



EUAA/MB/2024/161

**Management Board Decision No 169
of 31 July 2024**

on the anti-fraud strategy and framework 2024 - 2026

THE MANAGEMENT BOARD,

HAVING REGARD to Regulation (EU) 2021/2303 of the European Parliament and of the Council of 15 December 2021 on the European Union Agency for Asylum¹ (hereinafter ‘the EUAA Regulation’), and in particular Article 41(1)(e) thereof,

WHEREAS:

- 1) Article 325 of the Treaty on the Functioning of the European Union (TFEU) requires the EU and its Member States to combat fraud and any other illegal activities that may affect the EU’s financial interests. Pursuant to Article 30 of the Agency’s Financial Regulation², the EUAA implements the EU budget, in compliance with sound financial management principles, applying effective and efficient internal control, which includes preventing, detecting, correcting and following up on fraud and irregularities. To this end, effective internal control is to be based, *inter alia*, on the implementation of an appropriate risk management and control strategy at recipient level. Efficient internal control is to be based, *inter alia*, on the implementation of an appropriate risk management³ and control strategy coordinated among appropriate actors involved in the control chain. Therefore, all of the Agency’s centres, units and sectors are obliged to prevent and detect fraud as part of their daily activities involving the use of resources. In this regard, a well-functioning strategic framework is imperative to enable coordination of the Agency’s anti-fraud measures and guarantee a high-calibre anti-fraud policy compliant with EU legal provisions.
- 2) Pursuant to Article 32(1) of the Agency’s Financial Regulation, the Agency is required to send by 31 January each year to the Commission, the European Parliament and the Council its draft single programming document, as endorsed by its Management Board, containing, *inter alia*, the strategy for the organisational management and internal control systems including their anti-fraud strategy as last updated and an indication of measures to prevent recurrence of conflict of interest, irregularities and fraud. It further provides that the anti-fraud strategy should be assessed annually and updated as necessary.

¹ Regulation (EU) 2021/2303 of the European Parliament and of the Council of 15 December 2021 on the European Union Agency for Asylum and repealing Regulation (EU) No 439/2010, (OJ L 468, 30.12.2021, p. 1).

² Management Board Decision No 54 of 14 August 2019 on the EASO Financial Regulation, as amended by Management Board Decision No 74 of 28 July 2021.

³ Risk management is a continuous, proactive and systematic process of identifying, assessing and managing risks in line with the acceptable risk levels, carried out at every level of the Agency to provide reasonable assurance as to the achievement of objectives.





- 3) Pursuant to Article 48 of the Agency's Financial Regulation, the Authorising Officer⁴ is required to report to the Management Board on the performance of their duties in a form of a consolidated annual activity report containing, *inter alia*, information on organisational management and on the efficiency and effectiveness of the internal control systems including the implementation of the Agency's anti-fraud strategy.
- 4) Pursuant to Article 86 of the Agency's Financial Regulation, the Agency is to inform the Commission without delay on cases of presumed fraud and other financial irregularities. Moreover, it is required to inform the Commission of any completed or ongoing investigations by the European Public Prosecutor's Office ('EPPO'), the European Anti-Fraud Office ('OLAF'), and of any audits or controls by the European Court of Auditors ('ECA') or the Commission's Internal Audit Service ('IAS'), without endangering the confidentiality of the investigations.
- 5) Pursuant to Article 8(1) of the Regulation concerning investigations conducted by OLAF⁵, the Agency is to transmit to OLAF without delay any information relating to possible cases of fraud, corruption or any other illegal activity affecting the financial interests of the Union.
- 6) Pursuant to Article 24(1) of the EPPO Regulation⁶, the Agency is to without undue delay report to EPPO any criminal conduct in respect of which it could exercise its competence.
- 7) Pursuant to recital 51 of the EPPO Regulation, in order to comply with the Agency's obligation to inform EPPO where a suspicion of an offence within its competence is identified, the EUAA should follow the existing reporting procedures and have in place efficient mechanisms for a preliminary evaluation of allegations reported to it.
- 8) Pursuant to Principle 8 laid down in Annex 1 to Management Board Decision No 160 of 14 March 2024 on the Internal Control Framework, the Agency considers the potential for fraud in assessing risks to the achievement of objectives. The Agency as a whole, including each centre, unit and sector, sets up and implements measures to counter fraud. It does this by putting in place a sound anti-fraud strategy to improve prevention, detection and conditions for investigating fraud, and laying down reparation and deterrence measures, with proportionate and dissuasive sanctions.
- 9) Pursuant to Article 47(5)(h) of the EUAA Regulation, the Executive Director is required to prepare an anti-fraud strategy for the Agency and present it to the Management Board for approval,

⁴ Function exercised by the Executive Director pursuant to Article 39 of the Agency's Financial Regulation.

⁵ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L 248, 18.9.2013, p. 1).

⁶ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO'), (OJ L 283, 31.10.2017, p. 1).



HAS DECIDED AS FOLLOWS:

Article 1
Anti-fraud strategy and framework

The anti-fraud strategy and framework 2024 – 2026, as annexed to this Decision, is hereby adopted.

Article 2
Transparency

This Decision may, if so required for transparency reasons, be made public on the Agency's website.

Article 3
Entry into force

This Decision enters into force on the date of its adoption and repeals and replaces Management Board Decision No 61 of 6 July 2020 on EASO Anti-Fraud Strategy 2020-2022.

Done by written procedure

For the Management Board

Signature on file

Evelina Gudzinskaite
Chairperson of the Management Board

Annex: Anti-fraud strategy and framework 2024 – 2026.



Annex

Anti-fraud strategy and framework 2024 – 2026



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1. Background

1.1 The general context

The Agency's budget is funded by the European Union (EU) budget and consists of taxpayers' money that must be used only for implementing the policies which the EU legislature has approved. Fraud involving EU funds has an economic cost and a particularly negative impact on the reputation of the Agency as well as the EU institutions and on the implementation of EU policies.

Article 325 of the TFEU requires the EU institutions and Member States to counter fraud and any other illegal activities affecting the financial interests of the EU. Therefore, under Article 317 of the TFEU and Article 36 of the Framework Financial Regulation⁷, the Commission and, by analogy, the EU bodies have put in place principles of sound financial management and effective and efficient internal control for the implementation of the EU budget. Internal control includes an appropriate risk management and control strategy to prevent, detect, and correct⁸ fraud when implementing the EU budget, and to follow-up on other irregularities.

