

**Decision No 88 of the Management Board of the European Foundation for the improvement of living and working conditions (Eurofound) on the Anti-Fraud Strategy 2025-2027**

THE MANAGEMENT BOARD OF THE EUROPEAN FOUNDATION FOR THE IMPROVEMENT OF LIVING AND WORKING CONDITIONS (hereinafter referred to as 'Eurofound' or 'the Agency'),

Having regard to Regulation (EU) 2019/127 of 16 January 2019 establishing a European Foundation for the improvement of living and working conditions (Eurofound) and repealing Council Regulation (EEC) No 1365/75<sup>1</sup> (hereinafter referred to as 'Eurofound's Founding Regulation'), and in particular Articles 5(1)(f), 11(5)(n), 25 and 36 thereof,

Having regard to the 'European Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 196,

Having regard to the Decision of the Governing Board of Eurofound adopting the Internal Control Framework of Eurofound, adopted on 16 November 2018, and in particular Internal Control Principal 8 "*Eurofound considers the potential for fraud in assessing risks to the achievement of objectives*"<sup>2</sup>,

Having regard to Decision of the Bureau of Eurofound concerning the accession of Eurofound to the inter-institutional agreement of 25 May 1999 between the European Parliament, the Council and the Commission concerning internal investigations by the European Anti-Fraud Office (OLAF), adopted on 7 May 1999<sup>3</sup>,

Having regard to Decision No 12 of the Management Board of Eurofound adopting the Financial Regulation of Eurofound, adopted on 30 August 2019<sup>4</sup>, and in particular Article 32 (1)(h) thereof,

Having regard to Eurofound's Guidelines on Whistleblowing, adopted by the Governing Board on 16 November 2018<sup>5</sup>,

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<sup>1</sup> OJ L 30, 31.1.2019, p. 74–89.

<sup>2</sup> GR-18-15817.

<sup>3</sup> GR-11-24683.

<sup>4</sup> WPR-2019-05-MB.

<sup>5</sup> GR-18-15684.



Having regard to the OLAF Methodology and guidance of the anti-fraud strategies of EU decentralised agencies and Joint Undertakings as dated 24 October 2023,

Whereas:

(1) It is essential to counter fraud and any illegal activities affecting the financial interests of the European Union in the framework of the daily activities of Eurofound involving the use of resources.

(2) In light of the above, it is appropriate to establish proportionate measures to ensure the prevention, detention, correction, deterrence, investigation and follow-up of fraud and irregularities, to counter any illegal activity affecting the financial interests of the Union.

(3) As established by the Article 5, paragraph 1, letter f), of Eurofound's Founding Regulation, those measures shall include an anti-fraud strategy within the internal control system for improving the prevention and detection of fraud. The anti-fraud strategy shall be reviewed every three years, following the reassessment of the potential fraud risks to which the Agency is exposed.

(4) Following the reassessment performed by the Agency, Eurofound's Anti-Fraud Strategy, adopted by the Management Board on 6 November 2020, shall be replaced to reflect the current fraud risks in the activities of the Agency.

HAS ADOPTED THIS DECISION:

#### **Article 1 – Adoption**

1. The Anti-Fraud Strategy for the period of 2024-2027, as annexed to this Decision (Annex I), is hereby adopted.
2. The Executive Director of Eurofound with the support of Eurofound's Coordinator Internal Control adopts further internal measures which are necessary to implement the Action Plan of the Anti-Fraud Strategy for the period of 2024-2027 (Annex II).



## **Article 2 – Repeal**

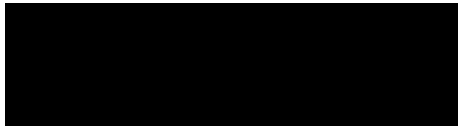
Eurofound's Anti-Fraud Strategy, adopted by the Management Board of Eurofound by its Decision No 32 dated 6 November 2020, is hereby repealed, with effect from the date of entry into force of this Decision.

## **Article 3 – Entry into force**

The present Decision shall enter into force on the day following that of its adoption by the Management Board. It shall be published on Eurofound's website.

Done in Dublin, on 22 November 2024

For the Management Board



The Chairperson



ANNEX I

**EUROFOUND'S  
ANTI-FRAUD STRATEGY  
2025-2027**

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## 1. INTRODUCTION

### 1.1. Eurofound context

Set in Dublin, Ireland, the European Foundation for the Improvement of Living and Working Conditions (Eurofound) is an EU Agency responsible for providing the Commission, other Union institutions, bodies and agencies, the Member States and the social partners with support for the purpose of shaping and implementing policies concerning the improvement of living and working conditions, devising employment policies, and promoting the dialogue between management and labour, as laid down by provisions of Regulation (EU) 2019/127<sup>6</sup> (i.e., Eurofound's Founding Regulation).

To implement its founding objective, Eurofound's tasks include collecting data on relevant socioeconomic developments, carrying out research, including comparative and trend analysis, providing evidence and services for policymaking, analysing developments in the industrial relations system, facilitating knowledge sharing among and between the EU and national governments and social partners, providing forums for exchange of experience among stakeholders, managing and making available tools and datasets to policymakers, social partners and other stakeholders.

Eurofound's Management Board represents the social partners and national governments of all Member States, as well as the European Commission. It also has one independent expert appointed by the European Parliament. The Management Board adopts the [annual work programme](#) for the Agency which in turn is framed by multi-annual objectives, strategies and programmes.

The focus of Eurofound's activities remains firmly on the four policy areas as mandated by the Founding Regulation: Working Conditions, Industrial Relations, Employment, and Living Conditions, continuing to support its stakeholders by providing evidence to support their policy action. While focusing on its core expertise, Eurofound will adopt a systemic approach to its analysis and ensure that identified priorities are treated in a transversal manner. Eurofound will ensure to carry out both qualitative and quantitative analysis with internal research staff, external experts contracted through public procurement

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<sup>6</sup> Regulation (EU) 2019/127 of the European Parliament and of the Council of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound), and repealing Council Regulation (EEC) No 1365/75; [OJ L 30, 31.1.2019, p. 74–89](#).



procedures while also pursuing collaboration with the knowledge and expertise in other Agencies where relevant. The Network of Eurofound Correspondents will continue to provide up-to-date data on national level policy developments ensure that social partners perspective is captured.

