



EUROPEAN ANTI-FRAUD OFFICE

European Anti-Fraud Office
The Director-General

Brussels,

**NOTE TO THE ATTENTION OF MR JOHAN DENOLF,
CHAIRMAN OF THE OLAF SUPERVISORY COMMITTEE**

Via the Secretariat of the Supervisory Committee

**Subject: Response to the Supervisory Committee's Opinion 3/2014
on OLAF's Preliminary Draft Budget for 2015**

1. Introduction

I welcome the Supervisory Committee's (SC) support for the 2015 budget proposal and would like to provide some clarifications on the comments and recommendations made in the Opinion 3/2014.

I can ensure you that for the future, OLAF will continue to proceed in the same way as in 2014. The SC will be consulted before the start of the negotiations with DG BUDG and the ensuing Opinion will be transmitted to the Budgetary Authorities.

2. Resources

I appreciate that the SC recognises that the preliminary draft budget for 2015 reflects the priority granted to the fight against fraud and I also welcome SC's support in the upcoming negotiations with the Budgetary Authorities.

Regarding the duration of investigations I would like to point out that the EU legislator does not impose any time limits for OLAF investigations. Nevertheless, I have made the average duration of investigations a key performance indicator, on which OLAF has already achieved good results¹ even in the current context of resource constraints.

I fully share the SC's view regarding the added-value of the national experts. In that respect, I regret that some Member States are more and more reluctant to detach national officials to OLAF as they are facing budgetary constraints.

I will also take into consideration the suggestion to link targets and indicators in the management plan and the budget documentation. However, I would like to highlight that the budget documentation follows fixed templates as predefined in

¹ OLAF Report 2013 http://ec.europa.eu/anti_fraud/documents/reports-olaf/2013/olaf_report_2013_en.pdf

the budgetary circular and integrated in the budget application called Badgebud, which are used in a uniform way by all services of the European Commission. Targets and indicators are not explicitly required for the administrative budget but only for the operational programmes (AFIS, Hercule and Pericles).

3. Human Resources Strategy

Following the results of the DG HR and OLAF staff surveys, a broad consultation of OLAF's staff has been organised in order to collect concrete proposals on how to deal with the issues raised in both surveys. A management workshop took place on 17 March 2014 in order to establish an action plan based on staff's proposals.

In parallel, work on the OLAF HR strategic plan is continuing, aiming at an adoption by the end of June.

4. The Supervisory Committee and its Secretariat

Expenditure concerning the mandate of the SC members

The budget allocated to the mandate of the SC has been stable over the past years and now amounts to 200.000€. As for any other Commission budget line, any request for increase of budget has to be duly justified before it is accepted by DG BUDG.

In these times of austerity, DG BUDG relies entirely on the political orientation put forward by the Commission, which imposes a zero growth for several years. Consequently, the only justification which in exceptional cases may lead to a budget increase during the negotiation would be an important and structural increase of outturn.

As shown in **table 1** below the outturn (payments) made on the budget line for the SC has remained stable over the years.

Table 1: SC budget evolution (24.010700.0301)

Supervisory Committee			
Year	Budget	Commitment	Payments
2005	200.000	100.000	70.204
2006	200.000	170.750	124.872
2007	200.000	175.000	154.896
2008	200.000	196.190	165.557
2009	200.000	200.000	194.500
2010	200.000	200.000	148.592
2011	200.000	195.234	168.147
2012	200.000	200.000	167.747
2013	200.000	200.000	176.088
2014(*)	200.000	200.000	52.829

(*) situation at 14/05/2014

I take note of your suggestion to reform the structure of the system of remuneration of the Members of the SC. This would require an amendment to

the appointment decision establishing the benefits of the SC members and hence, a common agreement between EP, Council and Commission.

For the time being, I can only refer to the Commission Decision of 8 December 2006² in which the flat-rate allowances for the SC are fixed without any possibility for adjustments.

Resources of the Secretariat of the SC

I am aware of the wish of the SC to reach a state of budgetary independency. However, as mentioned already in previous exchanges on budgetary matters, the structure of the budget and the question of a separate budget line for the SC Secretariat are not a matter within the competence of OLAF.

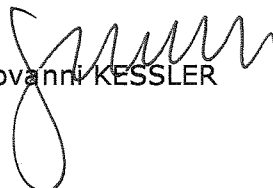
Therefore, in order to meet as much as possible the needs of the SC, I proposed to add the following text into OLAF's budget justifications which will be included in the Draft Budget 2015 of the European Commission (Working Document DB2015 part VI):

"Conformément aux dispositions de l'article 18 du règlement n° 883/2013 du Parlement européen et du Conseil du 11 septembre 2013, les crédits et les effectifs du Comité de surveillance et de son secrétariat sont inclus dans le budget et le tableau des effectifs de l'Office européen de lutte anti-fraude. Néanmoins, dans un souci de transparence, il est possible d'identifier les moyens mis à disposition du Comité de surveillance dans le cadre du budget de l'OLAF. Sur base d'un effectif du secrétariat de 7 postes permanents et d'une dotation pour un agent contractuel, les crédits prévus pour le fonctionnement du Comité de surveillance en 2015 s'élèveraient à environ 1.200.000 €. Ce montant couvre les dépenses suivantes : frais de personnel, formation, missions, réunions internes, bâtiments et indemnités du Comité de surveillance."

Furthermore, I sent you on 28 May 2014 a proposal for the implementation of the budget allocated to the SC and its Secretariat which clarifies the responsibilities of the Head of the SC Secretariat and his discretion in the implementation of the budget.

I would like to assure you once again that as Director-General of OLAF, being the responsible Appointing Authority and Authorising Officer by delegation, I will continue to consult you on staff and budget decisions affecting your Secretariat.

OLAF will make the necessary arrangements for the transmission to the Budgetary Authorities of the SC's Opinion as soon as it is adopted.


Giovanni KESSLER

² C(2006) 6595