

The Director-General

Brussels

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

**Subject: OLAF's report on its implementation in 2018 of the Supervisory Committee recommendations**

Dear Mr Mulder,

Please find enclosed OLAF's annual report on its implementation in 2018 of the Supervisory Committee (SC) recommendations.

This report includes updates on six SC recommendations assessed as ongoing in February 2018<sup>1</sup>, included in SC Opinions No 1/2016 *OLAF's Preliminary Draft Budget for 2017*, No 2/2016 *OLAF Annual Activity Report* and No 1/2017 *OLAF Preliminary Draft Budget for 2018*.

This report also covers recommendations issued by the SC in 2018, included in SC Opinion No 1/2018 on *OLAF Preliminary Draft Budget for 2019*.

Together with my staff I remain available for any questions you might have.

Yours sincerely,



V. ITÄLÄ

Encl: OLAF's report on its implementation in 2018 of the Supervisory Committee recommendations

Cc: G. Stronikowska, H. Fazenda, P. Klement, R. Munoz, I. Vicente Carbajosa  
D. Schnichels, E. Bianchi, B. Sanz Redrado, M. Hofmann, O. Marin,  
N. Kolloczek, F. Michlik, N. Fol, C. Arwidi, J. Cappello

<sup>1</sup> OLAF's reporting for 2018 on its implementation of the Supervisory Committee recommendations, Ares (2018)781022 of 9 February 2018



## OLAF's report on its implementation in 2018 of the Supervisory Committee recommendations

Summary:

This report includes:

- Table 1: Follow-up on six Supervisory Committee (SC) recommendations assessed as ongoing in February 2018<sup>1</sup>, included in the SC Opinion No 1/2016 *OLAF's Preliminary Draft Budget for 2017*, received by OLAF in December 2016, 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 six recommendations, the Office considers 4 recommendations as implemented and 2 recommendations as ongoing.
- Table 2: OLAF's report for 2018 on four recommendations issued during the same year, included in SC Opinion No 1/2018 *OLAF Preliminary Draft Budget for 2019*, received by OLAF in July 2018. Out of the four recommendations, the Office considers 1 recommendation as implemented, 2 recommendations as ongoing and 1 recommendation as not applicable.

---

<sup>1</sup> OLAF's reporting for 2017 on its implementation of the Supervisory Committee recommendations, Ares (2018)781022 of 9 February 2018

**Table 1 - Follow-up on six recommendations assessed by OLAF as ongoing in February 2018**

I. No	II. SC Document Reference	III. SC Position	IV. OLAF position <sup>2</sup>	V. OLAF assessment of the implementation
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 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><u>OLAF position February 2019</u></p> <p>OLAF recruited 60% of the laureates on the list <i>Investigators- team leaders (AD9) EPSO/AD/324/16</i>. 53% of the laureates from the two lists <i>Investigator - EU expenditure, anti-corruption and Investigator – Customs and trade, tobacco and counterfeit goods (AD7) EPSO/AD/323/16</i> are recruited, or about to be recruited.</p> <p>The recruited laureates contribute to increasing the legal expertise of the Office, with 61% of them possessing a law degree. More specifically, two laureates with a law degree were recruited in the Investigation - Selection and Review Unit to reinforce the coverage of the Romanian and Greek legal frameworks.</p>	<p><b>Implemented</b></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>(i) Reports on the duration of pre-investigative work, including average time taken to initiate selection,</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><u>OLAF position February 2019</u></p> <p>OLAF has considered including a target to open cases in selection in the 2019 Management Plan. However, due to ongoing OCM</p>	<p><b>Ongoing</b></p>

<sup>2</sup> The column "OLAF position" includes the previous and current positions.

I. No	II. SC Document Reference	III. SC Position	IV. OLAF position <sup>2</sup>	V. OLAF assessment of the implementation
			developments it has been decided to consider the target for the 2020 Management Plan, once OCM is stabilised.	
3.	SC Opinion 1/2017 OLAF Preliminary Draft Budget for 2018	<b><u>Original SC recommendation to OLAF</u></b>  (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.	<b><u>OLAF position February 2018</u></b>  The IAS 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.  <b><u>OLAF position February 2019</u></b>  The Internal Audit Service is currently carrying out an audit on OLAF IT project management practices, including OCM. The user experiences of OCM will be evaluated annually as part of the user satisfaction survey on IT services. The results of the latest OLAF IT satisfaction survey, including questions about OCM, have been shared with the Committee on 12 December 2018 (Ares(2018)6383926)).	<b>Ongoing</b>
4.	SC Opinion 1/2017 OLAF Preliminary Draft Budget for 2018	As regards HR strategy 2017-2019, OLAF should pay particular attention to the following:  (II) Detailed workforce planning, which assesses the number of staff to be recruited each year over the period;	<b><u>OLAF position February 2018</u></b>  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 mention the number of mandatory retirements in the 5 coming years per Unit. OLAF considers this recommendation as ongoing.  <b><u>OLAF position February 2019</u></b>  On 10 January 2019, OLAF has adopted its new HR Strategic Plan (sent to the SC on 23 January 2019, Ares(2019)380925). The retirement forecasts are included in the HR Strategic Plan and are regularly updated throughout the year as some colleagues retire before the mandatory age of retirement. To ensure the alignment of the	<b>Implemented</b>