With regard to communication, Eurofound adopts an agile, innovative and adaptive approach to best reach, serve and engage with decision-makers. It is taking full advantage of the opportunities offered by the digital communication environment, where competition for attention in an increasingly online world is intensifying.

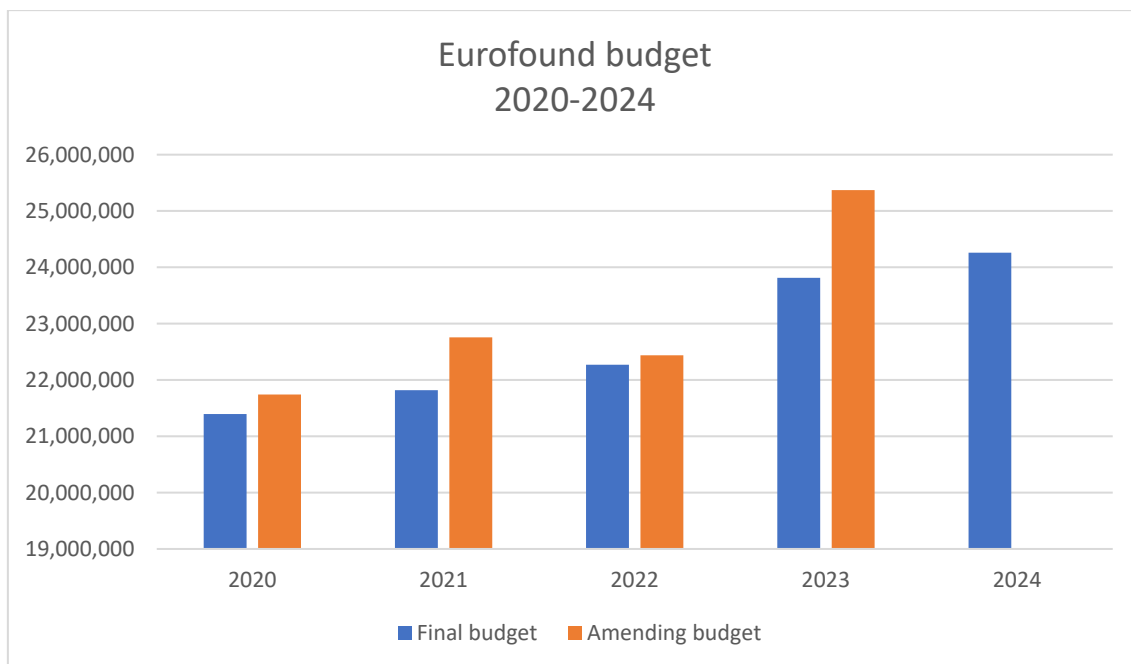
The latest developments with the progressive use of AI create new opportunities and challenges for the Agency's operations, including issues related to data protection and reliability of data. Strengthening of the Agency's capabilities in cybersecurity is requiring extra efforts, notably in order to comply with EU institution standards and new legislation, namely the AI Act<sup>7</sup>.

For the performance of all its activities, the Agency subsidy is, in principle, covered by the Union's current multi-annual financial framework (MFF 2021-2027). The graphic below shows the evolution of Eurofound's budget in the last five years (2020 to 2024)<sup>8</sup>:

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<sup>7</sup> Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act); [OJ L, 2024/1689](#).

<sup>8</sup> As adopted by the Management Board. All financial information can be found [here](#).



Worth noting that, traditionally, Eurofound's subsidy includes a modest ca. 2 % inflation-based indexation. The 2023 subsidy of EUR 23,595,000, however, was complemented with additional:

- EUR 650,000<sup>9</sup>, to mitigate the recent salary-related increases, namely the increase of the Irish country coefficient; and
- EUR 450,000<sup>10</sup>, mainly to mitigate the inflationary pressure.

In addition, the 2023 amending budget revenue included:

- EUR 810,000<sup>11</sup> as assigned revenue for the Instrument for Pre-accession Assistance (IPA)<sup>12</sup>;
- EUR 180,000 as assigned revenue from Service Level Agreements signed with the (i) European Labour Authority (ELA) for shared accounting services, and with (ii) DG EMPL for the project on the working time reduction; and

<sup>9</sup> From the Directorate-General for Employment, Social Affairs and Inclusion (i.e., DG EMPL), specific to Eurofound.

<sup>10</sup> From the Directorate-General for Budget (i.e., DG BUDG), similar to all EU Decentralised Agencies.

<sup>11</sup> From the Directorate-General for Neighbourhood and Enlargement Negotiations (i.e., DG NEAR).

<sup>12</sup> The Instrument for Pre-accession Assistance (IPA) is the means by which the EU has been supporting reforms in the enlargement region with financial and technical assistance since 2007. More information can be found [here](#).



- EUR 593,000 as contributions from non-EU countries (Switzerland and Norway) towards the inclusion of these countries in the EWCS.

Overall, inflationary pressure at all levels of the budget and namely a sustained high Irish country coefficient is increasing the gap between a frozen revenue amount (in real terms) and the continuous cost increases in all budget titles will widen with a risk to jeopardise the agency's capacity to deliver on its mandate at the expected level. Especially as Eurofound's establishment plan is kept at the level of 91 posts since 2018.

Eurofound implements its budget in line with the financial rules applicable to the general budget of the Union (or the Framework Financial Regulation)<sup>13</sup>, its Financial Regulation<sup>14</sup>, related implementations, and in accordance with the principle of sound financial management<sup>15</sup>, as well as with the obligation to combat fraud and any other illegal activities affecting the financial interests of the Union<sup>16</sup>.

The agency also employs contract agents for specific functions. All statutory staff are subject to the Staff Regulations of Officials of the European Communities and the Conditions of Employment of Other Servants of the European Communities<sup>17</sup>. For a complete overview of Eurofound's recruitment policy, see its *Annex V: Human resources – qualitative* of [Eurofound's Work Programme 2022](#).

