



OLAF Supervisory Committee

**Opinion No. 3/2006**  
**of the Supervisory Committee**

**Performance indicators for OLAF**



## OLAF Supervisory Committee

**1.** The Supervisory Committee (SC) has discussed at its meetings dated 21/22nd of February, 20/21st of March and 25/26th of April 2006 the topic of performance indicators and agreed with OLAF to contribute actively to the further development of these indicators.

**2. Performance indicators** for the different fields of activity will allow OLAF to **focus more on results** and to **enhance** in general the **quality of the services** rendered in particular to the European institutions, judicial authorities of Member States and to the general public whilst protecting the Communities' financial interests and continuing its fight against fraud and other illegal activities detrimental to the Communities' financial interests.

**3.** OLAF has – as set out in the Director General's note for the attention of the SC dated 12th of April 2006 – already started work on the development of performance indicators.

The bulk of the existing indicators relates to OLAF's operational "activities and outputs" and are of a quantitative/statistical nature. These indicators do allow OLAF to measure numbers, such as the number of investigations or intelligence activities etc... The SC recognizes the utility of a solid statistical basis and of quantitative indicators and encourages OLAF to **pursue its work on the improvement of the reliability of statistical data.**

**4.** The SC notes that "reflection on quality indicators has started" (OLAF's note dated 12/04/2006).

In conformity with the internationally recognized methodology for performance measurement, the Supervisory Committee stresses the **necessity to measure OLAF's performance in the different fields of activity in the future through qualitative as well as quantitative parameters** which will allow the measurement of outcomes and results and not just activities or outputs.



**5.** Quality is usually measured by assessing how far an organisation has met its targets in terms of outputs, outcomes. This is usually measured by evaluating quantifiable aspects of the service. In setting quantitative targets, management decides what is important e.g. turn around time of services, the volume of complaints etc... (point 6). For investigatory work, where the outcome is the delivery of a completed dossier which establishes no further action is needed, or, alternatively, contains sufficient information to be taken forward by a prosecuting or disciplinary agency for further action, qualitative targets are less clear-cut and can best be measured by customer satisfaction surveys (point 7).

**6.** The SC notes in particular that OLAF is “under pressure to decrease the average duration of cases” (OLAF’s note dated 12/04/2006) and that the European Court of Auditors has recommended the establishment of a maximum duration for enquiries (Para 80 of the ECA report).

In the context of the duration of cases the SC would recommend the measurement of the **timeliness of procedures** whilst comparing individual cases against the standard time limits which management should fix.

Two generally accepted indicators in that respect are:

- the clearance rate
- and the backlog indicator.

**Clearance rate:** The clearance rate measures whether an organisation can keep up with its workload. It measures the number of completed cases in the reporting period divided by the number of cases opened in the same period.

**Backlog indicator:** The backlog indicators allow the organisation to measure on the basis of the standards which management sets for timeliness the age of the caseload on the background of this efficiency standard.

A good example in this context which OLAF could use *mutatis mutandis* as a model appears to be the Australian Federal Court which has decided earlier that:

- no more than 10 per cent of cases pending completion are to be more than 6 months old
- no cases pending completion are to be more than 24 months old.



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**7.** It is generally accepted that **customers should be involved in standard setting and influence evaluation of quality and assessments of service delivery** .

In the SC's view, OLAF **should regularly survey the satisfaction of European institutions and national authorities** and invite these “customers” to make proposals for any improvements which they might consider necessary.

The surveys could focus on

- the technical quality of work
- the relevance of the information provided
- and the timeliness of the information provided.