



DECISION OF THE MANAGEMENT BOARD

Event: *Written procedure - EIGE.MB.WP-2023.011*

Date: *13 December 2023, Vilnius*

Reference: *MB/2023/024*

Title: **Anti-fraud Strategy 2024-2026**

Having regard to

- Management Board Decision No MB/2019/024 of 20 December 2019 on EIGE's Financial Regulation, Article 30, paragraphs 2(d) and 2(e), which require internal controls for the "prevention, detection, correction and follow-up of fraud and irregularities" and "the adequate management of the risks relating to the legality and regularity of the underlying transactions",
- Management Board Decision No MB/2019/018 of 12 June 2019 on EIGE's Internal Control Framework and specifically Internal Control Principle 8, according to which "EIGE considers the potential for fraud in assessing risks to the achievement of its objectives",
- Management Board Decision No MB/2020/015 of 25 October 2020 on EIGE's Anti-Fraud Strategy 2021-2023,

Whereas

- (1) Regulation (EU, Euratom) 2020/2223 of the European Parliament and of the Council of 23 December 2020 amending Regulation (EU, Euratom) No 883/2013, as regards cooperation with the European Public Prosecutor's Office and the effectiveness of the European Anti-Fraud Office (OLAF) investigations.
- (2) EIGE's Management Board Decision No. 2011/022 of 26 January 2011 sets-up the agreement with OLAF 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.
- (3) EIGE's Anti-Fraud Strategy 2021-2023 expires on 31 December 2023, therefore, a Strategy for 2024-2026 needs to be established.

DECISION:

Article 1

The Management Board adopts the Anti-fraud Strategy 2024-2026 enclosed herewith.

Article 2
Entry into force

This Decision shall take effect on the day following its adoption.

A handwritten signature in blue ink, consisting of a stylized initial 'T' followed by a long horizontal stroke.

Tanja Auvinen
Chairperson
Management Board



ANTI-FRAUD STRATEGY 2024-2026

Adopted by Management Board Decision No MB/2023/024 of 13 December 2023

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ABBREVIATIONS:

CEDEFO	European Centre for the Development of Vocational Training
P	
EC	European Commission
EIGE	European Institute for Gender Equality
EU	European Union
FR	Financial Regulation
HR	Human Resources
IAS	Internal Audit Service
ICCO	Internal Control and Compliance Officer
ICT	Information and Communications Technology
OLAF	European Anti-Fraud Office
TFEU	Treaty on the Functioning of the European Union

1. Background

1.1 General background

Fraud that affects the EU budget reduces the impact of EU action and undermines the public trust in EU policies. Article 325 of the TFEU requires the EU Institutions and Member States to counter fraud and any other illegal activities affecting the financial interests of the Union. Therefore, under Article 317 of the TFEU and Article 36 of the EU Financial Regulation (FR)¹, the European Institute for Gender Equality ('EIGE' or 'the Institute') has put in place sound financial management, and effective and efficient internal control, as principles for implementation of the EU budget.

Internal control includes an appropriate risk management and control strategy to prevent, detect, and correct² fraud when implementing EIGE's budget, and to follow-up on fraud and other irregularities. Article 45 of EIGE's Financial Regulation³ puts the responsibility for internal control and risk assessment in the hands of the Authorising Officer.

1.2 Specific background

The overall objectives of the Institute are "to contribute to and strengthen the promotion of gender equality, including gender mainstreaming in all Community policies and the resulting national policies, and the fight against discrimination based on sex, and to raise EU citizens' awareness of gender equality by providing technical assistance to the Community institutions, in particular the Commission, and the authorities of the Member States" as stated in its establishment act, Regulation (EC) No 1922/2006 of the European Parliament and of the Council of 20 December 2006.

The annual budget of EIGE is about € 8.3 million and it is financed exclusively by an EU subsidy.

Typically, the budget is disbursed through services obtained through procurement (46 %), staff related costs, including missions (41 %), and administrative expenditure (13 %).

The Establishment Plan comprises 27 staff members (as of 31 December 2022), all of whom are Temporary Agents. Ten authorised Contract Agents and five Seconded National Experts (SNEs) supplement the human resource needs. The Institute has implemented a traineeship programme, which is open for an average of six trainees a year.

The staff is formally structured into three units: Administration, Research & Policy Support, and Outreach & Engagement, each led by a Head of Unit. In addition, there is a Director, the Director's Secretariat, and the Accounting Officer function (currently outsourced to the CEDEFOP).

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.

² Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

³ Management Board Decision No MB/2019/024 of 20 December 2019.

