



**ACTIVITY REPORT OF  
THE OLAF SUPERVISORY  
COMMITTEE**

**2015**



## Members of the OLAF Supervisory Committee



*(left to right)*

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## ***FOREWORD BY THE CHAIRMAN***



As Chairman of the Supervisory Committee of the European Anti-Fraud Office, I have the pleasure to submit the Annual Activity Report of our Committee, in accordance with Article 15(9) of Regulation No 883/2013. This is the fourth Activity Report of the current Supervisory Committee and it provides an overview of the main activities carried out during the year 2015.

The Supervisory Committee as a high level independent oversight body contributes to the rule of law and to the efficiency and effectiveness of the Union's fight against fraud and illegal activities affecting the interests of the Union and the European taxpayer. These are challenging times for the European Union, and the Union will only have legitimacy when it shows, in practice, commitment to rule of law and good administration and the effective legal protection of individuals. For this purpose in these trying times for European integration, the functions of OLAF are even more important than under normal circumstances. The Supervisory Committee makes a modest contribution to the fundamental values of the Union by serving as guardian of the independence of the investigative function of OLAF and by regular monitoring of the developments in the application of the procedural guarantees and duration of investigations. This Activity Report provides an overview of the monitoring activities of the Committee.

In 2015, the main focus of the Committee's work was the assessment of OLAF's internal legality check and review function, the management of the duration of investigations and the follow-up given to OLAF's recommendations. The Committee also reviewed the implementation of its own recommendations to OLAF. With these assessments the Committee sought to support the staff and management of OLAF in their important work for Europe.

The Committee appreciates the assistance which it received from the European Institutions. It is clear that the supervision structure for OLAF needs to be reviewed. There has already been progress in ensuring the budgetary independence of the Committee and the functional independence of its secretariat.

The most urgent issue remains the Committee's access to information in OLAF which is currently so restricted that efficient supervision is impossible. In the long term it will require legislative solutions which would give the Committee direct access to information necessary for the performance of its duties.

The Supervisory Committee wishes to renew its commitment to improving the accountability and transparency of OLAF. The Supervisory Committee highly values the work carried out by all the staff of OLAF in their important mission and calls upon all the European Institutions to express their support for the hard-working staff of OLAF. Their work is an important contribution to a better Europe and, through its mission, the Supervisory Committee supports their work and contributes to the independence of the Office.

Brussels, 7 April 2016

A handwritten signature in black ink, consisting of a stylized, cursive script that appears to read 'Tuomas Pöysti'.

Tuomas PÖYSTI  
Chairman of the Supervisory Committee

## **MISSION STATEMENT**

*Article 15(1) of Regulation No 883/2013:*

*The Supervisory Committee shall regularly monitor the implementation by the Office of its investigative function, in order to reinforce the Office's independence in the proper exercise of the competences conferred upon it by this Regulation.*

*The Supervisory Committee shall in particular monitor developments concerning the application of procedural guarantees and the duration of investigations in the light of the information supplied by the Director-General in accordance with Article 7(8).*

The mission of the Supervisory Committee of OLAF, as outlined in Regulation No 883/2013<sup>1</sup>, is to reinforce OLAF's independence in the proper exercise of the competences conferred upon it<sup>2</sup>. To accomplish this mission, the EU legislator entrusted the SC with a role which is threefold:

- The SC is the **supervisory body** of OLAF and guardian of OLAF's independence; it regularly monitors the implementation by OLAF of its investigative function and, in particular, developments concerning the application of procedural guarantees and the duration of investigations.
- The SC plays an **advisory role** with regard to the Director-General of OLAF, whom it assists in the discharge of his responsibilities:
  - by communicating to him the results of the SC's monitoring of the implementation of the OLAF investigative function, the application of procedural guarantees and the duration of investigations as well as, where necessary, making appropriate recommendations;
  - by addressing opinions to him, including, where appropriate, recommendations on, *inter alia*, the resources needed to carry out OLAF's investigative function, on the investigative priorities and on the duration of investigations;
  - by submitting its observations (including, where appropriate, recommendations) on the guidelines on investigation procedures (and any modification thereto) adopted by the Director-General in accordance with Article 17(8) of the Regulation.
- The SC is a **dialogue partner** of the EU institutions, to which it reports on its activities, at whose request it may issue opinions and with whom it exchanges views at a political level, thus providing the EU institutions with unique expertise based on its monitoring experience.