OLAF, created in 1999, is responsible for administrative investigations into irregularities and fraud affecting the EU's financial interests and serious misconduct of EU officials and staff members of EU institutions. While OLAF does not have prosecutorial power, it has numerous investigative tools at its disposal, including the authority to conduct 'on-the-spot checks' and to interview witnesses and persons concerned. Upon completion of an investigation, OLAF can make, *inter alia*, appropriate judicial, financial, administrative and/or disciplinary recommendations⁹ to EU entities and to Member States.

In 2017, the EU decisively intensified the fight against large-scale, cross-border crime against the EU budget by implementing enhanced cooperation through the establishment of the EPPO. The EPPO is an independent and decentralised prosecution office of the EU with competence for investigating, prosecuting, and bringing to justice crimes against the EU budget such as fraud, corruption, or misappropriation¹⁰ of EU funds or assets by public officers.

⁷ Regulation (EU, Euratom) 2018/1046 of the European Parliament and the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, (OJ L 193, 30.07.2018, p.1).

⁸ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

⁹ As stated in Article 11(1) of the Regulation concerning investigations conducted by OLAF: '(...) *The report shall be accompanied by recommendations of the Director-General on whether or not action should be taken. Those recommendations shall, where appropriate, indicate any disciplinary, administrative, financial and/or judicial action by the institutions, bodies, offices and agencies and by the competent authorities of the Member States concerned, and shall specify in particular the estimated amounts to be recovered, as well as the preliminary classification in law of the facts established.*

¹⁰ As defined by Directive (EU) 2017/1371, means 'the action of a public official who is directly or indirectly entrusted with the management of funds or assets to commit or disburse funds or appropriate or use assets contrary to the purpose for which they were intended in any way which damages the Union's financial interests.'



In April 2019, the Commission adopted its most recent anti-fraud strategy following an evaluation of its previous strategy and concluded that the strategy needed to be adapted to an evolving situation. The priority objectives of the 2019 strategy are to equip the Commission with a stronger analytical capability for the purposes of prevention and detection of fraud and a more centralised system of oversight for its anti-fraud actions. In addition, the corresponding action plan aimed to improve anti-fraud cooperation and workflows across the board, for example the Commission's and other EU bodies' cooperation with OLAF and the EPPO. The Commission's action plan¹¹ was revised and amended in 2023 and includes 44 actions grouped under the following seven themes that reflect the Commission's priorities in the fight against fraud:

- Foster digitalisation and the use of IT tools to fight fraud;
- Support Member States to reinforce the protection of the Recovery and Resilience Facility, cohesion, agricultural and fisheries funds;
- Reinforce the protection of funds under indirect management and in the external relations area;
- Reinforce the EU's capacity to fight customs fraud and protect EU revenues;
- Reinforce the EU anti-fraud architecture;
- Reinforce the Commission's anti-fraud governance and maintain a high level of coordination and cooperation among Commission departments and Executive agencies;
- Strengthen the culture of ethics and anti-fraud in the Commission.

1.2 The Agency's context

1.2.1 The Agency's mandate

The EUAA Regulation that transformed the former European Asylum Support Office into the EUAA entered into force on 19 January 2022. The EUAA contributes towards an efficient and uniform application of EU law on asylum, in full respect of fundamental rights. It supports Member States' activities and works towards enabling convergence in their assessment of applications for international protection and facilitates practical cooperation and information exchange.

The Agency should support Member States in the field of asylum and reception and on the implementation of the CEAS by performing the tasks detailed in Article 2 of the EUAA Regulation.

In its ongoing efforts to deliver, within its extended mandate, the required support to Member States, whether it relates to increased capacity for and reinforced operational and technical assistance, country of origin information and country guidance to reach higher convergence in processing of asylum applications, situational awareness to improve early warning and preparedness, asylum and reception contingency planning and crisis management, coordinating and supporting resettlement efforts, providing specialised training and capacity building, monitoring of the operational and technical application of the CEAS, and so on, the Agency requires sufficient human and financial resources to be able to deliver its new mandate.

¹¹ COM(2023) 405 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52023DC0405>.



The New Pact on Migration and Asylum introduced ten legislative instruments¹² that will significantly overhaul the CEAS and assign additional tasks to the Agency. The EUAA will have to review the content of its operational standards, indicators, guidelines and training to ensure their compliance with the reformed CEAS. The EUAA may also need to adjust activities and prepare for additional support measures that Member States may require from the Agency, once the new legislation enters into effect. Moreover, in the short term, the legislative instruments envisage support by the Agency for the development of a common implementation plan and the development and execution of the national implementation plans, if requested.

As is evident by the estimates of the Agency’s revenue and expenditure represented in Table 1 and Table 2 below (as extracted from the single programming document for 2024-2026¹³), the budget for the years 2024, 2025 and 2026 increased significantly compared to the executed budget in previous years to compensate for the additional competencies, tasks and responsibilities. In case of any emerging crisis, the Agency will review its response capabilities, identify priorities and re-allocate available resources to maintain its core business activities undisrupted by potential negative effects, while addressing the new challenges and response requirements. The Agency will explore the allocation of complementary resources, where feasible and necessary, in close coordination with the European Commission, and the operationalisation of contingency funding.

Table 1. The Agency’s revenue in 2022-2026¹⁴

Revenue	2022 (€) executed	2023 (€) estimated	2024 (€) forecast	2025 (€) envisaged	2026 (€) envisaged
Total	174,779,499	170,135,127	181,677,829	185,291,385	188,977,213

Table 2. The Agency’s expenditure in 2022-2026¹⁵

Expenditure	Commitment Appropriations				
	2022 (€) executed	2023 (€) budgeted	2024 (€) forecast	2025 (€) envisaged	2026(€) envisaged
Total expenditure	180,783,457.83	165,135,127	181,677,829	185,291,385	188,977,213
Payment Appropriations					
Total expenditure	149,259,626.23	170,135,127	181,677,829	185,291,385	188,977,213

¹² [Official Journal L series daily view - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/).

¹³ Revision 1 of 21 December 2023 available at <https://euaa.europa.eu/publications/multi-annual-programming-2024-2026-work-programme-2024-revision-1>. Any further updates of the document will be available on the Agency’s website at <https://euaa.europa.eu/about-us/governance-and-internal-control>.