The Commission's Internal Audit Service provides the Internal Auditor function for EIGE. EIGE also employs an Internal Control and Compliance Officer (ICCO), whose main role is to assess and monitor the implementation of the Agency's Internal Control Framework⁴, as well as advise management on measures to improve compliance with and the effectiveness of internal control components.

2. Introduction

The Anti-Fraud Strategy is part of EIGE's internal control system and addresses the requirements of Internal Control Principle No 8, according to which "EIGE considers the potential for fraud in assessing risks to the achievement of its objectives". Moreover, it specifically addresses the requirements of Article 30, paragraphs 2(d) and 2(e) of the Financial Regulation of the Institute that require internal controls for the "prevention, detection, correction and follow-up of fraud and irregularities" and "the adequate management of the risks relating to the legality and regularity of the underlying transactions". Thus, anti-fraud measures are typically in place as part of the overall internal control system of EIGE.

EIGE has completed the implementation of the Anti-Fraud Strategy 2021-2023⁵ adopted by the Management Board on 25 October 2020. All the actions included in the Action Plan of the Anti-Fraud Strategy 2021-2023 have been successfully completed (details in Annex II). Due to implementation of the actions, the severity of the risks classified as serious in the 2020 risk assessment was reduced in 2023 to acceptable levels (ranks) as follows:

- Intentional breach of the provisions of a contract - from 9 to 6
- False or inappropriate reports delivered by contractors - from 9 to 6

In November 2023, a new fraud risk assessment was performed in preparation of the new Strategy. Measures aimed at further strengthening the anti-fraud system and mitigating newly identified risks have been established in the new Anti-Fraud Strategy for the period 2024-2026, in line with the European Anti-Fraud Office's (OLAF) proposed methodology and guidance⁶.

3. Fraud risk assessment

Based on an analysis of the Institute's main activities and the present system of controls, a fraud risk assessment has been conducted, the results of which are presented in Annex I. The exercise assessed potential risks for fraud across all of

⁴ Internal Control Framework adopted by Management Board Decision No MB/2019/018 of 12 June 2019.

⁵ Management Board Decision No MB/2020/015 of 25 October 2020 on EIGE's Anti-Fraud Strategy 2021-2023.

⁶ OLAF's Methodology and guidance for anti-fraud strategies for EU decentralised agencies, Ref. Ares(2013)3560341 and Methodology and guidance for services' anti-fraud strategies, Ref. Ares(2021)4589215.

EIGE's units and activities and was performed in accordance with OLAF's methodology.

The fraud risk assessment consisted of two main steps:

1. Identifying the risks of fraud;
2. Prioritisation of the fraud risks and identification of the areas/topics to focus on within the Anti-Fraud Strategy.

The parameters of the fraud risk and the probability of it occurring, together with an estimate of the impact of a fraud incident on EIGE were quantified and are presented in Annex I.

The probability is measured on a scale from 1 (remote) to 3 (probable).

The estimate of the impact of a fraud incident on EIGE is measured on a scale from 1 (not serious) to 4 (very serious). The product of the two parameters, probability (P) and the impact (I), gives the measure of the fraud risk (R), $R = P \times I$. The risks are ranked from low (1-3), medium (3-6) to serious (9-12). All processes classified as serious are considered unacceptably high risks and actions are proposed to reduce the risk levels (see the Action Plan in Annex III). The low and moderate risks are accepted in light of the existing mitigating controls and being monitored and assessed on an annual basis.

EIGE has zero tolerance to fraud, which means that once there are indications that fraud may have occurred, the Institute shall prioritise the cases concerned. However, EIGE accepts that it is not possible to remove all risk of fraud.

The following serious risks were identified in 2023:

- Recruitment fraud;
- Plagiarism.

The probability of the recruitment fraud risk has increased compared to previous years due to confirmed unauthorised access to recruitment documents in a selection procedure. While corrective measures were taken promptly for this particular incident, the internal control assessment report recommended a closer look into the existing preventative and deterrent measures and finding ways to improve them. The Anti-Fraud Strategy focuses on such measures in Chapter 4.

The probability of plagiarism has increased compared to previous years due to a confirmed case of plagiarism in 2023 detected by EIGE's contractor, and it related to activities performed by one of the experts in the contractor's team. While appropriate mitigating measures were taken on time by the contractor and agreed by EIGE, the related fraud risk assessment report recommends the strengthening of preventative and detection measures. These are incorporated in Chapter 4 of the Strategy.

