
MANAGEMENT BOARD

Cedefop

Anti-fraud strategy

March 2024

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1. General background

1.1 General context

The European Union's ('EU') budget is taxpayers' money that must be used only for implementing the policies which the EU legislature has approved. Fraud involving EU funds has a particularly negative impact on the reputation of EU institutions, bodies, offices and agencies as well as the implementation of EU policies.

The European Commission (the 'Commission') adopted its revised Anti-Fraud Strategy (CAFS) in 2019⁽¹⁾, with the overall objective of improving the prevention, detection and conditions for investigations of fraud, as well as achieving appropriate preparation and deterrence. With the aim to strengthen all parts of the anti-fraud cycle: prevention, detection, investigation and correction, the Commission revised its action plan in 2023. The Commission is committed to take strong measures to address and mitigate any fraud, corruption or other illegal activity affecting the financial interests of the EU. 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.

1.2 Agency context

Cedefop (also referred to as the 'Agency') supports the promotion, development, and implementation of EU policies in the field of vocational education and training, as well as skills and qualifications by working together with the Commission, EU Member States and social partners.

Cedefop's mission reflects the aim and tasks outlined in its recast founding regulation – Regulation (EU) 2019/128⁽²⁾ (also referred to as 'Cedefop's Founding Regulation'), in particular, in Article 2:

- (a) analyse trends in vocational education and training, skills and qualification policies and systems, and provide comparative analyses thereof across countries;
- (b) analyse labour market trends in relation to skills and qualifications, and vocational education and training;
- (c) analyse and contribute to developments related to the design and award of qualifications, their organisation into frameworks, and their function in the

⁽¹⁾ 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_anti_fraud_strategy_en.pdf

⁽²⁾ Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75

labour market, and in relation to vocational education and training, with a view to enhancing their transparency and recognition;

(d) analyse and contribute to developments in the field of validation of non-formal and informal learning;

(e) carry out or commission studies and carry out research on relevant socioeconomic developments and related policy issues;

(f) provide forums for exchange of experiences and information between the governments, the social partners and other stakeholders at national level;

(g) contribute, including through evidence-based information and analyses, to the implementation of reforms and policies at national level;

(h) disseminate information with a view to contributing to policies and to raising awareness and understanding of the potential of vocational education and training in promoting and supporting the employability of people, productivity and lifelong learning;

(i) manage and make available tools, data sets and services for vocational education and training, skills, occupations and qualifications to citizens, companies, policy-makers, the social partners and other stakeholders;

(j) establish a strategy for relations with third countries and international organisations in accordance with Article 29 concerning matters for which Cedefop is competent

The Agency handles an annual budget of approximately 19 million Euros. The Agency is financed by the Commission for about 97% of its revenues and by subsidies from European Economic Area (EEA) States⁽³⁾ for the remaining 3%.

The budget is mostly implemented through payment of staff costs, spending on infrastructure, procurement of services and studies, and the ReferNet grant scheme. The Agency's main partners are the Commission, the EU Member States and Social Partners.

110 statutory staff members are distributed between five departments: Directorate, Department for Resources and Support, Department for VET and Qualifications, Department for VET and Skills and Department for Communication.

The Agency applies the internal control framework promoted by the Commission especially through the Internal Control Principles⁽⁴⁾.

⁽³⁾ Norway, Iceland and Lichtenstein.

⁽⁴⁾ http://ec.europa.eu/budget/library/biblio/documents/control/C_2017_2373_Revision_ICF_en.pdf

2. Principles guiding Cedefop's Anti-Fraud Strategy

The protection of EU's financial interests as well as ethics and transparency are key concerns for Cedefop's activities. Cedefop is fully committed to ensure that these principles are properly applied. Cedefop's staff, members of the Executive Board and Management Board, external experts and consultants working for Cedefop must pursue the highest standards of honesty, propriety and integrity in the exercise of their duties. This also needs to be visible to the whole Cedefop community and external stakeholders.

Cedefop applies a zero-tolerance approach towards any type of fraud and irregularity.

It does not tolerate fraud, irregularities, impropriety or dishonesty and will report, without delay, any instance of suspected fraud to OLAF, which is exclusively competent to investigate those cases⁽⁵⁾.

Cedefop's Anti-Fraud Strategy (also referred to as the 'Strategy') aims to provide a framework addressing the issue of fraud at Cedefop for the period 2024-26. It sets out the Agency's commitment to achieve the overall objective to protect the financial interests of the EU, compliance with EU ethical values and therefore the protection of its and the EU reputation. It also explains the Agency's intentions, sets the relevant objectives and establishes the indicators that will allow a clear and objective assessment of progress achieved.