¹⁴ *Ibid*; Annex III – Financial resources.

¹⁵ *Ibid*.



As presented in Table 3, the Establishment Plan is expected to remain the same in the years 2024, 2025 and 2026. Nevertheless, an increase in staff is foreseen in terms of contract agents and short-term contract agents.

Table 3. Staff population and its evolution: overview of all categories of staff¹⁶

A. Statutory staff and SNE

Staff	2022			2023	2024 ¹⁷	2025 ¹⁸	2026 ¹⁸
	Authorised budget	Actually filled ¹⁸ as of 31/12/2022	Occupancy rate %	Authorised staff	Envisaged staff	Envisaged staff	Envisaged staff
Establishment Plan posts							
Administrators (AD)	236	203	86.02	236	236	236	236
Assistants (AST)	135	130	96.30	135	135	135	135
Assistants/secretaries (AST/SC)	0	0	0.00	0	0	0	0
Total Establishment Plan posts	371	333	89.76	371	371¹⁸	371	371

¹⁶ *Ibid*; Annex IV- Human resources - quantitative

¹⁷ The Agency requested 63 posts for tasks stemming from the revised mandate (7 in 2024, 30 in 2025, 26 in 2026) and 3 posts to address the new cyber security requirements.

¹⁸ 'Actually filled' posts are all non-vacant posts, including those for which offers had been sent out.



Staff	Full-time equivalent (FTE) corresponding to authorised budget	Executed FTE as of 31/12/2022	Execution rate %	Headcount ¹⁹ as of 31/12/2022	FTE corresponding to authorised budget (2023)	Envisaged FTE (2024) ²⁰	Envisaged FTE (2025) ²⁶	Envisaged FTE (2026) ²⁶
External staff								
Contract agents (CA)	123	97.67	79.41	108	123	133	133	133
Seconded national experts (SNE)	11	7.71	70.09	10	11	11	11	11
Total CA and SNE	134	105.38	78.64	118	134	144	144	144
Total TA, CA and SNE	505	438.38	86.81	451	505	515²⁶	515	515
Other external staff								
Short-term CA	90	45.73	50.81	69	90	60 ²¹	40 ²²	0
Total other external	90	45.73	50.81	69	90	60²³	40²⁴	0
TOTAL STAFF	595	484.11	81.36	520	595	575²⁶	555²⁶	515²⁶

¹⁹ Figures include accepted and offered posts.

²⁰ The Agency requested retention and extension beyond 2026 of the 90 short-term contract agent posts granted to the Agency in response to the Ukraine crisis.

²¹ Envisaged at end of year.

²² *Ibid.*

²³ *Ibid.*

²⁴ *Ibid.*



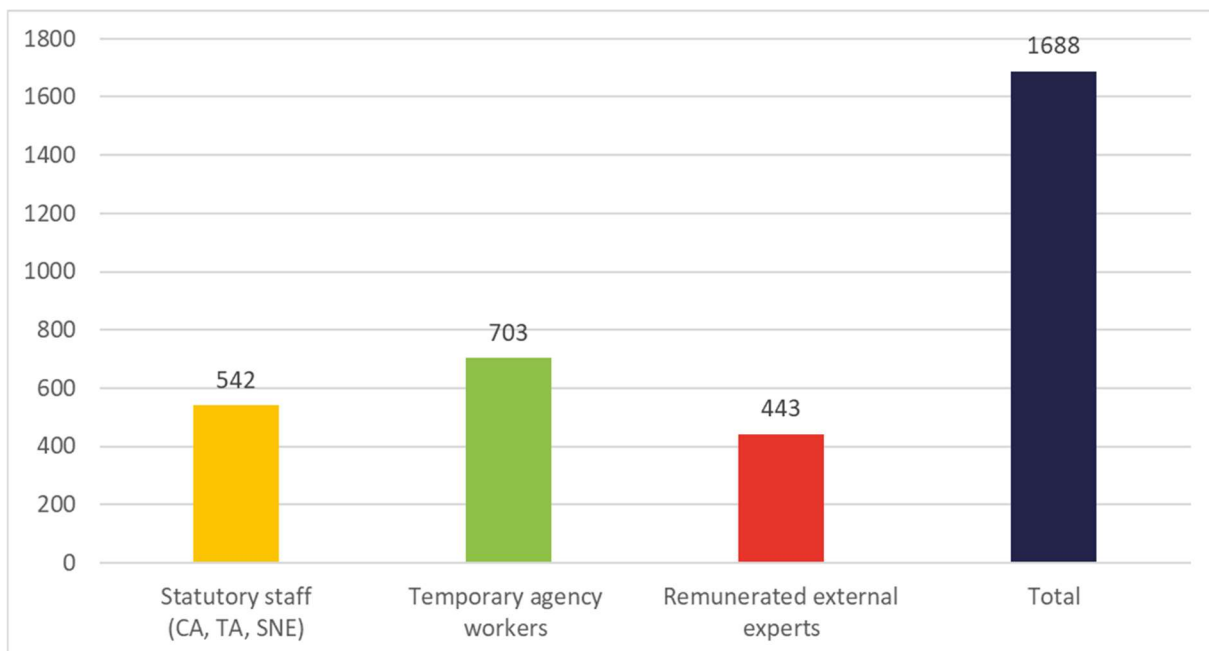
B. Additional external staff expected to be financed from grant, contribution or service-level agreements

Human Resources	2023	2024	2025	2026
	Envisaged FTE	Envisaged FTE	Envisaged FTE	Envisaged FTE
IPA/MENA Contract Agents (CA)	17	17	10	p.m.
Seconded National Experts (SNE)	0	0	0	p.m.
TOTAL	17	17	10	p.m.



As can be seen from Figure 1, the Agency’s personnel is very diverse. In addition to its statutory staff, the Agency engages remunerated external experts and temporary agency workers. The latter are engaged via recruitment agencies and provide valuable assistance in the delivery of timely and effective operational and technical assistance to Member States. Since 2024, the Agency is offering a traineeship programme thus contributing to further diversity.

