Definition:</b> Expand coverage and use of IT tools on the illicit trade in cigarettes in order to promote use of IT applications by MS and OLAF and improve the availability of reliable statistics. <b>Source:</b> ToSMA, CigINFO		
<b>Baseline 2014</b> ToSMA was launched in 2014. CigINFO: Number of entries: less than 2000	<b>Milestone 2016</b> Coverage of more than half of the qualifying seizures in ToSMA. Increase number of entries in CigINFO by 5%.	<b>Target 2020</b> Coverage of all qualifying seizures in ToSMA (100%). Increase number of entries in CigINFO by another 5% (annually).

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

The Specific objective of the Hercule III Programme<sup>20</sup> “shall be to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union”<sup>21</sup>. It contributes to the General objective 1 through providing financial support for safeguarding the EU's financial interests, including its assets and resources.

Actions under the programme are aimed at the fight against cigarette smuggling and counterfeiting; an increased transnational cooperation and coordination at the Union level, between Member States' authorities, the Commission and OLAF (in particular to enhance the effectiveness and efficiency of cross-border operations); as well as the provision of joint specialised training for staff of national and regional administrations and to other stakeholders.

The programme creates savings deriving from the collective procurement of databases to be used by OLAF's stakeholders.

<b>Specific objective 6: To prevent and combat fraud, corruption and any other illegal activities affecting the Union's financial interests</b>		<input checked="" type="checkbox"/> Spending programme
<b>Result indicator 6.1: The added value and effective use of co-financed technical equipment, as reflected by the users of the equipment in their final technical report and final implementation report of the action who expressed the opinion that the supported action was only made possible as the result of the Hercule grant.</b> <b>Source of data:</b> final technical reports and final implementation reports		
<b>Baseline 2014</b> N/A – New indicator	<b>Milestone 2017</b> More than 80%	<b>Target 2020</b> More than 90%

Baselines, milestones and targets for this indicator can only be provided once the Member States' beneficiaries start reporting on the results under Article 13(3) of the Hercule III Regulation. Sufficient data for this indicator is expected to be available in 2017.

**Planned evaluations:** Mid-term evaluation of Hercule III is required under Article 13(2)(a) of Regulation 250/2014 for the end of 2017.

<sup>20</sup> Regulation (EU) No 250/2014 of the European Parliament and of the Council establishing a programme to promote activities in the field of the protection of the financial interests of the EU (Hercule III programme) entered into force on 21 March 2014. The Financing Decision adopting the Annual Work Programme 2014 for the implementation of the Hercule III Programme was adopted on 26 May 2014 (C(2014)3391).

<sup>21</sup> Article 4 of Regulation 250/2014.

## General objective 2

The second General objective corresponds to one of the ten policy priorities that President Juncker highlighted for this Commission. In line with that priority, the Commission Work Programme for 2016 provides that "In 2016 it will be important that the co-legislators move forward on the European Public Prosecutor's Office".

### General objective 2: An Area of Justice and Fundamental Rights Based on Mutual Trust

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 of the legal framework for protection of the financial interests of the EU (**Specific objective 7**). To that end, OLAF contributes to the negotiations on the legislative initiatives concerning the proposal for a Directive on the Protection of EU's financial interests by means of criminal law (PIF directive)<sup>22</sup> and the proposal for the establishment of a European Public Prosecutor's Office (EPPO)<sup>23</sup>, which were both proposed in co-responsibility with the European Commissioner for Justice. 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. This would be an important qualitative step towards a more effective fight against offences affecting the Union's budget. For this reason, 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". At this moment the proposal for a PIF Directive and the EPPO proposal are still being negotiated with the legislators (European Parliament and Council).

A major challenge for the coming years will be the development of concepts and legislation for the future framework for the protection of the EU's financial interests in a post-EPPO scenario, including OLAF's role. This work coincides with the evaluation of Regulation 883/2013, which is to be submitted to the European Parliament and to the Council by 2017. OLAF has launched this evaluation which will not only look at the functioning of Regulation 883/2013 but also assess the impact of the EPPO, once it is established, on OLAF's future work.

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<sup>22</sup> COM(2012) 363 final.

<sup>23</sup> COM(2013) 0534 final.

**Specific objective 7: Strengthened legal framework for protection of the financial interests of the EU.**

**Non programme-based**

**Result indicator 7.1:** Strengthened legal framework for protection of the financial interests of the EU.

**Definition:** The PIF Directive aims at establishing minimum penalties and common definitions for crimes against the EU budget in all EU countries. The European Public Prosecutor's Office (EPPO) would investigate, prosecute and bring to judgment the perpetrators of offences affecting the Union's financial interests.

