

Update of the ECHA Anti-Fraud Strategy (2023-2026)

68th Meeting of the Management Board 15-16 December 2022

Proposal

The Management Board (MB) is invited to adopt the revised ECHA Anti-Fraud Strategy, which will cover 2023-2026.

Minor changes are proposed to clarify the roles and responsibilities of the various actors, to introduce a regular review for the strategy and to update the objectives and actions to tackle fraud.

Background

According to the Common Approach for decentralised agencies¹, all EU Agencies (and institutions and other bodies) should put in place an Anti-Fraud Strategy. The European Anti-Fraud Office (OLAF) developed a methodology and guidance to assist the Agencies in this exercise and gave each Agency until end-2014 to put in place a comprehensive strategy, which ECHA implemented in December 2014².

The Anti-Fraud Strategy was updated once by the MB in 2016³. Therefore, while there is no direct impetus or urgency and no major changes are foreseen in the risks and the content, it is appropriate to review the existing Anti-Fraud Strategy at this point in time, as well as to introduce a regular review schedule.

In addition, in line with the ECHA Financial Regulation⁴, also the Agency's Single Programming Document shall contain "the strategy for the organisational management and internal control systems including the anti-fraud strategy". This is described in Annex X.B of the draft ECHA Programming Document 2023-2026 and will provide the MB with an annual opportunity to review the action plan linked to the Strategy.

Rationale

Overall - considering existing controls - ECHA believes that the risk of significant undetected fraud remains low. As ECHA is not an Agency that distributes large financial resources directly via EU funds or grants, its residual fraud risks lie elsewhere and are more indirect. As the main fraud risks identified for the Agency (deliberate leaking of information, serious irregularities related to favouritism and conflicts of interest and procurement and contract management-related fraud) have not changed during the past years, only minor revisions are proposed to update the Anti-Fraud Strategy, which include:

- Clarifications on roles and responsibilities;
- Updating the means and resources which are engaged in tackling fraud;
- Introducing a regular review schedule for the Strategy;

¹ Joint Statement of the European Parliament, the Council of the EU and the European Commission on decentralised agencies, 19 July 2012.

² MB/60/2014 final.

³ MB/50/2016 final.

⁴ Article 32.1(h) of ECHA's Financial Regulation (MB/29/2019 final), [c262c957-3344-4d11-b7af-1d6da7ac4cda \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2019/1052/20191217/eng)

- Updating the objectives and actions to tackle fraud.

The controls in place for the three main risks are already quite robust. ECHA has strong security controls preventing unauthorised access to its IT systems, strict conflict of interest rules, as well as multiple controls in the procurement and contract management process. Therefore, the proposed revised Strategy and its action plan remains centred around maintaining and further developing the culture of high ethical behaviour in the Agency with a focus on continued awareness and a regular review of key policies and procedures.

Alternative options

All EU Agencies, as well as all Directorates of the Commission have gone through the same mandatory exercise of drafting an anti-fraud strategy. Based on the risk profile of each organisation the exercise conducted and the system proposed was heavier and more burdensome or even lighter for some than for others. In view of ECHA's rather low own risk profile, it was decided in 2014 to adopt a strategy that is proportional to the risks and that can be accomplished without the need for additional resources. At present, only a slight revision is proposed, based on lessons learned during the past years.

It would be possible to be extremely risk-averse and adopt an all-encompassing Anti-Fraud Strategy with numerous new actions and additional controls. Yet, such strategy would be resource-intensive and burdensome, which the Agency cannot afford for the identified risk size.

Drawbacks

It should be clear that there is no specific impetus for the Agency to have an Anti-Fraud Strategy in place (i.e. there were no specific incidents), other than compliance with the Financial Regulation and the Commission's requirements. However, the Strategy is useful as it brings together a large number of controls that are in place in different areas of work of the Agency. By providing this overview, more awareness is raised about the necessity of these controls, and it will be easier to keep up a culture of high ethical behaviour in the Agency.

Attachments

- Annex 1: Updated ECHA Anti-Fraud Strategy 2023-2026

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