Cedefop's Anti-Fraud strategy is directly derived from the priorities set by the Commission as well as the principles underpinning the Common Approach on EU decentralised Agencies⁽⁶⁾, especially:

- ensuring proper handling of the conflicts of interests issue;
- developing anti-fraud activities especially through prevention, detection, awareness raising and closer cooperation with OLAF.

Cedefop will take all actions and adopt all measures as appropriate against anyone defrauding or attempting to defraud Cedefop and/or stakeholders' assets and resources, or otherwise damaging Cedefop's reputation. In all such cases, Cedefop will continue to cooperate closely with OLAF, the European Public Prosecutor's Office ('EPPO') and all other EU authorities and institutions and, if applicable, with competent national authorities.

The Strategy will be assessed and updated in the course of its implementation, as necessary. Based on the Strategy, Cedefop develops annual anti-fraud action plans that are reviewed and updated quarterly. Cedefop reports on progress twice

⁽⁵⁾ See Commission Decision of 28 April 1999 establishing the European Anti-Fraud office (OLAF), OJ No L 136 of 31.5.1999, p.20, available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31999D0352&from=EN>

⁽⁶⁾ https://european-union.europa.eu/system/files/2022-06/joint_statement_on_decentralised_agencies_en.pdf

a year to the Commission and regularly to the Management Board and the Executive Board on the implementation of the Strategy and its action plan⁽⁷⁾.

3. The implementation of Cedefop's Anti-Fraud Strategy 2019 and its revision

In line with the fraud risk assessment and the action plan annexed to the Anti-Fraud Strategy approved by the Management Board in January 2019, several actions were performed in the period 2019-23. This has created an anti-fraud environment at the Agency in which fraud prevention and detection appear to function well.

The table below shows the state of play in the implementation of the agreed actions per each of the anti-fraud's strategic objectives:

STRATEGIC OBJECTIVE	ACTIONS	STATUS IN NOVEMBER 2023
STRATEGIC OBJECTIVE 1	1. Maintain regular communication with staff, Management Board and Cedefop's partners on anti-fraud related matters through:	
	- Consolidated Annual Activity Report (CAAR);	Recurrent action Implemented by end June each year (https://www.cedefop.europa.eu/en/about-edefop/what-we-do/annual-reports)
	- Compulsory in-house training to staff (by department);	Awareness raising sessions provided in 2019, 2021, 2022, 2023 (Presentation sessions to staff)
	- Awareness-raising session to (newly appointed) members of the Management Board;	Sessions provided in 2021 and 2023 (link to sessions)
	- Awareness-raising session to the anti-fraud ReferNet focal points;	Session provided in 2019
	- Perform a test with all staff to assess the knowledge and understanding of the anti-fraud strategy.	Testing provided during awareness raising sessions
	2. Set-up and update a compulsory anti-fraud training course (based on OLAF training materials)	Implemented Q2 2019

⁽⁷⁾ Article 11.5 (k) of [Regulation \(EU\) 2019/128](#)

	3. Make the anti-fraud tools more visible to all staff on Cedefop's intranet.	Implemented Q2 2019 (Anti-fraud)
STRATEGIC OBJECTIVE 2	4. Carry out an annual fraud risk assessment as part of the annual risk assessment (mainly focused on procurement, finance and HR procedures, as well as on sensitive functions)	Recurrent action - Implemented end December each year (LINK To risk assessment generic 2023)
	5. Implementation of the updated whistleblowing guidelines: - adoption of internal whistleblowing procedures.	Implemented Q1 2019 (Cedefop's guidelines on whistleblowing)
	6. Perform proactive random verifications in co-operation with relevant managers	Implemented Q4 2019 (link to workflows)
	7. Organise rotations of procurement, finance and HR assistants (within their services) as well as of members of evaluation/selection committees.	List of evaluation/selection committees reviewed by management annually Procurement plan agreed at beginning of year ensuring rotation of assigned procurement assistants
STRATEGIC OBJECTIVE 3	8. Maintaining regular communication and cooperation with OLAF and reporting to the Management Board on ongoing and closed OLAF cases /investigations via the Consolidated Annual Activity Report. More serious cases with significant financial or reputational risk to be reported to the Management Board in closed sessions	Recurrent action (communication/cooperation with OLAF). Implemented. Cedefop reports on progress twice a year to the Commission and regularly to the Management Board and the Executive Board on the implementation of the Strategy and its action plan (link to CAAR and to note sent in 2022)
	9. Guidelines on document sensitivity / classification	Implemented Q2 2019 (Cedefop rules on the marking and handling of sensitive non-classified information)

The above table shows that all agreed actions are implemented and closed.

