The EUAA Anti-Fraud Strategy: Updated control activities status for Q4 2022

Fraud Prevention Risk Management Objectives	Priority Measures[1]	Control Activities[2] (IMPLEMENTATION STATUS: Implemented / in progress/ planned)
1. Fraud Risk Governance The EUAA's MT and MB demonstrate in their instructions and actions commitment to high integrity and ethical values regarding managing fraud risk by establishing and communicating to all staff a sound and solid ethical framework and Anti-Fraud Strategy	**1.1 Makes an Organisational Commitment to Fraud Risk Management** – With the support of the ICC, the MT is involved in and demonstrates commitment to the fraud risk management process by establishing and documenting objectives and priority measures to prevent and detect fraud.	• The ED establishes and documents objectives and priority measures to prevent and detect fraud (EASO/EDD/2020/078[3]) - Implemented • Fraud risk assessment results and action plan are re-assessed and endorsed by the MB - Implemented
	1.2 Supports Fraud Risk Governance - The MT supports fraud risk management as a 'key element' of corporate governance by sponsoring and communicating the fraud risk register to the MB and EUAA staff.	• The EUAA Fraud Risk Register is communicated to the MB - Implemented • An info session for Risk Management Correspondents raises awareness on fraud prevention and the fraud risk register once endorsed by MT - Implemented • The Fraud Risk Register is made available on the C4 intranet site and is accessible to all EUAA staff members - Implemented
	1.3 Establishes a comprehensive Anti-Fraud Strategy - The MT provides a solid foundation of fraud risk management by establishing a "comprehensive" anti-fraud strategy.	• A "comprehensive" Anti-Fraud Strategy is established, based on the fraud risk management exercise process that followed a pre-defined agreed methodology by the MT (EASO/EDD/2020/078) – Implemented
	1.4 Establishes Fraud Risk Governance Roles and Responsibilities throughout the Agency - The MT identifies and appoints the appropriate function with a key role and responsibilities regarding the implementation of the Anti-Fraud Strategy.	• The ED to agree with the MT on the key governance roles and responsibilities throughout the Agency on fraud risk management. These shall be documented and approved by the ED. (EASO/EDD/2020/078) - Implemented • The EUAA MT has identified the Head of ICRMS (ICC) as a key function with a key role and responsibility to coordinate the implementation of EUAA fraud risk management and the

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1 This priority measures have been proposed by the ICC but may be modified by EUAA MT during the fraud risk management process
2 The control activities are to be proposed by the ICC and endorsed by the MT. Some control activities may be the MT risk response to an identified fraud risk
3 Decision of the Executive Director of 8 April 2020 on the Manual for Fraud Risk Management (EASO/EDD/2020/078).

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		process to up-date the Anti-Fraud Strategy. This is documented and approved by the ED. (EASO/EDD/2020/078) - Implemented. • The EUAA has appointed an Ethical Correspondent function in the HRSU to increase awareness and maintain the highest ethical standards, as well as guide staff to be able make ethical decisions, including taking the necessary actions for fraud prevention – Implemented
	1.5 Communicate the Anti-Fraud Strategy at all levels - The MT supports the ongoing effectiveness of the Anti-Fraud Strategy by maintaining and communicating a continuous focus on fraud deterrence, prevention and detection throughout the Agency.	• The EUAA Anti-Fraud Strategy is communicated at all levels (Staff, MT and MB) by making it available on the C4 intranet - Implemented • An info session to all staff to explain and increase awareness on fraud prevention and introduce the EUAA Anti-Fraud Strategy - Implemented • Continuous training, focusing on fraud risk management, fraud deterrence, prevention and detection is compulsory and needs to be provided regularly (<u>every two years</u>) to all staff involved on financial circuits and budget implementation (through ICRM 02 - half day training on risk management and fraud prevention) - Implemented • Updated and appropriate information including new fraud prevention controls and the Anti-Fraud Strategy process information should be included on the content and training material (through ICRM 02 - half day training on risk management and fraud prevention) - Implemented
2. Fraud Risk Assessment Based on the EUAA fraud prevention risk management objectives and priorities, the	**2.1 Involves appropriate levels of management and staff from across the different entities and functions of the Agency** - The fraud risk assessment process includes appropriate levels and recognises that fraud can happen at any level or component of the Agency.	• The fraud risk assessment process follows a bottom-up approach in line with the methodology suggested in the EUAA's Manual for Risk Management (EASO/ED/2019/254[4]), by including Risk Management Correspondents from every Unit before the ICC proposes the critical and significant risks to the MT for re-assessment - Implemented

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[4] Decision of the Executive Director of 29 September 2019 on the Risk Management Manual (EASO/EDD/2019/254).