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<sup>1</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, OJ L 248, 18.9.2013, p. 1.

<sup>2</sup> Article 15.

## ***OVERVIEW***

### **Monitoring activities**

#### **Analysis and assessment of:**

- **476 reports on duration of investigations (12 month reports);**
- **Four complaints and requests from individuals;**
- **One request for public access to the SC's documents.**

### **Opinions and reports**

- **Opinion No 1/2015: OLAF's Preliminary draft budget;**
- **Opinion No 2/2015: Legality check and review in OLAF**
- **Opinion No 3/2015: Opinion on the OLAF draft Investigation Policy Priorities (IPPs) for the year 2016**
  
- **Annual Activity Report 2015**

### **Other documents**

- **Procedure for Preparation & Adoption of SC Opinions & Reports**
- **Implementation by OLAF of the SC recommendations 2012-2014**
- **Prioritisation of SC recommendations**

**New website:**

**<http://europa.eu/supervisory-committee-olaf/>**

## ***Conditions of exercise of the supervisory function***

*Article 15(1) of Regulation No 883/2013:*

*The Supervisory Committee shall regularly monitor the implementation by the Office of its investigative function (...)*

*Article 4 of Commission Decision of 28 April 1999 establishing the European Anti-fraud Office:*

*(...) [The Supervisory] Committee shall be responsible for the regular monitoring of the discharge by the Office of its investigative function.*

1. With regard to the Supervisory Committee's (SC) functions, the year 2015 has been a far from ideal period. The Director-General (DG) of OLAF continued to interpret his regulatory obligations to provide information in a manner not shared by the SC and, despite considerable time and effort devoted to that end, a common understanding was not achieved. As a consequence, the SC did not get access to any of the individual case files requested but only to a certain number of random samples provided by OLAF. In addition, the SC has encountered difficulties regarding access to information on both generic and statistical data.
2. As already pointed out in the SC **Report No 1/2014 on Safeguarding OLAF's Independence**<sup>3</sup> and in its **Activity Report 2014**<sup>4</sup>, these difficulties in obtaining case-related information and access to case files have undermined the effectiveness of its supervisory role. **The core of the problem is a fundamental difference between the SC and the OLAF DG in the perception of the role of the Supervisory Committee.** The OLAF DG seems to believe that the SC's main role is to support his independence and to monitor statistical data at a very general level. The SC underlines its supervisory role as the only structure which can ensure the accountability of OLAF's investigative function. The DG's perspective means the SC should only act on the basis of information that the DG chooses to provide. The SC's perspective necessitates its independent access to information in order to ensure objective monitoring. In view of these very different interpretations of the law and of the intentions of the legislator, it no longer appears possible for a common understanding to be reached between the SC and the current OLAF DG on these matters. **Therefore, the SC considers an intervention of the Appointing EU Institutions is necessary in order to decide what role the SC should actually play.**
3. The SC notes with satisfaction that its concerns received the support of the EU Institutions. The European Parliament adopted, on 10 June 2015, an important resolution on the supervision of OLAF<sup>5</sup> and the Commission initiated concrete procedures to tangibly improve the situation. The SC welcomes in particular:
  - (i) the involvement of the three Legal Services of the Parliament, Council and Commission with a view to clarifying the legal framework for the supervision of OLAF;
  - (ii) the Commission Decision ensuring the SC's budgetary independence from the OLAF DG;and
  - (iii) the Commission's initiative to ensure the SC Secretariat's administrative independence from the OLAF DG.

The SC is also preparing the evaluation of Regulation No 883/2013, due in 2017, which should be an opportunity to improve and reinforce the supervision structure for OLAF.

