



EUROPEAN ANTI-FRAUD OFFICE

The 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 report on its implementation in 2019 of the Supervisory Committee recommendations**

Dear Mr Mulder,

Please find enclosed OLAF's annual report on its implementation in 2019 of the Supervisory Committee (SC) recommendations.

This report includes updates on four SC recommendations assessed as ongoing in February 2019<sup>1</sup>, included in SC Opinion No 2/2016 OLAF Annual Activity Report, SC Opinion No 1/2017 OLAF Preliminary Draft Budget for 2018, and SC Opinion No 1/2018 OLAF Preliminary Draft Budget for 2019.

This report also covers recommendations issued by the SC in 2019, included in SC Opinion No 1/2019 on OLAF Preliminary Draft Budget for 2020.

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 2019 of the Supervisory Committee recommendations

Copy: SC: G. Stronikowska, H. Fazenda, P. Klement, R. Munoz, L. Papadias,  
OLAF: D. Schnichels, E. Bianchi, B. Sanz Redrado, M. Hofmann, N. Kolloczek,  
C. Kreith, M. Voyatzi, C. Arwidi, E. von Bardeleben

<sup>1</sup> OLAF's reporting for 2018 on its implementation of the Supervisory Committee recommendations, Ares(2019)1298491 of 26 February 2019.



## **OLAF's report on its implementation in 2019 of the Supervisory Committee recommendations**

Summary:

This report includes:

- Table 1: Follow-up on four Supervisory Committee (SC) recommendations assessed as ongoing in February 2019<sup>1</sup>, included in SC Opinion No 2/2016 *OLAF Annual Activity Report*, received by OLAF in February 2017, SC Opinion No 1/2017 *OLAF Preliminary Draft Budget for 2018*, received by OLAF in July 2017 and 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 three recommendations as implemented and one recommendation as partially implemented.
- Table 2: OLAF's report for 2019 on three recommendations issued during the same year, included in SC Opinion No 1/2019 *OLAF Preliminary Draft Budget for 2020*, received by OLAF in May 2019. Out of the three recommendations, the Office considers one recommendation as implemented, one recommendation as ongoing and one recommendation as not yet applicable.

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<sup>1</sup> OLAF's reporting for 2018 on its implementation of the Supervisory Committee recommendations, Ares(2019)1298491 of 26 February 2019.

**Table 1 - Follow-up on four recommendations assessed by OLAF as ongoing in February 2019**

<i>I. No</i>	<i>II. SC Document Reference</i>	<i>III. SC Position</i>	<i>IV. OLAF position<sup>2</sup></i>	<i>V. OLAF assessment of the implementation</i>
1.	SC Opinion 2/2016  OLAF Annual Activity Report	<p><b><u>Original SC recommendation to OLAF</u></b></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><b><u>OLAF position February 2018</u></b></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><b><u>OLAF position February 2019</u></b></p> <p>OLAF has considered including a target to open cases in selection in the 2019 Management Plan. However, due to ongoing OCM developments it was decided to consider the target for the 2020 Management Plan, once OCM is stabilised.</p> <p><b><u>OLAF position February 2020</u></b></p> <p>As regards the pre-investigative work, a distinction needs to be made between the pre-selection and the selection phase. OLAF reports on the duration of the selection phase in its Annual Activity Report and the OLAF Report.</p> <p>As for the pre-selection phase, its duration has been significantly reduced since the publication of SC Opinion 2/2016, and is now a matter of a few days. An analysis performed by OLAF on a sample of cases in February 2020 indicates that since 2016 the average time between the reception of information and the opening of a selection has been reduced by more than 50%. This is primarily due to a reduction in time between the registration and the opening of a selection, which has gone down by more than 70%. Although based on a sample of cases, the analysis can be considered as reasonably representative of the whole population.</p>	<b>Partially implemented</b>

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

<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>The pre-selection phase involves several units and different tasks, and its duration does not reflect the performance of one single unit. OLAF considers that the added value of having the duration of the pre-selection phase among its key performance indicators would not be proportionate to the effort to measure it and that its usefulness would be limited.</p>	
2.	<p>SC Opinion 1/2017 OLAF Preliminary Draft Budget for 2018</p>	<p><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.</p>	<p><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.</p> <p><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).</p> <p><b><u>OLAF position February 2020</u></b> The scope of the IAS Audit on Project management covered the whole period from the OCM project inception until December 2018, and the audit covered, among others, the issues of costs and stakeholders' responsibilities.</p> <p>The IAS audit report was transmitted to OLAF on 12 June 2019 and accepted by OLAF on 12 July 2019. The audit report was shared with the SC on 9 August 2019.</p>	<p><b>Implemented</b></p>