With the current revision of its Anti-Fraud Strategy, Cedefop wishes to continue raising awareness with regard to fraud prevention and detection among staff members, members of the Executive Board and Management Board and external contractors, facilitating prevention, detection and correction of possible fraudulent behaviours and acting rapidly in close cooperation with OLAF. The revised Anti-Fraud Strategy sets objectives for the period 2024-2026, together with an updated action plan.

As in the previous action plan, the actions planned to achieve the revised objectives for the years 2024-26 are linked to the Internal Control Principles indicators and will be implemented by a set due date.

4. Definition of fraud for the purposes of Cedefop's Anti-Fraud Strategy

For the purposes of the Strategy, the concept of fraud encompasses both internal and external misbehaviour (i.e. misbehaviour by staff members or persons linked to the Agency or by external parties) and relies on the assumption that the reputational impact of misbehaviour might be equally important to, or even more important than, the financial damage itself.

It covers in particular, but not only, any infringement of the financial interests of the EU as defined by the Convention on the protection of the European Communities' financial interests ('PIF Convention')(8). It also covers misbehaviour that may not have a direct effect on the EU's financial interests, but has anyhow a reputational impact, such as cases of forgery, plagiarism, concealment of material facts, breaches of IT systems, cyber fraud, and transmission of confidential information and conflicts of interests that have intentionally not been declared. Favouritism and collusion are also included in the definition of fraud for the purposes of this Strategy.

Cedefop deems it appropriate to maintain this wide definition of fraud for the purpose of the application of this Strategy. This definition is shared with the other EU Agencies and serves the purpose of preventing and detecting the highest possible number of illegal behaviours and keeping high the attention of staff members also on instances likely to create a reputational damage.

5. Fraud risk-assessment

In order to further focus on the risk of fraud and in line with OLAF's guidance and methodology, every year Cedefop carries out a specific fraud risk assessment which is endorsed by management. The identification of risks is performed in line with Cedefop's Risk Management Implementation Guidelines which are aligned with the Commission's guidelines. Identified fraud risks are assessed based on their potential impact on the organisation (scale 1 to 5) and likelihood that risks will materialise (scale 1 to 5). Multiplication of the two indicators provides the risk level. Residual risks are a result of assessment of original risk levels and impact of mitigating actions. The fraud risk assessment is initiated by the Internal Control Coordinator (Anti-Fraud Coordinator) taking into consideration the nature and size of the Agency, internal control weaknesses identified, audit reports, input from key actors etc. The fraud risk assessment is discussed and agreed with management.

The objective of such fraud risk assessment is to document the key fraud risks. As a result, a list of identified risks is presented to Cedefop's Executive Director to enable her/him to define the objectives for the next three years.

To set up a pro-active and preventive approach to fraud risks, a series of controls are in place. Controls entail amongst others: Internal Control Coordination,

(8) Convention Drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities' financial interests, OJ C 316, 27.11.1995, p. 49–57.

awareness raising sessions, guidelines and procedures, ex-ante and ex-post controls, audits etc. Potential fraud risks are identified with the proposed mitigating actions as well the periodicity of the controls. The Internal Control Coordinator reports the results to the Executive Director at least twice per year. The identified risks are also integrated in Cedefop's risk registry.

The fraud risk assessment is also reviewed each time a change is introduced (e.g. in management, processes etc.). If, following the review, new risks are identified, management will define appropriate mitigating actions.

Fraud risk assessment is an integral part of Cedefop's general risk assessment implemented in the framework of the preparation of Cedefop's Single Programming Document (SPD) and related annual work programmes.

Cedefop has identified the following fraud risks⁽⁹⁾:

- Irregular and fraudulent procurement procedures
- Irregular and fraudulent selection/recruitment procedures
- Irregular and fraudulent financial management
- Irregular and fraudulent project management and management of contracts
- Irregular and fraudulent misuse of sensitive data
- Misuse of powers;

For the period 2024-26, Cedefop's Anti-Fraud strategy will focus on the following areas of risk:

- recruitment;
- procurement and finance;
- data and IT tools/systems security;
- conflicts of interest;
- whistleblowing and overall strengthening of fraud prevention and detection measures.

6. Objectives and actions

The strategic objectives of the Anti-Fraud Strategy are driven by the Agency's mission, priorities and values as outlined in Cedefop's Founding Regulation and its Single Programming Documents. The ethics and integrity principles that Cedefop applies when providing studies and analysis, data, dedicated tools and up-to-date information to its stakeholders for informed decision-making processes are essential for the Agency's reputation and the public trust in the highest standards

⁽⁹⁾ Annex II Fraud Risk Assessment 2023

of professionalism. Therefore, the Agency needs to set objectives to counter fraud at all levels of the organisation and thus reinforce the public trust in its activities.