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<sup>3</sup> [http://europa.eu/supervisory-committee-olaf/sites/default/files/documents/publications/special-reports/special\\_report\\_2014\\_supcom\\_en.pdf](http://europa.eu/supervisory-committee-olaf/sites/default/files/documents/publications/special-reports/special_report_2014_supcom_en.pdf)

See points 25 to 30.

<sup>4</sup> Points 39-40

<sup>5</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2015-0226+0+DOC+XML+V0//EN>

## ***Investigative independence***

*Article 15(1) of Regulation No 883/2013:*

*The Supervisory Committee shall regularly monitor the implementation by the Office of its investigative function, in order to reinforce the Office's independence in the proper exercise of the competences conferred upon it by this Regulation.*

4. OLAF's investigative independence concerns the whole life-cycle of a case – from the selection, through the conduct of an investigation to its follow-up, including the decision-making process, access to information, ability to act and the necessary resources – staff, expertise, and budget.
5. To monitor all these factors it is necessary for the SC to have unrestricted access to all case files and case-related information which it considers necessary to perform its duties as well as to be informed of any action or omission of the EU institutions or national authorities which, in the SC's opinion, may constitute a threat, actual or potential, to OLAF's independence. Such threats may be both systemic and incidental.
6. The SC regrets that, during the reporting period covered by this report, none of its requests for access to individual case files were granted by the OLAF DG; all the conditions imposed by OLAF on the SC in order for it to obtain access were considered unacceptable in the context of the proper exercise of the SC's monitoring and assurance function. Access to individual case files is however indispensable for the fulfilment of the SC duties, as regards the protection of OLAF's independence.
7. The OLAF DG did not inform the SC of any acts or omissions of any national authorities which might constitute a threat to OLAF's independence. However, in a number of reports to the SC, OLAF indicated that certain investigations cannot be conducted in accordance with the requirements of Article 7(5) of the Regulation (i.e. in due time), giving as reason a lack of cooperation on the part of some national authorities.
8. Furthermore, the DG declared himself not to be in a position to provide information on the exact nature of the so-called "Clearing House" meetings between OLAF and the Commission, in which, allegedly confidential information concerning on-going investigations is shared with the Commission on a regular basis. Such practice can jeopardise the independence of OLAF and, thus, requires the SC's attention.
9. **The SC concludes that it has not received from OLAF the information and data necessary to assess, overall, whether OLAF has executed its investigative function in full independence as required by the Regulation.**
10. The OLAF DG alerted the SC to a possible threat to OLAF's independence due to statements of a Member of an EU Institution (the European Parliament), but he did not provide evidence on the eventual impact of the statements on OLAF's investigative activities.
11. On 10 March 2016, as provided for by Article 17(3) of the Regulation, the OLAF DG informed the SC that his immunity had been lifted in connection with an on-going investigation by the Belgian national authorities. The DG considers, however, that due to the security classification of the information concerning the lifting of the immunity, he cannot provide further details on the issue. Therefore the SC cannot yet assess the eventual impact or risk of the lifting of immunity on the independence of OLAF's investigative function.
12. The SC would here refer back to the conclusions of its **Report No 1/2014 on Safeguarding OLAF's Independence**<sup>6</sup>, in particular "the lack of effective supervision combined with investigative independence may lead to a lack of accountability of OLAF".

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<sup>6</sup> [http://europa.eu/supervisory-committee-olaf/sites/default/files/documents/publications/special-reports/special\\_report\\_2014\\_supcom\\_en.pdf](http://europa.eu/supervisory-committee-olaf/sites/default/files/documents/publications/special-reports/special_report_2014_supcom_en.pdf)

13. In order to reinforce OLAF's independence and by way of maximum transparency, the SC invited the OLAF DG to take the initiative and regularly publish his 'Declarations of Interest'.

