SPECIAL REPORT 18/2026

EN

The Commission's anti-fraud strategy

Comprehensive yet insufficiently ambitious

EUROPEAN COURT OF AUDITORS

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Main messages

Why this area is important

01 From 2021 to 2027, the European Commission, in cooperation with the EU member states, manages an annual budget of almost €200 billion. In doing so, the Commission and member states share responsibility for protecting the EU's financial interests and countering fraud and other illegal activities[1]. To fulfil its responsibility in an effective and deterrent manner, the Commission must have control systems in place to prevent, detect and correct such activities[2]. The Commission's 2017 internal control framework requires, among other things, the implementation of an anti-fraud strategy at both corporate and departmental levels, providing a framework to protect the EU budget.

02 The Commission anti-fraud strategy (CAFS), adopted in 2019 and complemented by an updated action plan in 2023, sets out the Commission's framework for preventing, detecting and responding to fraud that affects EU spending and revenue. ***Box 1*** summarises the main elements of this strategy, including the link between the fraud risk assessment, the strategic objectives defined in the CAFS, and their implementation through corporate actions and departmental anti-fraud strategies.

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1 Article 325 of the Treaty on the Functioning of the European Union.

2 Article 36 of Regulation (EU, Euratom) 2024/2509 on the financial rules applicable to the EU's general budget.

Box 1

Overview of the Commission's anti-fraud strategy

The strategy follows a structured logic:

(1) **fraud risk assessment** – identification of vulnerabilities and fraud risks affecting EU spending;

(2) **strategic objectives** – definition of priorities to address the identified vulnerabilities throughout the anti-fraud cycle (prevention, detection, investigation and correction);

(3) **action plans** – implementation of specific actions at corporate and departmental levels to achieve the strategic objectives.

The strategy defines **seven objectives** aimed at strengthening the EU anti-fraud framework:

(1) **data collection and analysis** - further improve understanding of fraud patterns, perpetrator profiles and systemic vulnerabilities;

(2) **coordination, cooperation and processes** – optimise coordination, cooperation and workflows for the fight against fraud;

(3) **integrity and compliance** – ensure EU policymakers and staff comply with the highest standards of professional ethics;

(4) **know-how and equipment** – ensure and improve anti-fraud know-how among EU staff and provide appropriate technical equipment at member state level;

(5) **transparency** – implement and promote transparency;

(6) **legal framework** – strengthen the fraud-resilience of EU legislation and other legal instruments;

(7) **fighting revenue fraud** – strengthen anti-fraud measures for traditional own resources and value-added tax.

These objectives are implemented through **corporate and departmental actions**.

03 The importance of anti-fraud measures has increased in recent years due to the growing size of the EU budget and the emerging crime trends or typologies. The increasing use of artificial intelligence in fraud schemes, which has made more sophisticated fraud cheaper to develop, easier to scale, and harder to detect, together with the increasingly cross-border nature of economic activities, further complicate fraud risks.

04 This audit assessed whether the Commission has set up and implemented sound corporate and departmental anti-fraud strategies to address fraud in EU spending. We examined whether:

— the Commission designed its anti-fraud strategy, including the related corporate and departmental action plans, in line with best practices drawn from international fraud management frameworks;

— the Commission's corporate and departmental action plans contributed to the anti-fraud strategy objectives;

— the Commission properly monitored their implementation and reported accordingly.

05 As part of our audit work, we carried out documentary reviews and interviews with the relevant Commission staff. Further background information and details of the audit scope and approach are provided in ***Annex I***.

06 With this report, we expect that our recommendations will help strengthen the design and implementation of the Commission's anti-fraud strategy to combat fraud in EU spending. In addition, our recommendations will help to reinforce the role of the European Anti-Fraud Office (OLAF) in fraud prevention and detection activities. The ECA's work will therefore contribute to the review of the EU's anti-fraud architecture, launched by the Commission in July 2025.

What we found and recommend

07 Overall, the Commission's anti-fraud strategy is comprehensive, but the actions devised are often not ambitious enough. While it follows best practices for fraud risk management, weaknesses exist in its processes, especially for risk assessment, reducing its value. The Commission's design of certain actions lacked clarity, making the consistent implementation more difficult. Lastly, the Commission's monitoring and reporting primarily focuses on the strategy implementation, with limited attention to the results and impact.

The Commission's anti-fraud strategy broadly follows best practices, but has some design weaknesses

08 The roles and responsibilities of the people and services involved in the anti-fraud strategy are overall clearly defined. While the College of Commissioners assumes overall responsibility for managing the EU budget and sets strategic objectives and political priorities, including the corporate anti-fraud strategy, the Commission operates under a

decentralised model where directors-general assume the responsibility for the departmental anti-fraud strategies. OLAF has an advisory role and can issue informal comments and recommendations to improve the anti-fraud strategies of the Commission's directorates-general and executive agencies, referred to in this report as "departments". The implementation of these comments and recommendations is overseen by the Commission's Corporate Management Board. However, we found that no issues arising from the follow-up to OLAF comments and recommendations have been discussed at Board level, which could further improve departmental anti-fraud strategies. As a result, the ability to exercise corporate oversight in depth is limited (paragraphs *19* to *26*).

Recommendation 1

Strengthen corporate oversight and accountability for anti-fraud strategies

The Commission should ensure that OLAF reports to the Corporate Management Board on any recommendations it has made that have not been followed up on, as well as any unresolved issues, including the reasons provided by the departments.

Target implementation date: 2027

09 The Commission's anti-fraud strategy aligns with key fraud risk management principles – including responsibility, fraud risk assessment, mitigation, monitoring and reporting – but weaknesses persist in how the risk assessment is carried out. Although the corporate strategy was developed through a structured process, the related risk assessment did not systematically use all relevant information sources, including external expertise. Moreover, an analysis of the likelihood and impact of risks identified by the departments was lacking and quantitative analyses were not carried out due to insufficient data and analytical capacities. Consequently, the risk assessment was not based on an exhaustive analysis, including on the impact of artificial intelligence, and might be less insightful and robust.

10 Furthermore, departments are neither required to update their strategies at the same pace as the Commission's strategy nor to systematically assess whether such updates are needed. In addition, almost one third of the departments failed to update their anti-fraud strategies every three years in principle or at the beginning of a new multiannual financial framework. This makes corporate oversight of fraud risks less informative (paragraphs *27* to *43*).

Recommendation 2

Strengthen fraud risk assessments

The Commission should:

(a) ensure that specific departmental fraud risk assessments are appropriately updated, in particular with emerging fraud trends, so they provide timely and consistent input for the corporate fraud risk assessment;

(b) systematically use relevant external sources, such as academic research, international law enforcement and criminal intelligence organisations and quantitative analyses, when carrying out fraud risk assessments, at both corporate and departmental levels.

Target implementation date: 2028

Action plans cover the anti-fraud cycle, but often actions are insufficiently ambitious

11 The Commission set up action plans to implement the corporate and departmental anti-fraud strategies. We found that these action plans are comprehensive, as they cover the entire anti-fraud cycle, with a primary focus on prevention and detection. The corporate action plan addresses the Commission's strategic objectives (***Box 1***), but following the 2023 update the link between objectives and actions is less clear, which makes it harder to assess whether planned actions are sufficient and appropriately targeted to achieve the strategic objectives. In addition, many corporate and departmental actions lack clear timelines or, for multi-annual and continuous actions, interim milestones which affects how useful they are for resource planning and follow-up. Finally, the departmental action plans do not incorporate all relevant corporate actions and the clarity of actions varies hindering progress measurement (paragraphs ***47*** to ***57***).

12 The Commission departments reported all actions as implemented or on track, but we could confirm this to be the case for approximately 80 % of the actions. We also found that over 20 % of corporate actions and over half of the departmental actions were not sufficiently ambitious. Instead they mainly fulfilled routine or mandatory obligations, already required by different regulations, internal procedures, or anti-fraud frameworks, and did not cover issues comprehensively (paragraphs ***58*** to ***63***).

Recommendation 3

Reinforce the anti-fraud strategy action plans

The Commission should reinforce the corporate and departmental anti-fraud action plans by:

- linking each action clearly to the relevant objective,
- ensuring that corporate actions are reflected in relevant departmental anti-fraud strategies,
- specifying measurable outcomes and deadlines for each action,
- setting interim milestones for multiannual and continuous actions,
- increasing the ambition of the anti-fraud action plans by focusing on actions that comprehensively address identified fraud risks.

Target implementation date: 2028

Monitoring and reporting are in place, but do not fully reflect progress, results or impact

13 The specifics of the Commission's departmental monitoring vary, with departments using monitoring indicators of varying quality, some of them lacking baseline reference points or specific deadlines for completion. Due to these shortcomings, it is not possible to carry out a complete assessment of the progress in implementing the action plans and of the results achieved.

14 The Commission reports on the implementation of the anti-fraud strategy but tends to focus on the state of play of individual actions, without reporting on progress towards the strategy's objectives, and concentrates on the completion of activities rather than on results or impact. The quality of departmental reporting also varies, with some departments providing more detailed information on action plan implementation than others. The annual reports on the protection of the EU's financial interests (PIF reports) provide more information on results than in the past, but data quality limitations may still affect the accuracy of the PIF reports' analysis and conclusions. The Commission's corporate reporting generally presents a picture that is more positive than our assessment, and the impact of the Commission's anti-fraud strategy has not yet been fully assessed (paragraphs *66* to *83*).

Recommendation 4

Improve monitoring and reporting across the Commission

The Commission should:

(a) identify a core set of common outcome indicators for both corporate and departmental actions, to allow for consistent monitoring and the aggregation of results at corporate level;

(b) assess and report annually on progress towards the achievement of the anti-fraud strategy objectives, including identifying areas for improvement.

Target implementation date: 2028 for (a) and 2027 for (b)

02

A closer look at our observations

The Commission's anti-fraud strategy broadly follows best practices, but has some design weaknesses

15 According to the Code of practice on managing the risk of fraud and corruption of the Chartered Institute of Public Finance and Accountancy (CIPFA), an organisation should:

— identify fraud risks as part of its routine risk management arrangements, and keep them in a risk register;

— use published estimates of fraud loss and, where relevant, its own measurement exercises to assess its fraud risk exposure;

— on this basis, develop an appropriate anti-fraud strategy addressing these risks;

— regularly review and assess the risk register and the strategy so they stay relevant and up to date;

— establish multiple levels of authority in fraud risk management: a chief executive to disseminate and support the anti-fraud strategy; a designated person who is accountable for overseeing the implementation; and an anti-fraud team;

— provide adequate resources to carry out the activities related to the anti-fraud strategy based on an annual assessment.

Furthermore, the organisation's governing body should acknowledge its responsibility for ensuring the management of its fraud risks and be accountable for the actions it takes.

16 We expect the Commission to:

- have established governance arrangements defining roles and responsibilities, including identifying leadership with the authority to enforce corporate decisions and changes;
- have designed its corporate anti-fraud strategy based on a specific comprehensive fraud risk assessment[3] using a wide range of data from different sources to establish the scale, nature and causes of fraud in EU spending, covering the entire anti-fraud cycle and aligning the strategy's objectives with identified risks.

