

EU-LISA ANTI-FRAUD STRATEGY 2022- 2024

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1. Background

1.1. General context

Articles 317 and 325 of the Treaty on the Functioning of the European Union (TFEU) are the legal basis regarding the protection of the financial interests of the Union and the fight against fraud affecting these interests.

The EU budget is taxpayers' money that must be used only for implementing the policies which the EU legislature has approved. Fraud involving EU funds has a particularly negative impact on the reputation of the EU institutions and the implementation of EU policies.

In 2011 the Commission adopted its Anti-Fraud Strategy with the overall objective of improving the prevention and detection of fraud, and the conditions for investigations of fraud, and achieving adequate reparation and deterrence. This is to be done especially by developing close cooperation and synergy and by promoting the standards set out in the strategy within the EU agencies and bodies, including joint undertakings.

In 2012, the Commission developed a Common Approach on EU decentralised agencies that requires a set of anti-fraud measures to be put in place in the agencies.

In 2019, the Commission adopted a new Anti-fraud Strategy¹ covering both the revenue and expenditure sides of the budget.

To support achieving the requirement, the European Anti-fraud Office (OLAF) developed a Methodology and guidance for anti-fraud strategies for EU decentralised agencies², which eu-LISA has used to develop its own anti-fraud strategy.

1.2. eu-LISA context

The European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (hereinafter called the "Agency" or "eu-LISA") was established by Regulation (EU) 1077/2011 of 25 October 2011 and became operational on 1 December 2012. The Agency's financial autonomy was granted on 22 May 2013. The initial legal base was replaced on 11 December 2018 by Regulation (EU) 2018/1726 on eu-LISA. The new Regulation specifically sets responsibilities for the Executive Director and the Management Board for anti-fraud measures³.

The Agency is responsible for the operational management of the Schengen Information System (SIS II), the Visa Information System (VIS) and Eurodac. The Agency is also responsible for the development and running of the European Entry/Exit System (EES), the European Travel Information Authorisation System (ETIAS) and the European Criminal Record Information System for Third Country Nationals (ECRIS-TCN).

The headquarters of eu-LISA are in Tallinn, Estonia, whilst its operational centre is in Strasbourg, France. There is also a business continuity site for the systems under management based in Sankt Johann im Pongau, Austria and a Liaison Office in Brussels, Belgium.

The Agency's governance is ensured by the following bodies and functions:

- The Management Board is composed of one member designated by each Member State and two representatives of the European Commission plus one representative from each associated country. Its function is to ensure that the Agency carries out its tasks, including the appointment, extension of the term of office and if appropriate the removal from office of the Executive Director.

¹ Commission Communication of 29 April 2019, Commission Anti-Fraud Strategy: enhanced action to protect the EU budget, COM(2019) 196.

² Ref. Ares(2013)3560341 - 25/11/2013

³ Article 24.3 of Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) and repealing Regulation (EC) No 1077/2011 reads: "The Executive Director shall be responsible for the implementation of tasks assigned to the Agency by this Regulation. In particular, the Executive Director shall be responsible for:... (i) protecting the financial interests of the Union by applying preventive measures against fraud, corruption and any other illegal activities, without prejudicing the investigative competence of the EPPO and OLAF, by effective checks and, if irregularities are detected, by recovering amounts wrongly paid and, where appropriate, by imposing effective, proportionate and dissuasive administrative, including financial, penalties; ... (j) preparing an anti-fraud strategy for the Agency and submitting it to the Management Board for approval as well as monitoring the proper and timely implementation of that strategy;..."

- The Audit, Compliance and Finance Committee (ACFC). The Committee's mandate is to assist the Management Board in fulfilling its responsibilities for audit and compliance matters and for financial matters assigned in the establishing Regulation and the Agency's Financial Regulation and providing structured and systematic oversight of the Agency's Internal Control and Risk Management, Internal Audit and External Audit, and budgetary and financial matters. It provides the Management Board with advice on the adequacy and effectiveness of the Agency's management practices in the areas above.
- The Executive Director is appointed by the Management Board from a list of at least three candidates proposed by the Commission following an open and transparent selection procedure. His/her function is to manage and represent the Agency and to assist the Management Board. For this purpose, he/she shall assume full responsibility for the tasks entrusted to the Agency and shall be subject to the procedure for annual discharge by the European Parliament for the implementation of the budget.
- The Advisory Groups are composed by a representative of each Member State, the Commission plus one member from each associated country. They are established for each large-scale IT system that the Agency develops and manages with the exception of the EES-ETIAS Advisory Group. Their function is to provide the Management Board of eu-LISA with technical expertise relating to large-scale IT systems and, in particular, in the context of the preparation of the programming document of the Agency and the annual activity report.
- The Data Protection Officer, Security Officer, and Accounting Officer are all appointed by the Management Board of eu-LISA.
- External and internal audit exercised by the European Court of Auditors, Internal Audit Service of the European Commission (IAS), and the Internal Audit Capability of eu-LISA (IAC).
- The discharge authority is the European Parliament acting on recommendation from the Council.