### ***Procedural guarantees and legality check***

*The second paragraph of Article 15(1) of Regulation No 883/2013:*

*The Supervisory Committee shall in particular monitor developments concerning the application of procedural guarantees (...).*

*Article 17(7) of Regulation No 883/2013:*

*The Director-General shall put in place an internal advisory and control procedure, including a legality check, relating, inter alia, to the respect of procedural guarantees and fundamental rights of the persons concerned (...).*

14. Regulation No 883/2013 highlights the application of procedural guarantees and the respect of fundamental rights as an issue wherein both OLAF and the SC should engage their efforts. The Regulation provides for a two-layered control mechanism over the application of procedural guarantees in OLAF: a control mechanism (the Investigation Selection and Review Unit and ultimately the OLAF DG) and a monitoring mechanism (the SC), aimed at ensuring that OLAF conducts its investigations in full respect of the rights and procedural guarantees of the persons concerned. To fulfil its relative regulatory obligations, the SC relies on the information obtained by OLAF upon request and only in "duly justified situations", as foreseen in the Regulation.
15. Complaints received from individuals may also be an indicator of systemic problems and therefore the SC may take them into account for information purposes in the framework of its monitoring activities. The SC's competences in the said area could be developed and reinforced in order to provide a more concrete monitoring tool, in view of the future review of the Regulation.
16. The SC was informed that an OLAF investigation has been "invalidated" in its entirety by a national court for violating the procedural guarantees of the persons concerned.<sup>7</sup> This highlights the significance of the respect of the procedural guarantees with regard to OLAF's performance.

### ***Legality check and review***

17. Throughout the year 2015, the SC continued to analyse the work of OLAF's Investigation Selection and Review Unit entrusted with both the selection and review of cases processed by the Office<sup>8</sup>. The analysis was particularly focused on the legality check and review function assigned to the Investigation Selection and Review Unit<sup>9</sup> (ISRU).
18. In preparation of its Opinion No 2/2015 on Legality Check and Review in OLAF, the SC requested and received access to a sample of 42 case files as well as 244 case-related documents from a sample of 60 other cases. The SC also conducted interviews with OLAF staff and received significant background documentation.
19. The SC remarked upon the high level of qualifications of the current staff allocated to the task of the legality check and review in OLAF. Nevertheless, the SC was of the opinion that OLAF must provide sufficient staff resources with the expertise necessary to cover the legal systems of all Member States. OLAF has significantly improved the work-forms used to perform their legality check and review activities, following respective recommendations by the SC. However, possible further improvement with a view to inviting comprehensive and case-

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<sup>7</sup> Judgement No 610/15 of 17 December 2015 of the Court of Appeal in Aix-en-Provence

<sup>8</sup> The results of the SC assessment of the selection function of the ISRU were outlined in the SC's Opinion No 2/2014 on Case Selection in OLAF.

<sup>9</sup> Opinion No 2/2015 on Legality Check and Review in OLAF

founded replies from the ISRU, where necessary, should be considered. Constructive relations between the investigators and the reviewers have contributed to date to the quality of the legality check and review activities and should therefore be encouraged. A system for both the recording of crucial reviewers' suggestions and their implementation should also be introduced. Ultimately, the SC welcomes OLAF's efforts to comply with the requirements concerning fundamental rights and procedural guarantees, with the proviso that further improvement of the mechanism be put in place in certain areas. A set of best practices to be developed is anticipated to serve to that end.

## ***Complaint procedure***

20. The SC monitors, in particular, developments concerning the application of procedural guarantees on the basis of the information supplied to it by the OLAF Director-General. This is a regulatory task established in article 15(1) of Regulation No 883/2013.
21. In its Opinion 2/2013, the SC called on the OLAF DG to set up a complaints procedure and to report regularly to the SC on complaints received by OLAF and the way they have been handled.
22. Within the reporting year, the SC received from OLAF information with regard to four complaints lodged by third parties on the basis of the procedure, published by OLAF on its website, which have been considered unfounded in their entirety by OLAF.
23. The SC is, however, aware, according to the information given in OLAF's strategic plan 2016-2020, that *"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."*
24. As the SC did not receive any information other than that limited to OLAF's complaint procedure made public on OLAF's website on 20 January 2014, it is not in a position to have an overview of the individual complaints concerning OLAF investigations. Therefore, the information delivered by OLAF does not allow the SC to fulfil its regulatory duties under Article 15(2) of the Regulation, as it is limited to reporting only on procedural guarantees under OLAF's complaint procedure, made public on OLAF's internet site on 20 January 2014.

