



**DECISION OF THE MANAGEMENT BOARD
ON THE TRANSLATION CENTRE'S ANTI-FRAUD STRATEGY – CT/CA-040/2016EN**

THE MANAGEMENT BOARD OF THE TRANSLATION CENTRE FOR THE BODIES OF THE EUROPEAN UNION,

Having regard to Article 325 of the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for the Bodies of the European Union ('the Translation Centre'), as last amended by Council Regulation (EC) No 1645/2003 of 18 June 2003,

Whereas:

The Management Board should adopt an anti-fraud strategy on the basis of the Commission's Roadmap on the follow-up to the Common Approach on EU decentralised agencies;

HAS ADOPTED AS FOLLOWS:

Article 1

The decision of the Management Board of the Translation Centre for the Bodies of the European Union on the Translation Centre's anti-fraud strategy is hereby adopted.

Article 2

This decision shall enter into force on the date of its adoption.

Done at Luxembourg, 26 October 2016.

For the Management Board.

R. Martikonis 

Chairman



Anti-fraud strategy of the Translation Centre

1. General background

Article 325 of the Treaty on the Functioning of the European Union¹ (TFEU) requires the Union and the Member States to counter fraud and any illegal activities affecting the financial interests of the Union.

On 24 June 2011, the Commission adopted its Anti-Fraud Strategy (CAFS)². The overall objective of the CAFS is to improve the prevention, detection and the conditions for investigations of fraud and to achieve adequate reparation and follow-up. The Commission has developed a Common Approach³ on the basis of which the EU decentralised agencies are required to be more active in relation to fraud prevention. In its Roadmap on the follow-up to the Common Approach, the Commission has stated that the EU decentralised agencies are required to put fraud prevention measures in place.

2. Translation Centre

The Translation Centre for the Bodies of the European Union⁴ was created in 1994 to provide the necessary translation services for the operation of the agencies and offices of the European Union. The Centre has also concluded agreements with institutions and bodies which have their own translation services.

The Centre's translation services are provided against payment for services rendered. The Centre's budget is mainly implemented through administrative and operational expenditure. In 2015, around 50% of the budget, which amounted to EUR 49.6 million, was used to buy goods and services.

Pursuant to Article 30 of the Financial Regulation applicable to the Translation Centre, the budget must be implemented in compliance with effective and efficient internal control. Internal control is designed to provide reasonable assurance of achieving, *inter alia*, the objectives of safeguarding assets and information and of preventing and detecting fraud and irregularities⁵. Article 48 of the aforementioned Regulation stipulates that in the event of any illegal activity, fraud or corruption which may harm the

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012E/TXT&from=EN>

² /* COM/2011/0376 final */ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions and the Court of Auditors on the Commission Anti-fraud strategy - <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2011:0376:FIN>

³ Joint statement of the Parliament, the Council of the EU and the European Commission on decentralised agencies - https://europa.eu/european-union/about-eu/agencies/overhaul_en

⁴ Council Regulation (EC) No 2965/94 of 28 November 1994 setting up a Translation Centre for bodies of the European Union - <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1466070835960&uri=CELEX:01994R2965-20031001>

⁵ The definitions of fraud and of irregularity are specified as follows:

Fraud: Article 1(1)(a) of the Convention of 26 July 1995 on the protection of the financial interests of the European Communities (OJ C 316, 27.11.1995): "in respect of expenditure, any intentional act or omission relating to: - the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the budget of the European Union or budgets managed by, or on behalf of, the European Union; non-disclosure of information in violation of a specific obligation, with the same effect; - the misapplication of such funds for purposes other than those for which they were originally granted"; Irregularities: Article 1(2) of Regulation No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests (OJ L 312, 23.12.1995): "any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure".

interests of the Union, the member of staff shall inform the authorities and bodies designated by the applicable legislation.

This anti-fraud strategy is aimed at optimising the fraud prevention measures in place at the Centre through prevention, detection, awareness raising and deterrence. The Centre will report on the implementation of the anti-fraud strategy in its annual activity reports.

3. Principles

The trust of EU citizens in its institutions, agencies and bodies is of the utmost importance. The reliability of the annual reporting of the EU institutions, agencies and bodies plays an important role in ensuring compliance regarding transparency, accountability and integrity. As an EU agency, it is a *sine qua non* that the Centre must deliver good governance, transparency and accountability in the use of its resources. In doing so, the Centre promotes the highest standards of integrity, transparency and accountability among its staff.

