

MB DECISION

Decision n°: 2021/13

Subject: Adoption of the update n. 2 of the Agency's Anti-Fraud Strategy

THE MANAGEMENT BOARD OF THE EUROPEAN UNION AGENCY FOR FUNDAMENTAL RIGHTS

HAVING REGARD to the Council Regulation (EC) No 168/2007 of 15 February 2007 establishing a European Union Agency for Fundamental Rights, and in particular Articles 2, 4 and 22,

HAVING REGARD to the Financial Rules applicable to the budget of the European Union Agency for Fundamental Rights and in particular article 30 paragraph 2(d),

HAS DECIDED AS FOLLOWS

Article 1

To adopt the update n. 2 of the Agency's Anti-fraud Strategy

Done at Vienna, on 16.12.2021

For the European Union Agency for Fundamental Rights



*Elise Barbé
Chairperson of the Management Board*

Annex: Update n. 2 of the Agency's Anti-Fraud strategy

UPDATE OF THE ANTI-FRAUD STRATEGY

December 2021

Document Control Sheet

Owner: Director

Log of issues:			
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Issue #	Issue date	Change description	Related documents affected by new issue
01	12.12.2014	First issue	
02	13.12.2018	First revision	
03	16.12.2021	Second revision	

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1. Introduction

1.1 Specific FRA context

The European Union Agency for Fundamental Rights (FRA) has been set up to provide independent evidence-based advice relating to fundamental rights, in the domain of Union law. The FRA's activities serve to promote fundamental rights and to support the EU institutions and Member States in raising the level of protection for everyone in the European Union.

The objective, the scope and the tasks of the Fundamental Rights Agency are set out in Articles 2 to 4 of Council Regulation (EC) NO 168/2007 establishing the FRA.

To achieve this objective, the Agency collects and analyses data in order to provide independent, evidence-based assistance and expertise to EU institutions and Member States, as well as other human rights stakeholders.

The Agency situates its work in the wider context of the Charter of Fundamental Rights of the European Union. The purpose of the Charter is to strengthen the protection of fundamental rights in the European Union in the light of changes in society, social progress, and scientific and technological developments. The Agency fulfils its tasks, as defined by its Regulation, by implementing specific projects and horizontal activities within the thematic areas of its five-year Multi-annual Framework, which fall broadly under different Titles of the Charter of Fundamental Rights. The thematic areas of the Multi-annual Framework are at the same time of a cross-cutting nature, as they have implications on fundamental rights in different Titles of the Charter.

The main partners of the Agency are the European Commission, the European Parliament, Council of Europe, and EU Member States, equality bodies, national human rights institutions, and other bodies with a human rights remit.

1.2 FRA's Anti – Fraud Strategy

In 2011 the European Commission adopted a new Anti-Fraud Strategy, CAFS, aiming at improving the prevention and detection of fraudulent acts.

In line with the priorities set by the European Commission and in line with the methodology and the guidance provided by the European anti-Fraud Office, in December 2014 FRA adopted its first antifraud strategy and related action plan.

In 2018 on the basis of the experience during the previous years of implementation the Strategy was revised considering the lessons learned.

The relevant actions of the last action plan adopted in December 2018 were implemented.

The implementation of the internal control systems creates a reinforced overall environment in which fraud is prevented by the integrated application of different measures embedded in the Agency processes. Furthermore, the permanent contribution of the Internal Audit activities (IAS) and the Court of Auditors visits provides an independent assessment on the existing level of assurance.

Aiming to keep the risk of fraud at the minimum level allowing a sound financial management of its resources, the Agency, through this revision will strengthen the areas of prevention and detection continuing to raise awareness with regard to fraud matters among staff members and contractors, facilitating detection of possible fraudulent behaviours.

The current revision considers that the preventive actions undertaken so far are still applicable and will also consider the principle of proportionality, according to which the achievement of the strategy should not require disproportionate and excessively expensive inputs and should not jeopardise the operational activities.

2. Fraud definition

The concept of fraud encompasses both internal and external misbehaviour. It covers in particular, but not only, any infringement of the financial interests of the EU as defined by the Convention on the protection of the European Union's financial interests.

It also covers misbehaviour that may not have a direct impact on the EU's financial interests, such as some cases of forgery (in CVs for example), money laundering, concealment or destruction of material facts, or breaches of IT systems. Conflicts of interests that have intentionally not been declared, favouritism and collusion also belong to the category of fraud.

3. Fraud risk assessment

Based on the experience and considering the robustness of existing controls, FRA is of the opinion that the risk of undetected fraud remains at an acceptable low level.

The Agency has already incorporated in the annual risk register a specific part dedicated to fraud prevention nevertheless, in order to further focus on the risk of fraud and in line with the OLAF's Guidance and Methodology in this revision the fraud risk assessment has been repeated in a perspective of improved efficiency and the results of it recorded in the table which is presented in the annex to this strategy.

The parameters of the fraud risk, probability that the risk of fraud will materialise, and the impact generated on the Agency in case the risk is materialised, are quantified and presented in the same table following consideration of the existing controls.