## ***Investigation Policy Priorities for the year 2016***

*The first paragraph of Article 17(5) of Regulation No 883/2013:*

*The Director-General shall each year determine, within the context of the annual management plan, the investigation policy priorities of the Office and shall, prior to their publication, forward them to the Supervisory Committee.*

25. The SC considers that the definition of a real 'investigation policy' is the only possible reading of Article 5 of Regulation 883/2013. However, as in previous years, OLAF refrained from defining a true "investigation policy" and only indicated undocumented criteria, without any impact assessment or evaluation of the implementation of previous Investigation Policy Priorities (IPPs), performance indicators, and no systematic linkage with EU spending priorities and EU policy priorities in fighting against financial crimes.
26. The SC notes the adoption by OLAF in 2015 of internal guidelines for case selection (including the implementation of the IPPs), which were not communicated to the SC prior to their adoption as required by Article 17(8) of Regulation 883/2013. However, according to the SC's opinion, the guidance given to OLAF's selection officers via the instruction note from the OLAF DG and the selection guidelines does not reflect the importance of the IPPs in the selection process. The SC therefore considers that these instructions and guidelines are not in line with the requirements of Article 5 of Regulation 883/2013.
27. The SC also welcomes the fact that OLAF has taken into account much of the input from its stakeholders when selecting the IPPs for 2016. However, the consultation of stakeholders (limited to 3 Commission spending Directorates-General and 1 agency) appears very limited

and has not been subject to a formal Commission inter-service consultation. OLAF did not indicate and assess the precise elements resulting from this consultation which support the selection of the IPPs for 2016. **Therefore, the SC cannot consider the IPPs for the year 2016 as being properly substantiated.**

## ***Duration of OLAF investigations***

*Article 7(8) of Regulation No 883/2013:*

*If an investigation cannot be closed within 12 months after it has been opened, the Director-General shall, at the expiry of that 12-month period and every six months thereafter, report to the Supervisory Committee, indicating the reasons and the remedial measures envisaged with a view to speeding up the investigation.*

28. Monitoring the duration of investigations is at the core of the SC's mandate. On the one hand, it is directly connected to the fundamental rights of persons affected by the investigation to have their affairs handled in reasonable time, without unnecessary delays or unjustified periods of inactivity (principle of proportionality). On the other hand, it is an important performance indicator for OLAF (efficiency). Therefore, during the years 2014-2016, the SC has focused its attention on different aspects of the duration of OLAF's investigations.
29. OLAF investigations are just the preparatory phase of judicial, administrative or disciplinary procedures leading to a final decision or ruling. Their duration should therefore be seen in the wider context of the whole procedure and, consequently, carried out in a timely manner. Regulation No 883/2013 provides for an initial reporting after 12 months and every 6 months thereafter.
30. In its Opinion No 4/2014 on Control of the Duration of Investigations conducted by OLAF, the SC had already concluded that, while Regulation No 883/2013 had reinforced the role of the SC in the monitoring of the duration of OLAF's investigations, nevertheless the information provided by OLAF for that purpose was both insufficient and inadequate, thereby hampering the ability of the SC to monitor effectively the duration of OLAF's investigations and report appropriately to the EU Institutions.
31. OLAF informed the SC that, being subject to strict rules of confidentiality and data protection requirements, it was unable to automatically provide the SC with information not expressly foreseen by the Regulation. The SC would emphasise that no request for any personal data was made and considers that such a reading of the Regulation by OLAF prevents the SC from duly reporting to the Institutions.
32. The SC has not received sufficient information and documentation in response to its recommendation to improve tools put in place for internally monitoring the duration of investigations and using the statutory reports to the SC for that purpose.
33. Despite OLAF regularly transmitting reports on the duration of its investigations to the SC, they do not contain sufficient factual information relating to elements that would normally allow the SC to check the potential existence of unjustified delays in the investigations.

