

DECISION

EFSA – European Food Safety Authority	Decision of the Management Board concerning EFSA's Anti-Fraud Strategy	Decision No.: mb211014-a2
	Effective Date: 14 Oct. 2021	Supersedes: Decision of the Management Board of EFSA of 19 March 2015 concerning the Anti-Fraud Strategy of the European Food Safety Authority

Approvals	Signature	Name
Originator	Signed	Bernhard Url
Management Board	See Decision	XXXXXXX (Chair of the Management Board)

Introduction	Fraud involving EU funds has a particularly high impact on EFSA's reputation and on the reputation of the EU in general. Ethics, integrity and transparency are key for EFSA and the Authority commits to ensuring that these principles are properly applied. In particular, EFSA's staff, scientific experts, members of its governing bodies, as well as external contractors and grant-holders, must apply the highest standards of honesty and integrity in the exercise of their duties and tasks.
Description	The present Decision replaces the Anti-Fraud Strategy that the EFSA Management Board adopted in 2015 and strengthens EFSA's approach in fighting against any fraudulent act that might affect its operativity.
References	<p>Regulation (EC) No 178/2002</p> <p>Regulation (EU) 2019/1381</p> <p>European Anti-Fraud Office, "Methodology and guidance for anti-fraud strategies for EU decentralized agencies", Ref. Ares (2013)3560341, dated 25.11.2013</p> <p>European Anti-Fraud Office "Methodology and guidance for anti-fraud strategies for DG's anti-fraud strategies", Ref. Ares (2016)931345 dated 23.02.2016</p> <p>EFSA strategy 2022-2027, adopted by the EFSA Management Board on 24 June 2021</p> <p>Decision of the European Food Safety Authority concerning the terms and conditions for internal investigations in relation to the</p>

	prevention of fraud, corruption and any illegal activity detrimental to the union's interests, adopted on 14 Dec. 2016
Abbreviations	CAFS: Commission Anti-Fraud Strategy EFSA: European Food Safety Authority EPA: EFSA Process Architecture EU: European Union OLAF: European Anti-Fraud Office

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Anti-Fraud Strategy of the European Food Safety Authority (EFSA)

1. Background

1.1 General Context

The budget of the European Union (EU) is taxpayers' money that must be used only for implementing the policies that the EU legislators have approved. Fraud involving EU funds has a particularly negative impact on the reputation of the EU and on the implementation of EU policies¹.

In June 2011, the Commission adopted its Anti-Fraud Strategy² (CAFS), revised in 2019³, with the overall objective of improving the prevention, detection and conditions for investigations of fraud, as well as achieving appropriate preparation and deterrence. The European Commission is committed to take strong measures to address and mitigate any fraud, corruption or other illegal activity affecting the financial interests of the European Union. This is to be done especially by developing close cooperation with the European Anti-Fraud Office (hereinafter referred to as "OLAF") and by promoting the standards set out in the CAFS within the EU agencies.

To assist the agencies, OLAF prepared specific guidance⁴ addressed to the EU decentralized agencies (OLAF guidance document).

The present Anti-Fraud Strategy was developed taking into account, among others, the priorities set by the European Commission's Anti-Fraud Strategy.

1.2 European Food Safety Authority's context

The European Food Safety Authority (hereinafter also referred to as "EFSA" or the "Authority") is a European agency funded by the European Union that operates independently of the European legislative and executive institutions (Commission, Council and Parliament) and the EU Member States. It was set up⁵ in 2002 in response to a series of food crises in the late 1990s as an impartial source of scientific advice and communication on risks associated with the food chain.

EFSA's core is to work for the safety in the food chain from farm to fork. It contributes to protecting human life and health, taking account of animal health and welfare, plant health and the environment. In particular, the Authority delivers independent scientific

¹ European Anti-Fraud Office, "Methodology and guidance for anti-fraud strategies for EU decentralized agencies", Ref. Ares (2013)3560341, dated 25.11.2013 and the European Anti-Fraud Office "Methodology and guidance for anti-fraud strategies for DG's anti-fraud strategies", Ref. Ares (2016)931345 dated 23.02.2016.