4. Objectives and actions

During the past years of implementation FRA achieved the strategic objectives to reinforce a culture of high ethical behaviour and to strengthen the existing controls in a perspective of fraud prevention.

After the successful set up of this ethics framework, considering the proportionality principle and the available resources the Agency is now in a position to focus on continuous follow up and improvement of the measures taken, with special attention to continued communication and awareness raising and a regular review of key policies and procedures.

On the basis of the above considerations and considering the risk assessment the Agency has identified the following strategic objectives in order to further improve the efficiency of fraud prevention within the already existing structure of internal controls.

1. Continuously reinforce an anti-fraud culture based on awareness within the organisation.
2. Focus efforts on potential fraud risk management in identified areas of the organisation.
3. Maintain an effective system for internal reporting and detection of activities detrimental to the Union's interests
4. Regular follow up and monitoring of the existing ethics framework.

The achievement of the objectives will be possible through a specific set of actions as described in the following paragraphs.

4 1. Continuously reinforce an anti-fraud culture based on awareness in the organisation.

Reinforcing the anti-fraud awareness in the Agency with a common understanding of rules and values becomes of paramount importance in the perspective of establishing a reliable anti-fraud structure embedded in our daily business processes.

This integrates the existing ethics framework and commits the Agency to increase the knowledge, responsibility, and participation of all the staff members in the prevention of fraud.

The development of compulsory trainings on “fraud prevention” and “ethics and integrity” for all staff members facilitated the promotion of ethical values and understanding of fraud risks.

Actions

- Maintain the regular communication to Staff on anti-fraud and ethics related matters.
- Repeat the “fraud prevention” training including updated information.

4.2 Focus efforts on potential fraud risk management in identified areas of the organisation.

This objective aims at enhancing specific fraud risk assessment ensuring the correct identification and prevention in the areas where the risks may be considered at high level.

This will be complemented by focused control actions in specific areas.

Actions

- Continue to include fraud related risk assessment in the annual exercise and reflect the results in the risk register.
- Undertake possible actions, checks or ex post controls stemming out from the risk assessment.

4.3 Maintain an effective system for internal reporting and detection of activities detrimental to the Union’s interests.

This objective aims at providing effective guidance in reporting improprieties and reinforcing fraud prevention across the organisation. The purpose of having these controls in-house is to tighten potential gaps in managing financial and operational processes, and to help staff members report improprieties with the appropriate protection.

Actions

- Continue to improve the staff’s awareness on the reporting channels and whistleblowing procedures.

4.4 Regular review of existing policies procedures and guidelines.

In order to avoid that policies may become rapidly obsolete and lose their credibility if not updated and improved regularly, the review of existing policies and procedures will be undertaken as appropriate.

Actions

Regular monitoring of the legal framework evolution and subsequent update, improvement of policies and procedures.

5. Means and resources

The Agency has implemented a complete set of initiatives and controls and has at its disposal the following resources which are engaged in tackling fraud.

Human resources

Units/ Functions	
Management Board	Adoption of the Anti-fraud strategy.
European Court of Auditors (ECA)	The ECA acts as the Agency's external auditor.
Internal Audit Service (IAS)	The IAS acts as the Agency's internal auditor.
Director and Management team	As process owners responsible for the effective and efficient functioning of the process. As authorising officers responsible for the proper execution of the relevant controls. Continuous awareness raising on ethical and fraud prevention "tone at the top".
Head of Corporate Services Unit	Central contact point for OLAF investigations and coordination of Anti-Fraud Strategy. Responsible for the conduct of administrative inquiries and disciplinary proceedings at FRA
Ethics Officer	Support regarding fraud prevention through training and guidance. Fraud risk assessment. Compliance checks and Ex post controls. Monitoring of ethics legal framework. Advise on ethics issues.
Human resources	Ex-ante controls on individual entitlements and, recruitment process.
Legal	Support for legal advice, complaints, infringements, prevention of conflict of interest for MB and SC.
Finance	Ex-ante and ex-post financial controls.
Digital services	Responsible for the IT risk assessment/risk management and related IT security measures.
Accounting Officer	Independent Accountant of the Agency.

6. Review and monitoring

The strategy is in force since the date of its adoption and will be revised after three years.

The implementation of the Agency's Anti –Fraud Strategy, policy and procedures will be subject to periodic review on the basis of an evaluation of the impact using some indicators, among which for example number of OLAF cases and number of internal whistleblowing cases.

7. Action plan

No	Action	Who	Target
1	Maintain the regular communication to Staff on anti-fraud and ethics related matters.	CS-Ethics officer	Dec 2022
2	Continue to improve the staff's awareness on the reporting channels and whistleblowing procedures.	Ethics officer	Dec 2022
3	Continue to include fraud related risk assessment in the annual exercise and reflect the results in the risk register.	CS-Ethics officer	On an annual basis
4	Undertake possible actions, checks or ex post controls stemming out from the risk assessment.	Ethics officer	As appropriate on an annual basis
5	Regular monitoring of the legal framework evolution and subsequent update, improvement of policies and procedures.	Ethics Officer	Continuous