## 1.2. Eurofound Anti-Fraud Strategy

For the management of the operational and administrative resources and the safeguarding of its assets allocated for the implementation of its tasks, Eurofound has an internal control system in place with the following objectives:

- (1) effectiveness, efficiency and economy of operations;
- (2) reliability of reporting;
- (3) safeguarding of assets and information;

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<sup>13</sup> 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, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012; [OJ L 193, 30.7.2018, p. 1–222](#).

<sup>14</sup> Adopted by the Management Board on 30 August 2019. Available [here](#).

<sup>15</sup> Laid down in Article 317 of the Treaty of Functioning of the EU.

<sup>16</sup> Laid down in Article 325 of the Treaty of Functioning of the EU.

<sup>17</sup> Regulation (EU, Euratom) No 1023/2013 of the European Parliament and of the Council of 22 October 2013 amending the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union.

- (4) prevention, detection, correction and follow-up of fraud and irregularities, and
- (5) adequate management of the risks relating to the legality and regularity of the underlying transactions.

Zero tolerance for fraud is an integral part of internal control reflected in the professional integrity of all involved with the Agency and the conduct of staff reflecting the ethical principles of EU public service. It is mirrored in the operational processes and control measures, such as checks and procedures, to provide reasonable assurance in meeting the objectives of sound financial management.

The severity of fraud, if it was to happen, is significant given the negative impact on EU budget, on Eurofound's reputation, and the loss of public trust in the Union. Therefore, a separate anti-fraud strategy risk is a requirement that Eurofound has had in place since 2013 in line with the:

- a) anti-fraud strategy adopted by the European Commission on 24 June 2011, aiming at improving the prevention and detection of fraud, the conditions for investigation of fraud, and at achieving adequate reparation and deterrence<sup>18</sup>;
- b) anti-fraud strategy adopted by the European Commission on 29 April 2019, aiming at equipping the Commission with a stronger analytical capability for purposes of prevention and detection and with a more centralised system of oversight for its anti-fraud action<sup>19</sup>;
- c) Commission Anti-Fraud Strategy Action Plan, adopted on 11 July 2023<sup>20</sup>; and
- d) Common Approach on EU decentralised agencies developed by the European Commission, which required a set of anti-fraud measures to be put in place, with the declared aim of improving their efficiency, transparency, and accountability<sup>21</sup>.

This strategy was subsequently reviewed, being last amended in 2020 when Eurofound's Management Board adopted the 2021-2023 Anti-Fraud Strategy<sup>22</sup> which defined two main objectives: to have in place (1) a strong anti-fraud culture, achievable through awareness raising activities, as well as (2) a strong connection between internal controls

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<sup>18</sup> COM(2011)376 final, 24.6.2011, available [here](#).

<sup>19</sup> COM(2019) 196 final, 29.4.2019, available [here](#).

<sup>20</sup> COM(2023) 405 final, 11.7.2023, available [here](#).

<sup>21</sup> Joint Statement of the European Parliament, the Council of the EU and the European Commission on decentralised agencies, available [here](#).

<sup>22</sup> Adopted by the Management Board on 6 November 2020.



and anti-fraud prevention, by removing any barriers to effective implementation of controls.

The present strategy covers the period 2025-2027 and meets the requirements of Article 32 of Eurofound's Financial Regulation, which refers, *inter alia*, to the need for preventing and detecting irregularities and fraud.

## 2. MEANS AND RESOURCES

### 2.1. Human Resources

Addressing and properly mitigating the risk of fraud depends on the active participation of all staff members, who must adhere to the obligations imposed by the Staff Regulations and the Code of Conduct, such as on conflicts of interest, on the acceptance of gifts, on engagement in external activities, on spouses' employment, or on publications or speeches on EU-related matters.

Clear role descriptions and documented references to processes and procedures, as well as digital systems and workflows are essential for preventing and detecting fraud and irregularities. Ultimately, it is the behaviour of the staff that determines how effective the anti-fraud culture is. Staff are, thus, expected 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 foreseen in Article 22a of the Staff Regulations. Psychological safety, a good level of knowledge, and clarity of the various options to act are essential for staff to act with confidence and without fear, thus helping to maintain a healthy anti-fraud environment.

Some staff, due to the nature of their tasks, have specific responsibilities and roles as identified below:

Units/functions	Tasks related to anti-fraud issues
<p style="text-align: center;"><b>Management Board</b></p>	<p>Responsible for (i) adopting the Anti-Fraud Strategy, and (ii) monitoring follow-up to findings and recommendations stemming from the internal or external audit reports and evaluations, as well as from investigations of the European Anti-fraud Office (OLAF)<sup>23</sup>.</p> <p>The members of the Management Board must comply with the relevant regulations, policies, and</p>

<sup>23</sup> Article 5, paragraph 1, letters f) and p) of Eurofound's Founding Regulation.

	<p>procedures insofar as they contain specific obligations for them, notably about declaring interests that could potentially conflict with the Agency.</p>
<p><b>Management Board Secretariat</b></p>	<p>Responsible for administering controls in relation to preventing conflicts of interest involving members of the Management Board.</p>
<p><b>Executive Director</b></p>	<p>Responsible for (i) protecting the financial interests, (ii) promoting an anti-fraud culture, (iii) preparing the anti-fraud strategy for the approval by the Management Board, (iv) applying preventive measures and effective checks and proportionate recovery measures when irregularities are detected, and (v) keeping the Commission and OLAF informed on fraud related matters. The Executive Director informs the Management Board about the implementation of agreed actions on a regular basis<sup>24</sup>.</p>
<p><b>Heads of Unit</b></p>	<p>Responsible for (i) promoting the anti-fraud culture within their units, (ii) ensuring that control measures to prevent and detect fraud are adhered to, (iii) that contracts are properly evaluated without favouritism or bias, and (iv) that all work signed off is in accordance with the deliverables specified in the contract, in accordance with internal quality management, and are in agreement with intellectual property and data protection rights.</p>
<p><b>Heads of Sector, Team leaders, Project leaders</b></p>	<p>In analogy with the responsibility of the Heads of Unit, these staff members are responsible for promoting an anti-fraud culture in their area of responsibility, setting the example in adhering to the Ethics and Staff Conduct Guidelines and raising any</p>

<sup>24</sup> Article 11, paragraph 5, point o) of Eurofound's Founding Regulation.