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the Court of Auditors on the Commission Anti-Fraud Strategy, COM (2011) 376 final - https://ec.europa.eu/anti-fraud/sites/default/files/docs/body/ec_antifraud_strategy_en.pdf.

³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the Court of Auditors on the Commission Anti-Fraud Strategy, COM (2019) 196 final - https://ec.europa.eu/anti-fraud/sites/default/files/2019_commission_antifraud_strategy_en.pdf.

⁴ European Anti-Fraud Office, "Methodology and guidance for anti-fraud strategies for EU decentralized agencies", Ref. Ares (2013)3560341, dated 25.11.2013. On 23 Feb. 2016, however, the European Anti-Fraud Office adopted the "Methodology and guidance for anti-fraud strategies for DG's anti-fraud strategies" (Ref. Ares (2016)931345), with recommendation to the EU Agencies to also take it into account when reviewing/revising their Anti-Fraud Strategies.

⁵ Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety, OJ L 31, 1.2.2002, p. 1. ("EFSA Founding Regulation").



advice to policy makers, through cooperation with partners and in open dialogue with society.⁶

Between 2014 and 2019, EFSA handled a budget of approximately €79 million per year. In 2020, with the adoption by the EU co-legislators of the Transparency Regulation⁷, EFSA's budget increased to around €103 million and it is planned to stabilize around €155 by 2024. EFSA's revenues originate almost entirely from the European Union budget: approximately 97.5% in 2021⁸.

To implement the new tasks assigned with the Transparency Regulation, in the coming years a progressive increase of 106 staff members is also envisaged in the Authority's establishment plan⁹.

EFSA awards grants to competent organisations designated by the Member States for the implementation of projects and activities contributing to its mission¹⁰. In addition, the Authority makes recourse to public procurement procedures to purchase services in both scientific and non-scientific areas. In the coming years, EFSA envisages a substantial increase of the amount allocated to scientific grants and procurements¹¹.

2. Introduction

In March 2015, EFSA adopted its Anti-Fraud Strategy and the related Action Plan (2015-2016). Following the execution of the latter¹², additional anti-fraud measures were implemented in line with the Action Plans drawn in the following years.

Ethics, integrity and transparency are key issues in the EU institutions and bodies and the Authority commits to ensuring that these principles are properly applied. In particular, EFSA's staff, scientific experts, members of its governing bodies, as well as external contractors and grant-holders, must apply the highest standards of honesty and integrity in the exercise of their duties and tasks.

Based on the above premise, the present Anti-Fraud Strategy has been developed around the following principles:

- ❖ zero tolerance for fraud;
- ❖ efficiency: fight against fraud as an integral part of the Authority's internal control system;
- ❖ transparency: on the use of EU funds;
- ❖ effectiveness: in achieving its strategic objectives and in communicating them, both internally and externally;
- ❖ proportionality: anti-fraud actions shall correspond to the fraud risk level.

⁶ EFSA strategy 2022-2027, adopted by the EFSA Management Board on 24 June 2021.

⁷ REGULATION (EU) 2019/1381 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 June 2019 on the transparency and sustainability of the EU risk assessment in the food chain and amending Regulations (EC) No 178/2002, (EC) No 1829/2003, (EC) No 1831/2003, (EC) No 2065/2003, (EC) No 1935/2004, (EC) No 1331/2008, (EC) No 1107/2009, (EU) 2015/2283 and Directive 2001/18/EC, OJ L 231/1, 6.9.2019.

⁸ EFSA Budget 2021 "https://www.efsa.europa.eu/sites/default/files/corporate_publications/files/Budget-EFSA-2021.pdf" and EFSA Programming Document 2021-2023 adopted on 17 December 2020 "https://www.efsa.europa.eu/sites/default/files/corporate_publications/files/amp2123.pdf".