17 We expect Commission departments to:

- develop their own departmental anti-fraud strategies (AFSs), based on a fraud risk assessment which contributes to the corporate fraud risk assessment[4] and is part of their internal control system[5];
- establish objectives in their anti-fraud strategies that are clear and align with corporate objectives;
- update their anti-fraud strategies regularly to ensure alignment with internal and external developments such as organisational changes, changes in the fraud risk landscape, and regulatory or policy updates.

18 We assessed the Commission governance arrangements in place both at corporate and departmental levels. We also assessed the 2019 strategy to determine if it was designed based on an appropriate fraud risk assessment that covered the entire anti-fraud cycle. We checked whether objectives corresponded to vulnerabilities identified in 2019 and whether the 2023 risk analysis revealed any gaps in coverage. On this basis, we assessed whether the objectives and challenges of the corporate anti-fraud strategy were reflected appropriately at lower levels, that is, through the departmental anti-fraud strategies. We did this by examining a sample of departmental anti-fraud strategies and underlying

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[3] Fraud risk management guide, second edition, commissioned by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), principle 2; Code of practice on managing the risk of fraud and corruption, CIPFA, principle B.

[4] COSO principle 3; CIPFA principle C.

[5] CIPFA and the International Federation of Accountants, International framework: Good governance in the public sector, 2014, principle F; Revision of the internal control framework, C(2017) 2373, principle 8.

documents from Commission departments working under various management modes, complemented by interviews with the relevant staff.

Governance arrangements define anti-fraud roles and responsibilities, but not all corporate-level mechanisms have been used to enforce improvements

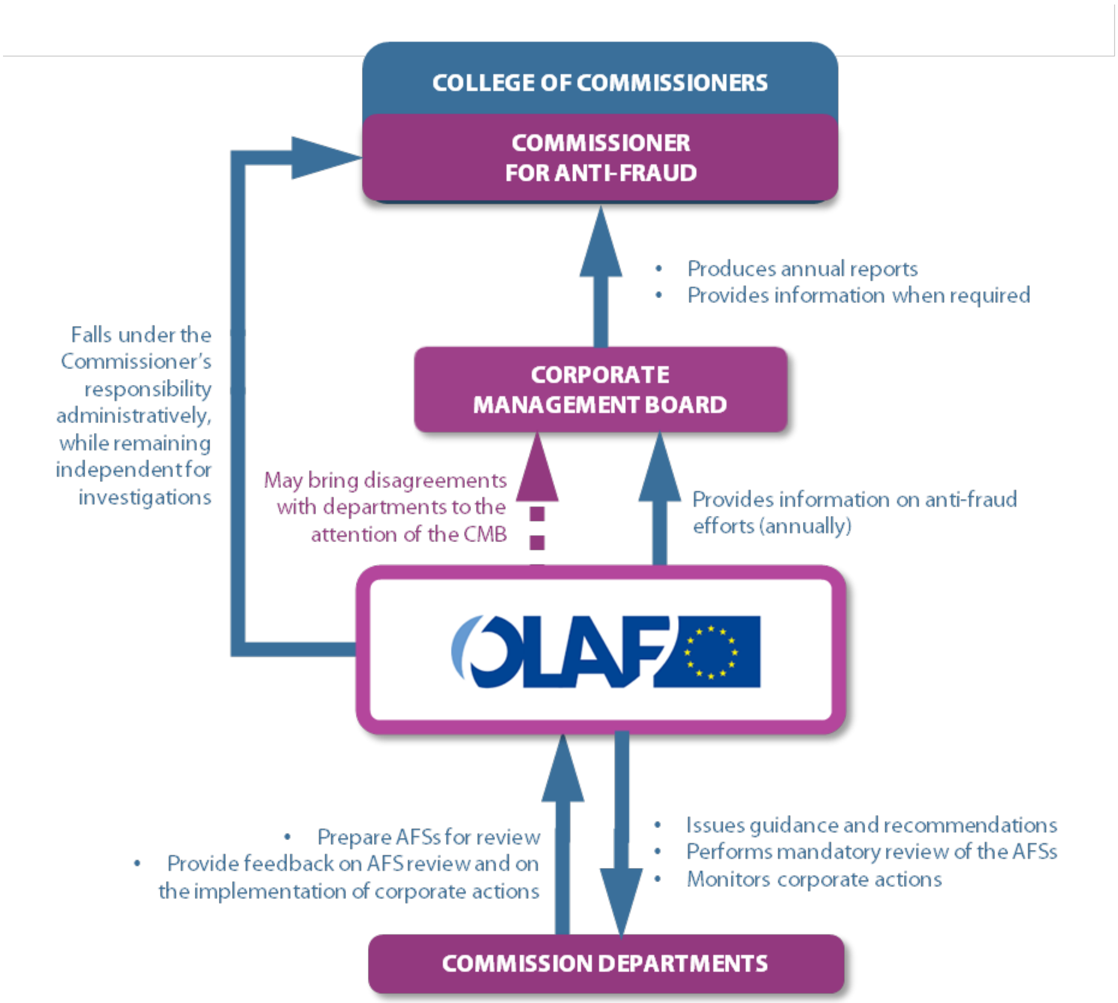
The roles and responsibilities of those involved in the anti-fraud framework are clearly defined overall

19 The Commission operates under a decentralised governance model in which each department is granted a high degree of autonomy under the overall responsibility of the College of Commissioners. The College assumes overall responsibility for managing the EU budget and sets strategic objectives and political priorities (such as the anti-fraud strategy), which provide a framework for operational activities[6].

20 ***Figure 1*** shows the Commission's governance structure for the anti-fraud strategy.

6 Governance in the European Commission, C(2020) 4240.

Figure 1 | The Commission's governance structure for the anti-fraud strategy



Source: ECA, based on Governance in the European Commission, C(2020) 4240.

21 The Commission's governance defines the main roles and responsibilities of the people and services involved in the anti-fraud strategy, as set out below.

- The Commissioner in charge of budget, anti-fraud and public administration oversees measures supporting the fight against fraud[7].

- The Commission's Corporate Management Board (CMB), which is chaired by the Secretary-General and whose members include the directors-general responsible for budget, human resources, security and legal matters, provides oversight and strategic orientations for, among other topics, the corporate aspects of the fight against fraud at the Commission. Once a year, the CMB discusses the Commission's anti-fraud

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[7] The President of the European Commission's mission letter to the Commissioner-designate for Budget, Anti-Fraud and Public Administration of 17 September 2024.

strategies. There were no ad hoc meetings on this subject at CMB level, as provided for in the 2019 strategy.

- OLAF's policy work falls under the political responsibility of the Commissioner in charge of anti-fraud, while its investigative function is independent[8]. OLAF is the lead service in the creation and development of the corporate anti-fraud strategy. It has a coordination and advisory role as regards departmental anti-fraud strategies. OLAF reports to the CMB on the implementation of the corporate and departmental anti-fraud strategies.

- At departmental level, the directors-general (i.e. authorising officers by delegation) are responsible for developing and implementing the anti-fraud strategies, including the corporate actions assigned to them.

- The Fraud Prevention and Detection Network, chaired by OLAF, is a discussion forum for the departmental anti-fraud experts. The Network holds three plenary meetings a year on average. Meetings have taken place at directors' level, although not annually, as stipulated in the corporate anti-fraud strategy (they were held in 2022, but not in 2023, 2024 and 2025).

Commission departments do not systematically address OLAF's comments to improve their anti-fraud strategies

22 In its 2019 strategy, the Commission acknowledged that the "corporate oversight should be strengthened from an institutional point of view, to ensure that the Commission's anti-fraud policies are consistent and backed by strong analysis" and that "OLAF's support should be developed to provide flexible corporate oversight for fraud risk management that respects the responsibilities of the authorising officers by delegation".

23 In its coordination and advisory role, OLAF has to perform mandatory reviews of draft departmental anti-fraud strategies and monitor their implementation. Departments are required to consult OLAF on the initial draft before the document undergoes a peer review. The Commission informed us that this workflow allows for the vast majority of OLAF comments on departmental anti-fraud strategies to be resolved during informal consultations. However, OLAF does not keep statistics about the number of comments made and the percentage of comments accepted by the services. In the case of unresolved issues, OLAF can issue recommendations, and departments must provide written justification if they decide not to follow them. Unresolved issues can be escalated to the

[8] Article 17 of Regulation No 883/2013 concerning investigations conducted by OLAF.

Fraud Prevention and Detection Network or the CMB, with departmental management retaining ultimate responsibility.

24 In practice, for the departments from our sample, until July 2025, OLAF issued comments relating to its review of their anti-fraud strategies, rather than recommendations. The Commission departments have not always addressed OLAF's comments. Our analysis of OLAF's review of the selected departments' anti-fraud strategies revealed instances where the issues were not resolved (***Box 2***). Moreover, in 2023 the Commission's internal audit service pointed to similar issues where some departments failed to address all of OLAF's comments when preparing their anti-fraud strategies.

Box 2

Unresolved issues following the OLAF review

The following OLAF comments were not fully addressed by the departments concerned:

- incomplete incorporation of actions from the 2019 corporate action plan into departmental action plans for which departments were designated as lead, such as the action to enhance the consistency and accuracy of data;
- insufficient definition and linkage of critical risks to departmental actions;
- absence of the evaluation of the action plan using the indicators.

25 The corporate anti-fraud strategy provides for "systemic aspects of the follow-up to OLAF's recommendations on the Commission's service-level anti-fraud strategies" to be discussed at least once a year by the CMB. In practice, unresolved issues, as those described in ***Box 2***, were not discussed in the Fraud Prevention and Detection Network meetings or included in the information provided annually by OLAF to the CMB on the progress of the CAFS implementation and on the follow-up of OLAF comments. The Commission does not consider these issues as systemic. Consequently, this corporate mechanism has so far not been used.

26 OLAF's consultations with the departments on their anti-fraud strategies are not always documented in a way that presents key issues or confirms that the departments addressed said issues. Together with the absence of a centralised register of key issues and their status, this limits the ability of the CMB, and ultimately the College, to exercise in-depth corporate oversight.

The anti-fraud strategy aligns with key fraud risk management principles, but risk assessment flaws exist

The corporate anti-fraud strategy was developed through a structured process, with objectives addressing vulnerabilities and related risks

27 Through the 2019 strategy, including the action plan, the Commission aimed to create a framework for combating fraud, focusing on the main risks and defining the desired objectives. It considered prioritising the use of fraud analysis for detection and promoting coordination and cooperation to be key objectives. These key objectives were maintained in the Commission's 2023 update of its action plan (***Box 3***).