These objectives aim at encompassing all stages of the anti-fraud cycle: prevention, detection, investigation, recovery and sanction. Whilst prevention should remain one of the most important objectives of the revised Strategy, it is deemed appropriate to focus the efforts also on detection, in particular by encouraging reporting of any possible case of fraud as well as proactive random verifications in some areas.

In order to address the five major risks identified in the preceding section, the following **strategic objectives** were agreed:

1. Maintain and enhance an anti-fraud culture underpinned by high levels of awareness, integrity, impartiality and transparency within the organisation (also among non-staff members), including Executive Board and Management Board members.
2. Maintain an efficient system for reporting of suspected fraud or irregularities and strengthen measures for detection of suspicious behaviours and deterrence.
3. Focus efforts on fraud risk-mitigation in identified areas of the organisation.

Objective 1: Maintain and enhance an anti-fraud culture underpinned by high levels of awareness, integrity, impartiality and transparency within the organisation (also among non-staff members), including the Executive Board and the Management Board

Fraud deterrence is facilitated by a widespread common understanding and sharing of the ethical values and relevant rules underlining any activity of the Agency. This objective is inspired by the need to constantly communicate the rules and ethical values of the EU public service from the highest level to each member of staff.

Continuous compulsory anti-fraud awareness sessions (based on OLAF training material) for all staff members will serve the purpose of maintaining the promotion of values of ethics and integrity amongst staff members. In addition, through tailor-made presentations to be delivered by the Anti-Fraud Coordinator, staff members and members of the Executive Board and Management Board will be guided to understand how to exercise judgement and to recognise which principles should be applied in concrete situations.

Key actions to reach objective 1⁽¹⁰⁾

- Maintain a regular communication channel with and raise awareness to staff, members of the Executive Board and Management Board and Cedefop's partners on anti-fraud related matters through:
 - Consolidated Annual Activity Report.
 - Compulsory in-house awareness raising sessions to staff including assessing their knowledge and understanding of the anti-fraud strategy.
 - Awareness-raising sessions to (newly appointed) members of the Management Board.
 - Awareness-raising sessions to ReferNet partners.
 - Tailored training sessions to selected process owners/managers in areas potentially more exposed to fraud (e.g., procurement or HR).
- Review and update anti-fraud related information/material:
 - Update the compulsory anti-fraud awareness raising sessions based on OLAF training materials.
 - Review/update Cedefop's Intranet section on staff ethics and conduct.
- Maintain visibility and awareness of anti-fraud tools to external stakeholders on Cedefop's website.
- Create and maintain a registry of requests for advice from staff members and Executive Board and Management Board members to the Anti-Fraud Coordinator with the aim of identifying future needs for awareness raising.

Objective 2: Maintain an efficient system for reporting of suspected fraud or irregularities and strengthen measures for detecting suspicious behaviours and deterrence

This objective aims at providing effective guidance in tackling improprieties and reinforcing fraud prevention across the organisation. The purpose of these in-house controls is to tighten potential gaps in managing financial and operational processes, and to help staff members report improprieties without any fear of retaliation. To the extent feasible due to the need to protect OLAF's investigations and the personal data of the individuals concerned, communication on past and on-going handling of reported suspicions of fraud will be enhanced.

This objective aims also at ensuring that suspicious behaviours are promptly detected and reported via the available reporting channels. This allows Cedefop to liaise with OLAF as necessary. Some cases dismissed by OLAF can nevertheless be the subject of administrative enquiries or give rise to organisational measures aimed at preventing similar concerns from arising in the future.

⁽¹⁰⁾ For the detailed actions, please refer to the Action Plan in Annex I.

The Agency will also cooperate with and learn from the experience of other organisations, such as OLAF, EPPO, the Commission and other EU Agencies – in particular those under the remit of DG EMPL – in countering internal and external fraud.

Key actions to reach objective 2⁽¹¹⁾

- Carry out an annual fraud risk assessment as an integral part of the annual risk assessment.
- Implementation of the whistleblowing guidelines:
 - Create and maintain an internal whistleblowing and fraud register for reported fraud and irregularities.
 - Create and maintain an online page with a template on Cedefop's website for reporting on whistleblowing and fraud.
- Perform an assessment of revisions needed of Cedefop's policies/tools on conflicts of interests.
- Update and maintain a policy on sensitive functions and review assessment of sensitive functions annually.
- Revise, maintain and develop check lists for financial transactions (financial circuit), procurement procedure steps (including contracts) and missions.
- Organise rotations of procurement and HR assistants (within their services) as well as of members of evaluation/selection committees.

Objective 3: Focus effort on fraud-risk mitigation in identified areas of the organisation

This objective aims at substantiating the remaining level of risks after the identified mitigating measures have been applied. The Agency will focus its effort to ensure the level of risks were correctly assessed and then strengthen prevention measures where the risks scores turned out higher.

