

The acting Director-General

Brussels

**NOTE FOR THE ATTENTION OF MR JAN MULDER,
CHAIRMAN OF THE OLAF SUPERVISORY COMMITTEE**

Via the Secretariat of the Supervisory Committee

Subject: OLAF's reporting for 2017 on its implementation of the Supervisory Committee recommendations

Dear Mr Mulder,

Please find enclosed to this note OLAF's reporting for 2017 on its implementation of the Supervisory Committee (SC) recommendations.

This report includes an update on one recommendation issued by the SC in December 2016, included in SC Opinion No 1/2016, *OLAF's Preliminary Draft Budget for 2017*, on which OLAF reported for the first time in February 2017¹.

This report also covers recommendations issued by the SC in 2017, included in SC Opinion No 2/2016 on the *OLAF Annual Activity Report* and SC Opinion No 1/2017 *OLAF Preliminary Draft Budget for 2018*.

Please note that this report does not include the follow-up of recommendations issued by the SC under the responsibility of former SC Members², in line with their decision communicated to OLAF by note of 30 March 2017³, to close definitively the exercise on the follow up of the recommendations issued under their responsibility as rapporteurs.

OLAF remains available for any questions you might have.

Yours sincerely,



N.J. ILETT

Encl.: OLAF's reporting for 2017 on its implementation of the SC recommendations

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¹ Ares(2017)853133 of 16 February 2017

² Mr J. Denolf, Ms C. Pignon and Mr D. Zimianitis

³ Ares(2017)1698572 of 30 March 2017



OLAF's reporting for 2017 on its implementation of the Supervisory Committee recommendations

Summary:

This report includes:

- Table 1: Follow-up on OLAF's report for 2016¹: update on one Supervisory Committee (SC) recommendation assessed as ongoing, included in the SC Opinion No 1/2016 *OLAF's Preliminary Draft Budget for 2017*, received by OLAF in December 2016. The Office considers that this recommendation is still ongoing.
- Table 2: OLAF's report for 2017 on nine SC recommendations issued in the same year, included in SC Opinion No 2/2016 *OLAF Annual Activity Report*, received by OLAF in February 2017, and SC Opinion No 1/2017 *OLAF Preliminary Draft Budget for 2018*, received by OLAF in July 2017. Out of the nine recommendations, the Office considers two recommendations as implemented, five recommendations as ongoing, and two as no longer applicable.

¹ Ares(2017)853133 of 16 February 2017

Table 1 - Follow-up on OLAF's report for 2016: update on one recommendation assessed as ongoing in February 2017

<i>I. No</i>	<i>II. SC Document Reference</i>	<i>III. SC Position</i>	<i>IV. OLAF position²</i>	<i>V. OLAF assessment of the implementation</i>
1.	<p>SC Opinion 1/2016</p> <p>OLAF's Preliminary Draft Budget for 2017</p>	<p><u>Original SC recommendation to OLAF</u></p> <p>The Supervisory Committee recommends that the Director-General of OLAF:</p> <p>(II) Increases the number of EU staff with certified legal expertise in the national legal orders in the related language, with a view of reaching a complete coverage of all the EU national legal frameworks, starting in the selection and review functions given the need to ensure full respect of the Rule of Law. In addition OLAF should ensure specific monitoring and yearly reporting in the OLAF Annual Activity report in this regard.</p>	<p><u>OLAF's report of 16 February 2017 –Ares(2017)853133</u></p> <p>OLAF fully shares the SC's view regarding the added-value of national legal experts. OLAF strives to recruit staff with legal expertise to cover adequately all national legal systems. Whenever needed, OLAF relies on the reviewers in the Selection and Review Unit, the Legal Advice Unit, other in-house expertise and relevant legal documents, notably the country profiles available to OLAF investigative staff containing relevant national legislation. Furthermore, OLAF provides training to its staff.</p> <p>In 2016, OLAF has launched EPSO competitions for recruiting experienced investigators. The EPSO competitions are expected to be finalised by the third quarter of 2017, with a view to start the recruitments later in the year. Therefore, this part of the recommendation is ongoing.</p> <p>Concerning the AAR, it should be noted that when drafting it OLAF must comply with the Standing Instructions issued by Commission services (SG and DG BUDG), which do not provide for reporting on the expertise of staff. Therefore, this part of the recommendation is not applicable.</p> <p><u>OLAF position February 2018</u></p> <p>The EPSO competitions were finalised end of 2017. Two laureate lists (AD7 and AD9) are now available for OLAF to recruit. Recruitments are expected to take place throughout 2018, therefore the recommendation can be considered as still ongoing.</p>	<p>Ongoing</p>

