



OLAF Supervisory Committee
The Chairman

Opinion No. 1/2009

OLAF's Annual Management Plan for 2009

Brussels, 19 March 2008



OLAF Supervisory Committee

The Chairman

The SC has examined both the public part and internal annexes of the OLAF Annual Management Plan (AMP) 2009 paying particular attention to the objectives, indicators and expected results of the investigations and the linkage between them and the other activities of the Office. Overall, the SC would like to congratulate OLAF for a clear, well structured and precise AMP as well as for the inclusion of a reference of its own recommendations. The SC would like to provide a few thoughts and observations on the AMP 2009.

1. Public part

The SC notes that in comparison with 2008 the indicator and target of the general objective have been changed from “*minimising fraud*” to emphasise the importance of customer feedback. The SC agrees with this approach and notes that it is in line with its recommendation of the Opinion No 3 of 2006, where the SC stressed the need for involvement of OLAF’s stakeholders in defining both qualitative and quantitative standards and benchmarks for OLAF’s activities. With this in mind, the SC would like to reiterate the necessity for OLAF to set up a regular feedback system with its key stakeholders.

With regard to the indicator of the general objective “*effective use of the results of stakeholders surveys*”, the SC has examined the results and analysis (as provided by your Office) of the 2007 and 2008 Eurobarometer and Commission surveys. It has concluded that the surveys neither address nor provide any information regarding the operational efficiency or effectiveness of OLAF’s services. Hence, the SC is doubtful whether OLAF is able to use these results to evaluate the achievement of the AMP objectives from the operations viewpoint. Moreover, the SC has reservations concerning these surveys since they do not generally target individuals cooperating directly with OLAF. The SC, therefore, suggests OLAF carry out a more targeted and tailor-made OLAF survey to determine the views of those representatives, of the member states’ authorities and EU institutions and agencies, which interact with OLAF on a daily basis. This information would be more useful for the purposes of the AMP 2009.

Another observation of the results of the surveys was that general awareness of OLAF was not very good, which should be thought provoking for OLAF when designing its future activities. For example the main findings of the 2008 Eurobarometer survey (25,000 randomly selected EU citizens) were that 59% of respondents had never heard of OLAF and another 20% who had heard of OLAF were unable, or unwilling, to say whether they trusted the organisation. The results were similar in the Commission survey where the staff did not have experience in dealing with OLAF and therefore could not form an opinion of its activities. On the basis of these results the SC would like to encourage OLAF to reflect these results in the 2010 AMP.

The SC warmly welcomes the “specific objective no 1”, which emphasises measuring both the efficiency and effectiveness of OLAF’s operations. The objective of 2009 will be to target more serious fraud cases, which is in line with the comments made by the SC for the 2008 AMP and in the Opinion no 3 on *de minimis* cases. The SC welcomes the improved strategy with regard to the *de minimis* rule of the internal investigations, which was explained in the recent letter on *de minimis* policy.



OLAF Supervisory Committee

The Chairman

The SC would like further information, particularly concerning the selection criteria of the “serious” external investigations and encourages OLAF to come up with a clearer and more consistent strategy and guidelines as to the types of cases which OLAF intends to investigate in 2009. The SC would also like to stress that the draft Manual of the operational procedures (point 2.3) should include an explanation of how operational priorities are formulated.

The SC shares OLAF’s views that the effectiveness of OLAF’s operations is an important factor in achieving the general objective and would like to have clarification as to how “Compliance with guidelines on thresholds and criteria for opening follow-up paths (Indicator 1.1)” will contribute to achieving this in 2009.

In addition to the clearance rate and duration criteria, the SC considers that the efficiency of investigations could be measured in terms of setting up a system or mechanism of regular control (including quality control) of investigations, to decrease delays and tackle problems shortly after they occur. The SC would like more information about the “18 month warning system” which is mentioned in the AMP under specific objective no 1. As indicated in the AMP, approximately 25% of investigations are still not processed within the management target period of 24 months. Since this is a continuing trend from previous years, the SC questions whether the efficiency indicators are sufficient to address and decrease these delays.

As in the AMP 2008, the SC finds it problematic that the case clearance rate (result indicator 2.2) should be close to one if it is calculated on the basis of new cases opened during a calendar year. Additional measures are required by OLAF management to tackle the existing caseload (around 440 cases in December 2008), since achieving this target will not contribute to a reduction of the caseload. This is also confirmed in the minutes of the Directors’ meeting of October 2008 which state that, in the first half of 2008, the clearance rate deteriorated and new backlog was created.

Furthermore, the SC notes that effectiveness and efficiency of operations is measured exclusively from the viewpoint of investigations and does not include any other operational activities and support services. However, the SC considers that the OLAF support services (other operational activities and administrative services) should also be incorporated into this strategy to make OLAF into a “world class administrative investigative body”. In the future, it would be worthwhile reflecting upon how other activities, apart from investigations, contribute to the benefit of OLAF’s investigations and how this could be measured in the AMP.

The SC notes that the effective communication strategy of the specific objective No 2 “promoting a culture of cooperation to combat fraud and corruption” does not include any clear in-house communication policy. Reflecting on the SC’s monitoring of OLAF cases, it is apparent that general coordination of activities between units and departments could be improved. Therefore, the SC would recommend incorporating an internal communications strategy into the AMP in order to improve knowledge sharing and to enhance general awareness amongst OLAF staff, concerning its own activities.



OLAF Supervisory Committee

The Chairman

2. Internal annexes

The SC welcomes the specific financial impact indicator for investigations in the trade and customs area and increased focus on cases with an estimated financial impact exceeding 1 MEURO.

Regarding the efficiency of Dir A and B investigations and operations, the SC is particularly interested to know how the duration of investigations and their potential delays are currently monitored and welcomes the systematic review of cases every 18 months while also inviting OLAF to reflect upon whether this system is sufficient to control delays. The SC would like clarification on the “new pending stage”. Overall, the SC underlines the necessity of a strict control system to decrease delay and maintain the quality of case work.

As in the AMP 2008, the SC questions the value and usefulness of an indicator “% of cases closed with financial/judicial/administrative follow-up” in relation to the total number of cases since, at the outset, the outcome of investigations is difficult to predict.

The SC would like to reiterate that, yet again, the result indicator of duration of cases of 24 months was not achieved in 2008 and has not been achieved for the past four years. The minutes of the Directors' meeting of October 2008 indicate that only 49% of cases were closed in less than 24 months in the first half of 2008. The average duration of an active case in the first half of 2008 was 27 months. The SC questions whether the target will be achievable in 2009, in particular if OLAF is to target more complex cases, while there will be no additional resources available.

The AMP states (Point 1.2 efficiency) that evaluations (or assessments) represent approximately 50% of the investigators' workload (48% in Dir A, 54% in Dir B). The SC notes that neither targets nor objectives have been formulated for the “non-active stage” of investigations, and no information is available in the AMP about the average length of evaluations. The SC suggests that reflection should be given as to how to include the non-active phase of an investigation in the AMP, since it consumes scarce resources and is an important factor when determining, for example, the time barring of evidence and follow-up of OLAF's final case reports.

Finally, the SC would like to note that some of the result indicators of the supporting activities (e.g. “the number of meetings organised”, “smooth cooperation” and “feedback received”) are too general, difficult to measure and/or lack precision as to how they are to be monitored in comparison with the set objectives and questions whether they in fact represent a good and efficient method of assessing performance.