## ***Control and management of the duration of OLAF's investigations by the DG***

34. In the current reporting period, the SC received a total number of 476 reports concerning investigations lasting more than 12 months. The reports received contain information on the reasons why the investigation was not completed within the 12 month period and information on the mitigating measures adopted by the Director-General of OLAF to avoid incurring any unreasonable delays.
35. Among the 476 reports:
  - 262 reports do not contain any justification as to why the investigation had not been concluded in 12 months;

- 440 reports contain no mitigating measures adopted by the OLAF DG to avoid incurring any unreasonable delays.
36. The OLAF DG informed the SC that he considers 24 months a "normal duration" for OLAF investigations.
  37. Even during the initial 12-month period it cannot be excluded that undue delays may occur, and, in these specific cases, remedial measures should be taken by OLAF and indicated in the reports. The 18 months reports do not contain any additional useful information over and above the previous 12 months reports.
  38. The duration of investigations is an important performance indicator for OLAF. For the past few years, the OLAF DG has established this indicator at 20 months in the OLAF Annual Management Plan.
  39. OLAF handles the registration of information, dates of opening decisions and dates of closure decisions as well as the duration of OLAF cases, but, in general, does not communicate this information. Due to the lack of sufficient information in many reports, the SC was unable to draw any conclusions, in particular, as to whether investigations were conducted continuously and without undue delays as well as whether their duration was proportionate to the circumstances and complexity of the cases.
  40. The SC endeavoured to obtain further information regarding the time needed between the reception of complaints and the initially reported information and the adoption of the opening decision by the OLAF DG, which would enable the calculation of the total duration of investigations, closed in 2015. To this end, the SC requested the communication of additional statistical information such as dates of creation of cases, dates and references of opening decisions, dates of closure decisions and dates of Final Case Reports. These data are particularly relevant for the evaluation of the performance of investigation proceedings, taking into account that an excessive duration of the investigation process has a negative impact on the quality of proof (degradation of material proof) and its usefulness for the judicial authorities (principle of judgement within a reasonable time).
  41. At the date of this report, these requests have not yet been granted by OLAF.

### ***Follow-up to OLAF's recommendations***

*The third paragraph of Article 17(5) of Regulation No 883/2013:*

*The Director-General shall inform the Supervisory Committee periodically:*

*(a) of cases in which the recommendations made by the Director-General have not been followed;*

*(b) of cases in which information has been transmitted to judicial authorities of the Member States;*

42. The SC has received no information regarding cases for which recommendations made by the OLAF DG have not been followed.
43. Follow-up given to financial, administrative or judicial recommendations following OLAF investigations is an essential indicator for the quality of these investigations.
44. In 2014 OLAF set up guidelines on the monitoring of recommendations to the national judicial authorities. The SC intends to analyse this monitoring process and the follow-up given by national judicial authorities to these recommendations. The analysis should include the co-operation of OLAF with national authorities in criminal affairs, the exchange of information with Member States on on-going investigations and co-operation with Eurojust and Europol (Articles 12 and 13 of Regulation No 883/2013). However, the elements of statistical information received from OLAF to date are rather incomplete and insufficient for the SC to draw any conclusions at this stage.

## ***Follow-up to SC's recommendations by OLAF***

*The third paragraph of Article 15(1) of Regulation No 883/2013:*

*The Supervisory Committee shall address to the Director-General opinions, including where appropriate, recommendations on, inter alia, the resources needed to carry out the investigative function of the Office, on the investigative priorities of the Office and on the duration of investigations. Those opinions may be delivered on its own initiative, at the request of the Director-General or at the request of an institution, body, office or agency, without however interfering with the conduct of investigations in progress.*