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Fraud Prevention Risk Management Objectives	Priority Measures[1]	Control Activities[2] (IMPLEMENTATION STATUS: Implemented / in progress/ planned)
MT performs comprehensive fraud risk assessments to identify specific fraud incentives, pressures and opportunities, evaluates existing fraud control activities and implements actions to mitigate residual fraud risks.	**2.2 Analyses Internal and External Factors** – The fraud risk assessment process considers both internal and external factors and their impact on the achievement of objectives.	• During the fraud risk assessment exercise, both internal and external factors that might lead to fraud risk are considered. The critical and significant fraud risks that might impact the achievement of the EUAA's objectives are documented in the central Risk Register in line with the methodology specified in the EUAA's Manual for Risk Management (EASO/ED/2019/254) - Implemented
	2.3 Considers risk of management override of controls - The fraud risk assessment considers specifically the risk of management override of controls	• Exceptional circumstances that may impose decisions by management which represent a deviation from established controls are to be approved by the ED and documented in the central register of exception in accordance with an agreed methodology and monitored by the ICRMS (EASO/ED/2019/417 - Implemented. • An ex-post control function that is adequately resourced is established in C4, with among other objectives, to detect irregularities and red flags of fraud and prevent the risk of management overriding of controls - Implemented • The roles and responsibilities of RAOs are duly explained, documented and agreed upon in a charter of tasks and responsibilities, which is acknowledged and signed by all RAOs. The Charter conforms to requirements under the Financial Regulation and explain the responsibilities and consequences when a manager overrides controls - Implemented • The roles and responsibilities of staff responsible for ex-ante and ex-post financial verification are explained, documented, and agreed in a Code of professional standards. The Code conforms to legislative requirements in the Financial Regulation - Implemented • The Internal Audit Service (IAS) evaluates the EUAA's internal controls, including the efficiency and effectiveness of controls in place to mitigate the risk of management override of controls - Implemented

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		• The Finance Manual[5] to be updated with new EUAA FR provisions, particularly the roles and responsibilities of financial actors regarding conflicts of interest, fraud and irregularities reporting, financial irregularities panel, Governance and Internal Control - Implemented
		• An info session is annually provided by the ICRMS to all RAOs to explain them how EUAA internal control systems in place (components, principles and characteristics) and associated mitigate the risk of management overriding of control as well as their roles and responsibilities when a RAO overrides controls. – Reassessed as in progress in Q4 2022 due to turnover in the ICRMS. New target date, Q1 2023.
		• The External Court of Auditors (ECA) assesses whether expenditure operations comply with relevant legal and regulatory framework requirements, and amongst other purposes, it may reduce the risk of management override of controls - Implemented
		• A specific workflow is available to the Initiating function in ABAC to guarantee that all instances of RAOs overriding ex-ante controls are documented. The use of this workflow is explained in the Finance Manual and can only be issued by the Initiating Agent after a rejection by the verification function – Reassessed as in progress in Q4 2022 as the finance manual has been repealed and new instructions on this matter in the finance guidance are not aligned with the EUAA Financial Regulation. New target date, Q1 2023.
	2.4 Estimates the Likelihood and Significance of Risks Identifies - The fraud risk assessment team carefully evaluates the probability that each particular fraud risk	• A continuous, proactive and systematic process of identifying, assessing and managing risks in line with the acceptable risk levels, is carried out at every level of the EUAA and considers the risk of fraud to provide reasonable assurance as to the

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[5] Decision of the Executive Director of 15 February 2019 on the adoption of a new Finance Manual for the EUAA (EASO/ED/2019/95)