The regular fraud risk assessments would also allow identifying additional actions which might be required or desirable.

Key actions to reach objective 3⁽¹²⁾

- Maintain regular communication and cooperation with OLAF:
 - Reporting to OLAF, the Commission, the Management Board and the Executive Board on the implementation of the Strategy and the anti-fraud action plan annually.
 - More serious cases with significant financial or reputational risk to be reported also to the Executive Board and Management Board in in-camera sessions.

⁽¹¹⁾ For the detailed actions, please refer to the Action Plan in Annex I.

⁽¹²⁾ For the detailed actions, please refer to the Action Plan in Annex I.

- Review and maintain guidelines on document sensitivity/classification.
- Keep up to date the policy on assets management/inventory, including inventory control policy, declassification policy and ensure adequate internal controls.
- Regular monitoring of the effectiveness of the measures in place, in particular those related to IT systems to ensure data and information security, through reports on IT security risks to management twice per year.
- Assess and maintain declarations of absence of conflict of interest and confidentiality for members in: a) panels for staff selection procedures and b) evaluation committees in tendering procedures.
- Introduce and assess declarations of absence of conflict of interest and confidentiality for members of Cedefop's Appeals Committee.

7. Roles and Responsibilities

The fraud risks cannot be dealt with in isolation. Addressing and mitigating them properly is a key aspect of sound management. While it is essential that all Cedefop staff members have a clear understanding of Cedefop's Anti-Fraud Strategy and of its action plan, some individuals and Agency's entities have specific leadership roles or responsibilities. These are identified below.

7.1 The Management Board

The Management Board is responsible for the adoption of the Anti-Fraud Strategy and the monitoring of its implementation as per point (f) of Article 5(1) of Cedefop's Founding Regulation.

7.2. Cedefop's Executive Director

Cedefop's Executive Director, with his/her 'tone from the top'⁽¹³⁾, promotes an anti-fraud culture across Cedefop, sets anti-fraud objectives, monitors the implementation of the strategy and action plan and puts in place effective arrangements for addressing fraud.

Cedefop's Executive Director reports twice per year on progress to the Commission and regularly to the Management Board and the Executive Board⁽¹⁴⁾ on the implementation of the Strategy and the anti-fraud action plan. More serious cases with significant financial or reputational risk are in addition reported upon in in-camera sessions.

⁽¹³⁾ Principle 1 We demonstrate a commitment to integrity and ethical values (Component I Internal Control Framework)

⁽¹⁴⁾ Article 11(5)(k) of Regulation (EU) 2019/128: *'In particular, the Executive Director shall be responsible for: preparing an action plan following-up conclusions of internal or external audit reports and evaluations, as well as investigations by OLAF and reporting on progress twice a year to the Commission and regularly to the Management Board and the Executive Board;'*

7.3. Heads of Department

Heads of Departments are responsible for promoting the anti-fraud culture within their departments, checking staff awareness and ensuring that all suspected or reported cases of potential fraud are reported to Cedefop's Executive Director and or Cedefop's Deputy Director/Anti-fraud Coordinator without delay, cooperating with all other actors involved in the implementation of the Anti-Fraud Strategy. This responsibility of middle managers is monitored/supervised by the Anti-Fraud Coordinator.

7.4. Anti-Fraud Coordinator

The Anti-Fraud Coordinator is the Internal Control Coordinator (ICC), i.e., the Deputy Director. He/she is responsible for identifying and preventing the risks of breach of legal provisions and ethical behaviour rules which may entail liabilities or reputational loss for Cedefop. The Anti-Fraud Coordinator: coordinates the implementation of Cedefop's Anti-Fraud Strategy and follow-up actions; reports to the Executive Director, or directly to OLAF if needed, on such implementation; acts as a contact point for OLAF; and coordinates the implementation of agreed actions of the annual anti-fraud risk assessment.

The Anti-Fraud Coordinator/ICC provides guidance on managing fraud risk and design of additional controls; develops training for all staff; and communicates with Cedefop's stakeholders, in close collaboration with competent staff within and outside Cedefop.

He/she supervises the overall implementation of the agreed actions of the annual anti-fraud risk assessment and reports to the Executive Director. He/she advises the Executive Director on how to prevent/address risks of breach of legal provisions and ethical behaviour to ensure compliance and at the same time proportionality to Cedefop's needs and specificity by relying on a balance of trust and controls. Where necessary, he/she proposes actions commensurate to the breach by the relevant staff member, as decided by the Executive Director in accordance with the reports and recommendations drawn up following an OLAF investigation.

