

**Decision of the Management Board 28/2020/MB**

**ADOPTING THE CEPOL'S ANTI-FRAUD SUB-STRATEGY AND REPEALING  
DECISION 33/2017/MB**

**Adopted by the Management Board**

**on 12 November 2020**

## THE MANAGEMENT BOARD,

Having regard to the European Parliament and Council Regulation (EU) No 2015/2219<sup>1</sup> of 25 November 2015 on the European Union Agency for Law Enforcement Training (hereinafter 'CEPOL') and replacing and repealing Council Decision 2005/681/JHA;

Having regard to Decision 33/2017/MB of the Management Board on Adopting the CEPOL's Anti-fraud Sub-Strategy and Repealing Decision 33/2014/GB, adopted on 15 November 2017;

Having regard to Decision 13/2019/MB of the Management Board on the CEPOL Financial Regulation and repealing Decision 01/2014/GB, adopted on 22 May 2019,

## WHEREAS

- (1) On 29 April 2019, the Commission adopted its new Anti-Fraud Strategy<sup>2</sup>, with the overall objective to improve prevention, detection and the conditions for investigations of fraud, to achieve adequate reparation and deterrence, especially by developing close cooperation and synergies and promoting the standards set out in the CAFS within the EU agencies and bodies.
- (2) The Common Approach on EU decentralised agencies stipulated that anti-fraud measures should be put in place in the agencies. In the OLAF methodology and guidance for anti-fraud strategies for EU decentralised agencies, it is recommended that each Agency has an anti-fraud strategy in place by the end of 2014. After 2 or 3 years (depending the duration of the Agency's anti-fraud strategy), the updating or renewal of the anti-fraud strategy for the Agency should be carried out.
- (3) By Decision 33/2014/GB, the Governing Board adopted the first CEPOL Anti-fraud Strategy which took into account the priorities set by the Commission within the above mentioned Common Approach on EU decentralised agencies. The strategy was valid for 3 years, to be updated in the course of its implementation if necessary, or after its assessment at the end of the implementation period. In November 2017, the Management Board adopted a revised version of its anti-fraud strategy by Decision 33/2017/MB.
- (4) The CEPOL Executive Director has assessed the implementation of the renewed strategy as being fully achieved; nevertheless CEPOL has to remain vigilant and continuously implement the expected measures with repetitive nature, to address the risk of fraud; a renewed strategy including an action plan has been elaborated for the next 3 years cycle.

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<sup>1</sup> OJ L 319, 4.12.2015.p.1

<sup>2</sup> COM(2019) 196 final of 29 April 2019, Commission Anti-Fraud Strategy: enhanced action to protect the EU budget  
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- (5) The new strategy will continue to be denominated CEPOL' Anti-fraud Sub-Strategy, in accordance with the classification of documents adopted by the Management Board.
- (6) There is the need thus, to adopt the renewed CEPOL' Anti-fraud Sub-Strategy.

HAS DECIDED AS FOLLOWS:

*Article 1*

1. The CEPOL' Anti-fraud Sub-Strategy is hereby adopted, as set out in the Annex to this decision.
2. Once adopted, the new CEPOL' Anti-fraud Sub-Strategy will replace the previous version, as adopted by Decision 33/2017/MB.
3. Any update during the course of the implementation of the CEPOL' Anti-fraud Sub-Strategy which does not affect relevant or sensitive parts of its content, can be decided by the Executive Director who will inform the Management Board accordingly.
4. The present Decision shall take effect the day of its adoption.

Done at Lisbon, on 16 November 2020

*For the Management Board*

*<< Signature on file >>*

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*Mr José Leitão*  
*Chair of the Management Board*

Annex: CEPOL' Anti-fraud Sub-Strategy

## DOCUMENT CONTROL SHEET

<b>Process area</b>	Agency Management Processes
<b>Main process</b>	Internal Control
<b>Main process owner</b>	Executive Director

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<b>Abbreviations</b>	CEPOL	European Union Agency for Law Enforcement Training
	HR	Human Resources
	ICF	Internal Control Framework
	ICQMO	Internal Control and Quality Management Officer
	CAFS	Commission's Anti-fraud Strategy
	OLAF	European Anti-Fraud Office

### Definitions

**Fraud** is a deliberate act of deception intended for personal gain or to cause a loss to another party.

An **irregularity** is an act which doesn't comply with EU rules and which has a potentially negative impact on EU financial interests, but which may be the result of genuine errors committed both by beneficiaries claiming funds and by the authorities responsible for making payments. If an irregularity is committed deliberately, however, it's fraud. (source: [http://ec.europa.eu/anti\\_fraud/investigations/report-fraud/index\\_en.htm](http://ec.europa.eu/anti_fraud/investigations/report-fraud/index_en.htm))

A **whistleblower** is a member of staff, acting in good faith, who reports facts discovered in the course of or in connection with his or her duties, which point to the existence of serious irregularities.