² The column "OLAF position" includes the previous and current positions.

Table 2 –OLAF's report for 2017 on nine SC recommendations issued in the same year, included in SC Opinion No 2/2016 OLAF Annual Activity Report and SC Opinion No 1/2017 OLAF Preliminary Draft Budget for 2018

<i>I. No</i>	<i>II. SC Document Reference</i>	<i>III. SC Position</i>	<i>IV. OLAF position</i>	<i>V. OLAF assessment of the implementation</i>
1.	<p>SC Opinion 2/2016</p> <p>OLAF Annual Activity Report</p>	<p><u>Original SC recommendation to OLAF</u></p> <p>The Supervisory Committee recommends that the Director General of OLAF:</p> <p>(i) Reports on the duration of pre-investigative work, including average time taken to initiate selection,</p>	<p><u>OLAF reply of 27 March 2017 –Ares(2017)1626249</u></p> <p>OLAF considers that such an indicator on the time elapsed between registration of incoming information and opening of a selection procedure can be established. The target to be set for this indicator would have to take into account that the initiation of a selection procedure requires a prior check on whether a selection or an investigation has already been opened on the same matter.</p> <p>OLAF will consider the introduction of such an indicator for the Management Plan 2018. That would allow for the reporting on this indicator to take place in the AAR 2018.</p> <p><u>OLAF position February 2018</u></p> <p>OLAF has an internal, informal target to open cases in selection within three working days from the registration of incoming information. However, due to problems encountered with OCM, this target was not considered for the 2018 Management Plan, but will be considered for the 2019 Management Plan. Therefore, this recommendation can be considered as still ongoing.</p>	<p>Ongoing</p>

2.	<p>SC Opinion 2/2016</p> <p>OLAF Annual Activity Report</p>	<p><u>Original SC recommendation to OLAF</u></p> <p>The Supervisory Committee recommends that the Director General of OLAF:</p> <p>(ii) Ensures a full management and reporting system encompassing all complaints about which OLAF has been informed,</p>	<p><u>OLAF reply of 27 March 2017 –Ares(2017)1626249</u></p> <p>OLAF considers that a full management and reporting system encompassing all complaints about which OLAF has been informed is already in place. All complaints are managed by OLAF's Legal Advice Unit.</p> <p>OLAF will continue reporting to the SC on procedural complaints on an annual basis; this encompasses complaints to the Director-General based on the complaint procedure made public by OLAF as well as any decisions taken on complaints based on Article 90a Staff Regulation. In addition, OLAF will continue to include in the OLAF Report a section on complaints and in its AAR an indicator on the timeliness of OLAF's responses to the European Ombudsman and the EDPS.</p> <p><u>OLAF position February 2018</u></p> <p>As explained in its initial reply to the SC Opinion, OLAF considers this recommendation as implemented.</p> <p>Relevant documentation already transmitted to the SC: OLAF's annual reporting to the SC on complaints: Ares(2015)2344053, Ares(2016)168503, Ares(2017)698141.</p>	<p>Implemented</p>
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3.	<p>SC Opinion 2/2016</p> <p>OLAF Annual Activity Report</p>	<p><u>Original SC recommendation to OLAF</u></p> <p>The Supervisory Committee recommends that the Director General of OLAF:</p> <p>(iii) Reports in full on the follow up given to the Committee's recommendations, considering their implementation in agreement with the Committee.</p>	<p><u>OLAF reply of 27 March 2017 –Ares(2017)1626249</u></p> <p>OLAF reports annually to the SC on the implementation of the recommendations. OLAF considers that it is the Director-General's discretion to decide on what to report in the AAR and therefore on the level of detail as regards the follow-up to SC recommendations. This approach is in line with the note of DG BUDG to the Chair of the Committee of 14 March 2016³.</p> <p><u>OLAF position February 2018</u></p> <p>OLAF reports annually directly to the SC on the implementation of the Committee's recommendations, as well as in its AAR. OLAF therefore considers this recommendation as implemented.</p> <p>Relevant documentation already transmitted to the SC: OLAF's annual reporting on its implementation of the SC recommendations: Ares(2015)3655275, Ares(2016)222388, Ares(2017)853133. OLAF AAR 2015⁴ and AAR 2016⁵.</p>	<p>Implemented</p>
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³ Ares(2016)1280453