7.5. Head of Finance and Procurement

The Head of Finance and Procurement is responsible for ensuring that financial systems incorporate appropriate measures to reduce the risk of fraud and detect potential fraud cases at an early stage. He/she also contributes to promoting staff awareness about the anti-fraud principles and strategy.

7.6. Head of Human Resources

The Head of HR is responsible for ensuring that staff selection/recruitment procedures and HR processes incorporate appropriate measures to mitigate the risk of fraud and detect potential fraud cases at an early stage. He/she also contributes to promoting staff awareness about ethics and integrity at Cedefop.

7.7. Staff members

Staff members should comply with the obligations laid down in the Staff Regulations (such as those related to conflicts of interest, gifts, outside activities, spouse's employment, or publications or speeches on EU-related matters). They have the duty to report facts pointing to a possible illegal activity, including fraud or corruption, or to a serious failure to comply with the professional obligations as staff (Article 22a of the Staff Regulations).

All staff members should comply with Cedefop's Anti-Fraud principles and strategy and communicate any reasonable concerns with regard to fraud to their head of department, reporting officer and/or senior management and/or Anti-Fraud Coordinator/ICC, in accordance with the existing guidelines, for example, on internal whistleblowing ([Cedefop/DGE/37/2019](#)).

7.8. Cedefop's partners, suppliers, external contractors and consultants

Cedefop's partners, suppliers, external contractors and consultants shall comply with Cedefop's Anti-Fraud principles and strategy.

8. Review and Monitoring

The Anti-Fraud Coordinator ensures that Cedefop's approach to managing the risk of fraud is kept up to date with developments in best practice and legislative requirements. The Anti-Fraud Coordinator monitors the implementation of the Anti-Fraud action plan and reports regularly to the Executive Director on its implementation status. Cedefop's Executive Board and the Management Board are systematically kept up to date with the progress and this is a standing item on all Executive Board and Management Board meeting agendas. Identified areas of risk are communicated to staff and awareness raising sessions to all staff are shaped accordingly.

Cedefop's Anti-Fraud Strategy shall be reviewed and updated every three years. This revision takes into account the lessons learnt in the course of the implementation of the Strategy, knowledge and guidance received from OLAF with regard to fraud-related matters.

Signed on 26 March 2024

Mario Patuzzi
Chairperson of the Management Board

Annexes:

- *Annex I: Action Plan 2024-2026*
- *Annex II: Fraud risk assessment*



Annex I: Action Plan 2024-2026

The below actions are listed under each of the Anti-Fraud strategic objectives with specific deadlines to allow for a regular review.

Assessment: completed action work in progress or changed cancelled or no progress planned/ongoing

Objective	Action	Fraud risk code	Responsible	Target date	Indicator	2024	2025	2026
OBJECTIVE 1: MAINTAIN AND ENHANCE AN ANTI-FRAUD CULTURE UNDERPINNED BY HIGH LEVELS OF AWARENESS, INTEGRITY, IMPARTIALITY AND TRANSPARENCY WITHIN THE ORGANISATION (ALSO AMONG NON-STAFF MEMBERS) INCLUDING MANAGEMENT BOARD MEMBERS	Maintain regular communication with and raise awareness to staff, Executive Board, Management Board and Cedefop's partners on anti-fraud related matters through: 1.1 Consolidated Annual Activity report	A-F	Anti-Fraud Coordinator	Annually	Y/N			
	1.2 Compulsory in-house awareness raising sessions to staff including assessing their knowledge and understanding of the anti-fraud strategy	A-F	Anti-Fraud Coordinator	Annually	at least once a year			
	1.3 Awareness-raising session to (newly appointed) members of the Management Board	A-F	Anti-Fraud Coordinator	Annually	at least once a year			
	1.4 Awareness-raising session to ReferNet partners;	A-F	Anti-Fraud Coordinator	Annually	at least once a year			

	1.5 Tailored training sessions to selected Process Owners /Managers in areas potentially more exposed to fraud.	A, B,C, D	Anti-Fraud Coordinator	Annually	at least once a year			
	Review and update antifraud related information/material. 2.1. Update the compulsory anti-fraud training course based on OLAF training materials	A-F	Anti-Fraud Coordinator	Annually	Y/N			
	2.2 Review/update Intranet section on staff Ethics and Conduct	A-F	Anti-Fraud Coordinator	Annually	Y/N			
	3. Maintain visibility and awareness of anti-fraud tools to external stakeholders on Cedefop's website	A-F	Anti-Fraud Coordinator	Annually	Y/N			
	4. Create and maintain registry of requests for advice from staff members, Executive Board and Management Board members to Anti-Fraud coordinator	A-F	Anti-Fraud Coordinator	set up by end of Q3/2024 and maintained annually	Y/N			
OBJECTIVE 2: MAINTAIN AN EFFICIENT SYSTEM FOR REPORTING OF SUSPECTED FRAUD OR IRREGULARITIES AND STRENGTHEN	5. Carry out an annual fraud risk assessment as part of the annual risk assessment	A-F	Anti-Fraud Coordinator	Annually	Y/N			
	6. Implementation of the whistleblowing guidelines: 6.1 Create and maintain an internal whistleblowing and fraud register for reported fraud and irregularities.	A-F	Anti-Fraud Coordinator	Annually Set up by Q3/2024 and	Y/N			