Box 3

The objectives of the 2019 CAFS considered valid in the 2023 update

The strategy defined seven objectives in 2019 that were maintained in the 2023 update of the action plan:

(1) **data collection and analysis** – further improve understanding of fraud patterns, perpetrator profiles and systemic vulnerabilities;

(2) **coordination, cooperation and processes** – optimise coordination, cooperation and workflows for the fight against fraud;

(3) **integrity and compliance** – ensure EU policymakers and staff comply with the highest standards of professional ethics;

(4) **know-how and equipment** – ensure and improve anti-fraud know-how among EU staff and provide appropriate technical equipment at member state level;

(5) **transparency** – implement and promote transparency;

(6) **legal framework** – strengthen the fraud-resilience of EU legislation and other legal instruments;

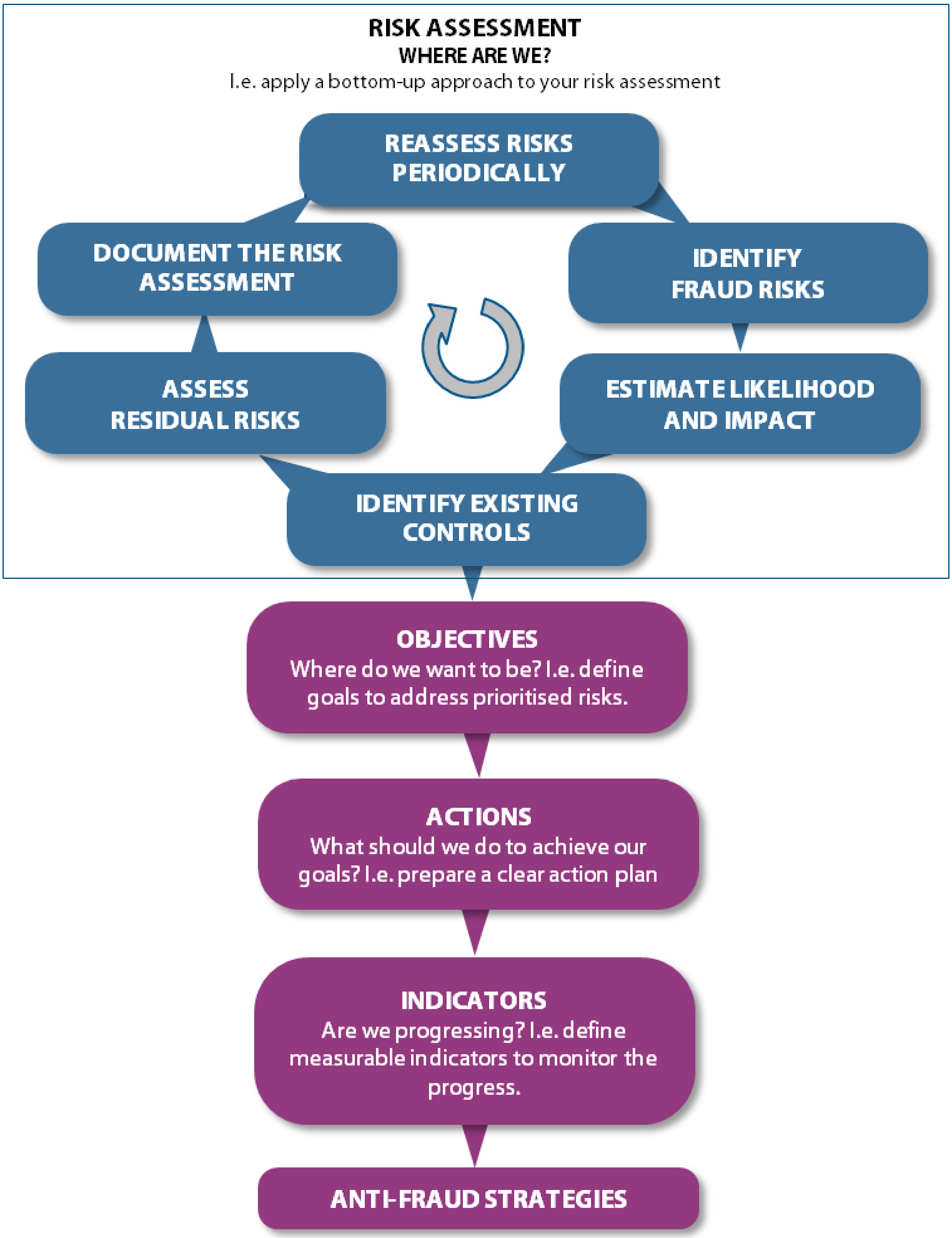
(7) **fighting revenue fraud** – strengthen anti-fraud measures for traditional own resources and value-added tax.

28 When designing the corporate anti-fraud strategy, the Commission followed a structured approach in line with its own control framework[9] and the internal control integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission

[9] Revision of the internal control framework, C(2017) 2373, principle 8.

(COSO), as illustrated in ***Figure 2***. The process included a lessons-learnt exercise led by OLAF at the departmental level, based on a survey conducted among the Commission departments. The Commission conducted the 2019 risk assessment as a basis for the establishment of the objectives and the definition of action plans for 2019 and 2023 to achieve these objectives. The indicators are used internally for management purposes.

Figure 2 | Key steps in designing anti-fraud strategies



Source: ECA, based on Committee of Sponsoring Organizations of the Treadway Commission (COSO) and Association of Certified Fraud Examiners (ACFE), Fraud Risk Management Guide., 2nd ed. Durham, NC: COSO, 2023.

29 In 2019, the Commission identified seven groups of vulnerabilities, i.e. weaknesses that make processes or an organisation susceptible to risk. Consequently, it established seven objectives to address these vulnerabilities and the related risks. The 2023 risk analysis exercise did not reveal any significant new risks, but rather reformulated the existing risks, such as merging separate risks related to falsified timesheets, invoices and certificates into a single broader risk concerning falsified declarations or documents in procurement, grants and administrative expenditure. The Commission reconfirmed the validity of the 2019 strategic objectives after the 2023 risk assessment. We consider that the link between the vulnerabilities identified, the related risks and the resulting objectives is clear.

The corporate fraud risk assessment lacks risk prioritisation and does not systematically use all relevant sources

30 The corporate-level assessment of fraud risks at the Commission is conducted as part of the CAFS or action plan update process, which is not carried out with a pre-defined frequency or as a response to pre-defined scenarios. The absence of a clear definition hinders the alignment of departmental and corporate fraud risk assessments, therefore increasing the risk of inconsistencies and limiting potential synergies.

31 The Commission carried out corporate-level risk assessments in 2019 and 2023.

- For the 2019 exercise, all Commission departments were requested to update their fraud risk assessments, so they could feed into the corporate one. The 2019 risk assessment identified fraud vulnerabilities, with the two main ones being an underdeveloped central analytical capacity and gaps in the departments' oversight of fraud risk management. Overall, the active participation of Commission departments was a positive step towards a more comprehensive understanding of fraud risks.

- However, for the 2023 exercise, OLAF changed the approach and collected data from departmental risk registers (12 out of 51 reported no fraud risks). Additionally, OLAF identified fraud risks that had been described in the departmental anti-fraud strategies but not added to the relevant risk registers. Based on this analysis, OLAF identified the most common and widespread risks across departments. While both approaches ensured operational insight from various departments, the 2019 exercise was more robust because it was less dependent on OLAF's analytical capabilities.

32 As part of the corporate fraud risk assessment, the Commission used qualitative analysis and omitted quantitative analysis due to insufficient data and analytical capacity. This indicates that our recommendation on having comprehensive risk assessments and building the capacity to collect information from different sources from our 2019 special report on fighting fraud in EU spending has not been fully implemented (***Annex II***). In particular, neither the 2019 nor the 2023 corporate fraud risk assessment included the analysis of the likelihood and impact of risks identified by the departments. Departmental assessments contribute operational expertise to the corporate fraud risk assessment, supporting corporate oversight in prioritising fraud risks.

33 For the 2023 corporate fraud risk assessment, the Commission relied on its analytical work and did not systematically seek to complement it with additional relevant expertise, input or data from external experts or other practitioners with proven experience in combating fraud, such as representatives from prosecution bodies[10]. Consequently, the risk assessment may not have been based on a fully exhaustive analysis. Furthermore, this means that our 2019 recommendation on the limited use of different sources in the context of fighting fraud in EU spending was implemented only in some respects (***Annex II***).

34 Emerging challenges, such as the increasing use of artificial intelligence (AI) for illicit activities (document and evidence fabrication, deepfakes), are not clearly mentioned in the current risk assessment framework. AI makes more sophisticated fraud easier, cheaper, harder to detect, and more adaptive. AI-assisted fraud has been flagged by enforcement bodies, such as Europol, and the United Nations, Trend Micro[11] and the Organisation for Economic Co-operation and Development[12], as a rising threat that provides fraudsters with new skills and tools. While a few corporate actions address this issue indirectly, for example by focusing on the risk of document fabrication, their coverage remains limited and not commensurate with the importance of AI-related fraud risks. This may affect the scope and identification of existing and potential anti-fraud measures.

Departmental anti-fraud strategies largely follow the OLAF guidance, with some exceptions

Fraud risks are well prioritised at departmental level but some strategies are not up to date

35 We found that the Commission departments had carried out evaluations of fraud risks, control activities, and identification of residual risks to develop their anti-fraud strategies. As a result, they were able to set objectives that address the critical and significant risks

[10] CIPFA principle B3.

[11] Europol, UN Interregional Crime and Justice Research Institute and Trend Micro (2020), Malicious uses and abuses of artificial intelligence.

[12] Organisation for Economic Co-operation and Development (2021), Artificial Intelligence, Machine Learning and Big Data in Finance: Opportunities, Challenges, and Implications for Policy Makers.[13] CINEA, DG ENER, DG MOVE and DG RTD.

identified in their fraud risk assessments, in line with their anti-fraud priorities and covering the relevant stages of the anti-fraud cycle.

36 Four departments[13] in our sample followed OLAF's guidance by applying a risk matrix to prioritise threats according to their severity. This process involved assessing the impact and likelihood of various types of fraud risks that may arise in the programmes they manage. Additionally, they produced a visual representation, known as a "heat map". This plots the impact of each risk against how likely it is to occur. It clearly depicts the overall significance of each risk, highlighting the most significant areas of potential fraud risk and outlining fraud vulnerabilities. The remaining six departments from our sample[14] adopted alternative approaches to their risk scoring, such as using the "top 10" fraud patterns identified in the feedback received from the Commission departments during the risk assessment exercise[15].