Figure 1. EUAA personnel including remunerated external experts and temporary workers as of 31 December 2023



1.2.2 The Agency’s commitment to fight fraud

The EUAA must implement its budget in compliance with the principle of sound financial management and by applying effective and efficient internal control, which includes preventing, detecting, correcting, and following up on fraud and irregularities.

A robust anti-fraud strategy is essential for coordination of the Agency’s anti-fraud measures and ensuring compliance with provisions of EU law, thereby guaranteeing a high-quality anti-fraud policy. The anti-fraud strategy and framework (hereinafter ‘the Strategy’) is part of the Agency’s internal control system and should meet the requirements of Article 30 of the Agency’s Financial Regulation, which refers, *inter alia*, to prevention and detection of irregularities and fraud. OLAF’s methodology and guidance for anti-fraud strategies²⁵ highlights that the anti-fraud strategy is part of risk

²⁵ European Anti-Fraud Office, Methodology and guidance for services’ anti-fraud strategies – June 2021 (Ares(2021)4589215, 15.07.2021).



management, but given the importance and complexity of the issue, fraud should be addressed in a dedicated, comprehensive process, which runs on top of the annual risk management exercise, though closely interlinked with it. Therefore, despite it being part of the internal control system, the Agency's Strategy is deemed as a separate, additional tool to further strengthen the internal control systems.

In July 2020, the Agency approved its first comprehensive anti-fraud strategy and the related action plan for the years 2020 – 2022. Most of the mitigating actions defined at the time were implemented and the remaining actions have been incorporated in a new Fraud Risk Register Action Plan²⁶.

The Agency has developed this new Strategy, which is valid for the three-year period 2024-2026, taking into consideration the important developments that have taken place since 2022 when the Agency's new mandate was adopted, as well as the outcome of the new fraud risk assessment that it conducted in preparation for this Strategy.

Over the years, the Agency has effectively implemented several policies and procedures designed to mitigate identified risks, including major anti-fraud control risks. Figure 2 illustrates some of the most significant developments in the area of internal control and to the associated reports from control bodies issued since 2017 (including ECA opinions). This Strategy, therefore, continues to build on the work done under the previous strategy and seeks to continue strengthening all aspects of the anti-fraud cycle: prevention, detection, investigation, and correction.

As part of the commitment to enable effective prevention and detection of fraud, the Agency has set out its corporate governance structure (Figure 3) by analogy with the lines of defence model as developed by the European Commission. The Agency has developed a governance structure that clearly distinguishes management oversight structures, allowing the Management Board to demonstrate independence from day-to-day management while also exercising oversight of the development and performance of internal control.

The Management Board is the highest body of the Agency that, in line with Article 41(1) of the EUAA Regulation, gives general orientation for the Agency's activities and ensures that the Agency performs its tasks.

²⁶ Fraud risk action plan summary is available at https://euaa.europa.eu/sites/default/files/2024-05/2024_EUAA_Fraud_Risk_Register_Action_Plan_Summary.pdf. Any updates of this document will be made available on the Agency's website in the section 'Internal Control' at: <https://euaa.europa.eu/about-us/governance-and-internal-control>.



Figure 2. Timeline of major internal control developments

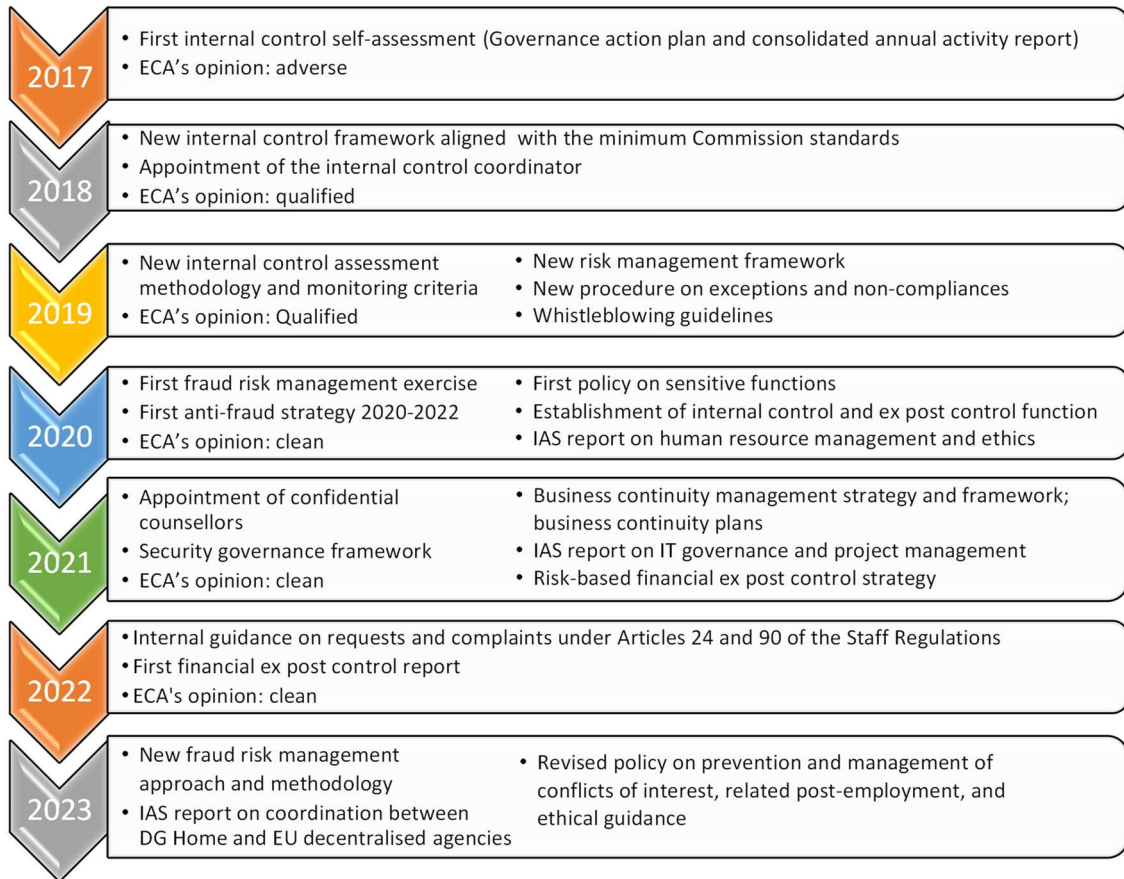
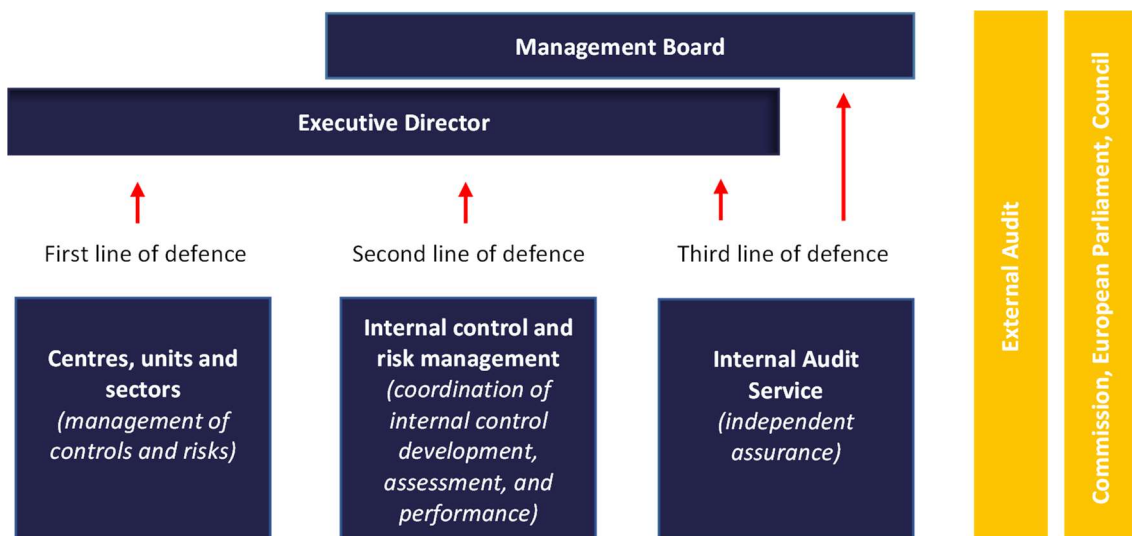