MEASURES FOR DETECTING SUSPICIOUS BEHAVIOURS AND DETERRENCE				maintained annually				
	6.2 Create and maintain an online page with a template on Cedefop's website for reporting on whistleblowing and fraud.	A-F	Anti-Fraud Coordinator	Set up by Q3/2024 and maintained annually	Y/N			
	6. Perform an assessment of revisions of Cedefop's policies/tools on conflicts of interests	A, B, F	Anti-Fraud Coordinator	Annually	Y/N			
	7. Update and maintain a policy on sensitive functions and review assessment of sensitive functions.	A-F	Anti-Fraud Coordinator	Update by Q3/2024 Maintained annually	Y/N			
	8. Revise, maintain and develop, check lists for financial transactions (financial circuit), procurement procedure steps (including contracts) and missions	C	Anti-Fraud coordinator in cooperation with F&P service	Annually	Y/N			
	9. Organise rotations of procurement and HR assistants (within their services) as well as of members of evaluation/selection committees.	A	Anti-fraud coordinator in cooperation with Heads of department	Annually Case by case for evaluation committees and selection panels	Y/N			
OBJECTIVE 3: FOCUS EFFORT ON FRAUD-RISK	10. Maintaining regular communication and cooperation with OLAF 10.1 Reporting to OLAF, the Commission, the Management	F	Anti-fraud Coordinator	On an annual basis in June and December	At least twice a year			

MITIGATION IN IDENTIFIED AREAS OF THE ORGANISATION	Board and the Executive Board on the implementation of the Strategy and the anti-fraud action plan annually.			and regular reporting to EB and MB				
	10.2 More serious cases with significant financial or reputational risk to be reported also to the Executive Board and Management Board in in-camera sessions	A-F	Anti-fraud Coordinator	Ad/hoc when cases arise	Y/N			
	11. Review and maintain guidelines on document sensitivity / classification	E	Anti-fraud Coordinator and Records manager/DPO	Annually	Y/N			
	12. Keep up to date the policy on assets management/inventory, including inventory control policy, declassification policy and ensure adequate internal controls	C	Anti-fraud Coordinator and Accountant	Annually	Y/N			
	13 Continuous monitoring of the effectiveness of measures in place in connection to IT systems: Review and maintain an ICT data security policy up to date and maintain an ICT security registry.	E	Anti-fraud Coordinator and ICT Coordinator	Twice per year	Y/N			
	14. Assess and maintain declarations of absence of conflict of interest and confidentiality for members in: a) panels for staff selection	A,B	Anti-fraud Coordinator	Annually Case by case for evaluation committees and	Y/N			

	procedures and b) evaluation committees in tendering procedures.			selection panels and appeals committee				
	15. Introduce and assess declarations of absence of conflict of interest and confidentiality for members of Cedefop's Appeals Committee.	F	Anti-fraud Coordinator	Introduce by Q2/2024 Assess annually	Y/N			