In 2022, the Agency handles a budget of 319,64 million euros⁴ (commitment appropriations). The budget is financed by European Union subsidy and contributions from the Associated Countries. The Agency does not generate revenue from fees stemming from the systems under management.

The eu-LISA budget is mostly implemented through operational activities, procurement and staff expenditures. The budget allocated to operational expenditure and running cost, representing 86% of the total value, is for the most part implemented through procurement. The remainder, representing 14% of the total budget, is devoted to personnel expenditure, which is only minimally implemented through procurement.

The Agency's establishment plan for 2022 has 391 posts while the number of external service providers (i.e. intramuros) amounts to 114 in February 2022.

The Agency's main stakeholders and partners are border management, law-enforcement and asylum authorities of the EU Member States, relevant authorities in the Associated Countries, the European Commission, other EU agencies and economic operators.

A particular aspect is that in the case of procurement procedures to acquire goods and services required for development or operational management of the large-scale IT systems under its mandate, the Agency faces an oligopolistic market i.e. only a few big economic operators in various consortia, participating in financially significant call for tenders. A contributing factor to this situation is the scale and complexity of the operational activities supported through these procurement activities, among the largest in the European public sector market.

The Agency applies a framework of internal controls to ensure good governance of the organisation. This setup includes also a requirement to implement a procedure for reporting fraud as well as the need to have a solid and targeted anti-fraud strategy in place at the Agency⁵.

2. Introduction

According to the Regulation (EU) on eu-LISA⁶, the Executive Director shall prepare and submit and the Management Board shall adopt an anti-fraud strategy, proportionate to the risk of fraud, taking into account the costs and benefits of the measures to be implemented.

⁴ p.106 of eu-LISA Single Programming Document 2022 - 2024

⁵ Principle 7 of the Internal Control Framework of eu-LISA.

⁶ Articles 19.1(h) and 24.3(j) of Regulation (EU) 2018/1726 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) and repealing Regulation (EC) No 1077/2011.

In December 2015, eu-LISA adopted its first Anti-Fraud Strategy covering 2016 - 2018 period. The document was revised, updated and adopted in March 2019⁷ and covered 2019 - 2021 period. According to the last monitoring of implementation of the action plan to the previous Anti-Fraud Strategy 2019 - 2021⁸, the final overall implementation rate was of 92% (one past due vs 13 actions in the initial action plan). Five actions have been carried over to the action plan to Anti-Fraud Strategy 2022 - 2024:

- #5 Develop and put in place a control strategy (past due);
- #9 Organise a quality assurance and control function;
- #12 Include criteria and document in the planning process how the distribution of existing posts is done...;
- #16 A selection procedure for structural service providers should be put in place ...;
- #17 A follow up of the exceptions in area of Internship should be carried out...

Also, a recommendation was made on Whistleblowing guidelines that they should be revised.

Since the environment that eu-LISA operates and the risks faced are both dynamic, there is a need to update the risks on the anti-fraud strategy regularly, fine tune mitigating actions, and revise the strategy accordingly to cover the next period 2022 - 2024.

The revision work started in December 2021 and finished in February 2022 when the Agency identified and assessed potential fraud risks relevant to its objectives in a dedicated exercise.

In April 2022, the Management Committee discussed and agreed on the final draft of Anti-fraud Strategy and the Action Plan 2022 - 2024. The Executive Director and the Management Committee endorsed the two documents formally.

In Sept 2022, the Management Board of eu-LISA adopted the Anti-fraud Strategy of eu-LISA and the resulting Action Plan. The Action Plan containing 12 actions is designed to implement the Agency's Anti-Fraud Strategy.