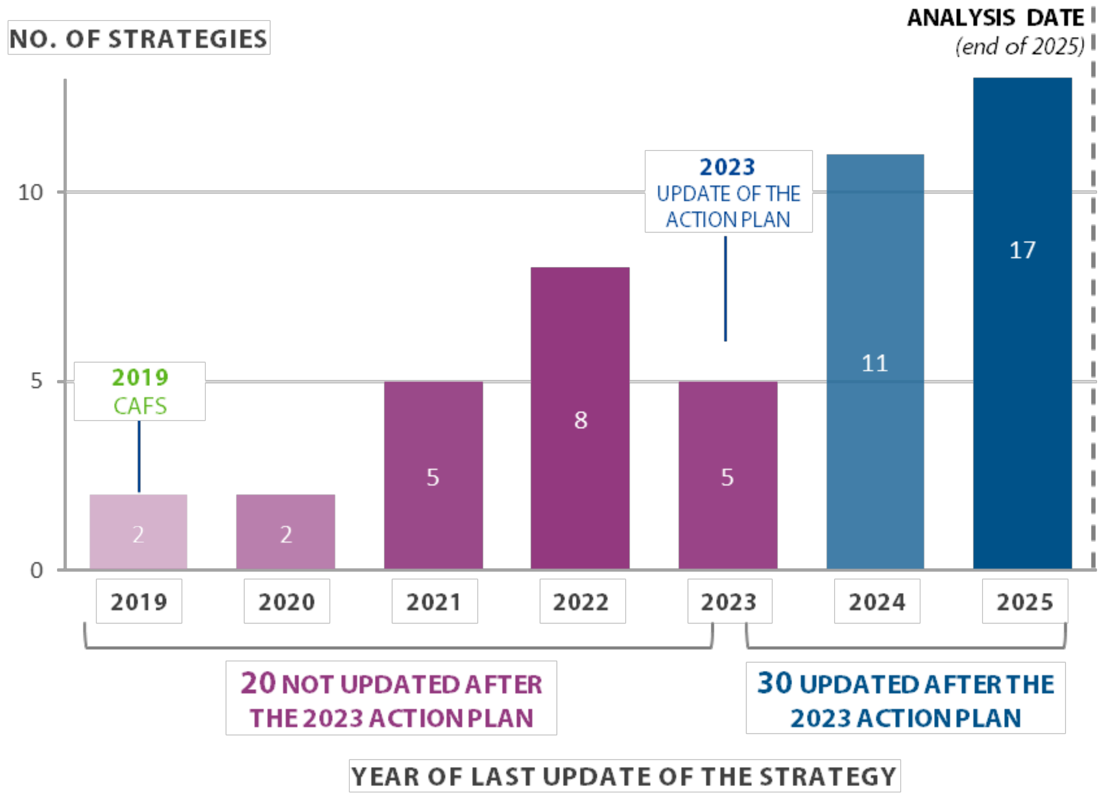
37 Departments are not required to update their anti-fraud strategies the same year as the CAFS or systematically assess whether such updates are needed. Over one third of 50 departmental anti-fraud strategies were developed between 2019 and 2022, before the 2023 corporate action plan, as presented in ***Figure 3***. As a result, these AFSs incorporated the 2019 corporate actions that the Commission considered largely implemented. This misalignment between the departmental and the corporate frameworks means that while some departmental action plans reflect the 2023 corporate actions, others reflect those from the 2019 strategy. Alignment can contribute to decreasing the risk of inconsistencies in prevention, detection and correction measures across departments.

[13] CINEA, DG ENER, DG MOVE and DG RTD.

[14] DG AGRI, DG EMPL, DG HOME, DG INTPA, DG REGIO and REA.

[15] Fraud risk assessment, SWD(2019) 170.

Figure 3 | Overview of the updates of AFSs



Source: ECA, based on the analysis of the AFSs.

38 We reviewed the departmental anti-fraud strategies to check their compliance with the basic requirement of OLAF’s guidance to be updated every three years in principle, or at the start of a new multiannual financial framework. The update requirement allows for deviations from the three-year rule by incorporating the phrase “in principle”, which is relevant for Commission departments with a stable working environment and non-complex operations.

39 We found that, despite the link between risks and objectives, many departmental anti-fraud strategies have not been updated as required by OLAF’s guidance, hindering their continuous improvement. Although more than half of the 50 departmental anti-fraud strategies were updated after the 2023 action plan, 15 had not been updated in over three years, or by their expiry date if their coverage period exceeded three years by the end of 2025. The Commission informed us that the work to update most of them is in progress. Departments must justify their decision not to update their strategies and OLAF has the obligation to review the departments’ justification. No cases requiring such reviews were identified in our sample.

Specific fraud risk assessments are conducted at varying frequencies and do not fully use relevant risk information

40 As required by the Commission's internal control framework, departments run annual risk assessment exercises, which should, among other things, cover fraud risks. To complement and reinforce the identification of fraud risks, the Commission requires its departments to run specific fraud risk assessments. These precede updates of departmental anti-fraud strategies; however, their frequency varies. The OLAF guidance stipulates that the departmental anti-fraud strategies should in principle be updated every three years. While different operational realities may justify some variations between departments, the Commission has not defined an indicative timetable to ensure some level of consistency in the timing of risk assessments. The approaches to risk assessment differ as set out below.

- Several departments[16] conduct specific fraud risk assessments every two to three years to identify new risks to include in the AFS updates.
- The Directorate-General for International Partnerships (DG INTPA) conducted three fraud risk assessments, namely in 2013, 2020, and 2025, thus not complying with the expected intervals.
- The Directorate-General for Agriculture and Rural Development (DG AGRI) does not conduct fraud risk assessments at a regular frequency. The risk assessment conducted in 2016 was used to prepare the current AFS in 2020. In 2022, DG AGRI carried out a new risk assessment but did not proceed with the update of its AFS. The new fraud risk assessment was distributed to all member states. In 2024, DG AGRI commissioned an external contractor to conduct a new risk assessment, which was still ongoing in July 2025, our audit's cut-off date.
- The frequency of fraud risk assessments for the Directorate-General for Regional and Urban Policy's (DG REGIO) and the Directorate-General for Employment, Social Affairs and Inclusion's (DG EMPL) joint anti-fraud strategy for shared and indirect management also varies. The most recent one was conducted only in 2019, which represents a substantial departure from the three-year rule. In 2024, the departments prepared an initial risk assessment for a future strategy which will cover the 2026-2028 period.

41 Consequently, the fraud risk assessments, a key step in developing the action plan and the anti-fraud strategy, are not synchronised at departmental and corporate levels. This reflects the departments' differing fraud risk profiles, operational cycles and the possibility of capturing risks at different points in time. However, it leads to a situation where the

[16] DG RTD and REA.

departments in some cases prepare their own fraud risk assessments and also contribute to the corporate assessment as a separate exercise, creating an additional administrative step.

42 Departmental assessments serve as a key input for the corporate fraud risk assessment. When these assessments are prepared at different points in time, the corporate exercise may rely on information that does not reflect the same reference period or degree of recency. The absence of a clear requirement that departmental fraud risk assessments be updated every three years reduces the assurance that risks are assessed on a sufficiently consistent and up-to-date basis to support a reliable corporate assessment.

43 Similar to the corporate assessment, the departmental risk assessments we analysed did not consider external expertise, such as external studies, academic research, or Europol's reports, regarding the evolution of fraud, even though it could have been appropriate given the departments' fraud risk profiles. Developments such as the increased use of digital tools, organised crime and other cross-border fraud practices were not taken into account. We found that only the joint anti-fraud strategy for shared and indirect management takes into consideration Transparency International's corruption perception index, which gives an indication of the perceived levels of public sector corruption.

Action plans cover the anti-fraud cycle, but actions are often insufficiently ambitious

44 According to CIPFA's Code of practice on managing the risk of fraud and corruption, an organisation's action plans should be aligned with its anti-fraud strategy and contribute to the achievement of its objectives. Actions should combine proactive and responsive approaches that are specifically designed to address the organisation's fraud risks with clear timelines, measurable outcomes and frequent reviews.

45 Accordingly, we expect the action plan accompanying the corporate strategy to be supported by the departmental action plans and to address the strategic objectives by comprehensively covering the identified risks. Actions plans should focus on actions that go beyond routine or mandatory obligations under existing regulations, internal procedures or anti-fraud frameworks, and avoid overlaps. They should also outline clear, measurable, and feasible actions aimed at mitigating prioritised risks within a defined time frame.

46 We assessed whether the 2019 corporate action plan and its 2023 update contribute to the corporate objectives. Moreover, we analysed the selected departmental action plans to assess whether they contribute to the achievement of corporate and departmental objectives.

Action plans cover key areas, but actions are not consistently linked to the objectives and vary in clarity

Following the 2023 update, corporate actions are less consistently linked to the strategic objectives

47 The corporate anti-fraud strategy encompassed the entire anti-fraud cycle, with its actions mainly centred on prevention and detection. Almost 80 % of the actions related to these phases, with the remaining 20 % split evenly between investigation and correction. Prevention and detection actions have the potential to prevent financial losses before they occur, or to detect them at an early stage. By focusing on these actions, the Commission, as the institution ultimately responsible for the management of the EU budget, has put emphasis on the phases of the anti-fraud cycle that help reduce the need for costly investigations and recoveries.

48 We found that most actions in the corporate action plan are aligned with the strategic objectives (***Figure 4***). The 2019 strategy and the associated action plan established a clear connection between objectives and actions. In fact, the 2019 action plan explicitly assigned

actions to the seven objectives set out in the corporate anti-fraud strategy, leaving no room for ambiguity. However, this link became less clear after the 2023 update.

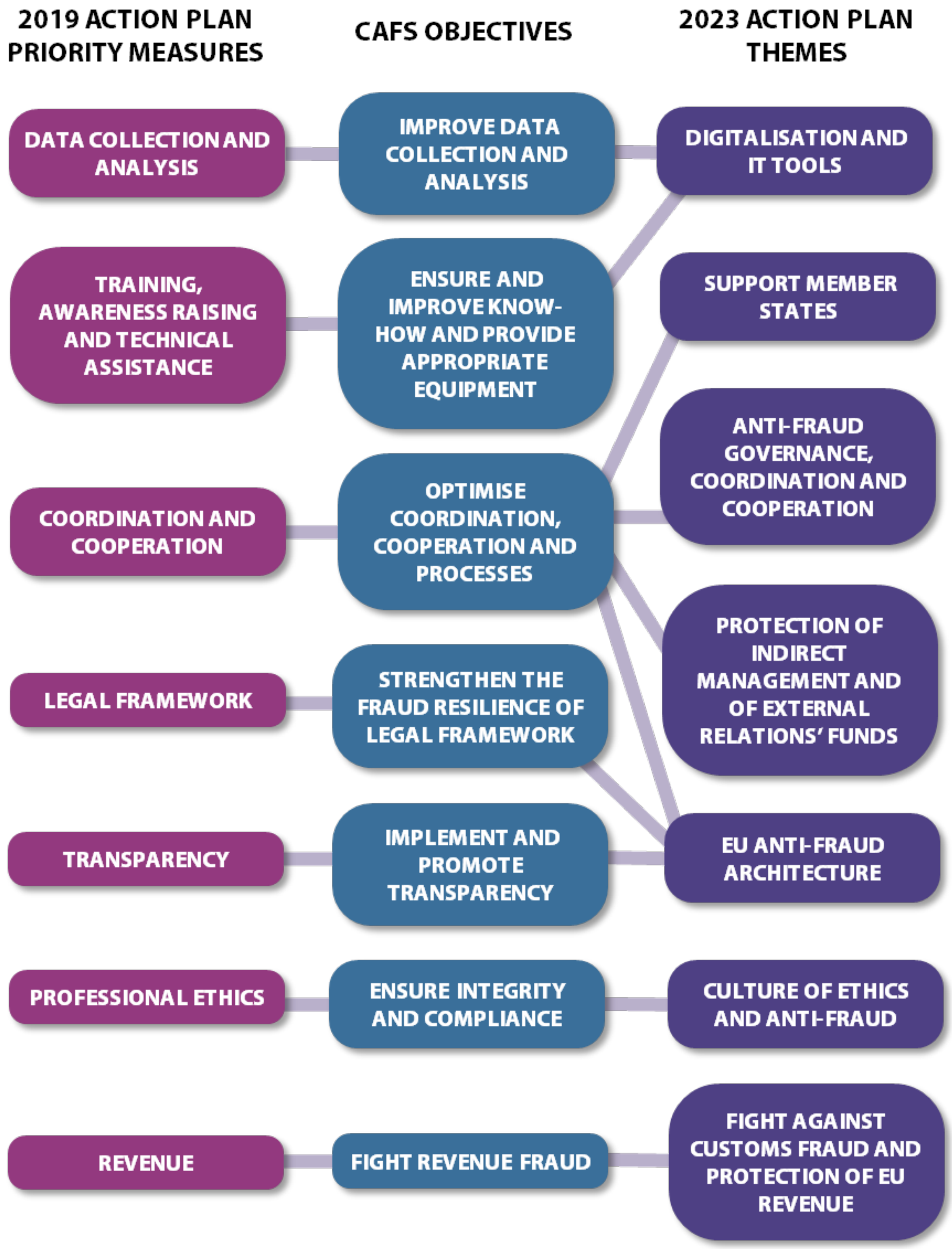
49 In 2023, the Commission confirmed that the 2019 strategic objectives (***Box 3***) remained valid and it did not update the strategy, but it did update the accompanying action plan. We note, however, that the corporate anti-fraud strategy has not been updated following the mid-term review of the multiannual financial framework, as planned for in the strategy itself. The Council of the EU gave the final go-ahead for the mid-term review in February 2024. The mid-term review reinforced some policy areas and increased the number of financial instruments[17] and flexibility in budgeting[18] in the hope of increasing the volume and speed of financial flows under the multiannual financial framework. Despite these major changes, the corporate anti-fraud strategy did not consider whether new risks would arise or new actions would be needed to address them.