4. Objectives of the Strategy and its Implementation

Based on the results of the risk assessment, EIGE has formulated two operational objectives, accompanied by an Action Plan (Annex III). When implementing the proposed actions, EIGE will take advantage of synergies as much as possible through cooperation with other agencies, institutions (Commission, OLAF, etc.) and external partners (Member States, third countries, etc.) by sharing best practices.

4.1 Objective 1: Support effective prevention and detection of fraud, in particular through development of procedures, guidelines or specific anti-fraud measures and controls, where necessary

EIGE has in place as part of its internal control system a number of internal control principles and measures that support effective prevention and detection of fraud, as well as support the investigation and, where necessary, the introduction of corrective measures in areas where risks have occurred.

Increased communication and awareness raising among staff of fraud prevention and detection (through, for example, annual ethics and integrity and fraud prevention trainings) ensure that these specific controls are known and applied by all staff.

As regards areas of high-level risk, EIGE needs to ensure that appropriate, targeted information and guidelines are made available to all staff and that the relevant information is kept up-to-date and conveyed to staff via trainings or through awareness raising sessions.

4.1.1 Recruitment fraud

Fraud in recruitment may have a serious impact on EIGE's ability to recruit skilled staff in a transparent and non-discriminatory manner. It further exposes EIGE to legal and reputational risks.

As regards risks related to unauthorised access to confidential recruitment information, access of personal data and leaks of sensitive information, the Strategy calls for:

- I. The issuance of an Administrative Note presenting the workflows for the organisation of selection procedures including the invigilated tests. The procedure should clarify all the steps in the administrative and logistical organisation of the recruitment, including information regarding IT and physical security measures, and define the roles and responsibilities of all actors involved (i.e., administrative assistant, HR officer, ICT agents);
- II. Publication of the Administrative Note on the HR intranet page and organising information sessions for all staff involved in the organisation of recruitment procedures.

4.1.2 Plagiarism

As the EU's knowledge centre on gender equality, the quality, reliability, and integrity of the information produced by EIGE is of the utmost importance. Plagiarism bears critical legal and reputational risks for EIGE. It can undermine the credibility and legitimacy of EIGE's work as well as the trust of its stakeholders.

To strengthen the measures for prevention and detection of plagiarism in EIGE's products and deliverables, the following actions are proposed:

- I. Update EIGE's Procurement Guidelines to incorporate quality assurance and risk management requirements in the template for technical specifications whereby the contractors are required to propose anti-plagiarism measures (such as scanning the deliverables against plagiarism).
- II. EIGE's project managers shall get access to plagiarism scanning tools and scan all research deliverables (outsourced or internal) before they are formally approved internally. EIGE's Quality Assurance Policy⁷ shall be updated to incorporate the proposed measure.

4.2 Objective 2: Support effective investigation and correction of fraud, in particular in the areas of high-risk exposure

Identification and management of risks are key components of the risk management process in EIGE and certain ex-ante and ex-post controls in both the administrative and the operational areas have been established. In the areas of serious risks (recruitment fraud with particular focus on unauthorised access and plagiarism) and in light of existing mitigating measures, EIGE shall further explore ways to strengthen the investigative and correction methods related to recruitment fraud and plagiarism.

Specific measures shall be focused on:

- I. Establishment of a procedure for management and reporting security incidents and data breaches. A security incident/breach affects the confidentiality, integrity, or availability of personal or confidential data (including the destruction, loss, alteration, disclosure of, or access to, personal data) and must be centrally reported immediately.
- II. While general anti-fraud provisions are included in all of EIGE's contracts, specific reference to plagiarism shall be made as regards possible contractual sanctions in case the contractor fails to take appropriate preventative and mitigating measures.

5. Closing provisions

Implementation of the Anti-Fraud Strategy will be assessed annually until all the objectives have been fully achieved in accordance with the Action Plan. Progress on

⁷ Director's Decision No 206 of 26 March 2021 on EIGE's Quality Assurance Policy

implementation will be reported to the Management Board annually and general information will be provided to EIGE staff during annual fraud prevention sessions.

Irrespective of the timing laid down in the previous paragraph, a fraud risk assessment will be conducted, and the Anti-Fraud Strategy updated, if necessary, whenever new guidance emerges from the European Commission, or where new processes are established or existing processes are amended, and in any case, at the end of the period covered by the current document.