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	could occur and the potential effects on the Agency if that particular fraud occurs	achievement of objectives. Each fraud risk's identified severity is based on two criteria: Likelihood of each particular risk's occurrence & Impact of the potential effects if the fraud risk occurs (EASO/ED/2019/254) Implemented
	2.5 Assess Personnel or Centres/Units/Sectors involved and all aspects of the Fraud Triangle - The fraud risk assessment team focuses on incentives and pressures, opportunities, attitudes, and rationalisations to commit fraud.	• All actors involved in the annual risk management process are to be trained on fraud prevention and all aspects of the Fraud Triangle, so that during the exercise they can focus on incentives and pressures, opportunities, attitudes and rationalisations to commit fraud (Three training sessions of three hours each to be provided to the following target audiences: all staff[6], risk management correspondents and the MT) - Implemented • Guidance on fraud prevention and identification, including all aspects of the fraud triangle, are documented and made available to staff on the ICRMS intranet - Implemented • The MT, together with the support of the ICC, to assess and define sensitive functions based on pre-defined risk factors: a) decision making capacity; b) capacity to influence decisions; c) regular access to sensitive information; d) high level contacts; e) high level of expertise (EASO/ED/2019/301) - Implemented
	2.6 Identifies Existing Fraud Control Activities and Assesses Their Effectiveness - The fraud risk assessment team identifies and evaluates existing and missing controls for effectiveness to determine residual fraud risks that require mitigation.	• During the fraud risk management process, the ICC will propose for each fraud prevention objective and priority measure, existing and missing control activities to the MT. In doing so, the ICC will also assess the effectiveness / appropriateness of the control activities to determine the residual fraud risks that require mitigation - Implemented
	2.7 Determines How to Respond to Risks - The fraud risk assessment team's ultimate goal is to formulate effective and appropriate responses to all fraud risks.	• As a result of the fraud risk management process, the main risk responses are summarised and documented in the Fraud Risk Register Action Plan annexed to this Strategy - Implemented

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[6] Statutory Staff, SNEs and Interims

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	2.8 Performs Periodic Reassessments and Assesses Changes to Fraud Risk – The Agency repeats the risk assessment process periodically and at least once per year and considers changes affecting the EUAA, including changes in the external environment, operations, personnel and leadership that can affect fraud risks.	• In accordance with EASO/ED/2020/078, the ICC will coordinate periodic re-assessments, and assess changes to fraud risk. Furthermore, the MT will - at least annually - re-assess the results of the fraud risk management process - Implemented
3. Fraud Control Activity The EUAA mitigates the risk of fraud events occurring or not being detected in a timely manner through selecting, developing, and deploying preventive and detective fraud control activities through all the priority areas.	**3.1 Promotes Fraud Deterrence through Preventive and Detective Control Activities** – The Agency addresses its fraud deterrence as a process of eliminating factors that may cause fraud to occur and understand that deterrence results from having effective preventive and detective fraud control activities in place.	• The Code of professional standards for staff responsible for financial verification[7], which conforms to legislative requirements in the EUAA Financial Regulation[8], explains amongst other things the mission of verifying agents to support the ED in the achievement of internal control objectives that include fraud prevention - Implemented • The Internal Audit Service (IAS) evaluates the EUAA's internal controls, including the efficiency and effectiveness of controls in place to mitigate the risk of management override of controls - Implemented • The External Court of Auditors (ECA) assesses whether expenditure operations comply with relevant legal and regulatory framework requirements, and amongst other purposes it may also reduce the risk of management override of controls - Implemented
	3.2 Integrates with the Fraud Risk Assessment – The Agency ensures that the design and implementation of fraud control activities link directly to the fraud risk assessment.	• The EUAA has documented and identified fraud control activities in an Anti-Fraud Strategy. These control activities are also linked directly to the fraud prevention objectives and priority measures as a result of carrying out the fraud risk assessment process (EASO/EDD/2020/078) - Implemented

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[7] Annex 9 "Code of Professional Standards for Staff Responsible for ex-ante or ex-post Financial Verification" of the Decision of the Executive Director of 6 November 2017 on the Delegation of Financial Authority and Nominations to carry out one or more specific tasks in preparation for/or ancillary to budget implementation (EASO/ED/2017/308)

[8] Management Board Decision no 54 of 14 August 2019 on the EUAA Financial Regulation (EASO/MB/2019/167)

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Fraud Prevention Risk Management Objectives	Priority Measures[1]	Control Activities[2] (IMPLEMENTATION STATUS: Implemented / in progress/ planned)