	concerns about control weaknesses, fraud or irregularities.
<b>Authorising Officers (including by delegation) and Verifying Agents (ex ante and ex post)</b>	Responsible for ensuring that measures to prevent and detect fraud are respected and concerns are raised when verifying and authorising commitment, recovery and payment orders.
<b>Coordinator Internal Control and Legal and Internal Control Officers</b>	Responsible for (i) ensuring the provision of an effective and proportional internal control and risk framework based on the 17 internal control principles as well as on the internal audit service and the audit of the European Court of Auditors, (ii) ensuring awareness of fraud identification, prevention and detection, and (iii) cooperating with OLAF, when fraud is suspected or detected.
<b>Head of Procurement with Procurement Team</b>	Responsible for ensuring anti-fraud-proofing of procurement procedures and developing actions to prevent and detect weaknesses in the procurement system.
<b>Budget Officer with Finance Team</b>	Responsible for developing actions and for implementing controls to prevent and detect fraud in relation to budget appropriation, recovery and authorising payments.
<b>Accounting Officer</b>	Responsible for the duties as defined under Article 49 of Eurofound's Financial Regulation, in line with the rules adopted by the accounting officer of the Commission based on internationally accepted accounting standards for the public sector <sup>25</sup> and the annual financial statements <sup>26</sup> .
<b>Head of HR and HR Team</b>	Responsible for developing actions to prevent and detect fraud and implement controls in relation to conflict of interest, collusion, misrepresentation, false documentation, in the context of recruitment

<sup>25</sup> Article 51 of Eurofound's Financial Regulation.

<sup>26</sup> Article 98 of Eurofound's Financial Regulation.

	and staff entitlement and obligations, including the development of training programmes on ethical behaviour and staff conduct.
<b>Heads of Unit and managers in respective Research Units and the Information &amp; Communication Unit</b>	Responsible for implementing the research and communication programmes in line with the adopted work programme and related organisational procedures and processes to support the development of better informed social, employment and work-related policies in the European Union, through data collection, comparative research and user-centred communication, always protecting its intellectual property rights and Eurofound's reputation as scientifically-sound knowledge provider.
<b>Head of ICT and ICT Team</b>	Responsible for functioning systems and protocols to protect the IT systems of Eurofound from external and internal intrusion as well as to protect the data stored on those systems, thereby preventing fraud and improper use of information. It invests additional effort to adhere to the new EU institutional standards for cybersecurity.

In addition to these internal actors, it is crucial to also note the major role played by the:

- a) European Anti-Fraud Office (OLAF), the Union body which investigates fraud against the EU budget, corruption and serious misconduct within the European institutions, agencies, and bodies<sup>27</sup>, and
- b) the European Public Prosecutor's Office (EPPO), the Union responsible for investigating, prosecuting and bringing to judgment crimes against the financial interests of the EU<sup>28</sup>.

<sup>27</sup> More information on OLAF can be [here](#).

<sup>28</sup> More information on EPPO can be found [here](#).

## 2.2. IT tools

Digital systems and applications contribute to the efficiency and effectiveness of internal control and anti-fraud. Eurofound currently makes use of the ones below, notably to share and to provide staff (and the Management Board) access to guidelines, procedures and formal records:

IT tools	Units / functions involved
<b>Eurofound's computer network and systems<sup>29</sup></b>	ICT
<b>Eurofound <a href="#">public website</a></b>	ICT and IC. Aiming at providing transparent and free access to all EU citizens to the outputs of Eurofound's work and to provide access to important documents about the organisation and governance of the Agency, including its procedures for recruitment and procurement.
<b>Accountancy software ABAC (soon to be replaced with SUMMA)</b>	Accounting Officer Budget Officer Financial Initiation Agents Verifying Agents Neutral Verifier Local Profile Manager Authorising Officer and Authorising Officers by Delegation
<b>Personnel management system (Sysper)</b>	HR team and all staff
<b>E-procurement system</b>	Procurement Team
<b>Microsoft TEAMS and SharePoint (collaboration</b>	ICT and other staff to provide easy access and guidance on relevant procedures and control measures.

<sup>29</sup> Protected by antivirus, firewalls and similar technology that help maintain the security, integrity and availability of the information from external and internal intrusion, thereby preventing fraud and improper use of information.



<b>tools and information management tool)</b>	Internal Control team to promote guidelines and procedures and reporting tools relevant for the detection of fraud.
<b>Records management system</b>	Evaluation and Document Management Officer and all staff to store corporate records.

### 2.3. Procedures and guidelines relevant to anti-fraud environment

To successfully combat fraud, Eurofound has in place and available, in the Records Management System and SharePoint, *inter alia*:

- the Internal Control Framework<sup>30</sup>;
- the Practical Guide to Staff Ethics and Conduct<sup>31</sup>;
- the Code of conduct of good administration<sup>32</sup>;
- the Management Advisory Committee Code of Conduct<sup>33</sup>;
- Guidelines on Whistleblowing<sup>34</sup>;
- Rules on Conflict of Interest<sup>35</sup>;
- the Electronic Information Security Policy<sup>36</sup>;
- Anti-plagiarism policy<sup>37</sup>
- Policy on engagement of former employees<sup>38</sup>
- Exceptions and non-compliance register<sup>39</sup>
- Guidance on the use of generative AI tools<sup>40</sup>
- Internal rules on the use of the public procurement procedures<sup>41</sup>
- Ex post verification procedure -update 2022<sup>42</sup>

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<sup>30</sup> See GR-18-15817.

<sup>31</sup> See GR-17-11217.

<sup>32</sup> Available [here](#).

<sup>33</sup> See GR-17-11229.

<sup>34</sup> See GR-18-15684.

<sup>35</sup> See GR-20-6638.

<sup>36</sup> See GR-19-1041.

<sup>37</sup> See GR-12-34529

<sup>38</sup> See GR-24-4729

<sup>39</sup> See GR-24-3092

<sup>40</sup> See GR-24-115

<sup>41</sup> See GR-22-2428

<sup>42</sup> See GR-10-2248 (under revision as part of revised financial circuit 2024)

Certain staff members of the Agency also actively participate in a number of networks intended to share knowledge and know-how between all EU institutions, agencies and bodies, thus ensuring a higher level of harmonisation in the actions to better tackle fraud:

- Auditnet for Agencies;
- Performance Development Network (PDN);
- Inter-agencies Legal Network (IALN);
- Network of Agencies Procurement Officers (NAPO);
- Heads of Resources Network; and
- Heads of Agencies Network.