**Source of the data:** The Commission report assessing the compliance of the Member States following the adoption of the PIF Directive and first activity reports by the EPPO.

<b>Baseline 2012-2013</b>	<b>Milestone 2016</b>	<b>Target 2020</b>
The PIF Directive proposed in July 2012	Adoption of the PIF Directive by the EP and the Council	All Member States have taken the necessary measures in order to comply with this Directive.
The EPPO Regulation proposed in July 2013	Making progress on the European Public Prosecutor's Office	[The final target to be determined following the outcome of the negotiations.]

## **D. Key performance indicators (KPIs)**

### **Key performance indicators for 2016-2020**

The investigative activities of the Office will revolve around the following key performance indicators (KPIs):

- Average duration of selections (result indicator 1.1);
- Average duration of investigations (result indicator 1.3);
- Percentage of investigations closed with recommendations (result indicator 1.5).

## **PART 2. Organisational management**

### **A. Human Resource Management**

#### **HR Strategic Plan 2014-2016**

OLAF adopted its first HR Strategic Plan in July 2014. It identifies the main HR challenges and the actions to put in place by 2016.

OLAF's role in gaining and maintaining public trust in the European Union's capacity to protect taxpayers' money from fraudsters is essential. Therefore, a clear focus should be put on core investigative tasks and anti-fraud policy. In 2015, OLAF received the green light to organise two competitions in the investigative field. These competitions are meant to compensate the loss of expertise OLAF is facing due to the ageing population and the termination of many temporary agent contracts. However, these competitions had to be postponed following the ruling of the EU Court of Justice in cases of Italy and Spain versus the Commission.

Within the context of staff cuts applicable to the Commission services, OLAF is facing increasing difficulties to cope with the constantly rising amount of incoming information and the number of investigations to open. An internal mobility within the DG allows non-investigative OLAF staff to follow trainings in the investigation field. In October 2015, an internal reorganisation led to the creation of an additional investigative Unit.

OLAF invests in the professionalization of OLAF staff and in continuous learning and training. In 2014, 93% of the investigators have been trained in specific in house operational trainings. In 2015, a new cycle of operational trainings has been followed by all recently recruited investigators. In addition to the in house trainings, OLAF staff participates on a regular basis on specific external trainings. An identification of the Units' needs in terms of competences has started and will lead to a better HR forward planning and the identification of learning paths per type of job.

In 2015, managers have been invited to participate in several trainings in order to enhance their managerial competences. Directorate A and C senior and middle management have benefited from coaching sessions and a 360° exercise has been organised in Directorate A. The implementation of useful and tailor made learning activities for OLAF managers will be pursued in 2015 and 2016.

In order to improve sharing of knowledge and internal communication, the number of lunchtime debates has doubled in 2014 compared to previous year and has continued to increase in 2015. A new procedure for team building has been put in place in 2015. A common team building approach was developed focusing on work related issues that have a direct impact on team' effectiveness.

Since the beginning of 2015, systematic exit interviews are organised with OLAF staff leaving the DG due to retirement, end of contract, personal long term leave or mobility. The feedback received from departing staff provides OLAF HR Unit with valuable information on staff engagement issues and job satisfaction levels, as well as other areas of improvement.

In the current situation of staff reduction, sick leave represents a loss of workforce which requires special attention. An "absence management" guide has been communicated to all managers and a specific training on absence management has been offered to OLAF managers in 2015. Statistics on absences and time management are sent to the management each trimester in order to improve the monitoring of sick leaves and flexitime.

In order to improve the onboarding process of new staff members, the welcome procedures have been reviewed and further developed by OLAF HR Unit. The project is in the finalisation stage and will be launched by the end of 2016. The new procedure aims to integrate newcomers in a more coordinated and coherent manner throughout OLAF services and provide them with the necessary support, tools and information for becoming operational as soon as possible. New welcome procedures foresee not only preparation and support for the first days, but also a follow-up integration period with continuous support from the HR team, managers and colleagues in order to contribute to the new colleague's engagement and job satisfaction levels from early days on.