Cedefop Fraud Risk Registry

Code	Fraud risks	<p>Assessment of impact What is the level of consequence on reputational and on objectives?</p> <p>(1=Limited internal reputation - Inefficiencies only - Limited financial impact, 2=Minor impact with one stakeholder - Achievement of an operational objective delayed, 3=Major impact with stakeholders - Achievement of an operational objective threatened - Major financial impact, 4=Formal inquiry from the Parliament - Strategic objective endangered, 5= Negative headlines in international press Negative stakeholder impact - Cedefop's mission in danger)</p>	<p>Likelihood how likely is the event to happen?</p> <p>(1=Almost never happens <5% probability, 2 = Rarely occurs 5-15% probability, 3 = Regularly occurs 15-30% probability, 4 = Often occurs 30-70% probability, 5 = Will certainly occur >70% probability]</p>	<p>Criticality (=impact * likelihood)</p>	<p>Description/assessment of risks</p> <p>Please describe the risk identifying: a) the cause (answering to WHY? And if EXTERNAL or INTERNAL. Typically the description of the risk should begin with "Because. ") b) the event (describe the risk) c) the consequence (So what will happen?)</p> <p>Example of the description of a risk: "There is a risk of significant delay in the implementation of the project (rough estimation 10-12 months) because competent staff is not available. This is partly due to insufficient staff training."</p>	<p>Actions as planned to mitigate risk</p> <p>Present an action plan which can be presented in a table with the information on WHO, WHEN, WHAT Describe the actions to address the causes and consequences directly Describe the resources (financial and human) needed Describe your monitoring methods (by tools, training, controls, meetings, supervision etc.) Reduce the impact and/or likelihood</p> <p><i>Tip: describe the actions in such a way that it will allow you to assess and to update if needed. These actions are provided to mitigate the risk.</i></p> <p><i>Remark: Risk will be reviewed on a regular basis as they can be at a later stage a) transferred (e.g. insurance) b) accepted c) avoided</i></p>	<p>Target risk:</p> <p>After implementing the actions how likely is the event to happen?</p> <p>Recalculate (=impact * likelihood)</p>
A	Irregular and fraudulent procurement procedures	5	3	15	Because of: sharing technical specifications and information with potential tenderers; technical specifications tailored to restrict competition or to favour a tenderer; 'saucissonnage'; falsification of evaluation reports; influencing evaluation committee decisions; set unnecessarily short deadlines; limited publication of the tender notice; a disproportional level of importance on price or quality; undeclared or not correctly assessed conflicts of interests, there is a risk that procurement procedures lead to the selection of not suitable contractors	The mitigation actions comprise the following: - updated procedures and guidelines in place and available to all staff on Intranet; - continue implementing (ex-ante and ex-post) controls to ensure that all reported conflicts of interest are adequately and consistently addressed; - continue systematic consultation of Early Warning System before contract award; - historical analysis of awards to particular contractors over 3 to 5 years; - continue providing training and awareness-raising sessions to all staff; -rotation of procurement procedures amongst Procurement assistants on an annual basis; - rotation of evaluation committee members including of project managers.	12
B	Irregular and fraudulent selection/recruitment procedures	5	3	15	Because of: false declarations; sharing tests/questions with candidates; influencing the selection board decisions; falsification of the selection report; sharing of personal data; tailoring vacancy notices to specific persons; candidates outperforming substantially; assessing CVs not in line with the vacancy notice; postponing the final assessment in order to deplete the list of candidates, there is a risk that the selection procedure leads to the recruitment of not suitable candidates	The mitigation actions comprise the following: - updated procedures and guidelines in place and available to all staff on Intranet; - continue implementing (ex-ante and ex-post) controls to ensure that all reported conflicts of interest are adequately and consistently addressed; - continue providing training and awareness-raising sessions to all staff; - recording of all communications with applicants; - rotation of selection board members	12

C	Irregular and fraudulent financial management	5	3	15	Because of: payments on wrong accounts; services not delivered or of sub-standard quality; concealed liabilities of the contractor; incorrect or unauthorised expenditure; saucissonage; fake invoices; incomplete reporting to the accountant; sharing of personal data; providing wrong supporting documents to PMO, there is a risk of financial losses.	The mitigation actions comprise the following: - updated procedures and guidelines in place and available to all staff on Intranet; - continue implementing (ex-ante verification and ex-post) controls on payments; - review the check lists; - segregation of duties; - Training and awareness raising; - Audits	12
D	Irregular and fraudulent project management and management of contracts	5	3	15	Because of: Acceptance of sub-standard services; Deliverables deviating from the contract terms; same contractor for a long period (3 contract renewals in a row); Acceptance of unjustified addendum (extension of time or increase of budget); there is a risk of favouritism to external contractors.	The mitigation actions comprise the following: - Training and awareness raising; - Rotation of project managers - procedures and guidelines in place and available to all staff on Intranet; -Audits; - ex-post controls and ex-post evaluations;	12
E	Irregular and fraudulent misuse of sensitive data	5	3	15	Because of: Access to sensitive data by non-authorized staff Sharing of data from Cedefop, its staff or suppliers, there is a risk that sensitive data is misused in a fraudulent way.	The mitigation actions comprise the following: -Audit trail review; - Training and awareness-raising; -ICT security incidents report; - ICT risk registry; -Confidentiality declarations; - Security workflows; - Policies and procedures (including access controls, regular checks); - Vulnerability tests; - Audits	12
F	Misuse of powers	5	3	15	Because of unethical behaviour there is a risk to lead to abuse of powers.	The mitigation actions comprise the following: - updated procedures and guidelines in place and available to all staff on Intranet; - awareness raising - Ethics officer - segregation of duties; - Training and awareness raising; - Audits	12

we can avoid the impact of a risk by avoiding, reducing likelihood, transfer or accept. The impact may change if the controls put in place alter a potential attacker's ability.