## **2.4 Monitoring**

The Anti-fraud strategy is implemented through the action plan. Actions are assigned to competent staff and their implementation is regularly monitored by the Coordinator Internal Control.

Progress is reviewed on a regular basis with updates to Eurofound's Management and included in the Internal Control Report to the Management Board at its annual November meeting. The review is also part of the annual peer review of corporate risks at internal-Agency level.

A Fraud Register has been created. The register is for the exclusive use of the Internal Control team and is a central register of all fraud situations occurring at the Agency. It allows for a more accurate assessment of the roots of fraud situations and, consequently, a more precise definition of adequate mitigation measures, as well as it facilitates the reporting of fraud situations to Eurofound's auditors.

Staff have access to a dedicated page on the intranet with all relevant information in place. Amongst other information, it includes (i) the Anti-Fraud Strategy and Action Plan (ii) an Anti-Fraud Roadmap which identifies the general steps to be followed in order to detect and prevent fraud, as well as (iii) 8 Steps when dealing with suspicion or detection of fraud. The Anti-Fraud strategy is also published on the extranet for members of the Management Board and on Eurofound's website for information on Eurofound's commitment to zero-tolerance of fraud.

### 3. EVALUATION OF THE CURRENT ANTI-FRAUD STRATEGY

This 2021-2023 Anti-Fraud Strategy<sup>43</sup> included two main objectives: to have in place

- (1) a strong anti-fraud culture, achievable through awareness raising activities, and
- (2) a strong connection between internal controls and anti-fraud prevention, by removing any barriers to effective implementation of controls.

These objectives were based on findings from a staff survey which had identified that a significant proportion of the respondents had indicated they were not sufficiently clear about the significance of internal controls designed to prevent fraud and irregularities. Controls in the form of procedures were seen as an administrative burden as there was insufficient awareness of their functionality. Such lack of awareness left staff and, consequently, the organisation unnecessarily exposed to risks. This was further compounded by a low awareness amongst staff about the means and ways at the disposal of each person to raise any suspicion of irregularities.

#### 3.1. Implementation of the action plan

##### 3.1.1. Objective 1

As regards the strategic objective no. 1, the following identified actions have been successfully implemented:

##### Actions 1.1.: Ethics Month initiative

The annual Ethics Month was implemented with the aim to increase awareness amongst staff of the practical implications of ethical values and professional integrity. Attendance was mandatory and monitored. Staff that were could not attend the training (which usually was organised in different sessions towards the year to ensure participation) had to justify their absence.

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<sup>43</sup> Adopted by the Management Board on 6 November 2020.

In addition, a new version of the Practical Guide to Staff Ethics and Conduct was published and discussed with a focus on the rules around participation in external activities (including publishing) as well as on staff responsibility in keeping the Agency informed about any changes that are of relevance to allowances and other entitlements as per the Staff Regulation.

Attention was also given to the organisational culture and psychological safety as conditions for staff to raise concerns or suspicions.

Separate from the Ethics Month, awareness raising sessions in the area of cybersecurity gained importance with the increase of cyberattacks worldwide. It has become an annual recurrence to assess the action staff take themselves in detecting and reporting 'phishing' attempts.

Action 1.2.: Topical discussion sessions about risks and controls based on case example

These sessions were based on case examples and focused mainly on:

- Providing clarification about collaboration with external experts as this is an integral aspect of Eurofound's programme implementation. Expert advice is particularly relevant in the context of in-house research, yet distinct from service providers who are contracted to deliver a research project. It was concluded to provide clarity about the definition and remuneration of those experts that provide advice in a personal capacity against a fixed payment amount. This was, then, documented in a new procedure<sup>44</sup>;
- Controls aimed at mitigating corruption and collusion in public procurement, discussing various topics, from the do's and don'ts of sub-contracting, to the purpose of the Early Detection and Exclusion System (EDES). A recording of the sessions was published on the dedicated SharePoint site on procurement; and
- Research quality and ethics with the purpose of preventing fraud in research. Internal guidelines on the use of third-party generative Artificial Intelligence tools were published. An increase of the risk of plagiarism has been identified and needs addressing.

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<sup>44</sup> See GR-2022-2244.

Action 1.3.: Implementation of a simple roadmap of steps-by-steps to be followed by staff

Development and dissemination of guidance on the means to raise concerns about possible fraud or irregularities. The aim was to clearly identify to staff (i) in what situations they should (or should not) report fraud, (ii) how they should report, and (iii) to whom they should report. This was explained as part of the Ethics Month sessions and disseminated through the implementation of a simple step-by-step procedure to be followed by staff to help detect and prevent fraud, and the publishing of a Whistleblowing Infographic.

3.2.2. Objective 2

Concerning the strategic objective no. 2 – Removing any barriers to effective implementation of controls – one generic action had been identified. It was formulated as a mapping exercise to assess whether controls were appropriate and adequately applied as prevention of fraud. Specific areas of interest were procurement, the financial circuit, recruitment, ICT security, data protection and implementing operational activities. The implementation of action 1.3 as above described addressed, in reality, both objectives.

Furthermore, two other actions to strengthen the prevention of fraud were in response to an internal audit on procurement and contract management performed by the Internal Audit Service in 2022:

- Improving the monitoring of low value purchases (below EUR 15k) since a substantial proportion of transaction falls into this category. The recording system was improved with more distinct categories of services facilitating a more transparent reporting system for more regular monitoring, and
- Providing a better audit trail for the justification of the estimates of a contract value. This was an important objective of a new approach to the implementation and documentation of the market analysis in advance of launching a procurement. Much effort was put into the format and guidance to balance the additional administration with the benefit of getting more realistic and well justified estimates.