⁹ EFSA Programming Document 2021-2023 adopted on 17 December 2020 "https://www.efsa.europa.eu/sites/default/files/corporate_publications/files/amp2123.pdf".

¹⁰ Competent organizations designated by the Member States "<https://www.efsa.europa.eu/en/calls/art36grants?page=1>".

¹¹ See footnote no. 9.

¹² Report on the implementation of the Anti-Fraud Strategy of the European Food Safety Authority, presented to the Management Board in December 2016, "<https://www.efsa.europa.eu/sites/default/files/event/161214/mb161214-i7.pdf>".



EFSA will report, without undue delays, any instance of suspected fraud to OLAF, which is competent to investigate these cases¹³.

3. Fraud Risk Assessment

In line with OLAF's guidance documents, the revision of EFSA's Anti-Fraud Strategy was defined taking into account the outcome of the Fraud Risk Assessment carried out in the first quarter of 2021. The Fraud Risk Assessment was performed taking into consideration the definition of "fraud" as provided by OLAF in the guidance document. According to the latter, the concept of fraud encompasses any misbehaviour at detriment of EFSA that is carried out both internally and externally that may infringe on EFSA's financial interests¹⁴ as well as any misbehaviour that may lead to image or reputational damages in addition to the financial impacts. "Intention" is the key element distinguishing fraud from irregularity and it is often associated to deceptive activities resulting in acts or omissions leading to unauthorised or illegal advantages. On the other hand, motivation (e.g. financial problems, greediness, etc.), justification (e.g. "everybody does it") and opportunity (e.g. key role within the organisation) represent key factors explaining the occurrence of fraudulent activities.

Prior to the Fraud Risk Assessment, an in-depth analysis of the EFSA's Anti-Fraud Strategy adopted in 2015, including its various action plans and achieved results, a benchmark analysis with the Anti-Fraud Strategies adopted by EFSA's "sister agencies"¹⁵ and a gap analysis were performed with the aim of identifying areas of improvement to enhance EFSA's Anti-Fraud Strategy.

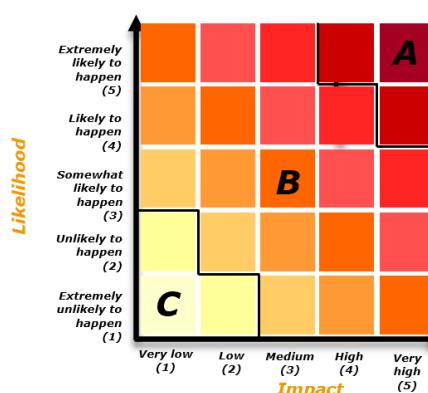
During the Fraud Risk Assessment, all EFSA Process Charters, including their process variants (as referred to in the EFSA Process Architecture - EPA¹⁶), were analyzed with the aim of identifying potential fraud risks associated to the specific operational areas.

External and internal fraud schemes were drawn and, with the engagement of the concerned Process Owners and Managers, assessed in accordance with the Risk Management methodology applied in EFSA for the performance of Risk Assessments.

The Fraud Risk Assessment assigned a risk rating for each identified fraud risk – at process level – by assessing the probability of occurrence ("likelihood") and the consequences ("impact") on the achievement of the process objectives. In particular, the impact/liability approach determined the significance of a fraud risks utilizing a five-point scale (as illustrated in the Risk Map). The more a risk is located to the top-right corner, the higher the fraud risk level.

The results of the Fraud Risk Assessment were documented into a Fraud Risk Register with the aim of providing a horizontal view of the fraud risks potentially impacting EFSA's operations.

In particular, the aim of the Fraud Risk Assessment is to ensure that the most significant



¹³ Decision of the European Food Safety Authority concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and any illegal activity detrimental to the union's interests, adopted on 14 Dec. 2016.