	3.3 Considers the Application of Control Activities to Different Levels of the Agency – The EUAA ensures that fraud control activities exist throughout the Agency at all appropriate levels.	• The EUAA Internal Control Framework[9] (components, principles and characteristics) defines the control activities to be implemented at different levels of the Agency (Departments/Centres, Units, Sectors) based on the minimum standards adopted by the Commission for its own services) - Implemented
		• The EUAA Anti-Fraud Control Strategy to define and include the relevant preventive and detective control activities to prevent fraud and irregularities by estimating, assessing and concluding on:
		  - The trend analysis of the costs and resources deployed to such controls;
		  - the benefits, efficiency, effectiveness and economy of these controls;
		  - improvement of the cost benefit of controls.
		The Control Strategy is to further explain to what extent the applied control activities are best suited to fulfil the intended fraud prevention internal control objectives efficiently and at reasonable cost - Implemented
		• C4 to provide a workshop to all RAOs on performance supervision arrangements and cost effectiveness analysis of controls - Implemented
		• C4 to propose a work programme to the ED for approval of ad-hoc ex-post controls to be implemented on the definition of performance supervision arrangement for RAOs to assess cost effectiveness of the controls under their responsibility. The results will feed into the EUAA Control Strategy to guide all RAOs on how to implement homogeneous supervision arrangements through all steps of the financial circuits – Reassessed as in

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[9] Management Board Decision no 42 of 21 December 2018 on the Internal Control Framework of the EUAA (EASO/MB/2018/159)

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		progress in Q4 2022. Corrective action identified during the last financial ex post controls exercise. New target date, Q4 2023.
	3.4 Uses a Combination of Fraud Control Activities – The Agency ensures that fraud control activities include a range of preventive and detective controls that also address the possibility of management to override controls.	• The MT, with the support of the ICC, is to identify the control activities aimed at mitigation and is to address the possibility of pre-defined sensitive functions to override controls (EASO/ED/2019/301[10]) - Implemented • The EUAA exceptions and non-compliance procedures provide for documenting in a central register any exception or non-compliance events. RAOs propose preventive controls to mitigate the risk of those exceptions and non-compliance events from happening again – Implemented • C4 to assess and monitor implementation of those proposed corrective controls and measures to address exceptions and non-compliances deficiencies reported by RAOs and to report the result to the MT (EASO/ED/2019/417[11]) - Implemented
	3.5 Deploys Control Activities through Policies and Procedures – The EUAA ensures that fraud control activities are thoroughly documented and implemented through policies and procedures.	• Fraud control activities implemented through policies and procedures linked to EUAA Internal Control Principles to be duly documented in ERDMS and up-dated based on an in-depth assessment implemented by an EUAA quality officer – In Implemented • Up-dated list of policies linked to each Internal Control Principle will be made available to all the staff on the ICRMS intranet - Implemented • C4 to provide all EUAA staff with an in-depth analysis guidance and quizzes of new internal control and governance requirements of the EUAA new FR adopted by MB in July 2019 (including fraud, irregularities and conflict of interest new provisions) including an info session to all staff. Surveys after the training to be implemented – Implemented

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[10] Decision of the Executive Director of 30 September 2019 on the identification and management of sensitive functions within the EUAA (EASO/ED/2019/301).

[11] Decision of the Executive Director of 2 October 2019 on the manual for the management of exceptions and non-compliance events (EASO/ED/2019/417).

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Fraud Prevention Risk Management Objectives	Priority Measures[1]	Control Activities[2] (IMPLEMENTATION STATUS: Implemented / in progress/ planned)
		• C4 to assess the possibility of developing specific fraud risk assessment methodology for procurement and HR processes to be developed – Reassessed as in progress in Q4 2022. Corrective action identified during the last financial ex post controls exercise. New target date, Q1 2023, as part of the revised SOP on procurement and the new EUAA anti-fraud strategy. • Specific guidance and attention to fraud issues when drafting contracts is provided in the Procurement Standards Operation procedures approved by the ED - Implemented • A policy for the identification and assessment of sensitive functions where there is a risk of the jobholders deliberately using their decision-making power or influence with a view to gaining some personal advantage (financial or otherwise) is in place (EASO/ED/2019/254) - Implemented
4. Fraud Investigation and Corrective Action The EUAA establishes a communication process to obtain information about potential fraud and deploys a coordinated approach for investigation and corrective action to address fraud appropriately and in a timely manner.	**4.1 Establishes Fraud Investigation and Response Protocols** - The Agency establishes processes for communications relating to potential fraud.	• Conditions and terms for internal investigation in relation to fraud, corruption and any illegal activity - Implemented • Guidelines on Whistleblowing[12] are made available to staff on the EUAA's C4 Intranet sites and explained through appropriate training (for example ethics and integrity training, fraud prevention) - Implemented • Staff members are sufficiently made aware of the rules to report fraud and irregularities through trainings (Ethics and integrity, fraud prevention) - Implemented • Whistleblowing hotlines to be made available to staff by creating a link on the EUAA's Intranet site to OLAF's online forms for fraud allegation, also including more information on what to do in case of red-flag of fraud - Implemented • In line with the 'Commission Decision of 12.6.2019 laying down general implementing provisions on the conduct of administrative inquiries and disciplinary proceedings' which