The revised strategy takes into account the priorities set by the Commission within the framework of the Common Approach on EU decentralised agencies, especially:

- Ensuring proper handling of the conflicts of interest issue,
- Developing anti-fraud activities especially through prevention, detection, awareness raising and closer cooperation with OLAF.

Ethics and transparency are key issues in the EU institutions and bodies. The Agency commits to ensuring that these principles are properly applied.

The main rules and anti-fraud measures recommended and/or linked to the policy of the partner DG HOME⁹ are also duly addressed in this strategy.

By revising the anti-fraud strategy, the Agency targets to implement the actions pending from the previous exercise, move the preventive and detective anti-fraud measures to the next level, and to give a vigorous response to the significant changes impacting its personnel, budget and operating environment.

2.1. Definition of fraud

Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain.

Fraud is any illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.¹⁰

In principle, fraud is a penal law qualification given by a judge.

The elements behind the perpetration of fraud are often summarised as the "fraud triangle". Three elements must coincide for fraud to occur: (i) pressure as the motivation; (ii) rationalisation as a self-justifying attitude; and (iii) perceived opportunity.

⁷ Doc 2019-041 REV1, Decisions of the 20th meeting of the MB of the eu-LISA, point A.19, Doc. 2019-051 eu-LISA Anti-fraud Strategy 2019-2021.

⁸ IAC Monitoring Report on the implementation of the Action Plan to the Anti-fraud Strategy for the year 2021, ref. Ares(2022)147532 - 10/01/2022

⁹ DG HOME is the European Commission's department in charge of migration and home affairs. The relevant responsibilities of DG HOME that the Agency's anti-fraud strategy has considered are:

- A balanced and comprehensive Migration Policy;
- Internal security;
- Securing EU external borders - Schengen, borders and visa;
- External dimension.

DG HOME will in the coming five years contribute mainly to the Commission's General Objective of *Promoting our European way of life* in the fields of security and migration (ref. Strategic Plan 2020 - 2024, DG HOME, Ares(2020)4617446 - 04/09/2020).

¹⁰ Glossary to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The traditional fraud triangle has recently been developed into a slightly more complex "new fraud triangle", which further differentiates the elements of pressure/motivation and rationalisation/self-justification as follows:

- Pressure or motivation comprises the aspects of money, ideology, coercion and ego:
 - ideological motivation is that which considers participation in a fraud act as a means to achieve some perceived greater good;
 - coercion occurs when individuals may be unwillingly pulled into a fraud scheme, but those individuals can turn into whistle-blowers;
 - ego may provide a motive for fraud where the offence serves to protect the offender's reputation or position of power.

- Rationalisation or self-justification reflects the potential offender's personal belief system and their standards of personal integrity. From a practical point of view, observing a person's commitment to ethical decision-making can help in assessing integrity and thus an individual's likelihood to commit fraud.

Intention is the key element which distinguishes fraud from irregularity. An irregularity is an act which does not comply with EU rules and which has a potentially negative impact on EU financial interests, but which may be the result of genuine errors committed both by beneficiaries claiming funds and by the authorities responsible for making payments. If an irregularity is committed deliberately, however, it may be judged as fraud.

For the purposes of the strategy, the term 'fraud' should be understood in a broad sense, encompassing¹¹:

- fraud, corruption and misappropriation affecting the EU's financial interests, as defined in Articles 3 and 4 of the PIF Directive (Protection of the Union's financial interests)¹²;
- other criminal offences affecting the Union's financial interests, e.g. offences linked to an abuse of procurement procedures where they affect the eu-LISA thus EU budget;
- irregularities as defined in Article 1(2) of Regulation (EC, Euratom) No 2988/95¹³ (insofar as they are intentional but not already captured by the criminal offences referred to above);
- serious breaches of professional obligations by staff or Members of the Union's institutions and bodies, as referred to in Article 1(4) of the OLAF Regulation and in the second subparagraph of Article 2(1) of Commission Decision (EC, ECSC, Euratom) No 352/1999¹⁴.

For the purpose of drafting an anti-fraud strategy, detection of fraud means the detection of facts or highly suspicious circumstances that suggest fraud may be taking place.

The concept of fraud encompasses both internal and external misbehaviour. 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.