<b>I. No</b>	<b>II. SC Document Reference</b>	<b>III. SC Position</b>	<b>IV. OLAF position<sup>2</sup></b>	<b>V. OLAF assessment of the implementation</b>
			<p>The IAS audit resulted in an action plan, consisting of 19 actions. OLAF completed all actions by December 2019 and put them under the review of the auditors.</p> <p>Users' experience was measured in a satisfaction survey carried out in December 2019. The SC was consulted during the preparation of the survey. The results of the survey are currently under analysis and will be communicated to the SC in due course.</p> <p>Against this background, OLAF considers the SC recommendation on an all-inclusive OCM audit as implemented.</p>	
3.	<p>SC Opinion 1/2018</p> <p>OLAF Preliminary Draft Budget for 2019</p>	<p><b><u>Original SC recommendation to OLAF</u></b></p> <p>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.</p>	<p><b><u>OLAF position February 2019</u></b></p> <p>See the reply to recommendation No 2 above.</p> <p><b><u>OLAF position February 2020</u></b></p> <p>See the reply to recommendation No 2 above.</p>	<b>Implemented</b>
4.	<p>SC Opinion 1/2018</p> <p>OLAF Preliminary Draft Budget for 2019</p>	<p><b><u>Original SC recommendation to OLAF</u></b></p> <p>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.</p>	<p><b><u>OLAF position February 2019</u></b></p> <p>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).</p> <p>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 aspects of OLAF's activities. In this context, an all staff seminar is being organised on 13 May.</p> <p><b><u>OLAF position February 2020</u></b></p> <p>Following the organisation of the staff seminar in May 2019,</p>	<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>OLAF considers this recommendation implemented.</p> <p>The SC has acknowledged in its Opinion 1/2019 that it considers this recommendation as implemented.</p>	

**Table 2 - OLAF's report for 2019 on three 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 1/2019  OLAF Preliminary Draft Budget for 2020	<p><b><u>Original SC recommendation to OLAF</u></b></p> <p>The Committee recommends that OLAF's Director-General reinforce the Office's administrative, financial and investigative independence by requesting from the European Commission the redeployment of a fully-fledged human resources unit. This unit would be responsible, amongst other things, for all the missions currently handled by the AMC.5 for OLAF, but with the necessary independence from the Directorate-General for Human Resources and Security.</p>	<p><b><u>The OLAF position February 2020</u></b></p> <p>OLAF is undertaking important steps to reinforce its HR capacities in the context of its ongoing reorganisation, notably by attaching the HR BC team directly to the Director-General.</p> <p>In addition, OLAF intends to request from DG HR a reinforcement for the HR BC team, for the reasons raised by the SC, on the grounds of OLAF's partially independent status and a foreseen increase in the need for HR development and specific training of OLAF staff in the coming years in light of the arrival of the EPPO and the changing nature of OLAF's activities.</p>	<b>Ongoing</b>
2.	SC Opinion 1/2019  OLAF Preliminary Draft Budget for 2020	<p><b><u>Original SC recommendation to OLAF</u></b></p> <p>The Committee recommends, once OLAF has received the required resources from the European Commission, that OLAF's Director-General ensure that a risk assessment is carried out focusing on OLAF's new tasks in terms of fraud prevention and risk analysis.</p>	<p><b><u>The OLAF position February 2020</u></b></p> <p>In 2019, the Commission assigned three posts to OLAF for the implementation of the new Commission Anti-Fraud Strategy. OLAF requested additional resources from the Commission in February 2020. Any additional resources will only be made available following a decision of the new Commission and based on its future priorities.</p>	<b>Not yet applicable</b>
3.	SC Opinion 1/2019  OLAF Preliminary Draft Budget for 2020	<p><b><u>Original SC recommendation to OLAF</u></b></p> <p>The Committee reiterates its recommendations of 2017 and 2018 and recommends that OLAF's Director-General plan an IAS audit ex post of the process leading to the OCM project since its inception. This audit should focus in particular on all the costs of the project (direct and indirect) since its inception, users'</p>	<p><b><u>The OLAF position February 2020</u></b></p> <p>See the reply to recommendation No 2 in Table 1 above.</p>	<b>Implemented</b>

<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>
		experiences of using the database, a list of the issues they encountered and the responsibilities of the different actors.		