¹⁴ For an explication of EU financial interests: Art. 325 of the Treaty on the Functioning of the European Union.

¹⁵ European Environment Agency (EEA), European Medicines Agency (EMA), European Chemicals Agency (ECHA) and European Centre for Disease Prevention and Control (ECDC) Anti-Fraud Strategies.

¹⁶ EFSA Process Architecture (EPA) 2019-2020.



fraud risks are adequately managed within EFSA and to enable the Authority to determine the strategic objectives to be implemented with its Anti-Fraud Strategy.

The main conclusions of the Fraud Risk Assessment are the following:

- ❖ no critical fraud risks were identified;
- ❖ the operational areas that resulted potentially more exposed to fraud risks are:
 - Finance and procurement;
 - Talent management;
 - Transparency and confidentiality;
 - Digital transformation.

4. Strategic Objectives

EFSA's Anti-Fraud Strategy encompasses all stages of the anti-fraud cycle, namely prevention, detection, investigation and recovery/sanction. Driven by EFSA's values of excellence, independence, openness, accountability and cooperation, by addressing the outcome of the Fraud Risk Assessment carried out in 2021, the Anti-Fraud Strategy contributes to pursue the Authority's strategic objectives as described in EFSA's Strategy 2027. In particular, the Anti-Fraud Strategy aims at contributing to the Authority's organisational agility and to the delivery of trustworthy scientific assessment and communication.

EFSA's Anti-Fraud Strategy includes the following strategic objectives:

Strategic objective n.1: Continue enhancing an environment and culture that reflects EFSA's intolerance to fraud

Continuing to enhance an anti-fraud culture supported by high levels of awareness, integrity and transparency is essential to ensure EFSA's commitment to provide high-quality scientific advice. A common and shared understanding of the concept of "fraud" and knowledge of the processes governing the management of fraud risks are necessary elements to facilitate fraud deterrence.

Expected outcome: consolidate anti-fraud culture in EFSA's operational environment.

Anti-fraud cycle stage: prevention.

Strategic objective n.2: Strengthen fraud risk monitoring

An agile and effective monitoring system is needed to allow the Authority keeping the fraud risks at acceptable levels. While fraud risk monitoring remains an integral part of the overall risk assessment cycle, elements supporting the management of risks holding a potential fraudulent nature are reinforced. Appropriate means are made available to the actors engaged in the fraud risk monitoring at all managerial levels.

Expected outcome: improved effectiveness of the EFSA fraud risk monitoring system.

Anti-fraud cycle stage: prevention.

Strategic objective n.3: Maintain a robust system for fraud detection and investigation

The Authority counts on well-established instruments and control procedures to detect and investigate fraudulent activities. With a view of continuous improvement, EFSA is

committed to foster the tools (e.g. processes, procedures, guidelines) that can provide reasonable assurance of fraud being detected. Emphasis is placed in particular on the areas and groups with a higher level of exposure to potentially fraudulent activities.

Expected outcome: consolidate EFSA's capability to detect and investigate fraudulent activities.

Anti-fraud cycle stage: detection and investigation.

Strategic objective n. 4: Increase readiness in recovering damages and in sanctioning fraudulent activities

A toolkit is made available to timely process recoveries and sanctions should the occurrence of fraudulent activities be established.

Expected outcome: Toolkit to recover damages and to sanction fraudulent activities.

Anti-fraud cycle stage: recovery/sanction.

5. Entry into force, validity & review/revision

The validity of this Anti-Fraud Strategy is aligned with that of the EFSA Strategy 2022-2027 and will enter into force on the day of its adoption by the EFSA Management Board. The review of the present document shall be launched by the end of 2024. As a follow up of the abovementioned review, the Executive Director may submit to the Management Board a proposal for revising the current Anti-Fraud Strategy.

Adopted at the Management Board meeting held in virtual modality on 14 October 2021
For the EFSA Management Board

[NOT SIGNED]

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Chair of the Management Board