⁴ https://ec.europa.eu/info/sites/info/files/activity-report-2015-dg-olaf_july2016_en.pdf

⁵ https://ec.europa.eu/info/sites/info/files/file_import/aar-olaf-2016_en_0.pdf

4.	<p>SC Opinion 1/2017</p> <p>OLAF Preliminary Draft Budget for 2018</p>	<p><u>Original SC recommendation to OLAF</u></p> <p>(I) OLAF should request the Internal Audit Service of the European Commission to carry out a post-implementation evaluation of the OCM which should incorporate the experiences of users, in addition to other elements.</p>	<p><u>OLAF reply of 6 October 2017 –Ares(2017)4894672</u></p> <p>As acknowledged by the Committee, OLAF continues to commit resources to the development of its OLAF Content Management System (OCM), which has not yet reached its full deployment. Several functionalities are still to be deployed in the coming year. Therefore, a post-implementation evaluation could be carried out in the second half of 2018 at the earliest.</p> <p>OLAF will carefully consider the need for requesting the Internal Audit Service of the European Commission for such a post-implementation evaluation. It should be noted that the user experiences of OCM will be evaluated annually as part of the user satisfaction survey on IT services.</p> <p><u>OLAF position February 2018</u></p> <p>The Internal Audit Service will carry out an audit on OLAF IT project management practices (including OCM) towards the end of 2018. As regards the experiences of users, these will be assessed in the context of the OLAF IT user satisfaction survey, which will most probably take place in June 2018. The Committee has been consulted on the draft survey proposal. Therefore, OLAF considers this recommendation as ongoing.</p>	<p>Ongoing</p>
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5.	<p>SC Opinion 1/2017</p> <p>OLAF Preliminary Draft Budget for 2018</p>	<p>As regards HR strategy 2017-2019, OLAF should pay particular attention to the following:</p> <p>(II) Detailed workforce planning, which assesses the number of staff to be recruited each year over the period;</p>	<p><u>OLAF reply of 6 October 2017 –Ares(2017)4894672</u></p> <p>When developing its HR strategy for 2017-2019, OLAF will pay special attention to the topics highlighted in the recommendation of the SC.</p> <p><u>OLAF position February 2018</u></p> <p>In the context of assessing the number of staff to be recruited each year, the retirement forecasts are closely monitored throughout the year, and communicated to the Senior management. After adopting its next HR Strategy Plan, most probably in the first semester of 2018, OLAF will share it with the Committee. It is expected to include in the Strategy the number of mandatory retirements in the 5 coming years per Unit. OLAF considers this recommendation as ongoing.</p>	<p>Ongoing</p>
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6.	<p>SC Opinion 1/2017</p> <p>OLAF Preliminary Draft Budget for 2018</p>	<p>As regards HR strategy 2017-2019, OLAF should pay particular attention to the following:</p> <p>(III) Consideration of measures that can be taken to reduce the average recruitment period</p>	<p><u>OLAF reply of 6 October 2017 –Ares(2017)4894672</u></p> <p>When developing its HR strategy for 2017-2019, OLAF will pay special attention to the topics highlighted in the recommendation of the SC.</p> <p><u>OLAF position February 2018</u></p> <p>Since the HR reorganisation in 2017, OLAF HR BC team, consisting of three staff members, has no longer responsibility for the recruitment procedures. In the new HR delivery model, these procedures are entirely managed and monitored by the Account Management Centre (DG HR) which should ensure a proper follow-up and reporting to OLAF senior management. Therefore, OLAF considers this recommendation as no longer applicable to OLAF.</p> <p>In 2017, it has proven again difficult to find internal candidates possessing the appropriate skills and professional experience to carry out investigative tasks. This explains why some recruitment procedures have been delayed in order to be able to recruit from the lists of laureates from OLAF competitions (available in October 2017 and December 2017).</p>	N/A
7.	<p>SC Opinion 1/2017</p> <p>OLAF Preliminary Draft Budget for 2018</p>	<p>As regards HR strategy 2017-2019, OLAF should pay particular attention to the following:</p> <p>(IV) Identifying possible retention measures based on information gathered through the exit interview process as to the main reasons for employees leaving (other than due to retirement);</p>	<p><u>OLAF reply of 6 October 2017 –Ares(2017)4894672</u></p> <p>When developing its HR strategy for 2017-2019, OLAF will pay special attention to the topics highlighted in the recommendation of the SC.</p> <p><u>OLAF position February 2018</u></p> <p>OLAF invites systematically departing staff to participate in an exit interview since 2015. Areas for improvement have been identified and a report on main findings (based on a critical mass) made during these exit interviews will be communicated to the senior management by the end of 2018. Therefore, this recommendation can be considered as ongoing.</p>	Ongoing