Figure 3. The EUAA's corporate governance structure





The Executive Director is independent in the performance of their tasks and is the legal representative of the Agency. They are accountable to the Management Board and have the overall responsibility for managing and implementing the tasks assigned to the Agency, as laid down in Article 47 of the EUAA Regulation. In their capacity as authorising officer, they are responsible for implementing the decisions of the Management Board and the budget. They are delegated by the Management Board the powers conferred on the appointing authority by the Staff Regulations²⁷.

The Executive Director is supported in their role and responsibilities on this first line of defence by the managers and staff that own and manage risks and are responsible for implementing corrective actions to address process and control deficiencies.

As the second line of defence, the manager in charge of risk management and internal control provides, with the support of other units, reasonable assurance to the Executive Director that the Agency's internal control systems are properly developed and designed, and that effective and efficient controls, such as for example ex post controls or evaluations, are in place and operate as intended.

As the third line of defence, the IAS provides comprehensive assurance based on the highest level of independence and objectivity on the effectiveness of the internal control strategy, including the manner in which the first and second lines of defence achieve risk management and control objectives.

2. Purpose and scope

The Strategy provides a framework for addressing fraud in the Agency through all stages of the anti-fraud cycle: prevention, detection, investigation, and correction.

It reinforces consistency and coordination in the fight against fraud across the centres, units and sectors, and paves the way for more data-driven anti-fraud measures in the period 2024-2026. The vision behind the Strategy is to strengthen corporate oversight of all issues related to fraud, reinforce the anti-fraud system that is already in place, and increase awareness among staff and stakeholders on how to address fraud.

Overall, the Strategy focuses on strategic orientation, giving the Agency's fight against fraud direction, coherence, and impetus.

To this end, and based on a fraud risk assessment conducted in line with section 6.3 of the Agency's internal guidance IG-009²⁸, the Strategy defines and refers to the Agency's publicly available

²⁷ Staff Regulations of Officials of the European Union ('Staff Regulations'), and the Conditions of Employment of Other Servants of the European Union ('CEOS'), laid down by Council Regulation (EEC, Euratom, ECSC) No 259/68, (OJ L 56, 4.3.1968, p. 1), as last amended by Regulation (EU, Euratom) No 1023/2013 of the European Parliament and of the Council of 22 October 2013, (OJ L 287, 29.10.2013 p. 15).

²⁸ IG-009: Internal guidance on the methodology for fraud risk management and establishment of an anti-fraud strategy is available at https://euaa.europa.eu/sites/default/files/2024-04/IG_009_01_Fraud_risk_management_methodology.pdf.



governance documents that enhance the anti-fraud cycle, including information on the main fraud provisions²⁹ and concepts, the roles and responsibilities of all internal and external functions, the strategic priorities to address fraud, the escalation mechanisms as well as a summary fraud risk management action plan adopted by senior management to further improve fraud prevention in the coming years. Following the fraud risk assessment described in Section 7, the control activities identified are grouped and summarised in Section 8 under the main themes and EUAA's priorities in the fight against fraud for the period 2024-2026.

The Strategy and the associated action plan are embedded in the Agency's internal control systems by defining anti-fraud objectives and priority measures per internal control component (as detailed in section 6.2 of IG-009). In addition, as part of the EUAA internal control methodology, measurable internal control monitoring criteria and indicators are in place to evaluate the progress of the Agency's internal control systems as well as anti-fraud objectives and activities. Such indicators are regularly monitored and reported to the Management Board and to EUAA's internal and external stakeholders on the Agency's website³⁰.

This Strategy has been prepared based on a hands-on anti-fraud methodology approved by senior management and available on the Agency's website, which sets out in detail the structure, rules and roles shaping the Agency's fraud risk assessment process (detailed in IG-009).

3. Guiding principles of the Strategy

The Strategy, based on the Commission's anti-fraud strategy, sets out the following guiding principles for the fight against fraud:

- Zero tolerance to fraud;
- Fight against fraud as an integral part of internal control;
- Cost-effectiveness of controls;
- Professional integrity and competence of EU staff;
- Transparency on how EU funds are used;
- Fraud prevention, notably fraud-proofing of spending projects and programmes;
- Effective detection capacity and timely exchange of information with investigative bodies such as OLAF and EPPO;
- Swift correction (including recovery of defrauded funds and judicial or administrative sanctions);
- Good cooperation between internal and external players, in particular between the EU and responsible national authorities, and among the departments of all EU institutions and bodies concerned;

Further updates of this document will be made available on the Agency's website in the section 'Internal Control' at: <https://euaa.europa.eu/about-us/governance-and-internal-control>.