The results of the DG HR 2014 Survey were thoroughly analysed by OLAF HR Unit and discussed in the Directorates at different levels: managers' meetings, Unit and Directorate meetings, team buildings as well as communicated to OLAF staff through a detailed report and an explanatory video. Specific positive and negative trends were identified per Directorate. Several actions are being implemented in OLAF Directorates to tackle the specific issues identified.

Besides continuous implementation of the above mentioned points, additional actions will be developed in 2016, especially focusing on the identification of learning needs and talent management.

The content of a new HR Strategic Plan covering the period 2017-2020 will depend on the numerous measures foreseen by DG HR (staff cuts, synergies and efficiencies review, talent management, etc). These measures are not yet finalised but will have a significant impact on OLAF resources. This Strategy will also have to take into account the state of play of the EPPO project. Therefore, it is premature at this stage to take any initiative or any commitment.

<b>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.</b>	
<b>Indicator 1: Percentage of female representation in middle management</b> <b>Source of data: DG HR</b>	
Baseline 2014: OLAF: 30% Commission: 25%	Target 2020: 40%  Target fixed by the Commission on 15 July 2015 – SEC(2015)336
<b>Indicator 2: Percentage of staff who feel that the Commission cares about their well-being</b> <b>Source of data: Commission staff survey</b>	
Baseline 2014: OLAF: 33% Commission: 35%	Target 2020: Close to Commission average  Positive results are expected, at medium term, following the well-being policy recently put in place by the Commission. OLAF staff should also benefit from this Well-being Policy which will be implemented accordingly within the DG.
<b>Indicator 3: Staff engagement index</b> <b>Source of data: Commission staff survey</b>	
Baseline 2014: OLAF: 59% Commission: 65.3%	Target 2020: Close to Commission average  OLAF has put in place actions in 2015 to enhance managers' competences (coaching sessions, 360° assessment, and enhanced information on management trainings) and is currently working on the identification of training and development needs with the managers. These actions will be pursued.

<p><b>Indicator 4: Vacancy rate</b></p> <p><b>Definition:</b> 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).</p> <p><b>Source:</b> Sysper – HR Dashboard – November 2014</p>	
<p><b>Baseline</b> <b>November 2015</b></p>	<p><b>Target</b> <b>2016</b></p>
<p>OLAF: 4.3% Commission: 4.5%</p>	<p>Equal or lower than the Commission average at the end of 2016</p>
<p><b>Indicator 5: Sick leave rate</b></p> <p><b>Definition:</b> 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.</p> <p><b>Source:</b> Sysper – HR Dashboard – November 2014</p>	
<p><b>Baseline</b> <b>First 6 months of 2015</b></p>	<p><b>Target</b> <b>2016</b></p>
<p>OLAF: 4.3% Commission: 4.5%</p>	<p>Equal to or lower than the Commission average at the end of 2015</p>
<p><b>Indicator 6: Local Overheads</b></p> <p><b>Definition:</b> 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.</p> <p><b>Source:</b> Annual Screening Exercise</p>	
<p><b>Baseline</b> <b>Screening Exercise 2015</b></p>	<p><b>Target</b> <b>2016</b></p>
<p>OLAF: 8.3% Commission: 6.8%</p>	<p>Decrease and maintain overheads rate close to Commission average</p>
<p><b>Train investigative staff</b></p>	
<p><b>Indicator 7: At least one training session organised for newly appointed investigators during the year</b></p> <p><b>Source:</b> Syslog</p>	
<p><b>Baseline</b> <b>2015</b></p>	<p><b>Target</b> <b>2016-2020</b></p>
<p>One training session in 2015</p>	<p>One training session per year</p>

## 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.

**Overarching objective: The Authorising Officer by Delegation should have reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions including prevention, detection, correction and follow-up of fraud and irregularities.**

**Objective 1: Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions**

**Indicator 1: Estimated residual error rate<sup>24</sup>**

*Where necessary specific residual error rates would be calculated for each programme managed or for expenditure with a common risk profile.*

**Source of data: internal statistics**

Baseline 2014	Target 2020
Hercule Programme: less than 1% AFIS Programme: less than 1%	Residual error rates (annual for each and every year): Hercule Programme: less than 2% AFIS Programme: less than 2%

**Indicator 2: Estimated overall amount at risk for the year for the entire budget under the DGs responsibility.**

**Source of data: internal statistics**

Baseline	Target 2020
2014: EUR 128 566	Less than 2%

**Indicator 3: Estimated future corrections**

**Source of data: internal statistics**

Baseline	Target 2020
2014: EUR 533 000	To achieve corrections enabling to maintain the residual error rate below 2%

**Objective 2: Effective and reliable internal control system in line with sound financial management.**

**Indicator 1: Conclusion reached on cost effectiveness of controls**

**Source of data: internal statistics**

Baseline 2014	Target 2020
Yes	Yes

<sup>24</sup> For the definition, see the first annex to the AAR instructions 2014 "Key definitions for determining amounts at risk" at <https://myintracomm.ec.europa.eu/budgweb/EN/rep/aar/Documents/aar-standing-instructions.pdf>.