The anti-fraud strategy takes into account the priorities set by the Commission under the Common Approach on EU decentralised agencies, especially with regard to:

- Ensuring the proper handling of conflicts of interest; and
- Developing anti-fraud measures especially through prevention, detection, awareness raising and closer cooperation with the European Anti-Fraud Office (OLAF).

4. Definition of fraud

Fraud requires the breach of a rule and the intention to breach a rule. The intention constitutes the difference between fraud and irregularities. Fraud covers especially any infringement of the financial interests of the EU, as defined in the Convention on the protection of the European Communities' financial interests⁶, including misbehaviour with a reputational impact. Fraud encompasses both internal and external misbehaviour and the point of departure is the fact that the reputational damage of misbehaviour may be equally or even more important than the financial damage itself.

For the purpose of this strategy, it is important to make a distinction between internal and external fraud. External fraud refers to a suspicion of fraud without the involvement of the Centre's staff. Internal fraud refers to a suspicion of fraud where the Centre's staff may be involved in the commitment of fraud, either one or more staff members or in cooperation with external involvement.

⁶ Council Act of 26 July 1995 drawing up the convention for the protection of the European Communities' financial interests, OJ No C 316 of 27.11.95, p 48.

5. Fraud risk assessment

This strategy is based on the results of a fraud risk assessment which was carried out on the basis of interviews with key staff active in areas sensitive to fraud (procurement, contract management, recruitment, human resources and logistics). This assessment was undertaken in order to identify the main fraud risks.

The fraud risk assessment established that the risk of fraud is rather low within the Centre due to established working procedures and measures in place. Since the Centre is not involved in programmes involving the distribution of funds, the risk of fraud is consequently reduced.

Within the areas identified and based on the fraud risk assessment, the Director decided to concentrate on the following three main areas of risk in developing this anti-fraud strategy:

- Procurement and contract management;
- Selection procedures;
- Staff behaviour.

Measures in place

In developing this anti-fraud strategy, the following relevant measures which are in place in the Centre have been identified:

Rules and decisions:

- Early detection system for fraud
- Code of good administrative behaviour
- Whistleblowing procedure
- Decisions on document management
- Policy on the prevention and management of conflicts of interest
- Commission decision on outside activities and assignments (applied by analogy)
- Commission guidelines on gifts and hospitality (applied by analogy)
- Charter on tasks and responsibilities of authorising officers by delegation and subdelegation
- Implementation of appropriate financial circuits for financial transactions (initiation and verification)

Human resources:

- Declarations of interest by senior management and management board members
- Declarations of confidentiality by members of selection committees in selection procedures
- Declarations of absence of conflicts of interests and declarations of confidentiality by candidates in recruitment procedures, newly recruited staff, staff in active employment, staff returning from leave on personal grounds
- Declarations of absence of conflicts of interest and declarations of confidentiality by consultants and agency staff
- Implementing rules on the conduct of administrative inquiries and disciplinary proceedings
- Training on ethics for staff

Procurement

- Declarations of absence of conflicts of interest and declarations of confidentiality by members of evaluation committees in procurement procedures
- Anti-fraud clause in contracts and tender specifications for translation services
- Inclusion in contracts with external service providers of the possibility of checks and audits, including *in situ* visits with contractors by the Centre or a mandated outside body as well as by the European Court of Auditors and the European Anti-Fraud Office (OLAF).

6. Objectives

Based on the fraud risk assessment undertaken, this anti-fraud strategy focuses on achieving the following objectives:

Objective 1:

Reinforce the ethics and anti-fraud culture within the Centre and reach a high level of integrity by enhancing staff awareness

Ethical values and integrity are the fundamentals of a proper anti-fraud culture. In order to reinforce this anti-fraud culture, the priority under this strategy will be to focus on raising the awareness of staff in this regard.

Objective 2:

Concentrate on ensuring that fraud is detected in the Centre

In order to detect fraud, the Centre has a range of measures in place and will focus on ensuring their systematic implementation under this strategy.

Objective 3:

Establish a procedure on fraud reporting, clarify the roles in cases of suspected fraud and reinforce cooperation with OLAF

This objective requires the Centre to establish an internal procedure on fraud reporting and a procedure on fraud reporting to OLAF. These procedures will clarify the roles and contact persons in cases of suspected fraud in the Centre and will reinforce cooperation with OLAF.

7. Actions

This anti-fraud strategy will be implemented by the Centre through a range of actions including:

- Organising information sessions for staff on ethics and fraud;
- Publishing information on ethics and fraud on the staff intranet;
- Including fraud in risk assessments;
- Developing procedures on fraud reporting;
- Developing codes of conduct on key subjects including contacts with tenderers and declarations of mission costs.