²⁹ I.e., the main conditions and requirements for fraud in the EUAA's regulatory framework.

³⁰ Monitoring criteria results are available at https://euaa.europa.eu/sites/default/files/2024-04/2024_Annex%20X_Monitoring_Criteria.pdf. Further updates of this document will be made available on the Agency's website in the section 'Internal Control' at: <https://euaa.europa.eu/about-us/governance-and-internal-control>.



- Effective internal and external communication on the fight against fraud.

4. Definition of fraud for the purposes of the Strategy

The EUAA, by analogy with the Commission, implements its internal control systems and fraud deterrence controls based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO)³¹ framework. The COSO framework defines fraud³² as *'any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain'*. However, the COSO framework recognises that many definitions of fraud exist including among its sponsoring members³³.

This Strategy, by analogy with the Commission's anti-fraud strategy, targets the fight against fraud, corruption, misappropriation, and other criminal offenses to protect the Union's financial interests by means of criminal law as well as intentional irregularities not already captured as criminal offences and serious breaches of professional obligations by staff. Therefore, the term 'fraud' is used as an umbrella term beyond the scope of fraud in the national criminal legislation of EU Member States and the COSO framework definition.

For the purposes of the Strategy, the term 'fraud' encompasses:

- Fraud, corruption, and misappropriation affecting the EU's financial interests, as defined in Articles 3 and 4 of Directive (EU) 2017/1371³⁴;
- Other criminal offences affecting the Union's financial interests, e.g., offences linked to an abuse of procurement procedures where they affect the EU budget;
- Irregularities as defined in Article 1(2) of Regulation (EC, Euratom) No 2988/95³⁵, insofar as they are intentional but not already captured by the criminal offences referred to above;
- Serious breaches of professional obligations by staff members, as referred to in Article 1(4) of the Regulation concerning investigations conducted by OLAF and in the second subparagraph of Article 2(1) of Commission Decision 1999/352/EC, ECSC, Euratom³⁶.

³¹ <https://www.coso.org/about-us>.

³² Fraud Risk Management Guide Executive Summary, (COSO, March 2023); available at: https://www.coso.org/files/ugd/3059fc_ff11af647d0e433dac3eccfac3f8606a.pdf

³³ The American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), Financial Executives International (FEI), the Institute of Internal Auditors (IIA), and the National Association of Accountants, now known as Institute of Management Accountants (IMA).

³⁴ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law Serious breaches of professional obligations by staff members, (OJ L 198, 28.7.2017, p. 29).

³⁵ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests, (OJ L 312, 23.12.1995, p. 1).

³⁶ Commission Decision (1999/352/EC, ECSC, Euratom) of 28 April 1999 establishing the European Anti-Fraud Office (OLAF), (OJ L 136, 31.5.1999, p. 20), as amended.



5. Main actors involved in addressing and preventing fraud

5.1. Roles and responsibilities of the actors involved in the anti-fraud cycle

The roles and responsibilities of the internal and external actors involved in addressing and preventing fraud in the Agency, are documented in Annex 1 to ED Decision No 52/2024³⁷.

5.2. Escalation mechanisms

The regulatory communication channels to deal with suspected cases of fraud in the EUAA are documented in Annex 2 to ED Decision No 52/2024.

6. Fraud risk management objectives

The Agency established **fraud risk management objectives** to enable the identification and assessment of incentives, pressures, opportunities and attitudes which may lead to any type of fraud. These objectives fully support, are completely consistent with, and complement the 17 internal control principles and five components of the EUAA's internal control framework. A set of priority measures are also proposed for each fraud risk management objective. These priority measures are intended to assist management in the design, implementation and delivery of fraud risk management activities. The fraud risk management objectives and their priority measures are in Appendix I.

7. Fraud risk assessment

The results of the fraud risk assessment are made publicly available on the EUAA's website³⁸ and are linked in Appendix II.

Due to the significance and intricacy of fraud, the Agency conducted a comprehensive fraud risk assessment in preparation for this Strategy, utilising a predefined methodology approved by the Executive Director (refer to IG-009) that is based both on the COSO fraud risk management guide³⁹ and the Commission's anti-fraud strategy methodology and guidance⁴⁰.

³⁷ [Decision of the Executive Director No 52 of 30 May 2024 on fraud prevention roles, responsibilities and escalation mechanisms](#); Further updates of this document will be made available on the Agency's website in the section 'Internal Control' at: <https://euaa.europa.eu/about-us/governance-and-internal-control>.

³⁸ The EUAA's fraud risk register action plan summary is made publicly available on the EUAA website [here](#). Future updates will be made available within the section on 'Internal Control' at: <https://euaa.europa.eu/about-us/governance-and-internal-control>.

³⁹ [COSO Fraud Risk Management Guide: second edition, 2023](#).

⁴⁰ European Commission, Methodology and guidance for services' anti-fraud strategies, 2021 (Ref. Ares (2021)4589215, 15.7.2021).



Fraud risk assessment is a tool that examines the incentives, pressures, and opportunities to commit fraud and helps the Agency assess the efficiency and effectiveness of the anti-fraud controls that are in place to achieve the principles defined in section 3 and reduce to a minimum level the risk of fraud as defined in section 4.

The fraud risk assessment followed a combination of three approaches: (i) targeted review, (ii) bottom-up perspective and (iii) a high-level review in order to identify any risk that might impair the Agency from achieving the pre-defined fraud risk management objectives.

7.1. Targeted review

The Agency reviewed all relevant information at its disposal to identify risks in line with section 6.3.2 of internal guidance IG-009⁴¹.

In addition, as part of the fraud risk assessment process and based on the policy on the identification and management of sensitive functions within the EUAA⁴², the Agency conducts annually a risk assessment of sensitive functions to ensure that the mitigating controls in place are effective and work as intended⁴³.