It is crucial to also cover non-financial fraud when carrying out the fraud risk assessment by taking into account the risks of serious damage to the image and reputation of the Agency, the European Commission and the European Union as a whole. The reputational impact may be far more important than the financial damage itself.

2.2. Fraud risk identification and assessment

eu-LISA defines a risk as any event or issue that could occur and adversely impact the achievement of the Agency's objectives. Usually, particular fraud risks relate to compliance objectives (e.g. the legality and regularity of activities and financial transactions) but may also be associated with eu-LISA's performance objectives. A risk of fraud can arise when there is a serious vulnerability in a process, a file or a document that may point to a potential fraud.

¹¹ OLAF Methodology and Guidance for services' anti-fraud strategies, June 2021, ref. Ares(2021)4589215 - 15/07/2021.

¹² 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, OJ L 198, 28.7.2017, p. 29

¹³ 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.

¹⁴ Commission Decision (EC, ECSC, Euratom) No 352/1999 of 28 April 1999 establishing the European Anti-Fraud Office (OLAF), OJ L 136, 31.5.1999, p. 20, as amended.

Between November 2021 and February 2022, the Agency identified and assessed potential fraud risks relevant to its objectives in a comprehensive and dedicated exercise. A risk assessment excel tool was prepared and uploaded with 25 potential fraud risks compiled from various sources and adapted as much as possible to eu-LISA's environment. The 25 risks were identified in the area of procurement, asset management, contract management, human resources and corporate. The existence and effectiveness of controls in place to mitigate the fraud risks were also considered in the assessment. All the managers and heads of special functions were invited to assess the likelihood and impact of each of the identified risks.

As a result, the following risks have been retained for mitigation in the next three years, 2022-2024:

- Contract management - Poor deliverables / vendor underperformance / quality (#CM2)
- Contract management - Communication and interfacing with the vendor outside the contract framework (#CM4)
- Procurement - Leaking of confidential information (#PRO1)
- Procurement - Bid tailoring (#PRO6).
- Corporate / Operations - Data breach (COR1)
- Contract management - Tolerating bad deals for the Agency and weak internal controls (#CM7).

The Agency put in place an action plan to mitigate these risks, see Appendix enclosed. The implementation of the action plan is monitored and reported to the Executive Director and the Management Board regularly.

2.3. Roles and responsibilities

Roles	Responsibilities and tasks related to anti-fraud issues
Management Board	<ul style="list-style-type: none"> - adopting the anti-fraud strategy. - ensuring adequate follow-up to the findings and recommendations stemming from the various internal or external audit reports and evaluations as well as from investigations by the European Anti-Fraud Office (OLAF) and the European Public Prosecutor's Office (EPPO)
Executive Director Deputy Executive Director	<ul style="list-style-type: none"> - protecting the financial interests of the Union by applying preventive measures against fraud, corruption and any other illegal activities, without prejudicing the investigative competence of the EPPO and OLAF, by effective checks and, if irregularities are detected, by recovering amounts wrongly paid and, where appropriate, by imposing effective, proportionate and dissuasive administrative, including financial, penalties¹⁵, - preparing and presenting the Anti-fraud strategy to the Management Board and monitoring the proper and timely implementation of that strategy¹⁶, - giving 'the tone from the top' by promoting anti-fraud culture across eu-LISA, setting anti-fraud objectives, and putting in place effective arrangements for combating fraud by implementing the Anti-fraud strategy. - inform the Commission without delay on cases of presumed fraud and other financial irregularities, and of any completed or ongoing investigations by the EPPO or OLAF.
Heads of Department	<ul style="list-style-type: none"> - promoting the anti-fraud culture within their departments, - checking staff awareness and ensuring that all suspected or reported cases of potential fraud are immediately reported to OLAF, - cooperating with all other functions involved in the implementation of the anti-fraud strategy.
All managers	<ul style="list-style-type: none"> - preventing and detecting fraud rests with managers as they are primary responsible as 'first line controls', - managing the risk of fraud.

