



General Secretariat Against Corruption

Speaker: Konstantinos Pavlikianis (Greek AFCOS)



Active state involvement and good governance of the funds allocated by the European Union



- The Ministry Of Economy & Development designed a Management and Control System taking into account the architecture of the Operational Programmes and incorporates the requirements of Regulation (EC) 1303/2013 for the Programming Period 2014-2020.
- The Management and Control System is a set of interdependent administrative authorities, which have a specific organisational structure and develop individual activities with the objective purpose of sound financial management of resources (economy, efficiency, effectiveness) and include:
 - 1) all Authorities/Bodies, which undertake the competences of management, certification, control and coordination, in accordance with Regulation (EC) 1303/2013, their organisational structure and individual competences;
 - 2) the operational correlation of Authorities/bodies and the compliance with the principle of separation of functions;
 - 3) the written procedures to be implemented;
 - 4) all the relevant regulatory acts required for the designation of Authorities/Bodies and the implementation of Operational Programmes.

- The Management and Control System 2014-2020 is common for all Operational Programmes that are financed by the ERDF, ESF and the Cohesion Fund, in the framework of the Investment for Growth and Jobs goal.
- The Special Service for Institutional Support (EYTHY) of the General Secretariat for Public Investments, as the competent service for designing and monitoring the implementation of the MCS operates a Helpdesk for the officers working at the Special Services and the Managing Bodies.
- Questions are submitted to the Helpdesk and the necessary clarifications and explanations are provided for the correct operation of the Management and Control System. Specifically, users can submit questions on:
 - the implementation of the Management and Control System of the Operational Programmes, and
 - issues of a legal nature that arise during the management and implementation of programmes and projects with respect to maintaining the applicable national and community rules.

Combating fraud in structural actions



- Fraud prevention and mitigation, in general, as well as in the specific context of structural actions, is considered as a crucial issue for the Greek authorities.
- The issue has been included in the provisions of the EU General Regulation 1303/2013 for the programming period 2014-2020. Article 72 "General Principles of Management and Control Systems" includes a provision for the prevention, detection and correction of irregularities, including fraud. Additionally, in accordance with Article 125 "Functions of the Managing Authority", the Managing Authorities should put in place effective and proportionate anti-fraud measures, taking into account the risks identified.

- In this framework, the General Secretariat for Public Investment has drawn up a "**National Anti-fraud Strategy for Structural Actions**", which has been submitted to the European Anti-Fraud Office (OLAF).
- This National Strategy is based on four pillars: Prevention - Detection - Response - Continual Improvement and has the following objectives:
 - to promote and establish an ethical, anti-fraud culture
 - to promote an effective cooperation among national competent authorities
 - to promote an effective cooperation with external actors
 - to enhance transparency
 - to enhance the Management and Control System of Structural Actions of the programming period of 2014-2020.



- The Strategy includes a multi-annual Action Plan which translates the objectives into operational activities.
- In the framework of this Action Plan, the General Secretariat for Public Investment-PA has drawn up a **Policy Statement against Fraud in Structural Actions** which emphasizes its zero tolerance to fraud and sets the basis for actions to be implemented.
- Additionally, an electronic brochure was developed. This brochure "**Fraud Prevention in Structural Actions**", as a communication tool, will help to raise awareness among the staff of the Special Services and Beneficiaries of the PA, and to widely spread the message against fraud.

Review

ACT

Correction/Investigation/ Prosecution

- Corrective action
- Investigation
- Criminal prosecution

Fraud Management System

Anti-Fraud Policy

PLAN

Planning

- Risk identification
- Evaluation - Selection of the most serious risks
- Goal Setting. Action plans to reduce the most serious risks
- Definition of roles and responsibilities

CHECK

Monitoring-Detection

- Internal audit, verifications, risk-based on the spot controls
- Data Monitoring (Data from information tools, Risk Indicators)
- Follow-up of anti-fraud measures
- Monitoring changes in activities
- Reporting

DO

Application and Operation

- Processes related to risks
- Training / awareness raising of human resources
- Communication (internal / external)
- Documentation (written procedures, files, self-evaluation tool)

PLAN

- In this process, the Fraud Risk Self-Assessment Tool proposed by the Commission can be of considerable help. This tool is used on a periodic basis as it identifies the risks per process, outlines the methodology and proposes countermeasures.
- The system must reflect the objectives and the anti-fraud culture, but it is important to describe how these are translated into roles and responsibilities of staff at different levels of organization. In practice, this means that:
 - a) appropriate roles have to be allocated.
 - b) responsibilities must be clearly defined, distinct and documented. Everyone involved should know who is responsible for each aspect of management, his role, the scope of action, and the levels of reporting / supervision / cooperation (who decides, what and when).
 - c) the availability of the right staff should be ensured at the moment (or the time interval) when specific actions are to be taken.

DO – Processes related to risks

- Determining the processes to be covered by documented procedures and determining how these processes should be controlled is a key factor in developing and implementing an effective Fraud Prevention and Detection System.
- The self-evaluation tool is based on 4 key processes that are largely identical to the already defined operational areas of Management and Control System for Structural Actions.



DO – Training / Awareness of human resources

- The system can not function properly unless staff training and awareness is assured. The attitude of the staff towards the whole venture is usually the determining factor in judging the success or failure of implementing a System. Sensitization is related to understanding, encouraging and eventually changing mindset. Education, information, good internal communication and ensuring the active participation of workers, providing them with the appropriate resources and a clear division of responsibilities (elements set up by the System itself) are the main instruments.