### LOG OF ISSUES

Issue	Issue date	Change description
001	28/10/2014	First issue
002	15/11/2017	Second issue (renewal)
003	12 /11/2020	Third issue (renewal)

<b>CEPOL Anti-fraud Sub-Strategy</b>	Document number:	PO.INCO.003-3
	Approval date:	12/11/2020

## 1. Background

### 1.1 General Context

The 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 the EU institutions and bodies and the implementation of EU policies.

On 29 April 2019, the Commission adopted its new Anti-Fraud Strategy<sup>3</sup>, with the overall objective to improve prevention, detection and the conditions for investigations of fraud, to achieve adequate reparation and deterrence, especially by developing close cooperation and synergies and promoting the standards set out in the CAFS within the EU agencies and bodies.

The Common Approach on EU decentralised agencies stipulated that anti-fraud measures should be put in place in the agencies to take into account the priorities set by the Commission within the above mentioned Common Approach on EU decentralised agencies, 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.

By Decision 33/2014/GB, the Governing Board adopted the first CEPOL Anti-fraud Strategy, which was latest updated and repealed by Management Board Decision 33/2017/MB. The objective of CEPOL's Anti-fraud Sub-Strategy as latest adopted, was to '*Maintain a high level of ethics and fraud awareness within the Agency*' and the planned actions were fully implemented. Considering the evolving environment of the Agency and in order to ensure continuous mitigation of risk of fraud in the Agency, a renewed strategy is hereby elaborated.

### 1.2 Agency context

CEPOL was initially founded by Council Decision 200/820/JHA of 22 December 2000 as a body financed directly by the Member States of the European Union and functioned as a network, by bringing together the national training institutes in the Member States, whose tasks include the training of senior police officers. CEPOL was later established as an agency of the European Union by Council Regulation No. 2005/681/JHA of 20 September, 2005 (OJ L 256/63 of 1 October, 2005).

Since 1 July 2016, the entry into force of its current legal mandate<sup>4</sup>, CEPOL's official name is 'The European Union Agency for Law Enforcement Training'.

CEPOL is headed by an Executive Director, who is accountable to a Management Board. The Management Board is made up of representatives from EU Member States<sup>5</sup> and the EU Commission. The Chair of the Management Board is a representative of one of the three Member States that have jointly prepared the Council of the European Union's 18-month programme. The Management Board meets at least two times per year. In addition, CEPOL has dedicated National Units (CNUs) in every Member State to provide information and assistance to law enforcement officials who wish to participate in CEPOL's activities. CNUs also support CEPOL's operations.

<sup>3</sup> COM(2019) 196 final of 29 April 2019, Commission Anti-Fraud Strategy: enhanced action to protect the EU budget

<sup>4</sup> Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015

<sup>5</sup> Denmark is not considered Member State in relation to CEPOL in accordance with Protocol 22 on the position of Denmark in respect of the area of freedom, security and justice, annexed to the TEU and to the TFEU.

CEPOL contributes to a safer Europe by facilitating cooperation and knowledge sharing among law enforcement officials of the EU Member States and to some extent, from third countries, on issues stemming from EU priorities in the field of security; in particular, from the EU Policy Cycle on serious and organised crime. Moreover, CEPOL assesses training needs to address EU security priorities.

Ethics and transparency are key issues in the EU institutions and bodies. CEPOL commits to ensuring that these principles are properly applied.

Considering the nature of its activity and specific context in which it operates, CEPOL has a low degree of exposure to the risk of fraud. CEPOL does not work with lobbyists in legislative or other related initiatives and has a low degree of exposure to the risk of conflict of interest.

