



OLAF Supervisory Committee

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OLAF's Annual Management Plan for 2008

Brussels, 26 February 2008



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The OLAF Annual Management Plan (AMP) 2008 was sent to the Secretariat of the Supervisory Committee (SC) in January and it was discussed by the SC at its meetings in January and February 2008 having particular regard to the parts concerning the Office's investigative function. The SC therefore welcomes the adoption of clear objectives and measurable performance indicators (result indicators and targets) and hopes they will contribute to achieving increased efficiency, transparency and accountability in all OLAF's operations.

The SC notes that in comparison with 2007, OLAF's overall strategic and operational target has been changed from "zero tolerance" to "to minimise fraud". Since this is a considerable strategic change the "minimum fraud rate" should be further specified in order to establish milestones and assess whether the activities undertaken contribute to achieving the general objective. On the other hand, given the fact that OLAF's resources are very limited, the SC considers that the general management objective should be to target more serious (i.e. higher financial impact) fraud cases which would enhance the Office's reputation whilst at the same time ensuring the most efficient use of Community funds. There is no specific reference to this in the AMP.

Having regard to the result indicators and targets for the four specific objectives, the SC is doubtful as to whether the number of cases closed with recommendations to be followed with disciplinary proceedings is a realistic target, given that it is difficult to predict the outcome of investigations at an early stage. Moreover, it is difficult to see how this target would apply to the increasing number of assistance, monitoring and coordination cases, where OLAF does not have a lead role.

The SC questions the value of the indicator "Increase the number of judicial and disciplinary proceedings based on OLAF's recommendations", as the achievement of this target is outside OLAF's powers. Moreover, the mid-term review of AMP 2006 indicates that OLAF does not currently receive consistent and reliable information from member states' (MS) national judicial authorities in relation to the judicial follow-up of its recommendations. The SC suggests that a more useful target might be to increase the information flow between OLAF and relevant MS authorities. Furthermore, in this context, the SC would like to see the legal basis, as well as the tasks and responsibilities of the various areas of follow-up, urgently clarified and this should be reflected in the AMP. In the meeting with OLAF representatives in June 2007 the SC pointed out, inter alia, that OLAF does not have a legal basis to undertake financial follow-up activities on behalf of the Commission.

With regard to financial impact, a coherent policy or guidelines on how the financial impact of different types of cases is to be estimated should be determined before it is selected as a target in the AMP. The SC believes that different methods of calculation to estimate financial impact are currently being used by the two investigation Directorates and between the different units. Once such guidelines are established they should be linked to the strategy for implementing the "de minimis" policy and address the question of cost-efficiency within given resources.

The AMP states that OLAF's investigations must be performed within a reasonable duration, which is, on average, 24 months (Result indicator 2.1). The SC notes that this target has, according to past OLAF annual activity reports, not been achieved for the past three years. Between 2005 and 2007, the average duration of investigations has been between 24 and 28



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months. However, this target remains unchanged in the current AMP. The SC questions whether the target is indeed feasible and realistic or whether more effective management measures should be taken to achieve the target. Secondly, the case clearance rate (result indicator 2.2) should be close to one, which has been achieved in the past if it is calculated on the basis of new cases opened during a calendar year. However, the SC would like to know what measures OLAF management intends to undertake to tackle the existing caseload (around 400 cases in December 2007), since achieving this target will not contribute to a reduction of the caseload.

When it comes to the other supporting activities (Objectives 3 and 4), the SC is of the view that some of the objectives and targets are expressed in terms which are too general and therefore difficult to measure. This would be the case for example with the “Enhanced relations and cooperation with Europol and Eurojust”, “Network of contacts in place with all relevant partners”, “OLAF regarded as valued partner whose assistance and support is sought” and “Efficient use of OLAF operational experience and efficient use of OLAF’s investigations’ results to deter fraud and irregularities”.

Finally, the SC would like reference to be made in the AMP to the implementation of its own recommendations.