50 The 2023 update of the action plan weakened the connection between objectives and actions. Previously, it was easier to see which actions contributed to the fulfilment of the 2019 strategic objectives. The updated plan groups the 44 actions into seven themes for the 2023-2026 period that reflect the Commission's priorities as regards combating fraud, but it does not establish a clear one-to-one link between the 2019 objectives and the corresponding actions, as outlined in ***Figure 4*** . Consequently, it makes it more difficult to track the progress towards achieving these objectives.

[17] Council of the European Union, Timeline – Mid-term revision of the EU long-term budget 2021-2027.

[18] Special report 18/2025, paragraph 8.

Figure 4 | Link between the CAFS objectives and the 2019 and 2023 action plans



Source: ECA, based on the Commission's anti-fraud strategy – 2019, COM(2019) 196 and its action plans – the 2019 plan, SWD(2019) 170, and 2023 revision, COM(2023) 405.

The clarity of actions varies, hindering progress measurement

51 While analysing the 2023 corporate action plan, we found that almost 20 % of the actions were objectives rather than actions. They included formulations like "enhancing dialogue", "ensuring close cooperation", "promote or strengthen sharing", "raising awareness", or "maintaining a high level of coordination", which indicate desired outcomes but do not include detailed operational steps on how to achieve them.

52 We also found that more than 40 % of the corporate actions were not well defined and their progress could not be measured. An example of such actions is further developing Arachne (the single integrated IT system for data mining and risk scoring) by increasing its user-friendliness and exploring how to improve its interoperability. These actions lacked the necessary details to understand exactly what the course of action should be over time, such as what other systems could be interoperable with Arachne. Without baselines and quantifiable targets to measure progress, evaluating performance in the implementation of the action plan is challenging.

53 We found that the Commission departments' action plans had a similar, though less pronounced, clarity-related issue, as we consider that slightly over 10 % of departmental actions are objectives. Moreover, a few actions are presented as both strategic objectives and actions at the same time. Examples of objectives labelled as actions include "reinforcing training", "reinforcing communication", "enhancing the use", or "maintaining a high level of coordination", which outline the intended outcome rather than what will be done.

54 ***Table 1*** summarises our assessment of the actions included in the selected departmental action plans (***Annex III*** describes the methodology we used). Four departmental strategies[19] have defined almost all their actions well, with quantifiable outcomes that allow for progress measurement, while three others[20] have only done this for around half of them, lacking clear metrics. Similarly, most actions are realistic, given resources and constraints, but this is partially due to the plans' relatively modest ambition (paragraph ***62***).

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[19] CINEA, DG RTD, DG EMPL and DG REGIO.

[20] DG ENER, DG INTPA and DG MOVE.

Table 1 – Overview of actions in the departmental action plans that were valid as of July 2025

		% of actions			*% of actions*
Yes	✓	81-100 %	Limited	●	21-40 %
Mostly	●	61-80 %	No	✗	0-20 %
Partly	●	41-60 %			

Department	Well defined	Quantifiable outcomes	Realistic	Aligned with objectives	Time-bound
CINEA	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✓ Yes
REA	● Mostly	✓ Yes	✓ Yes	✓ Yes	✓ Yes
DG AGRI	● Mostly	✓ Yes	✓ Yes	✓ Yes	● Limited
DG ENER	● Limited	● Partly	✓ Yes	✓ Yes	● Limited
DG HOME	● Mostly	● Mostly	✓ Yes	✓ Yes	● Limited
DG INTPA	● Partly	● Partly	✓ Yes	✓ Yes	● Partly
DG MOVE	● Partly	● Partly	✓ Yes	✓ Yes	● Limited
DG RTD	✓ Yes	✓ Yes	✓ Yes	✓ Yes	✓ Yes
DG EMPL and DG REGIO*	✓ Yes	✓ Yes	✓ Yes	✓ Yes	● Partly
Research Family**	✓ Yes	● Mostly	✓ Yes	✓ Yes	● Mostly

(*) DG EMPL and DG REGIO are presented together as they have a joint anti-fraud strategy.
(**) Directorates-general, executive agencies and joint undertakings in the research policy area.

Source: ECA, based on information provided by the Commission.

55 Three departments[21] have set precise dates for evaluating the completion or progress of almost all actions in their plans. In contrast, most actions in four[22] out of 10 selected departments lack a specific completion date, resulting in the "continuous" implementation

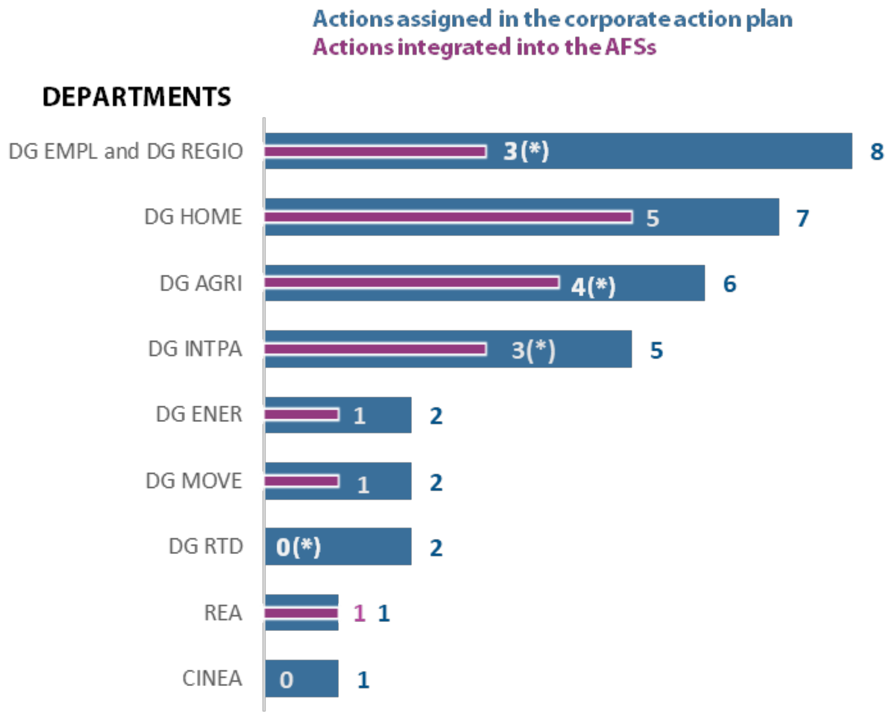
[21] CINEA, REA and DG RTD.

[22] DG AGRI, DG ENER, DG HOME and DG MOVE.

of over half of their actions. As a result, the implementation and monitoring of the actions become more challenging.

56 The corporate anti-fraud strategy is based on the departmental risk assessments and functions as the umbrella anti-fraud strategy. We examined the departmental action plans (that were in force at the end of our audit work). We found that the departments do not fully integrate into their action plans the 2023 corporate actions for which they are assigned the lead role (by updating them if necessary). There is no such requirement in OLAF's methodology, which we consider a weakness. ***Figure 5*** provides details regarding the incorporation of corporate actions into departmental action plans.

Figure 5 | Integration of 2023 corporate actions into the departmental action plans



(*) AFSs last updated in 2019 (DG EMPL and DG REGIO), 2020 (DG AGRI), 2021 (DG INTPA) and 2022 (DG RTD). DG EMPL and DG REGIO are presented together as they have a joint anti-fraud strategy.

Source: ECA, based on the 2023 corporate and departmental action plans.

57 The successful completion of the corporate anti-fraud strategy depends on the contribution of both lead and supporting Commission departments. As illustrated in ***Figure 5***, almost none of the departments incorporated all actions for which they were designated as lead (as they did not update their anti-fraud strategies after the 2023 corporate action plan). The incomplete integration of these actions may hamper the relevance of the departmental action plans.

The Commission considers most actions as implemented, but they cannot always be assessed against the plan and often lack ambition

58 Regarding the 2023 corporate action plan, when considering not only the plan initially adopted by the Commission but also the actions' subsequent scope of work as defined by the departments themselves, we found that around 70 % of 70 actions and sub-actions (i.e. distinct components of broader actions, with their own specific deliverables) have been completed. For all the remaining actions and sub-actions, the Commission had carried out some activities, as described in the state of play of the 2023 action plan and supported by evidence. However, half of them (i.e. 11 actions and sub-actions) are multiannual or "continuous", and lack interim milestones set in advance. Some examples of "continuous" actions include:

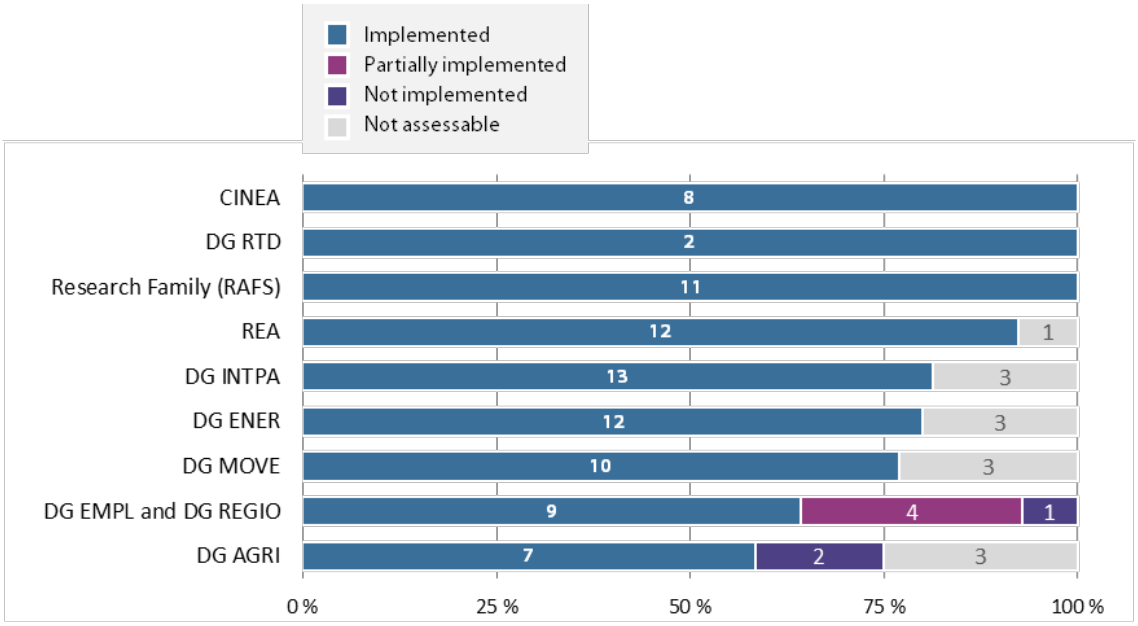
— the increasing use of the Irregularity Management System (IMS),

— encouraging member states to put in place anti-fraud measures.