The additional fraud-prevention actions were further implemented:

- Implementation of the Qualified Electronic Signature.
- Adoption of a policy and procedures for managing meeting costs, defining a maximum ceiling for costs for corporate events, project-related meetings, Management and Executive Board and Advisory Committee meetings, hospitality and visits.
- In the area of preventing conflict of Interest, much effort was successfully put in the collection of the Declaration of interests (Dols) of the members of the Management Board upon taking office to enable public scrutiny, and to publish these on Eurofound's public website together with the CVs of each member;
- Similarly, the launch of the Ethics module in Sysper improved the adherence to the obligation of staff to fill in their declaration; and
- Lastly, a mandatory session on preventing conflict of interest was introduced for members of Selection committees for recruitments.

### **3.2. Conclusions**

The actions were successfully implemented as planned despite the specific context of changing working arrangements due to the global pandemic COVID-19 that generated a need to adapt resources. The Agency did not relax its anti-fraud commitment and efforts despite the persistent business continuity mode in which operated and has successfully implemented other actions which were not envisaged as listed above.

The importance of regular awareness raising activities has proven to be essential in creating an organisational culture in which ethical guidelines, rules around professional conduct, and clear and transparent procedures and processes remain efficient and effective. It is standard practice to integrate information sessions with every review of a control and launch of a process or procedure explaining the rationale in prevention irregularities or fraud, and to take time for interaction. The findings of the recent staff survey show – for example in the area of whistleblowing guidelines – that it cannot be taken for granted that staff retain all information at once and on the basis of a once off communication. The regular review of the effectiveness of controls will continue to be essential, not only to justify the cost-benefit of controls, but only to keep up with significant threats to the reputation of the Agency and the safeguarding of its assets due to cyberattacks and the wrong use of AI.

During the implementation period of the 2021-2023 strategy, staff have experienced a case of suspected plagiarism; this was the result of higher levels of awareness and vigilance in quality control. Separately, during 2021 and 2023, the Agency collaborated with OLAF in, at least, two investigations and, when deemed necessary by OLAF, initiated the appropriate internal follow up.

By way of final reflection and lessons learned, the formulation of the objectives in the former Anti-Fraud Strategy was very generic and difficult to measure to equally broad definition of the actions. A more specific plan of action to start with and a regular update of the action plan will be part of the 2025-2027 strategy to reflect interim achievements and new developments.

## 4. FRAUD RISK ASSESSMENT

### 4.1. Methodology followed

Between May and July 2023, Eurofound carried out a fraud risk assessment through an e-survey in which 40% of staff participated<sup>45</sup>. The survey was divided into two parts:

- A risk assessment, and
- A fraud awareness and detection assessment.

The first part – the risk assessment – aimed at measuring the likelihood and the impact risk of fraud in various areas of our operations:

- A Research and communication
- B Procurement and contract management
- C Recruitment
- D Access to information and their systems, and
- E Ethical behaviour

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<sup>45</sup> This percentage corresponds to a decrease of about 20% compared to participation in 2020 (which was around 60% of Eurofound's personnel).

At the end of the first part, staff were given the opportunity of providing details on any of the risk category (indicating the impact and likelihood) as well as adding a risk (indicating the impact and likelihood)<sup>46</sup>.

The second part of the e-survey – fraud awareness and detection assessment – included several questions intended at evaluating the level of awareness vis-à-vis the concept of fraud and the expertise on what channels to use to report fraud if detected. The following areas were covered:

1. Level of fraud awareness
2. Detection of fraud
3. Internal control structures
4. Management and supervision, and
5. Asset control.

At the end of the e-survey, staff members were given the possibility to add any other information about possible fraud issues relevant to Eurofound<sup>47</sup>.

The e-survey was complemented by the *ex-post* verification results, the exception and non-compliance register, as well as reports from the Internal Audit Service and their recommendations on procurement and contract management (i.e., audit topic of 2022). The annual review of project lessons learned and the monthly ‘tour de table’ reports at management level were also used as background information together with informal interviews the Coordinator Internal Control held with deemed relevant internal stakeholders.

## 4.2. Main results

The main conclusions of the risk assessment can be summarised as follows:

- c. 70% of the respondents assessed the current and future level of fraud at Eurofound as low;

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<sup>46</sup> Two (2) staff members (i.e., 5% of the respondents) availed of this opportunity.

<sup>47</sup> Three (3) staff members (i.e., 7,5% of the respondents) availed of this opportunity.



- c. 87% of the respondents assessed as ‘very likely’ the occurrence of at least one of the following risks:
  - Lack of in-house technical knowledge and expertise (either with regard to overdependency on others – lack of control, or with regard to complex rules);
  - Occurrence of a ransomware attack;
  - Lack of understanding about the importance of internal controls and how they work;
  - Plagiarism (not declaring information that is copyright protected);
  - Limited field of contractors and specialists in the area: potential contractor known to evaluation committee member(s) influencing their judgement (favouritism);
  - Authorising officers are not always familiar with what they are authorising (lack of control);
  - Inexperienced/untrained selection committee members;
  - Getting overcharged for services or goods (and benefiting from this);
  - Non-adherence to responsibilities under Staff Regulations, Implementing Rules and internal policies; and
  - Lack of awareness of the steps to take in case of a suspicion of fraud.
  
- Although 85% of respondents indicated that they are aware of what constitutes fraud, only 62% of respondents affirmed fully understanding the possible consequences of fraud. Likewise, a majority of respondents demonstrated a misunderstanding of to whom fraud should be reported;
  
- While 85% of respondents indicated they are familiar with Eurofound’s *Practical Guide to Staff Ethics and Conduct*, only 59% of respondents stated being aware the procedures to follow in case of whistleblowing;
  
- When asked whether anti-fraud training carried out at Eurofound is sufficient, 59% of the respondents replied in the affirmative;
  
- For c. 80% of respondents, the management sets an example and enforces a zero-tolerance approach on fraud issues. Nonetheless, only 74% of the

respondents felt that the management is alerted to fraud opportunities and indicators; and

- 82% of respondents affirmed that colleagues responsible for internal control evaluate the effectiveness of anti-fraud measures on an ongoing basis.