I. No	II. SC Document Reference	III. SC Position	IV. OLAF position <sup>2</sup>	V. OLAF assessment of the implementation
			resources with the needs and agreed priorities of the service, a workforce assessment exercise should be launched in 2019 and repeated regularly in the coming years.	
5.	SC Opinion 1/2017  OLAF Preliminary Draft Budget for 2018	As regards HR strategy 2017-2019, OLAF should pay particular attention to the following:  (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);	<u><b>OLAF position February 2018</b></u>  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.  <u><b>OLAF position February 2019</b></u>  Two reports on exit interviews were presented to the Senior management, the first one covering 2017 and the second one the first semester of 2018. The importance of transparent communication to all staff, as well as the need to increase top down communication and to give more opportunities to staff to express themselves were stressed in the reports. Better work distribution by managers and access to practical tools (notably OCM) were also raised by departing staff.	<b>Implemented</b>
6.	SC Opinion 1/2017  OLAF Preliminary Draft Budget for 2018	As regards HR strategy 2017-2019, OLAF should pay particular attention to the following:  (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;	<u><b>OLAF position February 2018</b></u>  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.  <u><b>OLAF position February 2019</b></u>  The training paths for newly appointed investigators as well as for	<b>Implemented</b>

<b><i>I. No</i></b>	<b><i>II. SC Document Reference</i></b>	<b><i>III. SC Position</i></b>	<b><i>IV. OLAF position<sup>2</sup></i></b>	<b><i>V. OLAF assessment of the implementation</i></b>
			<p>more senior investigators are regularly updated. The training needs assessment in the different Directorates is a continuous process as needs continuously evolve. The HR Business Correspondent team of OLAF is discussing training needs with managers to establish a Learning &amp; Development plan for 2019. 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 staff training needs will continue to be assessed on a regular basis hence this recommendation can be considered as implemented.</p>	

**Table 2 - OLAF's report for 2018 on four recommendations issued by the SC during the same year**

<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.	SC Opinion 1/2018  OLAF Preliminary Draft Budget for 2019	<u><i>Original SC recommendation to OLAF</i></u>  The Committee recommends that the OLAF Director-General that OLAF should have a recruitment policy with a long term vision to increase the recruitment rate and retain staff once recruited.	<u><i>OLAF position February 2019</i></u>  The OLAF HR Strategic Plan adopted on 10 January 2019 put emphasis on the recruitment policy as recommended by the SC. To speed up recruitments the plan stressed in particular the need for managers to take steps as soon as a departure is known to identify potential candidates for replacement and prepare them for the position.	<b>Implemented</b>
2.	SC Opinion 1/2018  OLAF Preliminary Draft Budget for 2019	<u><i>Original SC recommendation to OLAF</i></u>  The Committee recommends that the OLAF Director-General implements the Committee's previous recommendation to request an audit by the Internal Audit Service of the Commission of the OCM ICT project, and ensure that the investigation includes the costs of the project since its inception, users' experiences of using the database and a list of the issues they encountered.	<u><i>OLAF position February 2019</i></u>  The Internal Audit Service is currently carrying out an audit on OLAF IT project management practices, including OCM. The user experiences of OCM will be evaluated annually as part of the user satisfaction survey on IT services. The results of the latest OLAF IT satisfaction survey, including questions about OCM, have been shared with the Committee on 12 December 2018 (Ares(2018)6383926)).	<b>Ongoing</b>
3.	SC Opinion 1/2018  OLAF Preliminary Draft Budget for 2019	<u><i>Original SC recommendation to OLAF</i></u>  The Committee recommends that the OLAF Director-General establishes a budget impact assessment to measure the impact that transferring posts to EPPO will have on OLAF's efficiency and operational capacities.	<u><i>OLAF position February 2019</i></u>  OLAF has included in its draft budget for 2020 the budgetary impact of the posts to be transferred to EPPO in 2020 (two AD and two AST posts, as well as equivalent of the budget for 5 contract agents).  OLAF is currently establishing a methodology to assess cases that would possibly fall under EPPO's competence. Moreover, the Office has started a strategic and inclusive reflexion on the future of OLAF, including the impact the EPPO will have on all	<b>Ongoing</b>

<b>I. No</b>	<b>II. SC Document Reference</b>	<b>III. SC Position</b>	<b>IV. OLAF position</b>	<b>V. OLAF assessment of the implementation</b>
			aspects of OLAF's activities. In this context, an all staff seminar is being organised on 13 May.	
4.	SC Opinion 1/2018  OLAF Preliminary Draft Budget for 2019	<b><u>Original SC recommendation to OLAF</u></b>  The Committee recommends that the OLAF Director-General requests the European Commission to re-establish a human resources unit within OLAF to preserve its efficiency and independence in recruitment procedures.	<b><u>The OLAF position February 2019</u></b>  The current HR delivery model applies to all Commission's services, also to OLAF. The HR service delivery model is organised around 3 roles:  - The HR Business Correspondent (HR BC) teams - a small capacity in each DG and Service responsible for HR strategic issues and supporting the HR decision-making process,  - The HR Account Management Centre (AMC) Directorate within DG HR providing day-to-day HR services for clusters of DGs and implementing the HR priorities set by the DGs, and  - The HR Corporate service responsible for the design of HR policies, advice to the AMC and HR BC, and provision of some centralised services.  A fully-fledged HR Unit within OLAF would not be in line with this model. However, it is important that OLAF has a correctly staffed HR BC team, commensurate with its specificities and independence.	N/A