As a result, it is not possible to measure their progress and determine whether they are on track. Consequently, it is not possible to conclude whether the activities carried out are in line with what was planned.

59 In their reports for the year 2024, the Commission departments stated that all the actions (104) outlined in their action plans had been implemented. Following our analysis, we were able to confirm approximately 80 % of all of the departmental actions as such. In our view, some of the remaining actions (eight actions or 8 %) are difficult to consider as fully implemented because they are continuous tasks or include vague terms such as "provide adequate procedures" or "provide support". ***Figure 6*** provides more details on the implementation per department of actions that were scheduled for completion by 2024.

Figure 6 | Implementation of actions scheduled for completion by 2024 per department



DG HOME is not shown because its AFS was adopted on 11 February 2025.
DG EMPL and DG REGIO are presented together as they have a joint anti-fraud strategy.
Research Family are directorates-general, executive agencies and joint undertakings in the research policy area.
"Not assessable" due to insufficient documentation provided or the lack of indicators to measure progress.

Source: ECA, based on information provided by the Commission.

60 Although most of the actions were implemented, full implementation was expected by the end of 2024 for those actions. The remaining actions limit or delay the achievement of the objectives and may reduce the overall effectiveness of the strategies.

61 While most of the 2023 corporate actions, including sub-actions, are pertinent to the objectives, we consider that some of them – over 20 % – lack ambition, as explained below.

— Eight actions and sub-actions require "exploring options" or "exploring possibilities" for future courses of action. These are necessary steps in the process, but the actions do not identify concrete follow-up actions that would be the logical next step, covering issues comprehensively. Once these actions were achieved, the Commission neither updated its action plan to reflect this nor replaced these initial actions with subsequent ones. This means that any new related actions are being carried out without tracking them in the action plan.

— Another seven actions and sub-actions, such as reminding member states of their obligations by sending letters, or inviting OLAF to relevant meetings, relate to standard procedural steps. They do not significantly contribute to achieving the objectives in the way that actions which require more effort, such as technically upgrading the IMS, do. The ease of completing these actions contributes to an overall positive picture of the implementation of the action plans.

62 We found that over half of the departmental actions (around 55 %) are not ambitious enough. Some of them fulfil routine or mandatory obligations, already required by different regulations, internal procedures, or anti-fraud frameworks. Aside from the Directorate-General for Research and Innovation (DG RTD), which oversees its own departmental anti-fraud strategy and the common anti-fraud strategy in the R&I Family, and whose action plans do not contain, in our view, unambitious actions, the other selected departments included a mix of both ambitious and unambitious actions, as set out below.

— Around 70 % are existing legal or routine obligations that departments are already required to carry out, regardless of whether they are included in the departmental action plans. For instance, these actions include responding to OLAF's or the European Public Prosecutor's Office's information or investigation-related requests in a timely manner; communicating allegations of fraud and other serious irregularities to OLAF; or maintaining an intranet site for communication with staff.

— We note that a small proportion of actions (over 10 %) overlap with others in the same action plans.

— In addition, we found that some actions, such as "continuous risk assessment" or "update of anti-fraud strategies" (10 %), relate to the design and implementation of anti-fraud strategies, rather than being actions that mitigate the risks identified.

— Lastly, we deemed a small share of actions (less than 10 %) to be of relatively minor importance for an anti-fraud action plan, such as submitting OLAF reports to member states or updating letter templates for follow-up communications with member states on OLAF reports.

63 Unambitious actions dilute the strategic focus and the prioritisation of actions that contribute most to the objectives because of their secondary nature. In addition, the presence of unambitious actions hinders corporate oversight by unnecessarily overloading the monitoring. As a result, it becomes difficult to assess progress towards achieving the strategies' objectives.

Monitoring and reporting are in place, but do not fully reflect progress, results or impact

64 According to the international framework on good governance in the public sector[23], jointly developed by CIPFA and the International Federation of Accountants, an organisation should monitor and review the risk management framework and processes on a regular basis. It should also assess whether the intended outcomes are still valid or if updates or changes should be introduced, and whether any changes in the internal or external environment pose a risk to achieving the intended outcomes. The governing body should be informed by the lead person at least annually about the organisation's performance as regards its anti-fraud strategy, and the organisation should reach conclusions on the strategy's implementation in the annual governance report.

65 Accordingly, we expect the Commission and departments to:

— implement their action plans fully and in a timely manner;

— collect information on the results of the implementation of the corporate and departmental anti-fraud strategies and related action plans on a regular basis, verify it, and, in case of deviations, take corrective action (a process which should be facilitated by reliable fraud reporting systems);

— provide an overview of and conclusion on the implementation of the corporate anti-fraud strategy in the Commission's annual report, and of the departmental anti-fraud strategies in departments' annual reports;

— put in place a feedback mechanism for ongoing evaluations, communicate deficiencies, and take corrective measures based on experiences, audits, and reviews.

66 We assessed the monitoring and reporting arrangements for the anti-fraud efforts of the sampled departments and the Commission as a whole.

Departmental monitoring varies in quality and comprehensiveness

67 We looked at how the selected departments monitor the implementation of their strategies and what tools they use. The analysed departments keep track of the

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[23] CIPFA and the International Federation of Accountants, International framework: Good governance in the public sector, 2014, principles F2 and F3.

implementation of their action plans. However, they do so with varying levels of detail and using different assessment methods such as indicators. We observed the following:

- eight departments established formal indicators to measure the implementation of the actions, while two departments[24] established indicators only for 6 out of 34 actions whereas for the remaining actions indicators can only be inferred from the description of the actions and their expected outputs;
- only about one quarter (26) of the 107 indicators in our sample have baselines, which are important to measure progress accurately and demonstrate how the situation has evolved over time;
- fewer than half of the indicators (51) established specific deadlines for completing the corresponding action – from the 59 indicators that refer to a "continuous" implementation (55 %), only two set explicit deadlines or predefined dates for assessing whether the actions they measure are being carried out;
- across departments, 22 actions fall into five groups of similar actions, but departments use different indicators, which can have an unnecessary impact on the comparability and aggregation of the monitoring results (***Box 4***).

Box 4

Example of an action measured using different indicators depending on the department

Five Commission departments included training for their staff on matters related to anti-fraud in their action plans. However, they designed different indicators to measure the progress:

- the number of training events and percentage of staff attending;
- only the number of training events;
- only the percentage of staff attending;
- the number of yearly participants;
- whether all newcomers were trained.

[24] DG ENER and DG MOVE.

68 Due to the above shortcomings in some of the departmental indicators, it is not possible to fully assess the progress towards the implementation of the action plans and of the results achieved. This indicates that our recommendation on measurable indicators from our 2019 special report on fraud in EU spending has not been fully implemented[25].

69 Furthermore, departmental monitoring is not formally connected to corporate monitoring. Departments report to their departmental management internally, in line with their procedures. However, the departments also use a specific reporting format established by OLAF to report on the state of play of the corporate action plan, published alongside the annual PIF reports. This adds complexity to the monitoring process.

70 Our examination of the current departmental implementation reveals that the feedback process to identify lessons learnt is not consistent among the Commission departments. We found that six out of 10 departments[26] in our audit sample had carried out specific lessons-learnt exercises before updating their current anti-fraud strategies and action plans. These exercises included activities such as conducting surveys among staff, developing analytical assessments and producing related working papers. The remaining four departments[27] did not follow this approach in such a formalised manner. We also note that DG EMPL and DG REGIO carried out such an exercise in preparation for their next anti-fraud strategies.

71 DG EMPL and DG REGIO, prepare annual internal anti-fraud activity reports that outline the progress of the implementation of the action plans, and share the reports with OLAF and senior management. DG AGRI also prepares such a report but, for the 2021-2025 period, it only covered seven out of the twelve actions outlined in its anti-fraud strategy. We consider preparing and sharing such a report to be a good practice, as it promotes transparency and accountability within these departments, and equips their management with more robust information as regards the risk management process.

Reporting has improved, but still focuses on the completion of activities rather than on results or impact

72 The Commission publishes[28] annual reports on the protection of the EU's financial interests (PIF reports). These reports set out the measures taken by the Commission and

[25] Special report 01/2019, recommendation 2.

[26] CINEA, DG ENER, DG MOVE, DG INTPA, DG RTD and REA.

[27] DG AGRI, DG EMPL and DG REGIO and DG HOME.

[28] Article 325 of the Treaty on the Functioning of the European Union.

the member states to safeguard the EU's financial interests. They serve as a key transparency and accountability tool for the Commission on anti-fraud measures towards the public. The PIF reports are accompanied by an annex in which the Commission reports annually on the CAFS implementation. The Commission also reports on the CAFS implementation in the annual management and performance report, and departments report on the implementation of their AFSs in their annual activity reports (AARs).

The PIF report provides more information on results than in the past

73 Our analysis shows that over the years from its first publication in 1990, the annual PIF reports have gradually included more detailed information, such as data on the early detection and exclusion system panel[29], updates on the current state of play and assessment of national anti-fraud strategies, and information on the implementation of the corporate action plan. Consequently, the number of working documents accompanying the PIF report has increased substantially.

74 Starting with the 2023 PIF report, a new dedicated working document provided a more detailed overview of the situation and an assessment of the national anti-fraud strategies, going beyond member states' self-assessments. This overview used a two-step approach: evaluating the fulfilment of basic criteria and conducting a qualitative analysis. The report also presented the anti-fraud measures employed by the member states. The document on the follow-up to the recommendations of the 2023 PIF report and their implementation by the member states, which accompanies the 2024 PIF report, contains an analysis compiling best practices identified by the member states in addressing common issues to provide an overview of potential solutions.

75 The IMS is one of the main data sources for the irregularity statistics in the PIF report. The IMS covers the EU spending under shared management with member states. The Commission acknowledges issues linked to the accuracy and completeness of the IMS data and notes that it is engaged in a "structured dialogue" with the cohesion managing authorities of 10 member states to address these concerns[30]. Such data quality limitations may affect the accuracy of the PIF report's analysis and conclusions. Additionally, these limitations may also affect the estimation of the likelihood and impact of risks in the strategies of the shared management departments. Furthermore, this indicates that our recommendation regarding the enhancement of the IMS from our 2019 special report on fighting fraud in EU spending has been implemented in some respects (***Annex II***).