<b>Indicator 2: Part of the cost of control in proportion of the budget controlled.</b>	
Baseline	Target 2020
Grants: 11.7%	Less than 15%
Procurements: <1%	Less than 5%

**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.**

**Indicator 1: Updated anti-fraud strategy of OLAF, elaborated on the basis of the methodology provided by OLAF<sup>25</sup>**

Baseline	Target 2020
Date of the last update 8/12/2015	Update every year, as set out in the AFS

**Indicator 2: Fraud awareness is increased for all newcomers**

Source of data: *OLAF's AFS*

Baseline	Target 2020
2015: 65.5%	100% target population reached

**Indicator 3: Regular monitoring of the implementation of the anti-fraud strategy and reporting on its result to management**

Source of data: *OLAF's AFS*

Baseline	Target 2020
In June 2015 and December 2015 in the framework of the Management Plan mid-term review and preparation of the next Management Plan.	Twice per year

**Specific objective 4: The resources of DG OLAF are managed according to the principle of sound financial management and its underlying transactions are legal and regular.**  Non-spending

**Result indicator 4.1: Percentage of budget execution (commitments) with respect to budget appropriations**

Source: ABAC budget system

<b>Baseline</b> <b>Budgetary year 2015</b>	<b>Target</b> <b>2020</b>
92,33%	More than 98%

**Result indicator 4.2: Percentage of payments handled within the time limit (art. 92§1).**

Source: ABAC budget system

<b>Baseline</b> <b>Budgetary year 2015</b>	<b>Target</b> <b>2020</b>
94,02%	More than 90%

<sup>25</sup> The methodology can be found on the FPDNet website: <https://myintracomm.ec.europa.eu/serv/en/fraud-prevention/ToolBox/Documents/Methodology%20and%20guidance%20for%20DGs%20anti-fraud%20strategies.pdf>. In particular paragraph 3 of the methodology is relevant.

## C. Better Regulation (only for DGs managing regulatory acquis)

OLAF's regulatory acquis consists of: Regulation 883/2013<sup>26</sup>, Council Regulation No 2988/95<sup>27</sup>, Council Regulation No 2185/96<sup>28</sup>, Regulation 515/97<sup>29</sup> and PIF Convention<sup>30</sup> and its protocols<sup>31</sup>. In 2004 and 2008 the Commission adopted the reports on implementation by Member States of the PIF Convention and its protocols as per its Article 10. The evaluation of Regulation 883/2013 is envisioned to be submitted by 2 October 2017 to the EP and the Council as required by Article 19 of the Regulation.

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.		
<b>Indicator 1: Percentage of Impact assessments submitted by OLAF to the Regulatory Scrutiny Board that received a favourable opinion on first submission.</b>		
<i>Explanation: The opinion of the RSB will take into account the better regulation practices followed for new policy initiatives. Gradual improvement of the percentage of positive opinions on first submission is an indicator of progress made by the DG in applying better regulation practices.</i>		
<b>Source of data: Internal consultations</b>		
Baseline 2015	Milestone 2016	Target 2020
N/A – no impact assessments were conducted during 2014-2015	Positive trend compared to DG's 2014 situation.	Positive trend compared to DG's 2016 situation.
<b>Indicator 2: Percentage of the DG's primary regulatory acquis covered by retrospective evaluation findings and Fitness Checks not older than five years.</b>		
<i>Explanation: Better Regulation principles foresee that regulatory acquis is evaluated at regular intervals. As evaluations help to identify any burdens, implementation problems, and the extent to which objectives have been achieved, the availability of performance feedback is a prerequisite to introduce corrective measures allowing the acquis to stay fit for purpose.</i>		
<i>Relevance of Indicator 2: The application of better regulation practices would progressively lead to the stock of legislative acquis covered by regular evaluations to increase.</i>		
<b>Source of data: Internal consultations</b>		
Baseline 2015	Milestone 2016	Target 2020
Percentage of the DG's primary regulatory acquis covered by retrospective evaluations and Fitness Checks' findings not older than five years. <b>0%</b>	Positive trend compared to baseline	Positive trend compared to interim milestone

<sup>26</sup> 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.