### 1.2.1 Internal control system and fraud reporting arrangements in place

Article 74(2) in the EU Financial Regulation<sup>6</sup>, respectively Article 44(2) of the CEPOL Financial Regulation<sup>7</sup>, provides that the Authorising Officer shall put in place the organisational structure and the internal control systems suited to the performance of the duties of Authorising Officer, in accordance with the minimum standards or principles adopted by the Management Board, on the basis of the Internal Control Framework laid down by the Commission for its own departments, and having due regard to the risks associated with the management environment.

In line with this requirement, the Management Board adopted Decision 26/2018/MB on the revised CEPOL's Internal Control Framework (ICF)<sup>8</sup>, which is based on the European Commission's framework<sup>9</sup>.

The new ICF is based on the five internal control components: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication and (5) monitoring activities. They are the building blocks that underpin the framework's structure and support the Agency in its efforts to achieve its objectives.

Since its establishment, the Agency has developed a number of procedures and policies designed to mitigate identified risks, including major fraud risks, namely:

- Code of good administrative behaviour<sup>10</sup>
- CEPOL's conflict-of-interest policy (as latest adopted by Decision 19/2020/MB) stipulating that declaration of interests (Dols) are requested for Management Board, staff members and other individuals directly collaborating with CEPOL (interims, experts, National Seconded Experts)
- a transparency policy, whereby CVs and Dols are published for CEPOL management and Management Board to enable public scrutiny;
- ex ante and ex post controls, other controls and supervision mechanisms;
- a whistleblowing policy for staff and procedures for reporting improprieties<sup>11</sup>;
- annual risk assessments, including a fraud risk assessment;
- policy on identification and management of sensitive functions (Decision 34/2014/GB)

<sup>6</sup> [Regulation \(EU, Euratom\) 2018/1046](#) of the EP and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

<sup>7</sup> [MB Decision 13/2019/MB](#) on the CEPOL Financial Regulation and repealing decision 01/2014/GB of 22 May 2019

<sup>8</sup> <https://www.cepol.europa.eu/sites/default/files/26-2018-MB%20Revised%20CEPOL%20Internal%20Control%20Framework.pdf>

<sup>9</sup> [Commission Communication C\(2017\) 2373 final](#) of 19.4.2017 on the Revision of the Internal Control Framework

<sup>10</sup> ED Decision of the Executive Director 026/2019 Concerning the adoption of CEPOL Code of Good Administrative Behavior

<sup>11</sup> [MB decision 03/2019/MB on Guidelines on Whistleblowing](#)

The external/internal auditing system is in place, whereby the Agency is subject to periodic audits by three independent audit teams: European Court of Auditors, external auditors auditing the Agency's annual accounts and the internal audit service of the European Commission.

CEPOL will not tolerate fraud, impropriety or dishonesty and will report, without delay, any instance of suspected fraud to OLAF, which is exclusively competent to investigate these cases.

## 2. Fraud risk assessment

What constitutes fraud?

**Fraud** is a deliberate act of deception intended for personal gain or to cause a loss to another party.

An **irregularity** is an act which doesn't comply with EU rules and which has a potentially negative impact on EU financial interests, but which may be the result of genuine errors committed both by beneficiaries claiming funds and by the authorities responsible for making payments.

If an irregularity is committed deliberately, however, it's fraud.

The concept of fraud encompasses both internal and external misbehaviour. 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.<sup>12</sup>

It also covers misbehaviour that may not have a direct impact on the EU's financial interests, such as some cases of forgery (in CVs for example), money laundering, concealment or destruction of material facts, or breaches of IT systems. Conflicts of interests that have intentionally not been declared, favouritism and collusion also belong to the category of fraud.

Fraud risk is the probability that fraud will occur and could have a potential impact or consequence for the budget managed by the Agency or may cause reputational damage for the Agency or for the European Institutions and bodies as a whole.

Every year, as part of the annual planning workshop CEPOL assesses the risk of fraud at corporate level in connection to its annual objectives and processes. Taking into account the overall context and existing controls, CEPOL believes that the risk of significant undetected fraud is low. However, the following risk areas are considered for the purpose of the current renewed anti-fraud sub-strategy:

### Internal fraud risk areas

- staff not sufficiently educated to be able to detect and report fraudulent behaviour (internal or external)

### External fraud risks areas

- intentional breach of the provision of a procurement's contract, overcharged invoicing by the economic operators.

The identified internal fraud risk area is connected to the high staff fluctuation and continuous renewal of staff following increase of CEPOL's portfolio with international cooperation projects implemented in third countries. Newcomers and refresher training session should be repeated at regular intervals to raise awareness and educate staff to be able to recognise and report fraudulent behaviour.