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[29] Article 145 of Regulation 2024/2509 on financial rules to the EU's general budget.

[30] Section 2.3.3 of the 2024 PIF report.

Corporate reporting presents a picture which is more positive than our assessment

76 The 2024 PIF report and the annual management and performance report conclude that the Commission “advanced the implementation of the action plan”. However, the relevant sections in the reports largely described what the actions were supposed to achieve, instead of what was actually delivered. The working document on the state of play of the 2023 action plan annexed to the PIF report provided more insight into the progress achieved during the preceding year.

77 The Commission concentrates primarily on the state of play of individual actions. However, it does not assess or determine the extent of its progress towards achieving the objectives of the 2019 strategy through those actions. As a result, the link between the implementation of actions and the actual progress toward the strategy’s intended outcomes is not shown.

78 Furthermore, we noted shortcomings in the Commission’s reporting package for the 2024 PIF report. The Commission outlines the status of 17 actions and sub-actions that were scheduled for completion by 2024. The Commission considered 13 of these actions to be completed and four to be still in progress. However, we determined that two actions deemed completed by the Commission should not have been considered as such. ***Box 5*** presents an example of such actions. Moreover, for three actions that were lagging behind schedule, the Commission did not explain the limited progress and it extended the completion dates.

Box 5

An example of an action prematurely considered completed

One of the actions required exploring the possibility of working with civil society organisations to increase whistleblowing and fraud reporting.

The Commission provided training to 30 staff members from one civil society organisation and was in contact with another one. It also analysed whether national anti-fraud strategies contain actions related to whistleblowing.

The Commission did not involve a broader range of civil society organisations to ensure comprehensive consultations. As a result, the extent of the work carried out was not sufficient to justify considering the action complete.

Inconsistent departmental reporting limits a comprehensive overview of implementation

79 Each year, the Commission's central services issue instructions to other departments for the preparation of their annual activity reports. These instructions include reporting requirements for fraud prevention, detection and correction. OLAF reviews this section annually to ensure that the reporting on the implementation of the departmental anti-fraud strategies is complete and standardised. The 2024 instructions required departments to report briefly on their anti-fraud strategies, their monitoring and results, and – where they had a lead role – their contribution to the corporate anti-fraud strategy and its revised action plan.

80 Our analysis of the AARs of the selected departments indicates that the reports often lack detailed information about the implementation of the actions or, in some cases, fail to mention certain actions altogether (***Table 2***). The PIF report does not compensate for these omissions, as it focuses on corporate issues. As a consequence, this undermines a comprehensive overview of the implementation of departmental anti-fraud strategies.

Table 2 | The information on the implementation of anti-fraud actions in the departments' AARs

Department	Number of actions in the AFSs	Number of actions reported in the AARs	Contribution to CAFS reported for actions led by the department
DG RTD*	**2**	**2**	No information.
REA	**13**	**4**	Information provided.
DG MOVE	**16**	**3**	Information provided for one of two actions.
DG ENER	**18**	**4**	Information provided for one of two actions.
CINEA*	**8**	**3**	No information.
DG AGRI	**12**	**8**	General information provided for all actions.
DG EMPL and DG REGIO	**14**	**4**	General information provided for all actions.
DG INTPA	**16**	**12**	General statement for three out of five actions.
DG HOME**	**16**	N/A	N/A

(*) The 2024 AARs of DG RTD and CINEA refer to the action plans in place before the 2023 update of the corporate action plan without any reference to the actions they lead.
(**) DG HOME's 2024 AAR states that the implementation of the AFS adopted on 11 February 2025 is underway, while all actions covering the period ending in 2024 have been implemented.

Source: ECA, based on the departments' 2024 AARs.

The impact of the Commission's anti-fraud strategy has not been fully assessed

81 As a lead service for the Commission's anti-fraud policy, OLAF annually measured the achievement of the 2019 strategic objectives using internal working papers. Each of the seven objectives of the 2019 strategy primarily used one indicator, namely the percentage of related actions that were completed. Two objectives were measured solely using this indicator. Additional indicators were used for the remaining five objectives, with the most common type being output indicators, such as training provided and number of meetings or analytical papers.

82 Since 2023, OLAF has stopped using indicators to measure the achievement of the objectives. Instead, OLAF has started using indicators to measure the extent to which individual actions have been achieved. We note that the 2024 monitoring table used for this purpose showed five of the 44 corporate actions without any indicators assigned to them, while eight had indicators assigned only partially, i.e. not to every sub-action. The 2025 monitoring table shows an improvement in this respect, as it reduces the number of actions without indicators (one has no indicators and six have them assigned partially).

83 We consider that both the objective indicators used until 2023 and the action indicators used since then measure output rather than outcomes. This means they tell us how much has been done, but not what has been achieved – they measure effort rather than results. Consequently, the Commission does not systematically measure the impact of its progress towards the achievement of the strategic objectives. This indicates that our recommendation on reporting based on the achievement of the objectives from our 2019 special report on fighting fraud in EU spending has not been fully implemented (***Annex II***).

This report was adopted by Chamber V, headed by Mr Jan Gregor, Member of the Court of Auditors, in Luxembourg at its meeting of 19 May 2026.

For the Court of Auditors

Tony Murphy
President

Annexes

Annex I – About the audit

01 From 2021 to 2027, the Commission manages an EU budget of up to €200 billion annually in cooperation with the member states and in accordance with the principle of sound financial management[1]. In doing so, both the EU and the member states have a clear and binding obligation to take effective measures to counter fraud and illegal activities that harm the EU's financial interests[2]. To fulfil this obligation, the Commission must have a sound internal control framework in place.

02 Fraud risk management is an integral component of the Commission's internal control framework. Principle 8 of the framework requires anti-fraud measures to be designed, implemented and documented in a structured manner, rather than as fragmented or ad hoc actions. More specifically, it requires that sound anti-fraud strategies be set up and implemented at both corporate and departmental levels, providing a framework for improving anti-fraud measures.

03 Accordingly, the Commission's departments (directorates-general and executive agencies) have developed their anti-fraud strategies (AFSs) based on identified fraud risks, and have defined corresponding preventive, detective, investigative and corrective actions. At corporate level, the Commission adopted its first anti-fraud strategy (CAFS) in 2011. The 2011 CAFS was replaced by a new one in 2019, accompanied by an action plan. In 2023, the Commission updated this action plan. Overall, the corporate anti-fraud strategy provides the governance framework for coordinating anti-fraud action across all Commission's departments. This approach aims to ensure consistency and a risk-based development of anti-fraud measures across the Commission.

04 The Commission is also required to report annually to the European Parliament and the Council on the measures taken to fulfil its obligation to combat fraud. This is done through the annual report on the protection of the EU's financial interests (PIF report), which aims to ensure the transparency, accountability, and continuous monitoring of fraud risks and trends, and the effectiveness of anti-fraud actions.

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1 Article 317 of the Treaty on the Functioning of the European Union.

2 Ibid., Article 325.

05 The European Anti-Fraud Office (OLAF) leads the design and development of the CAFS. It provides support and methodology, and reviews the AFSs. Others are also involved in the EU anti-fraud management framework, with defined roles and responsibilities (*Figure 1*).

Figure 1 | Roles and responsibilities of those involved in the EU anti-fraud management framework

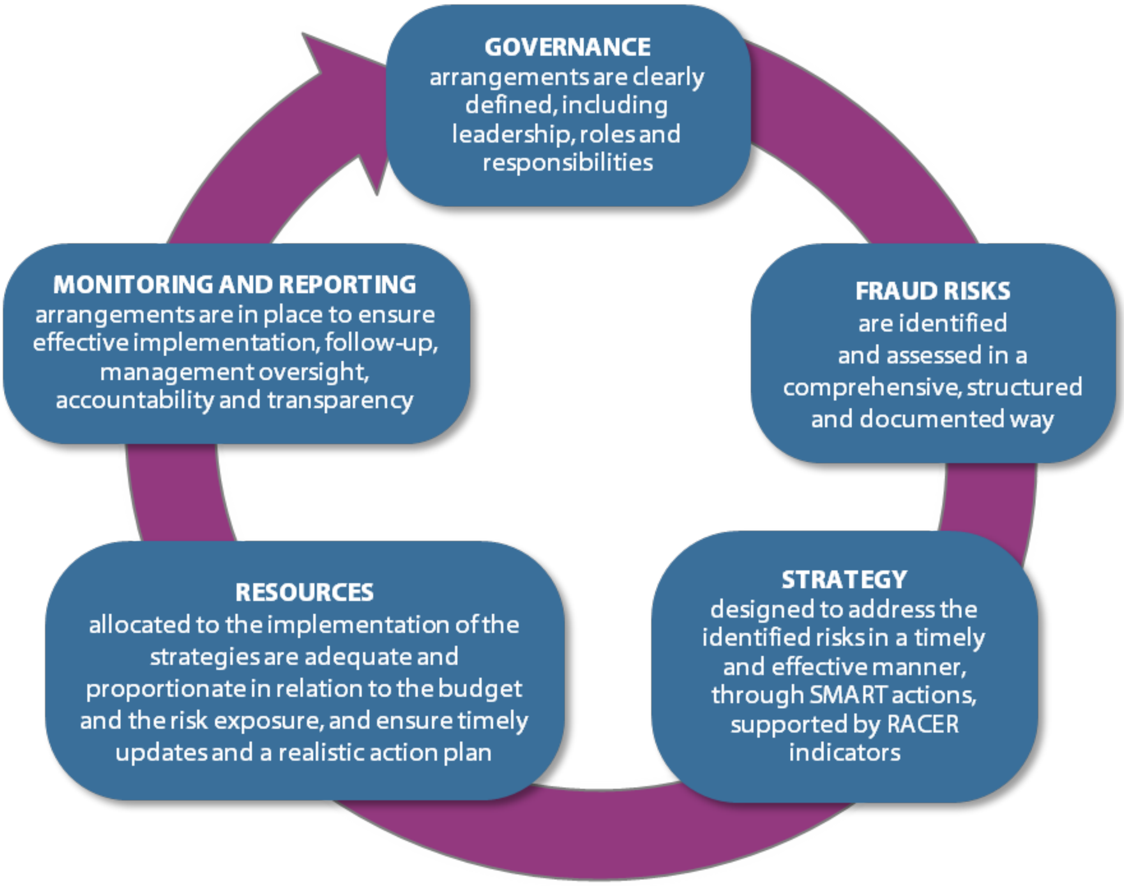
CMB Corporate Management Board	OLAF European Anti-Fraud Office	DGs Directorates-general of the Commission	AFCOS Anti-fraud coordination service	FPDnet Fraud Prevention and Detection Network	COCOLAF Advisory Committee for the Coordination of Fraud Prevention
• Provides oversight and strategic orientations on the corporate aspects of the fight against fraud • Once a year the CMB discusses fraud-preventing activities, analysis of risks and trends, developments regarding anti-fraud strategies and measures, and the PIF report	• Develops the CAFS • Provides methodology and recommendations, and reviews the development of departmental AFSs • Provides methodology to member states for developing the national anti-fraud strategies	• Contribute to the implementation of CAFS actions • Develop and implement departmental anti-fraud strategies adapted to their respective policy areas • Keep risk registers	• National coordination point in cooperation with OLAF • Cooperation and regular exchange of information with OLAF • Placed differently within each member state's administrative structure	• Forum developed as the centre of expertise and advice on anti-fraud issues • Holds three yearly plenary meetings • Has subgroups according to the different profiles of the DGs	• Forum composed of representatives from the relevant competent national services of the member states and from Commission departments • Facilitates cooperation and the exchange of information and good practices on protecting the EU's financial interests • Discusses (national) anti-fraud strategies
• The Director-General of OLAF may attend the meetings when anti-fraud issues are discussed	• Chairs the FPDnet and COCOLAF • Reports to the Corporate Management Board • Cooperates with AFCOSs in the member states	• Designate a responsible anti-fraud contact point or coordinator to liaise with OLAF • Take part in FPDnet meetings	• OLAF recommends that the AFCOSs take part in the development of (national) anti-fraud strategies • Different responsibilities for the national anti-fraud strategy in every member state	• Contributes to the exchange of best practices and anti-fraud information between OLAF and the DGs • Assists DGs in developing and updating sectoral anti-fraud strategies • Facilitates peer review of anti-fraud strategies	• Meets twice a year in a plenary session and in two reporting and analysis group meetings • Holds one fraud prevention group meeting every year
	• Prepares the PIF report	• Provide information for the PIF report • Annually report on the anti-fraud measures, controls and actions implemented	• Different contribution from each member state to the PIF report	• Contributes to the preparation of the PIF report	• Contributes to the preparation of the PIF report