<sup>27</sup> Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests.

<sup>28</sup> Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

<sup>29</sup> Council Regulation (EC) No 515/97 on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters, as amended by Regulation (EC) No 2015/1525 of the European Parliament and of the Council of 9 September 2015.

<sup>30</sup> Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities' financial interests.

<sup>31</sup> Protocol to the Convention on the protection of the European Communities' financial interests; Protocol on the interpretation, by way of preliminary rulings, by the Court of Justice of the European Communities of the Convention on the protection of the European Communities' financial interests; Second Protocol to the Convention on the protection of the European Communities' financial interests.

## D. Information management aspects

Due to the specific nature of OLAF's work, conducting administrative investigations, OLAF is subject to strict data protection and confidentiality rules. Therefore the majority of files registered in OLAF are shared on a strict "need to know" basis. As a result the percentage of HAN files shared with all units and other DGs is virtually 0%. However, OLAF is dedicated to establishing a positive trend in the coming period.

The Office is working on achieving complete and relevant information management to support all its activities and make it a better performing organization in the traditional environment as OLAF has not yet a full-fledged filing structure, retention schedule and document management culture. A lot of improvements in all these areas have been made in the past year and the management is supporting many activities aimed at improving OLAF's information management in the next years.

Through awareness raising measures such as training sessions, lunch time debates and notes to staff important information management concepts were emphasised. Mainly on registering and managing information of investigative value (either in Ares or THOR). Mid- and senior-management are supporting e-sign campaign in OLAF, thus allowing for a shift in mentality towards digital.

A filing campaign, ensuring all information currently in OLAF's possession is retrievable and stored according to the needs of the Office and a reduction of the backlog, has been launched. This campaign will take place annually to ensure all units review and update their filing and in doing so make it more functional to the needs of the organization.

Furthermore, filing from our specific Case Management System environment is automatically transferred to the Nomcom application. OLAF has been aligning its specific registry (THOR) procedures and metadata to be more compliant with Ares and Hermes.

A working group on the retention schedules of our operational records has been working in the past year to make sure crucial records are kept for longer and that a larger revision of the retention schedules is needed to encompass all our activities and files. OLAF is currently working to clarify and ensure rules and procedures on length and form of information preservation.

<b>Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable</b>		
<b>Indicator 1: Percentage of registered documents that are not filed<sup>32</sup> (ratio)</b>		
<b>Source of data:</b> <i>Hermes-Ares-Nomcom (HAN)</i> <sup>33</sup> statistics		
Baseline 2014		Target 2020
1.08%		Not more than 1%
<b>Indicator 2: Percentage of HAN files readable/accessible by all units in the DG</b>		
<b>Source of data:</b> <i>HAN statistics</i>		
Baseline		Target 2020
0.16%		Positive trend compared to baseline
<b>Indicator 3: Percentage of HAN files shared with other DGs</b>		
<b>Source of data:</b> <i>HAN statistics</i>		
Baseline		Target 2020
0%		Positive trend compared to baseline

<sup>32</sup> Each registered document must be filed in at least one official file of the Chef de file, as required by the e-Domec policy rules and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

<sup>33</sup> Suite of tools designed to implement the [e-Domec policy rules](#).

## 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.

OLAF's actions will be geared to informing its 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, it aims to contribute to fraud prevention and deterrence. OLAF 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. It will also raise awareness of the mission and activities with the relevant public authorities at Member State level, as well as with the NGO sector and other stakeholders. Through all the communication channels, OLAF will showcase its work in a clearer and more reader-friendly manner, based on concrete figures and explanations.

The OLAF Press Office team will try to constantly increase the number of people reached directly through our communication actions. It will consistently monitor the reach of our communications materials, determining the number of views our press releases and news stories get on the OLAF website, as well as the number of people who view our videos. The team will also analyse the number of articles written about OLAF within the last year, and see which percentage of them present OLAF in a positive light.

**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.

**Indicator:** Percentage of EU citizens having a positive image of the EU

*Definition:* Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual DGs' actions may only make a small contribution.

**Source of data:** Standard Eurobarometer (DG COMM budget) [*monitored by DG COMM [here](#)*].

Baseline: November 2014	Target: 2020
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%