



OLAF Supervisory Committee

## **Opinion No 1/2010**

### **OLAF's Preliminary Draft Budget for 2011**

Brussels, 30<sup>th</sup> June 2010



## OLAF Supervisory Committee

At the meetings of 27<sup>th</sup> and 28<sup>th</sup> April and 1<sup>st</sup> and 2<sup>nd</sup> June, 2010, OLAF's Supervisory Committee examined OLAF's preliminary budget for 2011 and adopted the following opinion.

### **I. Presentation of the provisional budget for 2011**

As it does every year, OLAF presented the main points of the provisional budget for the following year to the Committee. For 2011, the Committee notes that this is a transitional budget relating to the current interim period that followed the death in January 2010 of OLAF's Director - General, Franz-Herman Brüner. Given that the powers of acting Director -General were limited to dealing with current issues, the acting Director-General has been unable to take decisions or carry out engagements leading to commitments for the future Director -General after his or her election by the institutions.

The Committee notes that the overall provisional budget was 3.19% higher than that of 2010. The Committee wishes OLAF to place greater emphasis on the training of its entire staff. The Committee notes that the budget for overseas missions has increased proportionately in line with the increase in the cost of living and expresses the wish that this area be always subject to effective monitoring by the heads of unit and directors of OLAF.

The amount of the budget line granted to the Committee remains stable in relation to the 2009 and 2010 figures.

The Committee notes that OLAF staff numbers have remained stable at 384 agents and expenses have not increased disproportionately. Provisional appropriations for salaries and payments to staff have increased by 4.13% in total, including the salary adjustments.

### **II. Allocation and management of OLAF's human resources**

The Committee notes that the number of vacant posts has dropped. In 2010 it was 24 and in 2011 it should be eighteen. The Committee welcomes this positive trend which helps to improve OLAF's capacity to handle its activities.

With regard to temporary staff, the Supervisory Committee welcomes a series of positive developments in 2008, 2009, and 2010, in particular the launch and publication of the results of external and internal competitions in the field of combating fraud. This has already enabled OLAF to recruit in January 2010, as officials, 11 former temporary agents (nine for an indefinite period and two for a fixed period), who passed external competitions. This was made possible following an amendment to the establishment plan and the negotiation of a rectifying budget with the budgetary authority.

Following the recent publication of the results of internal competitions, a similar exercise should be carried out by OLAF to offer posts as officials to those having passed the competitions. This should enable OLAF to recruit 13 temporary agents for an indefinite period and two for a fixed period in 2010. In addition, three former temporary agents having passed external competitions passed an internal competition at a higher level.

Although organising these competitions was a significant undertaking and fulfilled OLAF's commitments, the overall impact on the 92 temporary agents involved in the exercise is limited insofar as only 21 of them have passed one of the competitions. A further four temporary agents



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on fixed-term contracts have also been able to benefit from the competitions. To date therefore 63 temporary agents affected by the 2007 negotiation have been unable to benefit from the competitions, either because they did not pass or because they could not, or declined to take part. An even larger number have been prevented from registering for the competitions because of the grades for which the competitions were open, the qualifications required and the length of time since they obtained their qualifications. The Supervisory Committee points out that it would be highly desirable for these temporary agents to continue to contribute their skills and knowledge to OLAF and that it would make sense to offer them, at the earliest opportunity, genuine prospects for career development. It should not be overlooked that the oldest temporary agents have been working at OLAF for over ten years. It would be appropriate to allow them to enjoy the benefits of reclassification.

It would also be useful for OLAF to ask EPSO to organise competitions allowing recruitment of the highly specialised people needed by OLAF. It would be extremely harmful to OLAF's future effectiveness, and indeed its independence, if it were unable to retain such specialists. It would be very time-consuming and expensive to train new specialists were the absence of genuine prospects to lead some staff to leave OLAF.