This process enables the Agency to evaluate if any new functions need to be assessed, reassess the risk levels of the functions that were deemed to be potentially or genuinely sensitive, reassess if the mitigating controls in place are sufficient or additional controls are needed, and determine if the Agency's register of sensitive functions needs to be updated. When identifying sensitive functions, senior management focuses on the precise risk that is to be mitigated, i.e., a jobholder deliberately abusing the authority vested in their function in order to gain personal advantage (financial or otherwise) and/or inflict damage.

7.2. Bottom-up perspective

The outcome of the fraud risk assessment exercise is the result of an extensive bottom-up consultation process that was reported to and reassessed by senior management. This process was guided by the methodology defined in internal guidance IG-009, and in particular Annex 3: Model questionnaire for the fraud risk assessment.

⁴¹ IG-009: Internal guidance on the methodology for fraud risk management and establishment of an anti-fraud strategy is available at https://euaa.europa.eu/sites/default/files/2024-04/IG_009_01_Fraud_risk_management_methodology.pdf.

Further updates of this document will be made available on the Agency's website in the section 'Internal Control' at: <https://euaa.europa.eu/about-us/governance-and-internal-control>.

⁴² Decision of the Executive Director No 75 of 12 October 2023 on the identification, management and register of sensitive functions.

⁴³ This requirement is in line with the European Commission's guidance on managing sensitive functions (Ares(2020)4194484' 10.8.2020) which calls for an update of all potential and actual sensitive functions on a regular basis, at least once a year.



Furthermore, preliminary results of the fraud risk assessment exercise were introduced in an information session to risk management correspondents from various units within the Agency.

7.3. High-level review

The senior management reassessed and endorsed the preliminary results during a thematic workshop on fraud risk assessment.

When reassessing risks, senior management took into account the principles of cost-effectiveness, performance and proportionality to ensure that the objectives of the strategy are proportionate to the level of risks identified and do not impose excessive use of resources.

To this end the results of previous control exercises were taken into account before implementing new checks. Senior management identified several risk responses from other controls exercises that had not yet been implemented but should be prioritised to achieve objectives of the Strategy and reduce to adequate levels the identified fraud risks. The majority of the risk responses from new checks were tasked by senior management to the Internal Control and Compliance Unit, which will limit the impact, administrative burden and use of resources from centres, units and sectors.

Senior management also assessed whether the identified risk responses were ensuring responsiveness at each stage of the anti-fraud cycle as reflected in the action plan and the identified strategic objectives. This is portrayed in Figure 4.

The identified areas for improvement are documented in the Fraud Risk Register Action Plan. The draft Strategy, together with the working documents on fraud risk assessment, were shared with OLAF and the Directorate-General for Migration and Home Affairs (DG HOME). In addition, the outcome of the fraud risk assessment together with this Strategy were presented and discussed in the plenary meeting before adoption by the Management Board.

8. Themes summarising the control activities to reinforce the fight against fraud

Following the fraud risk assessment described in Section 7, the control activities identified are grouped and summarised under the following themes that reflect the EUAA's controls activity priorities in the fight against fraud for the period 2024-2026:

- **Tone at the top:** Senior management and the Management Board continue to demonstrate a commitment to high integrity and ethical values through their instructions and actions, with a focus on fostering the development of an anti-fraud and compliance culture in the EUAA. There is a continued need to strengthen the knowledge and maintain a high level of awareness among the EUAA's staff regarding ethics, internal control, risk management and anti-fraud cycle matters. Internal control, anti-fraud, and ethical considerations should be ingrained within the *modus operandi* of all staff, in particular those whose tasks involve managing or controlling EU funds. The Agency will gradually further strengthen training and awareness raising on the following topics: ethics, internal control, risk management, and anti-fraud in a holistic manner, as these four topics support the Agency's fight against fraud.



Figure 4. Main stages of the anti-fraud cycle



- Reporting and escalation mechanisms:** Agency staff are required to report red flags of fraud⁴⁴, deviations from established regulations, as well as any internal control weakness in accordance with the EUAA’s regulatory framework. This requires ensuring that the Agency’s whistleblowing guidelines, exceptions and non-compliances procedure, procedures related to Articles 24 and 90 of the Staff Regulations, as well as the policy for management and prevention of conflicts of interest, have a prominent place on the EUAA’s intranet, and that there are adequate awareness raising measures, so that staff is well aware of the systems in place (including staff rights and obligations) and know when and how to apply them. Equally important, the Agency shall ensure that fraud preventive control activities for whistleblowing are in line with those implemented by the Commission for its own departments, respect data protection rules, guarantee the dignity of the office, and respect the honour of persons and the presumption of innocence. Adequate controls shall be put in place to ensure that serious misconduct and dereliction of duties of the EUAA’s staff (including breaches of duty of discretion and confidentiality) as well as instances of defamation are duly investigated, and if applicable, liable to disciplinary proceedings.

⁴⁴ Red flags of fraud (or fraud indicators) are distinct signs that fraud in the terms of this Strategy may be taking place and that require immediate attention for management to decide what action is required (e.g. unexplained or unusual favouritism to a particular contractor, continued acceptance of high-priced, low-quality work, sequential purchases just under the thresholds, undeclared conflict of interest etc.).



- **Foster the development of a project portfolio governance (both IT and operational) that is regularly reviewed and endorsed by senior management:** The EUAA's project portfolio should be fully aligned with the mandate and business needs while avoiding duplications to mitigate and minimise the risk of developing projects/products that do not meet business needs, are not cost-effective, or could have been achieved through more financially sound solutions. To this end, senior management shall ensure that decisions to replace, create or further develop existing projects and IT systems are supported by a well-documented business case which provides a cost-effective analytical approach for a well-informed decision at adequate level. The senior management shall ensure that adequate IT and project governance structures are effectively developed by defining, at the adequate level and in a homogenous manner across the Agency, the roles and responsibilities of the different actors involved, including project steering committees (before and during the project/product cycle). The senior management shall ensure the adequacy of the design and the effective and efficient implementation of governance and project management arrangements to ensure an optimal use of the resources while meeting business expectations.
- **Information security policy:** The Agency shall ensure that it has an effective information security policy in place to maintain the relevant systems duly protected by mapping the risks and identifying the mitigating controls.
- **Security access rights:** The Agency shall ensure that central financial and accounting systems are properly managed through effective security access rights to prevent undue access and to mitigate to a minimum the risk of fraud.
- **Further mitigate the risk of management overriding financial controls:** The Agency shall ensure that adequate controls are in place to mitigate the risk of management overriding controls to a minimum. This shall be done by ensuring that the roles and responsibilities of all the actors involved in the financial circuits are clear, aligned with the EUAA's regulatory framework, and documented within internal rules approved at adequate levels. Such documented procedures should also establish, in the event of an overruling, the process concerned staff members must follow. This should generally, and at least, provide the audit trail and justification of the reasons for overruling.
- **Further support recovery actions:** The EUAA senior management shall further select, develop, and perform control measures to ensure the effective implementation of recovery actions.
- **Foster the use of ABAC⁴⁵ LCK as the central contract management recording, monitoring and reporting tool of the EUAA:** There is a need for defining a clear mandate with instructions on the roles and responsibilities in LCK in order to ensure timely accurate and reliable registration, monitoring and reporting of legal commitments and framework contracts in a single central contract management tool that is also linked to the EUAA's central financial and accounting systems. The Agency shall ensure that reporting and automated controls available in this central system are in use and avoid that alternative contract management tools are implemented or