¹⁵ Article 24(3)(i) of Regulation 2018/1726

¹⁶ Article 24.3 of Regulation 2018/1726

Operational/Financial Initiating Agents, Operational/Financial Verifying Agents, Authorising Officers by Delegation, Authorising Officer	<ul style="list-style-type: none"> - implementing the budget of the Agency in compliance with effective and efficient internal control, and in line with principle of sound financial management, - identifying and analysing “red-flags”¹⁷, - reporting any suspected fraudulent activities within eu-LISA to their line manager, Executive Director or OLAF as appropriate.
Internal Audit Capability of the eu-LISA (IAC)	<ul style="list-style-type: none"> - determining whether the organization has adequate internal controls and control environment, - provide confidential and impartial guidance on the Agency’s whistleblowing rules. - considering fraud risk in every audit and performing appropriate procedures based on fraud risk, - reporting any suspected fraudulent activities within eu-LISA to OLAF and, as appropriate, to the Executive Director and the Management Board.
Internal Audit Service of the Commission (IAS)	<ul style="list-style-type: none"> - considering fraud risk in every audit and performing appropriate procedures based on fraud risk, - reporting any suspected fraudulent activities within eu-LISA to OLAF and, as appropriate, to the Executive Director and the Management Board.
Legal officer	<ul style="list-style-type: none"> - setting and maintaining a compliance programme with anti-fraud related legal requirements.
Human Resources	<ul style="list-style-type: none"> - ensuring compliance with Article 11 to 24 and articles 86 and 110 of Staff Regulations and relevant articles of the Conditions of Employment of other Servants of the European Communities (CEOs).
Accounting Officer	<ul style="list-style-type: none"> - validating the accounting system in line with Article 50 of eu-LISA Financial Regulation.
Manager in charge of risk management and internal control	<ul style="list-style-type: none"> - coordinating eu-LISA’s Internal Control Framework and risk management, including the measures for achieving and maintaining compliance.
Experts, partners, suppliers, contractors and consultants	<ul style="list-style-type: none"> - complying with eu-LISA's anti-fraud procedures and controls.

3. The Strategy

The strategy is based on the five guiding principles, aligned with the Internal Control Framework principles¹⁸. The five principles are explained in the table below together with Agency’s assessment.

¹⁷ Red-flags can be defined as situational pressures (e.g. unrealistic budget pressure or other performance indicators pressure) and / or opportunities to commit fraud (e.g. improper oversight by the Management Board, weak or non-existent internal controls, unusual or complex transactions, financial estimates that requires significant subjective judgement by management, ref. page 1.205 of 2016 Fraud Examiners Manual (International), Association of Certified Fraud Examiners (ACFE TM)

¹⁸ ref. Fraud Risk Management Guide by COSO&ACFE, 2016

#	Anti-fraud Principle	Present and functioning? (Category 1/2/3/4) ¹⁹	Evidence
1	eu-LISA establishes and communicates a fraud risk management program that demonstrates the expectations of the Management Board and senior management and their commitment to high integrity and ethical values regarding managing fraud risk.	Category 2. The principle is present and functioning but some improvements are needed	Anti-fraud Strategy Annual Monitoring Reports
2	eu-LISA performs comprehensive fraud risk assessments to identify specific fraud schemes and risks, assess their likelihood and significance, evaluate existing fraud control activities, and implement actions to mitigate residual fraud risks.	Category 1. The principle is present and functioning well, only minor improvements needed.	Every three years: comprehensive, dedicated fraud risk assessment Yearly: new fraud risks and mitigating actions might be added following annual monitoring activities.
3	eu-LISA selects, develops, and deploys preventive and detective fraud control activities to mitigate the risk of fraud events occurring or not being detected in a timely manner.	Category 3. The principle is partially present and functioning, major improvements are needed	Action Plans to the Anti-Fraud Strategy and to various audit recommendations issued by IAS, ECA, IAC, EDPS Control Strategy (work is in progress)
4	eu-LISA establishes a communication process to obtain information about potential fraud and deploys a coordinated approach to investigation and corrective action to address fraud appropriately and in a timely manner.	Category 2. The principle is present and functioning but some improvements are needed	Whistleblowing Procedure
5	eu-LISA selects, develops, and performs ongoing evaluations to ascertain whether each of the five principles of fraud risk management is present and functioning and communicates fraud risk management program deficiencies in a timely manner to parties responsible for taking corrective action, including senior management and the Management Board.	Category 1. The principle is present and functioning well, only minor improvements needed.	Monitoring activities by the IAC Independent audits by the IAS

Taking into account the screening of fraud risks, both internally and externally with its partners, and the maturity of the above listed principles, the Agency has decided to concentrate its efforts on achieving the following strategic objectives:

Objective 1 - achieve full compliance with anti-fraud principles

¹⁹ Category 1 - The principle is present and functioning well, only minor improvements needed; Category 2 - The principle is present and functioning but some improvements are needed; Category 3 - The principle is partially present and functioning, major improvements are needed; Category 4 - The principle is not present and not functioning.