6. Annexes

Annex I – Risk of fraud assessment – Results

Annex II – Implementation of the Anti-Fraud Strategy 2021-2023

Annex III – Action Plan

6.1 Annex I – Risk of fraud assessment - Results

FRAUD RISK ASSESSMENT 2023				
RISKS IDENTIFICATION	RESIDUAL RISK LEVEL			
Fraud	ADMIN	O&E	R&PS	Overall risk (highest value)
Recruitment fraud	9	6	6	9
Entitlements and expenses	2	4	2	4
Conflict of interests (HR)	6	6	4	6
False/overcharged invoice: staff	1	1	1	1
Fraud in time management	2	4	2	4
Leak of information- internal	4	4	4	4
Lost inventory items	1	1	1	1
Leak of information- external	1	2	2	2
Data breaches and security	4	4	3	4
Intentional breach of the provision of a procurement's contract	6	6	4	6
Misuse of access rights	3	2	3	3
Data and IT systems vulnerability	6	6	6	6
Wilful destruction of data	3	3	3	3
Conflict of interests (procurement)	2	2	2	2
Favouritism (procurement)	3	3	3	3
Double claiming of costs	2	2	2	2
Payment into wrong bank account	2	2	2	2
Theft/inventory	2	2	2	2
Overpricing	4	4	6	6
Non-compliance with exclusion criteria	3	3	3	3
Collusion	2	3	2	3
Influencing decision making (lobbying)	4	4	3	4
Conflict of interests (EIGE's bodies)	3	3	3	3
Corruption	3	3	3	3
Plagiarism	9	12	9	12

6.2 Annex II – Implementation of Anti-Fraud Strategy 2021-2023

Implementation of the Anti-Fraud Strategy 2021-2023			
Action	Responsible	Due Date	Status
Information session on fraud prevention and detection to be offered to all staff 1/year	HR/ICCO	31/12/2023	Completed: training planned on 23 November 2023
Regular updates of the anti-fraud section on the Institute's intranet 2/year	ICCO	31/12/2023	Completed: updated in February and November 2023
Update the procedure on ex-post controls of financial transactions and align it with the new Financial Regulations and the changes in financial workflows.	HoA/ICCO	30/03/2021	Completed: Director's Decision No 204 of 18 March 2021
Update the Quality Assurance Policy in order to define the process of evaluation of projects as per Article 29 of the Financial Regulation and in alignment with the PLO approach.	HoA/ICCO	30/06/2021	Completed: Director's Decision No 206 of 26 March 2021
Ensure closer contract monitoring by using the PLO approach. Project management processes are to be revised in light of the PLO audit performed by the IAS in 2020.	HoA/ICCO	31/12/2021	Completed: (audit recommendations closed by the IAS on 3 February 2022)
Additional quality control measures for studies to be included in the updated Quality Assurance Policy.	HoA/ICCO	30/06/2021	Completed: (Director's Decision No 206 of 26 March 2021)

6.3 Annex III – Action Plan

Objective 1		Actions to be taken	Responsible	Indicator	Target
Support effective prevention and detection of fraud, in particular through development of procedures, guidelines or specific anti-fraud measures and controls, where necessary	Recruitment Fraud	1.1 Establish an Administrative Note presenting the workflows for the organisation of selection procedures including the invigilated tests.	HR Officer	Timely issuance of the Administrative Note	Q3 2024
		1.2 Publish the Administrative Note on the HR intranet page.	HR Officer	Publication upon adoption	Q3 2024
		1.3 Organise information session for all staff involved in the organisation of recruitment procedures to raise awareness regarding the workflows.	HR Officer	As needed	Once in 2024 and anytime for newcomers in HR team
	Plagiarism	1.4 Update EIGE's Procurement Guidelines to incorporate quality assurance and risk management requirements in the template for technical specifications whereby the contractors propose anti-plagiarism measures (such as scanning of the deliverables against plagiarism).	Procurement Officer	Updates incorporated by the deadline	Q2 2024

		1.5 Check annually the effectiveness of preventive measures related to plagiarism.	ICCO	Number of plagiarism cases detected by the contractor	0
		1.5 Update EIGE's Quality Assurance Policy to incorporate the requirement for project managers to scan against plagiarism all the deliverables (outsourced and internal) before the internal formal approval.	ICCO	Update by the deadline	Q3 2024
Objective 2		Actions to be taken	Responsible	Indicator	Target
Support effective investigation and correction of fraud, in particular in the areas of high-risk exposure	Recruitment Fraud	2.1. Establish a procedure for the management and reporting of security incidents and data breaches.	Data Protection Officer& ICT Agent	Timely establishment of the procedure	Q1 2025
	Plagiarism	2.2. Update the contracts template to make specific reference to plagiarism in relation to possible contractual sanctions.	Procurement Officer	Update by the deadline	Q2 2024