The Committee notes that there are still some fixed-term temporary agents at OLAF whose contracts it has not been and certainly will not be possible to renew in the future. Such situations are difficult to sustain, on a human level, insofar as the people concerned know that the period of work will inevitably come to an end. Once again the Committee requests that OLAF draw up and quickly implement an appropriate, consolidated recruitment policy offering standard lengths of contract to Member States' candidates who are investigative specialists. Such recruitment would have the merit of allowing OLAF to try and attract the best candidates from national services. It would also make it possible to update the knowledge of investigators already working for OLAF and, most importantly, to enable them to make adjustments and improvements to their investigation technique. The Commission's proposed spread of 80% officials and 20% temporary agents should be considered merely an aspiration, rather than a target set in stone. OLAF should never restrict or altogether dispense with the recruitment of specialists in the fight against fraud. Its independence in investigations does not rest on the ratio of officials to temporary agents but, rather, on investigation skills and a desire to implement the best investigative techniques. The recruitment of temporary agents should also enable OLAF to work more effectively and to improve cooperation with the Member States' authorities.

The Committee notes that OLAF's organisational structure, as at 1 April 2010, comprised only one head of unit post held by a temporary agent. It would also clearly be worthwhile analysing, at some stage, the necessary balance to be struck in this area between officials and temporary agents.

The Committee expresses its disappointment that OLAF has yet to define a proper human resources policy and this despite its recommendations as set out in its Opinions on previous budgets (Opinion n° 2/2007 – Opinion n° 3/2008 – Opinion n° 3/2009). Similarly, the Committee stresses, as in previous years, the need for careful reflection as to the appropriateness of the allocation of resources to OLAF's core business. The Committee has noted OLAF's comments as to the indivisible nature of its work and with regard to the contribution of all areas of the Office to its duties; it nevertheless considers that particular consideration is needed with regard to the relative proportion of staff dedicated directly to investigative activities. As in its earlier opinion, the Committee believes that an overall evaluation and determination of priorities



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should be carried out with regard to OLAF's various areas of activity as well as to their respective importance.

### **Recommendations:**

**The Committee urges OLAF to establish, as soon as possible, a human resources strategy based on an analysis of work priorities and the appropriate allocation of resources to same. This strategy should offer realistic job prospects in the short and medium term.**

**The Committee recommends that OLAF pay particular attention to the different categories of temporary agents currently working in OLAF and to try as far as possible to find appropriate solutions adapted to these groups, in particular with regard to the opportunities for reclassification .**

### **III. The secretariat of the Supervisory Committee**

The notional number of staff within the Supervisory Committee secretariat is eight. On 1<sup>st</sup> February, 2010 a new administrator joined its ranks and was allocated to a vacant post. A temporary AST agent post has been vacant since November 2009 and should be replaced by an official post.

In addition, a vacancy notice for the post of head of the secretariat was published in June 2009, ahead of the retirement of the former head at the end of July 2009. The new head of the Supervisory Committee secretariat was recruited on June 16<sup>th</sup>, 2010.

The existing staffing level of the secretariat will be satisfactory in terms of the tasks for which the Committee is currently responsible when all posts have been filled. However, if changes to the applicable regulations – in particular changes of the kind voted for by the European Parliament on 20 November 2008 as part of the revision of Regulation (EC) No 1073/99 – were to enter into force, the Committee's remit would be broadened and that would necessitate a significant expansion of the secretariat's workforce. Only such an increase in the number of staff within the Supervisory Committee secretariat would guarantee the Committee's genuine independence, which in turn is a crucial factor in safeguarding OLAF's independence.

### **Recommendation :**

**OLAF should organise for the definite allocation of eight posts to the Supervisory Committee Secretariat.**

**If, as part of the revision of the regulation applicable to OLAF, the tasks assigned to the Supervisory Committee were to expand, it would be essential for the secretariat's resources to be increased accordingly in order that the Committee could continue to work effectively and efficiently.**



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### **IV. Conclusion**

The Committee accepts the idea that the current provisional budget should be a reflection of the current transitional period.

However, the Committee expressly wishes that immediately following his entry into office, the new Director General of OLAF request from the budgetary authority the necessary means, in particular with regard to the management, investigation policy and staff recruitment policy of OLAF.

The Supervisory Committee supports OLAF's budget proposal for 2011 and trusts that the above recommendations will be taken into consideration.