When enquired on possible weaknesses in systems that could allow any opportunities to be exploited, 65% of respondents flagged the following areas of improvement:

- Procurement.  
Different risks pertaining to procurement were identified, ranging from (i) the low response rate to call for tenders with on few new potential providers, (ii) possibly not helped by the fact that a significant percentage of contracts awarded are of a small value and, therefore, possibly not of interest to tender for, as (iii) procedures may be cumbersome and, thus, not easily understandable (namely by contractors). Also mentioned (iv) the choice of members to be part of the evaluation committees for tenders which do not possess the necessary technical skills or knowledge, or (v) the lack of familiarity with prices resulting in overcharging.
- Awareness of internal rules.  
For staff members, the level of awareness and relevance for their area of work should be increased. Some reasons are put forward to justify this need: reporting of rules that complicated, difficult to differentiate and to locate (and, thus, risking not or partly to be applied)
- Effective enforcement of internal policies and procedures.  
In addition to the need to improve awareness, staff expressed the opinion that there should be also a higher level of consistency in enforcement of those rules, with an efficient checks and balances system in place, and an effectively guaranteed protection to whistleblowers in order to ensure that people report fraud without a fear of retaliation.

## 5. STRATEGIC ANTI-FRAUD OBJECTIVES

The strategic objectives of the Anti-Fraud Strategy are driven by the Agency's priorities and values. The reputation of the Agency and the public trust in the highest standards of professionalism, ethics, and integrity that Eurofound follows when publishing its research projects. For this reason, the Agency needs to set certain 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, and correction. Whilst prevention should remain one of the most important objectives of the revised Anti-Fraud Strategy, it is deemed appropriate to focus the efforts also on strengthening measures for detection of suspicious behaviours, in particular by encouraging internal reporting of any possible case of suspected irregularity.

Taking into account the screening of fraud risks, both internally and externally with its partners, the Agency has decided to concentrate its efforts on achieving the following strategic objectives:

### **5.1. Objective no. 1: A stronger anti-fraud culture in Eurofound through higher levels of knowledge and of readiness to act**

In the 2023 Anti-Fraud Survey, staff reported not always to feel confident what situations or behaviours qualify as fraudulent, and what steps to take where fraud is suspected (i.e., to whom fraud should be reported). A fraud-proof organisation depends on staff that have the knowledge to reflect on their own conduct of integrity, impartiality and transparency, and who feel sufficiently confident to taking the necessary steps in case of suspicion of fraud. Notwithstanding the actions in the previous strategy, information, training and support on the identification, prevention and detection of fraud should continue to permeate Eurofound's organisational culture.

Actions to accomplish objective no. 1:

- As part of the review process for onboarding:

- Review the content of the Onboarding package (sent to all newcomers) ensuring that it contains and marks relevant documentation on anti-fraud in an accessible and adequate format; and
  - Add to the bilateral induction meeting between the Coordinator Internal Control and new staff a follow up meeting to gauge the knowledge and level of understanding fraud risk and relevant control or mitigating actions.
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- Review and update the information sheet on contract management with specific attention to fraud risk preventive measures and disseminate a part of contract kick off;
  - Centralise and simplify the information pertaining to fraud – including this strategy and action plan – on a dedicated intranet space both for staff as for members in the Agency’s governance structure;
  - Send an annual message to remind staff of their obligations, e.g. of updating their Declaration and of reporting suspicions of fraud under Article 22a of the Staff Regulations; and
  - Integrate fraud-related concepts in the theme of the annual Ethics Month Initiative.

## **5.2. Objective no. 2: Improved effectiveness of the controls supporting the prevention and detection of fraud**

Controls are as strong or as weak as their level of execution. Previous audits and annual assessments of the overall control framework confirm that controls are present and functioning with minor improvements to address. Still, not all staff are necessarily aware of the controls that target the prevention or detection of fraud. Further discussions learned that (some) controls are not necessarily associated with its purpose and, thus, regarded as an administrative task. An example are measures related to avoiding conflict of interest such as the annual declaration or the register of sensitive posts. Similar concerning checks related to the authorisation of payments, as was established at a review of the financial circuit (which also highlighted some in efficiencies). Another result of the review was the limited use of systematic sharing of improvement initiatives based on findings from controls, e.g. from the exception and non-compliance register and, thus, foregoing the opportunity for engaging at a more thorough lessons learned reviews.

Therefore, it is an important task to re-assess the monitoring and communication of the controls and what they yield in preventing and detecting fraud and the follow up with corrective measures.

Actions to accomplish objective no. 2:

- Annual Review Meeting on the effectiveness of the Financial Circuits at management level together with staff responsible for the execution of the controls to review incidents and to discuss corrective actions;
- Regular reporting to the Management Board, management, and staff on controls related to integrity and transparency, e.g. the declaration of conflict of interest and the exception and non-compliance register;
- Review of internal control indicators (baselines);
- Establishment of a meeting between the Coordinator Internal Control, the Budget Officer and a new Authorising Officer (by delegation) upon taking office in preparation of the mandatory training on financial circuit;
- Review of sensitive posts; and
- Publish the research quality management document.

### **5.3. Objective no. 3: Fraud risk mitigation is integrated in Eurofound's risk management process and actions**

While a multi-annual strategy and action plan provide an opportunity for stock taking and more in-depth review to detect and prevent fraud, ongoing fraud risk mitigation is key. Where the fraud risk exercise has been mainly a stand-alone exercise in the context of the anti-fraud strategy, the 'general' risk management process provides the opportunity to implement a regular and integrated approach to fraud risk mitigation. It will also allow for an improvement of the methodology resulting in a tighter connection between risks identified and mitigating action. The current risk register for the multi-annual programme demonstrates the value of a tighter integration where two of the corporate risks are high fraud risk areas: protecting against cyber-attacks and management of generative AI.

Actions to accomplish objective no. 3:



- Develop and integrate a specific anti-fraud module in the annual risk assessment process at corporate and at activity level;
- Include the fraud risks in the peer review of the Agencies, and investigate joint efforts in high-risk areas, such as cybersecurity and AI;
- Continue with preventive actions in area of Cybersecurity and implement any specific actions without delay;
- Continue with actions to support staff on the use of generative AI and mitigate risks to the reputation of Eurofound;
- Put in place an annual plan for refresher sessions in areas that are reported as complex and sensitive to fraud, such as procurement. Make sure the sessions are advertised and recorded, and making use of real case examples; and
- Include checks specifically focusing on detecting suspicions of fraud in the checklists for *ex ante* and *ex post* controls.