The Authorising Officer and authorising officer by delegation are ultimately responsible for fraud deterrence within the Agency and have the primary responsibility for the prevention and detection of fraud and error by applying and maintaining appropriate internal control systems.

The objective is to achieve and maintain Category 1 (i.e. *"the principle is present and functioning well, only minor improvements needed"*) for the all the five anti-fraud principles.

Most relevant actions to reach the objective²⁰:

- Organise mandatory ethics and integrity trainings, with focus on whistleblowing and conflict of interest, if possible jointly with OLAF experts (action #7 in the action plan). **Indicator:** at least 90% of eu-LISA staff and 100% management annual participation in ethics and integrity awareness sessions. Baseline (2021): 67%. Baseline: 67% for staff and not applicable for management;
- Develop and put in place a control strategy (action #4 and #5 in the action plan). **Indicator:** the Control Strategy is in place, being implemented, monitored and reported. Baseline: not applicable;
- Implement the revised eu-LISA Guidelines on Whistleblowing²¹. **Indicator:** in full compliance with data protection rules and confidentiality principle, annual statistics is available and communicated for decision-making e.g. the number of whistle-blowers, used channels, OLAF cases opened, irregularities further investigated. Baseline: not applicable.

Objective 2 - high level of ethics and integrity

Ethics, integrity and transparency are the cornerstones of a healthy, fraud-free work environment. The staff and management of eu-LISA, members of the Management Board and advisory groups, and all contractors must abide by the highest ethical standards in the exercise of their duties.

The objective is to set and maintain a high level of ethics and integrity in all activities of eu-LISA.

Most relevant actions to reach the objective:

- Organise mandatory ethics and integrity trainings, with focus on whistleblowing and conflict of interest, if possible jointly with OLAF experts (action #7 in the action plan). **Indicator:** at least 90% of eu-LISA staff and 100% management annual participation in ethics and integrity awareness sessions. Baseline (2021): 67% for staff and not applicable for management;
- Investigate any deviations from the expected ethical and integrity standards and take appropriate measures without delay (action #12 in the action plan). **Indicator:** (decreasing) annual trend of ethical issues. Baseline (2021): three (3)

Objective 3 - develop and use data collection and analysis

Most of the fraud risks are in threatening eu-LISA's objectives set for procurement and contract management. Early detection through paying specific attention to red flags in these areas can prevent the perpetrators of fraud from succeeding. The staff of eu-LISA are the first-and best-line of defence when it comes to protecting EU funds from misuse.

The objective is to develop and use data collection and analysis for prevention and detection purposes.

Most relevant actions to reach the objective:

- Embed anti-fraud checks (red-flag) in the checklists of the financial circuit (action #11 in the action plan). **Indicator:** financial circuits' checklists are updated with anti-fraud checks. Baseline: not applicable;
- Design and perform annual ex-post checks on the eu-LISA transactions (i.e. procurement procedures, commitments, or payments) to detect potential fraud (action #10 in the action plan). **Indicator:** at least 2% transactions are ex-post audited for potential fraud. Baseline (2021): 1.77%

The Agency put in place a comprehensive action plan including the above-mentioned actions that will be monitored and reported to the Executive Director and the Management Board regularly. The action plan is in the annex enclosed.

²⁰ The Agency has put in place a detailed Action Plan, which is communicated internally to the action owners and contributors.

²¹ The revised eu-LISA Guidelines on Whistleblowing (doc. 2022-039) adopted by the Management Board by written procedure on 03/03/2022 (doc. 2022-080).