8.	<p>SC Opinion 1/2017</p> <p>OLAF Preliminary Draft Budget for 2018</p>	<p>As regards HR strategy 2017-2019, OLAF should pay particular attention to the following:</p> <p>(V) A detailed assessment of training needs – this should incorporate both technical and interpersonal skills, as well as situational training, such as specific training for newly appointed managers or for dealing with highly contested cases;</p>	<p><u>OLAF reply of 6 October 2017 –Ares(2017)4894672</u></p> <p>When developing its HR strategy for 2017-2019, OLAF will pay special attention to the topics highlighted in the recommendation of the SC.</p> <p><u>OLAF position February 2018</u></p> <p>OLAF has developed training paths for newly appointed investigators as well as for more senior investigators. The training needs assessment in the different Directorates is ongoing. Managers are regularly informed about the management training offers. DG HR has developed a specific training programme for newly appointed managers. OLAF staff may participate in external training on specialised subjects. OLAF staff organises also internal training in the framework of sharing of knowledge/experience between services. OLAF considers this recommendation as ongoing.</p>	Ongoing
9.	<p>SC Opinion 1/2017</p> <p>OLAF Preliminary Draft Budget for 2018</p>	<p>As regards HR strategy 2017-2019, OLAF should pay particular attention to the following:</p> <p>(VI) Measurement and benchmarking of key training statistical data, such as expenditure on training and average days spent on training, compared with peer organisations.</p>	<p><u>OLAF reply of 6 October 2017 –Ares(2017)4894672</u></p> <p>When developing its HR strategy for 2017-2019, OLAF will pay special attention to the topics highlighted in the recommendation of the SC.</p> <p><u>OLAF position February 2018</u></p> <p>Since the HR reorganisation in 2017, the Account Management Centre in DG HR is responsible for training expenditure as well as the provision of statistics on such expenditure. OLAF considers this recommendation as no longer applicable to OLAF.</p>	N/A