45. Since 2014, the SC has been regularly monitoring the implementation by OLAF of the SC recommendations. In 2015, the SC closed the monitoring exercise concerning 50 recommendations issued in the first half of its mandate (2012-2014). Regrettably, most of the recommendations were not sufficiently implemented by OLAF. Only nine recommendations out of fifty were fully implemented.
46. The SC is particularly concerned by the non-implementation of high-priority recommendations related to fundamental rights of EU citizens, to OLAF's regulatory obligations and to safeguards of OLAF's independence. The SC is also concerned with regard to the lack of sufficient and timely feedback from OLAF on the reasons for non-implementation.
47. To improve the accountability of this exercise, the SC requested that the follow-up to the SC's recommendations be integrated into the OLAF Annual Activity Report (Section 2.3 "Assessment of audit results and follow-up of audit recommendations").
48. The SC started the monitoring process of implementation of its further 15 recommendations issued in 2014-2015. The conclusions will be provided in the next activity report.

## ***SC governance and co-operation with stakeholders***

### ***Meetings with EU institutions***

49. The SC actively contributed to the exchange of views with the Institutions as foreseen in Article 16 of the Regulation No 883/2013 and regularly held meetings with and provided expert assistance to the Vice-President of the Commission in charge of OLAF, the European Parliament (the CONT Committee) and the Council (the GAF). In addition, the SC initiated cooperation with the European Fundamental Rights Agency.

### ***Working methods and transparency***

50. In 2015, the SC held 10 plenary meetings. The Chairman, the *rapporteurs* and the members of the SC Secretariat also met regularly to work on particular issues. For every major issue examined, the SC appointed a *rapporteur*. The *rapporteurs* worked with the SC Secretariat to prepare draft reports, opinions or papers to be discussed in the plenary meetings. They also met with OLAF management and staff in the framework of the preparation of the SC's opinions and reports.
51. The SC Opinions were always discussed extensively with OLAF prior to their finalization. OLAF was always provided with an opportunity to comment.
52. During 2015 the SC adopted its procedure on the adoption of opinions and reports.

53. To ensure maximum transparency of its work, the SC decided to establish its own website (<http://europa.eu/supervisory-committee-olaf/>) where all non-confidential documents of public interest are published.

### ***Budgetary independence***

54. In 2015 the SC was faced with an issue of a difference of understanding on some substantive aspects of the management of its own budget by the OLAF DG which came close to pressure on substantive points. The SC welcomes therefore the decision of the Commission to move the management of the SC budget outside of OLAF and to do the same in the near future with regard to the budget of its Secretariat.
55. The SC notes that the budget related to the activities of the Members of the SC has not been revised in 10 years.

### ***Supervisory Committee Secretariat***

56. The Secretariat of the SC consists of lawyers, former investigators and assistants who ensure the daily monitoring of OLAF investigative activities and assist the SC Members in the execution of their tasks. The Secretariat receives information destined for the SC on which it carries out an initial review. The Secretariat is also responsible for preparing legal advice for the SC Members. In 2015, the Secretariat had a total of eight posts, allocated to five administrators, two assistants and one contractual agent.
57. The Secretariat plays a crucial role by assisting the SC in implementing its monitoring functions in a loyal and efficient manner without being exposed to the risk of potential conflicts of interest. During the reporting period, however, the SC Secretariat's staff remained administratively fully subordinate to the OLAF DG.
58. Therefore, the SC welcomes the Commission's initiative to relocate the SC Secretariat to another appointing authority. In this respect the SC continues to underline four basic conditions which would guarantee the independent functioning of the Secretariat: (i) recruitment, appraisal and promotion of the Head of the Secretariat on the basis of the SC's decisions; (ii) reclassification of the Head of the Secretariat as a senior manager; (iii) recruitment, appraisal and promotion of the staff of the Secretariat by its Head; (iv) sub-delegation of the SC and SC Secretariat's budget execution to its Head. This would ensure the full independence of the Secretariat, necessary for the independent functioning of the SC.
59. Improving OLAF supervision would equip the European Union with an adequate tool to ensure, and where necessary, defend the independence of OLAF. It could help to rebuild the image of OLAF as a beacon of the fight against fraud in the European Union, devoted to the respect of procedural guarantees and ensuring the reasonable duration of investigations.