⁴⁵ ABAC LCK will be replaced by SUMMA LCK when migrating from ABAC to SUMMA.



developed across centres and units and Centres resulting in duplication of efforts and additional costs.

- **Further enhance the Early Detection and Exclusion System (EDES):** In order to reinforce the protection of the EU's financial interests and to ensure sound financial management, the Agency should further develop internal financial rules defining: how the Commission EDES rules are applied to all the Agency's contracts, grants, agreements, prizes, and remunerated experts, and in particular the process for the Executive Director to report to the panel on unreliable economic operators if the Agency detects and assesses that such operators should be excluded from receiving funds and be blocked in the Commission's EDES database, and when applicable how to impose financial penalties on them.
- **Further enhance the prevention, detection correction and follow-up of internal control deficiencies to mitigate fraud control risks to a minimum:** The remedial actions required to address the resulting internal control deficiencies from audit findings, ex post controls, and risks shall be implemented in a timely manner to mitigate the severity of fraud control risks to minimum levels.
- **Reinforce the EUAA's internal control and anti-fraud architecture by ensuring that ex ante and ex post control activities work together and are integrated in control strategies:** The EUAA's internal control and anti-fraud architecture is supported by a number of ex ante and ex post controls which need to work together in a coordinated manner to achieve their mission as defined in the EUAA's regulatory framework (i.e., the mission of the staff responsible for financial verification is to support the authorising officer to ensure that the internal control objectives⁴⁶ are met; their role is to carry out the controls and checks assigned to them, as defined in the internal control systems and strategy established by the authorising officer). The increasingly complex anti-fraud landscape and the sophistication of fraudsters make cooperation and coordination across organisational boundaries more important than ever. Control activities are tailored to the specific activities and risks they intend to mitigate, and their intensity is proportional to the underlying risks. To this end, the Agency shall further develop effective and efficient ex ante and ex post risk-based control strategies approved at the right level of management in order to strike the right balance between legality, efficiency, effectiveness, and economy, and to duly define to which extent the applied ex ante and ex post control activities address the anti-fraud objectives defined in the Agency's Financial Regulation. These risk-based ex ante and ex post control strategies shall document the roles and responsibilities of the verification functions to prevent and detect red flags of fraud, notably through careful analysis of risks related to fraud, corruption, double funding, conflict of interest, and through well-documented control measures focused on protecting the EU's financial interests.

⁴⁶ Pursuant to Article 30(2) of the Agency's Financial Regulation, these are (i) effectiveness, efficiency and economy of operations, (ii) reliability of reporting, (iii) safeguarding of assets and information, (iv) prevention, detection, correction and follow-up of fraud and irregularities, and (v) the legality and regularity of the operations.



The summary results of the fraud risk assessment are publicly available on the EUAA's website and provide a clear link between the themes above and the anti-fraud objectives, risk responses (control activities) and control objectives. They are also linked in Appendix II.

9. Monitoring and reporting

The anti-fraud control risks that have been identified and assessed by senior management, along with their corresponding risk responses and control objectives, are recorded in the Fraud Risk Register Action Plan.

This plan, which is regularly monitored in conjunction with the Agency central risk register by senior management, encompasses significant and critical risks that were identified, and is prioritised during the annual risk management exercise, as it is firmly integrated in the EUAA's annual strategic planning and programming cycle. This approach enables consistent monitoring of risks and assures a comprehensive risk profile for the Agency.

The risks will also be discussed at least once a year by the Agency's Management Board.

In addition, the senior management supports a wide internal and external dissemination and reporting of the Strategy by (non-exhaustive list):

- Uploading the document on its intranet and external website;
- Increasing staff awareness through dedicated guidance on the Agency's intranet;
- Encouraging staff to follow dedicated training on fraud prevention, ethics and integrity and respect of dignity;
- Organising an information session for all staff to explain the new strategy;
- Regularly updating the status of the Fraud Risk Register Action Plan on the Agency's intranet and website.

Such measures, together with others defined in the Fraud Risk Register Action Plan, will help raise staff and stakeholder awareness and continue developing an anti-fraud culture within the Agency.

10. Internal control monitoring criteria

Internal control monitoring criteria are one of the management monitoring instruments to assess performance and functioning of the Agency's internal control systems. They consist of a list of qualitative and/or quantitative indicators for each of the 17 internal control principles laid down in the Agency's internal control framework.

The more relevant internal control monitoring indicators (non-exhaustive list) identified by senior management to assess the efficiency and effectiveness of anti-fraud control activities summarised per themes (defined in Section 8) are in Appendix III.



Internal control monitoring criteria serve as a monitoring tool for senior management, which defines and adopts these criteria, including the baselines and targets for each year. These indicators are regularly reviewed and therefore, both the indicators and their targets might be changed by agreement of senior management depending on the results of previous assessments, risk environment and changing priorities.

In accordance with internal control principle 15 of the EUAA's internal control framework, the Agency communicates with external parties about matters affecting the functioning of internal control. Therefore, internal control monitoring criteria results compared to the pre-defined targets are made available on the Agency's website⁴⁷. These results are regularly reported to the Management Board and at least once per year as part of the Executive Director's annual internal control self-assessment and presented in the consolidated annual activity report.

⁴⁷ Refer to footnote 22.