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[12] Management Board Decision no 57 of 20 September 2019 establishing the EUAA's Guidelines on Whistleblowing (EASO/MB/2019/172)

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		became applicable to the EUAA by analogy on 17/03/2020, and in accordance with the EPPO Regulation (and in particular Recital 51 thereof):
		- LSU might perform a preliminary evaluation of whether each potential case of fraud reported has prima-facie grounds for conducting a further, more thorough examination. This will be a preliminary assessment phase independently of the whistleblowing facilities provided to staff. - Implemented
		and;
		- Simultaneously, in order to comply fully with the Agency's obligation to inform the EPPO where a suspicion of an offence within its competence is identified, LSU might carry out a preliminary evaluation of the reported allegations to determine whether there are prima-facie grounds for a potential criminal offence against the EU budget. Additionally, and/or alternatively, the Agency may make use of OLAF for this. - Implemented
		While carrying out the above preliminary evaluations, all business units and other internal entities are to promptly provide C4/LSU with any requested information and/or documents.
		- C4/LSU subsequently issues a report with its preliminary assessment to the Executive Director, for further decision-making on referral to OLAF and/or the EPPO[13]. - Implemented
	4.2 Conducts Investigations – The Agency has in place the means to undertake investigations of potential fraud, giving due consideration to the scope, severity, credibility and implications of communicated matter.	• Framework contract BUDG-19-PO for Audits and Controls has been made available to the EUAA by DG BUDG and provide for forensic audit services where the purpose is to uncover or disprove a fraud and determine the amount of the damages suffered. The findings might be used in a legal proceeding (subject

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[13] In accordance with Article 8(1) of the OLAF Regulation, as well as Article 24(1) of the EPPO Regulation.

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		to prior approval by OLAF and IAS to avoid jeopardizing any ongoing investigation) - Implemented
	4.3 Communicates Investigation Results – OLAF or other investigators communicates the results of its investigation to the appropriate internal authority, and where necessary to external third parties.	• OLAF or other investigators communicates the results of its investigation to the ED and MB - Implemented.
	4.4 Takes timely Corrective Action – The Agency selects transparent corrective measures and particularly discipline, remediation, asset recovery, training, civil action and/or criminal referral to address timely the findings of the investigation.	• COMMISSION DECISION of 12.6.2019 laying down general implementing provisions on the conduct of administrative inquiries and disciplinary proceedings became applicable to the EUAA by analogy on 17/03/2020 - Implemented.
5. Fraud Risk Management Monitoring Activities The EUAA selects, develops, and performs ongoing evaluations to ascertain whether each of the 5 fraud prevention risk management objectives are present and functioning and communicates the Anti-Fraud Strategy Action Plan in a timely manner to parties responsible for taking corrective action, including the MT and MB.	**5.1 Considers a Mix of Ongoing and Separate Evaluations** - Management includes a combination of ongoing and annual monitoring processes.	• The Fraud Risk Register Action Plan (that is annexed to the Anti-Fraud Strategy) is monitored by C4 on a quarterly basis and the result is reported quarterly to the MT and during info sessions to the Risk Management Correspondents - Implemented
	5.2 Establishes Appropriate Measurement Criteria - Management establishes appropriate measurement criteria to assist in the objective evaluation of the Anti-Fraud Strategy.	• A performance indicator to be introduced in the quarterly reporting to the MB and MT indicating the % of the corrective actions included in the fraud action plan that are implemented on time - Implemented
	5.3 Evaluates, Communicates and Remediates Deficiencies – Management evaluates the results of fraud risk management program monitoring assessment, communicates deficiencies to those tasked with corrective action and ensures appropriate remediation is implemented promptly.	• The action plan is re-assessed by the MT on an annual basis to determine whether the fraud prevention risk management objectives and priority measures are effectively achieved. The results are reported to the MB in the CAAR (first time 1st July 2020 for CAAR 2019) - Implemented

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