## ANNEX – ACTION PLAN

This action plan designed to implement the Eurofound’s Anti-Fraud Strategy covers the period from 2025 to 2026 building on the initiatives from 2024. The target dates are defined according to the level of priority. When implementing the actions, Eurofound will wherever possible take advantage of synergies by cooperating with other agencies, partner DGs and OLAF.

### Operational objective no. 1: A stronger anti-fraud culture in Eurofound through higher levels of knowledge and of readiness to act

No	Description of risks	Action	Responsible	Deadline	Indicator	Baseline value	Target value
1a	Lack of knowledge or understanding of the various elements that form a systematic approach to anti-fraud	Review the content of the Onboarding package (sent to all newcomers) ensuring that it contains and marks relevant documentation on anti-fraud in an accessible and adequate format	Project team reviewing the Induction process	Q3 2025	Updated Onboarding package disseminated, and feedback received from newcomers	n/a	70% positive feedback on access to the information
1b	Lack of knowledge or understanding of	Add to the bilateral induction meeting between	Coordinator Internal control	Q1 2025	Second meeting is included in the	n/a	70% of the new staff can give

	the various elements of a staff members' responsibility in preventing fraud	the Coordinator Internal Control and new staff a follow up meeting to gauge the knowledge and level of understanding fraud risk and relevant control or mitigating actions.			Onboarding schedule		feedback on the most important anti-fraud measures
2	Lack of awareness amongst contractors of fraud risks	Review and update the information sheet on contract management with specific attention to fraud risk preventive measures and disseminate a part of contract kick off to contractors	Legal Officer and Head of Procurement (dissemination by Contract Managers)	Q4 2025	Update information sheet on SharePoint	n/a	The information is provided to the contractor with a short introduction
3	Lack of awareness what actions are ongoing to prevent fraud can have a	Centralise and simplify the information pertaining to fraud (including this strategy and action plan) on	Internal Control Officer <sup>48</sup>	Q3 2025	Sharepoint site updated and promoted	n/a	Positive feedback on the page (minimum 10 comments)

<sup>48</sup> To be recruited first half of 2025



	negative impact on achieving the objective	a dedicated intranet space both for staff as for members in the Agency's governance structure;					
4	Lack of compliance	Send an annual message to remind staff of their obligations e.g. of updating their Declaration and of reporting suspicions of fraud under Article 22a of the Staff Regulations	Coordinator Internal Control	Annually Q1	Register complete	85% compliance	95% compliance
5	Lack of connection between own ethical conduct and the risk of fraud	Integrate fraud-related concepts in the theme of the annual Ethics Month Initiative.	Head of HR and Internal Control Officer	Annually	Agenda reflects these concepts	n/a	50% of the programme relates directly to anti-fraud

**Operational objective no. 2: Improved effectiveness of the controls supporting the prevention and detection of fraud**

No	Description of risk	Action	Responsible	Deadline	Indicator	Baseline value	Target value
1	Missed opportunities to improve controls in case of weaknesses	Annual Review Meeting on the effectiveness of the Financial Circuits at management level together with staff responsible for the execution of the controls.	Coordinator Internal Control	Q1 2025	Staff attendance at meeting	n/a	80% of staff attendance
2	Lack of understanding of integrity and transparency may lead to unintended breaches	Regular reporting to management and staff and Management Board on controls related to integrity and transparency (e.g. the declaration of conflict of interest and the exception and non-compliance register)	Internal Control Officer	March, July & November	Reports delivered and discussed	1 report	2 reports
3	Indicators not reflecting the results	Internal control indicators are assessed on fit for purpose and cost of monitoring	Internal Control Team	Q2 2025	Update completed in time (end of Q 2)	n/a	n/a

	of previous assessments						
<b>4</b>	Lack of emerging risks related to sensitive posts	Review of sensitive posts based on a risk assessment	Internal Control Officer	Q2 2026	Updated list and where required an updated action plan for further mitigation of risks	n/a	New Office Notice published
<b>5</b>	Lack of consistency in applying research quality measures	Finalise and publish the research quality management framework	Deputy Director	Q2 2025	Completion of the framework	n/a	Framework published

**Operational objective no. 3: Fraud risk mitigation is integrated in the risk management process and actions**

No	Description of risk	Action	Responsible	Deadline	Indicator	Baseline value	Target value
1	Risk of overlooking fraud risks at project level	Develop and integrate a specific anti-fraud module in the risk assessment process at activity level	Planning and Audit Support Officer	Q3 2025 with annual implementation	Risk process includes questions pertinent to fraud risk	No	Yes
2	Not comparing and discussing fraud related risk at the peer review is a missed opportunity	Include the fraud risks in the peer review of the Agencies; and investigate joint efforts in high-risk areas, such as cybersecurity and AI.	Internal Control Officer	Q3 -4 Annually	Fraud risks are added to the peer review document	Not systematically	Yes
3	Weakness in cybersecurity increases the risk of fraud.	Continue with preventive actions in area of Cybersecurity and implement any specific actions without delay	LISO and Legal Officer/DPO	As per separate action plan based on the corporate risk register	Actions implemented and tested as per action plan	n/a	Yes

4	Unregulated use may impact the credibility of Eurofound's work and the Agency's reputation	Continue with actions to support staff on the use of generative AI and mitigate risks to the reputation of Eurofound	Head of ICT and Steering Committee on AI	As per separate action plan based on the corporate risk register	As per separate action plan based on the corporate risk register Actions implemented and tested as per action plan	n/a	Yes
5	Risk of overlooking fraud risks when involved with procurement	Put in place an annual plan for refresher sessions in areas that are reported as complex and sensitive to fraud, such as procurement. Make sure the sessions are advertised and recorded, and making use of real case examples	Coordinator Internal Control (coordination) Head of Procurement	Annually	Session(s) attended and recording of the sessions available	n/a	Yes

6	Lack of checks in financial circuit on detecting fraud can lead to fraud not being detected	Include checks specifically focusing on detecting suspicions of fraud in the checklists for <i>ex ante</i> and <i>ex post</i> controls.	Internal Control Officer & Head of Procurement & Budget Officer	Q2 2026	Checklists are updated and in use	n/a	Yes
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