Source: ECA, based on information provided by the Commission.

Audit scope and approach

06 We assessed whether the Commission has put in place and implemented a sound corporate anti-fraud strategy, as well as departmental anti-fraud strategies, to address fraud in EU spending. We examined whether the Commission designed its anti-fraud strategy and the related action plans in line with best practices drawn from international fraud management frameworks and whether the action plans contributed to the anti-fraud strategy objectives. Finally, we assessed the Commission's anti-fraud monitoring and reporting arrangements, both at the departmental and corporate level. ***Figure 2*** shows the steps we took and the areas we examined.

Figure 2 | Areas we examined following the structure of CIPFA principles



CIPFA: Chartered Institute of Public Finance and Accountancy
SMART: specific, measurable, achievable, relevant, time-bound.
RACER: relevant, accepted, credible, easy-to-monitor, robust against manipulation.

Source: ECA, based on the Code of practice on managing the risk of fraud and corruption of the Chartered Institute of Public Finance and Accountancy (CIPFA).

07 Well-designed anti-fraud strategies that follow the CIPFA and Committee of Sponsoring Organizations of the Treadway Commission (COSO) principles are crucial in mitigating fraud risks, ultimately contributing to lower fraud levels. However, due to the complexity of fraud drivers and multiple layers of anti-fraud activities and the hidden nature of fraud, isolating the direct impact of the strategies is challenging. For this reason, our assessment focused on the strategies' design and implementation.

08 The audit scope covered the Commission's 2019 strategy and the 2023 and 2019 action plans, as well as the related AFSs and action plans followed by a sample of Commission departments[3] based on the materiality of the funds they manage, ensuring coverage of all three management modes. Unless otherwise indicated, the cut-off date for our audit work was 31 July 2025.

09 In addition, we followed up on the recommendations of our special report 01/2019 on fraud in EU spending, which were relevant to this report. The results of our analysis are presented in ***Annex II***.

10 Our audit methodology complies with the international standards on auditing issued by the International Organization of Supreme Audit Institutions (INTOSAI). To assess the Commission's anti-fraud strategies, we used the CIPFA and COSO fraud risk management principles. Both frameworks are internationally recognised for assessing the design and effectiveness of anti-fraud strategies within organisations.

11 We analysed the framework for setting up and implementing these anti-fraud strategies, including the methodologies provided by OLAF for setting up AFSs, the working arrangements in place, and other relevant reports and supporting documents. In addition, we interviewed staff from the selected departments and from OLAF.

[3] DG RTD, DG MOVE, DG ENER, DG INTPA, DG HOME, DG REGIO/DG EMPL, DG AGRI, CINEA, REA.

Annex II – Follow-up of the recommendations from the 2019 special report on fraud in EU spending relevant to this report

Recommendation No	Level of acceptance	ECA analysis of progress made in implementing recommendation	
		Level of implementation	Remarks
1a	Partially accepted	In some respects	Irregularity and suspected fraud reporting has improved over the years, yet weaknesses persist.
1b	Partially accepted	In some respects	Gaps in its analytical capacity hinder the Commission from providing more complex risk analysis, including indicators by spending area, country and sector.
2.1		Fully	
2.2	Partially accepted	In some respects	Anti-fraud strategy is preceded by a risk analysis yet it could be more comprehensive, using a wide range of data. The Commission does not fully use measurable indicators. Its reporting is focused on outputs rather than results.
3.1	Partially accepted	In most respects	Some weakness in the Commission's risk assessment persist.
3.2	Accepted		The ECA carried out a specific performance audit – special report 11/2022 on blacklisting.
3.3	Accepted		Outside the scope of this audit.
4	Partially accepted		The ECA carried out a specific performance audit – special report 26/2025 on EU bodies fighting fraud.

Annex III – Our approach to assessing the clarity, measurability and relevance of actions

We used the checklist below, answering each question using a three-point scale (“yes”, “partly” and “no”) to obtain sub-scores. A “yes” receives the full weighting, “partly” receives half, and “no” receives zero. The score for each indicator is the average of its corresponding sub-scores.

Indicators	Weighting
Well defined and precise	
Does the action clearly address priority risks/area/process?	33 %
Is it clear who is responsible for the action?	33 %
Can the action be understood unambiguously?	33 %
Quantifiable outcomes (i.e. progress can be tracked)	
Can the action be tracked using specific data?	33 %
Are there defined values to compare against?	33 %
Is there a clear unit of measurement (percentage, number, days, amount)?	33 %
Realistic given resources and constraints	
Does the organisation have the necessary resources (people, budget, tools) to achieve the action?	33 %
Have similar objectives been achieved in the past?	33 %
Are obstacles that could prevent the achievement of the action considered (system limitations, legal constraints, resistance to change)?	33 %
Aligned with broader objectives	
Does the action align with the objectives?	33 %
Is it the right time to pursue the action?	33 %
Does the action produce meaningful value?	33 %
Time-bound	
Is there a clear deadline for achieving the action?	50 %
Are there interim milestones?	50 %

Abbreviations

Abbreviation	Definition/Explanation
AAR	Annual activity report
AFCOS	Anti-fraud coordination service
AFS	Anti-fraud strategy
AI	Artificial intelligence
CAFS	Commission anti-fraud strategy
CINEA	European Climate, Infrastructure and Environment Executive Agency
CIPFA	Chartered Institute of Public Finance and Accountancy
CMB	Corporate Management Board
COCOLAF	Advisory Committee for the Coordination of Fraud Prevention
COSO	Committee of Sponsoring Organizations of the Treadway Commission
DG AGRI	Directorate-General for Agriculture and Rural Development
DG EMPL	Directorate-General for Employment, Social Affairs and Inclusion
DG ENER	Directorate-General for Energy
DG HOME	Directorate-General for Migration and Home Affairs
DG INTPA	Directorate-General for International Partnerships
DG MOVE	Directorate-General for Mobility and Transport
DG REGIO	Directorate-General for Regional and Urban Policy
DG RTD	Directorate-General for Research and Innovation
IMS	Irregularity Management System
OLAF	European Anti-Fraud Office
PIF	Protection of the EU's financial interests
REA	European Research Executive Agency

Glossary

Term	Definition/Explanation
Anti-fraud cycle	All stages in the prevention, detection, investigation and sanctioning of fraud.
Arachne	Integrated data-mining and risk-scoring IT tool developed by the Commission that assesses risks associated with entities participating in contract award procedures and implementing EU-funded contracts.
Department	In the context of this report, a Commission directorate-general or executive agency.
Direct management	Management of an EU fund or programme by the Commission alone, in contrast to shared management or indirect management.
Executive agency	Organisation set up and managed by the Commission, for a limited period, to carry out specified tasks related to EU programmes or projects on its behalf and under its responsibility.
Fraud	Intentional and unlawful use of deception to gain material advantage by depriving another party of property or money.
Indirect management	Method of implementing the EU budget whereby the Commission entrusts implementation tasks to other entities (such as non-EU countries and international organisations).
Managing authority	National, regional or local authority (public or private) designated by a member state to manage an EU-funded programme.
Monitoring	Systematically observing and checking progress, partly by means of indicators, towards the achievement of an objective.
Research family	Directorates-general, executive agencies and joint undertakings in the research policy area.
Risk	Possibility that an adverse event occurs.
Risk assessment	Systematically identifying and analysing risks linked to an operation or process, to serve as a basis for managing those risks.
Risk management	Systematically identifying risks and taking action to mitigate or eliminate them, or to reduce their impact.
Shared management	Method of spending the EU budget in which, in contrast to direct management, the Commission delegates to the member state while retaining ultimate responsibility.
Vulnerability	Weakness that makes a process or organisation susceptible to risk.

Replies of the Commission

https://www.eca.europa.eu/en/publications/SR-2026-18

Timeline

https://www.eca.europa.eu/en/publications/SR-2026-18

Audit team

The ECA's special reports set out the results of its audits of EU policies and programmes, or of management-related topics from specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was carried out by Audit Chamber V – Financing and administering the Union, headed by ECA Member Jan Gregor. The audit was led by ECA Member Ildikó Gáll-Pelcz, supported by Kinga Bara, Head of Private Office and Raymond Larkin, Private Office Attaché; Bogna Kuczyńska, Principal Manager; Tomasz Kokot, Head of Task; Agathokleia Varytimou, Jan Guman and Sara Danif, Auditors.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HTML	ISBN 978-92-849-7691-1	ISSN 1977-5679	doi:10.2865/3802997	QJ-01-26-027-EN-Q
PDF	ISBN 978-92-849-7692-8	ISSN 1977-5679	doi:10.2865/4090025	QJ-01-26-027-EN-N

HOW TO CITE

European Court of Auditors, special report 18/2026 “The Commission’s anti-fraud strategy - Comprehensive yet insufficiently ambitious”, Publications Office of the European Union, 2026.

Fraud risks affecting the EU budget continue to evolve, requiring a robust and coordinated anti-fraud framework across the Commission. This report assessed whether the Commission's anti-fraud strategy is appropriately designed to manage fraud risks and support consistent implementation. While the strategy broadly follows recognised fraud risk management principles and covers the full anti-fraud cycle, we found weaknesses in risk assessment, action planning, monitoring and reporting. In particular, risk assessments do not systematically use all relevant information sources or sufficiently consider emerging risks, actions are often not sufficiently ambitious or lack measurable outcomes and clear timelines, and monitoring focuses more on implementation than on results or impact. We therefore make recommendations to strengthen oversight, risk assessments, action plans, and reporting.

ECA special report pursuant to Article 287(4), second subparagraph, TFEU.

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