ANNEX - Action Plan

This action plan is designed to support implementation of the eu-LISA Anti-Fraud Strategy 2022 - 2024. When implementing the actions and wherever possible, the Agency will seek synergies with other evaluations and audits, and will share best practices with other agencies. The actions committed hereunder focus on prevention, detection and reporting of fraud:

#	Objective	Action	Ref. fraud risks	to Entity charge	in Target implem. date
1	Objective 2 - high level of ethics and integrity	A selection procedure for structural service providers (SSPs or "intramuros") should be put in place. Related documentation should be improved to mitigate the risk of favouritism/ nepotism. Relevant provision for the selection of SSP should be included in the new policy. Indicator: the new policy includes rules for the selection of SSPs;	Backlog	HoCSD	Mar 2022
2	Objective 2 - high level of ethics and integrity	Amend the current internship policy in order to restrict the use of exceptions to the regular procedure. Indicator: there are no exceptions to the policy.	Backlog	HoCSD, support HRU	Jun 2022
3	Objective 1 - achieve full compliance with anti-fraud principles	Deploy the Contract Management policy and related procedures (prevention, detection). Indicator: the policy is being implemented, monitored and reported on.	#CM2 #CM7	PPU FPU	Dec 2022
4	Objective 1 - achieve full compliance with anti-fraud principles	Develop and put in place a control strategy (prevention, detection). Indicator: the Control Strategy is adopted by an ED decision.	all (backlog)	DED (lead) IAC, FPU, GCU (support)	Dec 2022
5	Objective 1 - achieve full compliance with anti-fraud principles	Implement the control strategy (prevention, detection). Indicator: the Control Strategy is being implemented, monitored and reported on.		DED (lead) IAC, FPU, GCU (support)	Dec 2023
6	Objective 1 - achieve full compliance with anti-fraud principles	Deploy a quality assurance and control function to ensure that service and project deliverables meet contractual expectations in a sound financial manner (prevention, detection). Indicator: at least two quality assurance reports submitted to eu-LISA Quality Board.	#CM2	eu-LISA Quality Board	Dec 2023

#	Objective	Action	Ref. fraud risks	to Entity charge	in Target implem. date
7	Objective 2 - high level of ethics and integrity	At least once a year, organise mandatory ethics and integrity trainings, with focus on whistleblowing and conflict of interest, if possible jointly with OLAF experts. Indicator: at least 90% of eu-LISA staff and 100% management annual participation in ethics and integrity awareness sessions.	all	IAC (lead) HRU (support)	permanent
8	Objective 2 - high level of ethics and integrity	Put in place a Transparency Register and related rules for staff interaction with interest representatives (i.e. lobby). Indicator: the register is adopted by an ED decision.	#CM4	DED	Sep 2022
9	Objective 3 - develop and use data collection and analysis	Run regular reviews on the eu-LISA staff accounts and the technical accounts to check compliance with eu-LISA Access Management Policy. Indicator: review reports are produced at least annually and communicated to eu-LISA Security Officer.	#COR1	SCU	permanent
10	Objective 3 - develop and use data collection and analysis	Perform annual ex-post checks on the eu-LISA transactions (i.e. procurement procedures, commitments, or payments) to detect potential fraud. Indicator: the results of ex-post checks are included in the annual monitoring report on the implementation of Anti-Fraud Strategy.	all	IAC	permanent
11	Objective 3 - develop and use data collection and analysis	Embed anti-fraud checks (red-flag) in the checklists of the financial circuit. Indicator: financial circuits' checklists are updated with anti-fraud checks.	all	FPU (lead) IAC (support)	Dec 2022
12	Objective 2 - high level of ethics and integrity	Investigate any deviations from the expected ethical and integrity standards and take appropriate measures without delay. Indicator: (decreasing) annual trend of ethical issues.	all	HRU IAC (support)	Permanent
13	Objective 2 - high level of ethics and integrity	Implement the eu-LISA revised Whistleblowing Guidelines to ensure <i>inter alia</i> that: <ul style="list-style-type: none"> internal channels for reporting wrongdoings and potential fraud are properly defined and clearly communicated, protection of whistleblowers is effective and compliance with EDPS Guidelines is ensured, 	all	Management Committee IAC (support)	June 2023

#	Objective	Action	Ref. fraud risks	to	Entity charge	in	Target implem. date
		Indicator: in full compliance with data protection rules and confidentiality principle, annual statistics is available and communicated for decision-making e.g. the number of whistle-blowers, used channels, OLAF cases opened, irregularities further investigated.					

FPU = Finance and Procurement Unit

HRU = Human Resources Unit

GCU = General Coordination Unit

CSD = Corporate Services Department

OPD = Operations Department

MRMIC = Manager in Charge for Risk Management and Internal Control

IAC = Internal Audit Capability

PPU = Programme and Project Delivery Unit

SCU = Security Unit

DED = Deputy Executive Director

ED = Executive Director