<sup>12</sup> 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.

The external fraud risk area is related to poor quality of services provided by some of the economic operators and lack of transparency in the supporting documentation backing up the invoice. This risk has materialised in the past years and since then, additional control measures via strengthening contract provisions have been put in place to mitigate the risk.

The risks identified are already mitigated by various measures taken within CEPOL including:

- a strong emphasis on good administration standards for staff during welcome upon recruitment – every staff member has to sign a declaration that they understand and have taken note of the provisions in the CEPOL Code of Good Administrative Behavior;
- refresher training on ethics and integrity for staff;
- whenever CEPOL is contracting external service providers to support it in its tasks, it ensures that both a confidentiality clause and a conflict of interest clause are included in all such contracts that CEPOL concludes;
- clause included in the contract stipulating the right to randomly check invoices from third party service provider, in order to ensure no overcharged prices or extra margins added.

Overall, the mitigation actions already in place offer a reasonable assurance that the risks of fraud are well managed and the likelihood is kept to a low level.

### 3. Objectives

Taking into account the fraud risk assessment, the agency context, the control environment, the procedures in place and the mission of CEPOL, the fraud risk is very low. Nevertheless CEPOL has to remain vigilant and maintain the controls and procedures in place, therefore the following objective is maintained in the context of the renewed strategy:

#### **Objective: Maintaining a high level of ethics and fraud awareness within the Agency**

The existence of a corporate culture which favours integrity of staff is of the highest importance in fighting fraud. With this aim it is important to have rules in place that are acknowledged and clear to everyone. Refresher training on ethics and integrity for staff are to be implemented on a regular base.

### 4. Roles and Responsibilities

Fraud prevention and detection is the joint responsibility of each member of staff.

Staff members are expected to be vigilant and have the duty to report without delay any known or suspected conflicts of interest, fraud, or instances of unethical or illegal behaviour.

The Corporate Services will be the lead service in relation to the overall coordination of the anti-fraud sub-strategy of the Agency and the implementation of the action plan.

The follow-up and the monitoring of these actions will be carried out by the Internal Control and Quality Manager Officer.

**5. Action Plan for the years 2021-2023**

Actions	Responsible	Deadline
<b>Objective: Maintaining a high level of ethics and fraud awareness within the Agency</b>		
<b>Action 1:</b> Refresher training on Ethics and Integrity for staff. Raising awareness of potential conflict of interest to staff and detecting fraudulent behaviour. Whistleblowing awareness for staff, as well as on OLAF's role.	Head of Corporate Services/HR	regular intervals (minimum every 2 years)
<b>Action 2:</b> Implement declarations of interest from all categories of staff and individuals working with CEPOL (TA/CA/SNEs/interims/experts/MB members)	HR/Procurement/ Governance Team/Action owner	before taking up duty/ or by December every year
<b>Action 3:</b> Ensure pre-employment and due diligence-screening systems are robust. Request certificate of good administrative behaviour from all categories of staff (TA/CA/interims)	HR	when taking up duty
<b>Action 4:</b> Minimise the risk of fraud by the service providers by requesting them to make specific declaration of interest and declaration of confidentiality with regard to the worked performed for CEPOL.	Procurement	before contract signature
<b>Action 5:</b> Implement a declaration of intention to engage in an occupational activity during employment/after leaving the EU Agency	HR	when applicable
<b>Action 6:</b> Ensure that fraud risk is assessed as part of CEPOL's risk assessment process	Management/ ICQMO	yearly
<b>Action 7:</b> Maintain and update the conflict of interest situations register (TE.INCO.004) on actual, perceived and potential conflict of interest.	Legal and Data Protection Officer based on input from Units/Departments	when applicable
<b>Action 8:</b> Update the decision of the Governing Board of the European Police College 1/2006/GB concerning the terms and conditions for internal investigations in relation to prevention of fraud, corruption and any illegal activity detrimental to the Communities' interests, to align it to the current legal framework.	Management/ ICQMO	Q4 2021
<b>Action 9:</b> Update the Decision 34/2014/GB of the Governing Board of the European Police College on policy on identification and management of sensitive functions, to align it to the current legal framework.	Management/ ICQMO	Q4 2021
<b>Action 10:</b> Update Fraud Response Plan in line with current legal framework	Management/ ICQMO	Q4 2021