- The training must be provided on a regular basis covering at least the following subjects:
 - definition of fraud
 - anti-fraud policy and ethical behavior
 - the roles and responsibilities to be undertaken
 - how fraud is identified / detected
 - how suspicious incidents are detected and reported
 - the use of IT tools.



DO – Communication (internal / external)

- An important element is also the communication of appropriate information in the internal and external environment, as this can contribute to:
 - the widespread transmission of the anti-fraud message
 - the good public image of the Services in dealing with fraud issues
 - clarify and understand procedures and measures
 - facilitate the day-to-day work of the staff
 - the activation of their participation
 - increase transparency, ie the availability of information and data that can be controlled, compared and analyzed to prevent and combat fraud .
- In this context, it is important to transfer and exploit the knowledge and experience of fraud detected in the past.

DO – Documentation

- The documentation provides the objective evidence that a Management System has been recorded and supported by written evidence. This may include:
 - the anti-fraud declaration
 - written procedures and records relating to the risks of fraud
 - the self-evaluation tool
 - data in physical and/or electronic form
 - documents identified as necessary for the effective operation and control of critical processes
 - evidence of suspected fraud.

CHECK – Monitoring / Detection

- Once the system has begun to be implemented, monitoring must be ensured, which, in addition to confirming proper implementation, can also lead to the detection of fraud. Key elements are as follows:



CHECK – Internal Audit, verifications, controls

- Prevention techniques focus on reducing opportunities for fraud by implementing a robust internal control system that, combined with a structured risk assessment, will focus on effectively reducing the risk of fraud and corruption.
- Managing verifications should be thorough, and relevant on-the-spot checks should be based on risk analysis and conducted by ensuring adequate coverage. The probability of detecting potential fraud will increase if the verifications are more scrupulous.

CHECK – Data monitoring

- It is necessary to ensure the regular monitoring of some key elements in the processes, which can have a significant impact on fraud and therefore data collection, recording and processing is required. For example, it is important to monitor some risk indicators that, as "red flags", can show early the possibility of suspicious activity.
- The ARACHNE tool proposed by the Commission or another alternative tool can be used in this case as it is based on a set of risk and alert indicators, so a Service can identify projects or beneficiaries with the greatest risk.

CHECK

- **Follow-up of anti-fraud measures:** Monitoring the implementation of the measures taken must also be a continuous process.
- **Monitoring changes in activities** as modifications to System processes may lead to consideration of new parameters and reassessment of risks and measures.



CHECK - Reporting

- A key element in preventing and detecting fraud is the establishment of appropriate mechanisms
 - to facilitate the reporting of fraud suspicion and the reporting of possible weaknesses of the System itself
 - to ensure cooperation with the competent authorities (the Audit Authority, the investigation authorities and the Anti-Corruption authorities).
- In this context, it is important to ensure that staff understand:
 - who can make relevant reports and to whom
 - what procedures to follow and what evidence they should have
 - but also to ensure that this can be done with security / confidentiality.
- Report mechanisms feed the activation of the next element: Act.

ACT – Correction/Investigation/Prosecution

- The System must respond appropriately and in a timely manner to fraud.
 - When a weakness is identified in the System itself, the Managing Authority or the National Coordination Authority should take the necessary corrective action.
 - If fraud is detected and reported, the case should be forwarded to the relevant national investigation and/or corruption authorities and the OLAF should be informed accordingly.
 - Where a case report is made after a complaint, a specific complaints procedure is foreseen before being forwarded for further investigation.

Findings of an Audit or on-the-spot investigation

• Irregularity

• Administrative
procedure

• Financial correction
• Recovery of amounts

• Suspected Fraud

• Administrative
procedure

• Penal procedure

• Financial correction
• Recovery of amounts

• *Criminal penalties are
determined by the
court.*



Financial corrections

1. If an irregularity is found during the control, it is mentioned in the Audit Report and a financial correction is proposed.
2. The beneficiary has the right to submit objections within 15 days.
3. When the final report is finalized, the competent authority issues a Financial Correction Decision.
4. The Financial Correction Decision includes also the Recovery Decision of unduly or unlawfully paid amounts. The competent authority reduces the co-financed amounts that were registered.
5. In the case of suspicion of fraud, AFCOS promotes the case to the competent judicial authority in order to rule on the existence of fraud.

Recovery of amounts

- The amounts, for which a Recovery Decision has been issued, have to be paid by the beneficiary to any Tax Office within fifteen (15) calendar days.
- If the beneficiary fails to pay the amount, the competent authority issues a money order, which is sent to the Tax Office to confirm the debt.
- Once the debt is confirmed, the beneficiary lacks tax information (the tax information is necessary for a beneficiary to get paid) and he can't receive any subsidy if he doesn't settle his debt. The existing system is quite effective.

Suspected Fraud

- The administrative procedure is common to irregularities and frauds and the recovery process is adequate and effective.
- In cases of suspected fraud, another procedure is foreseen concerning the criminal part of the case.
- The competent service that detected a suspicion of fraud informs the General Secretariat Against Corruption (AFCOS).
- AFCOS in turn promotes the case to the competent audit or judicial authorities, as the case may be.
- For each suspected fraud case that has been forwarded to the relevant national investigation authorities for further action, AFCOS monitors its development and promotes all relevant decisions of these national authorities to the competent Managing Authority, Certifying Authority, Audit Authority etc.
- In addition, the MA or IB (intermediate body) considers whether there should be an impact on the relevant Act of the OP it manages (eg financial corrections if they could not have preceded the investigation of fraud, recall, etc.) and applies them, by activating the where appropriate.



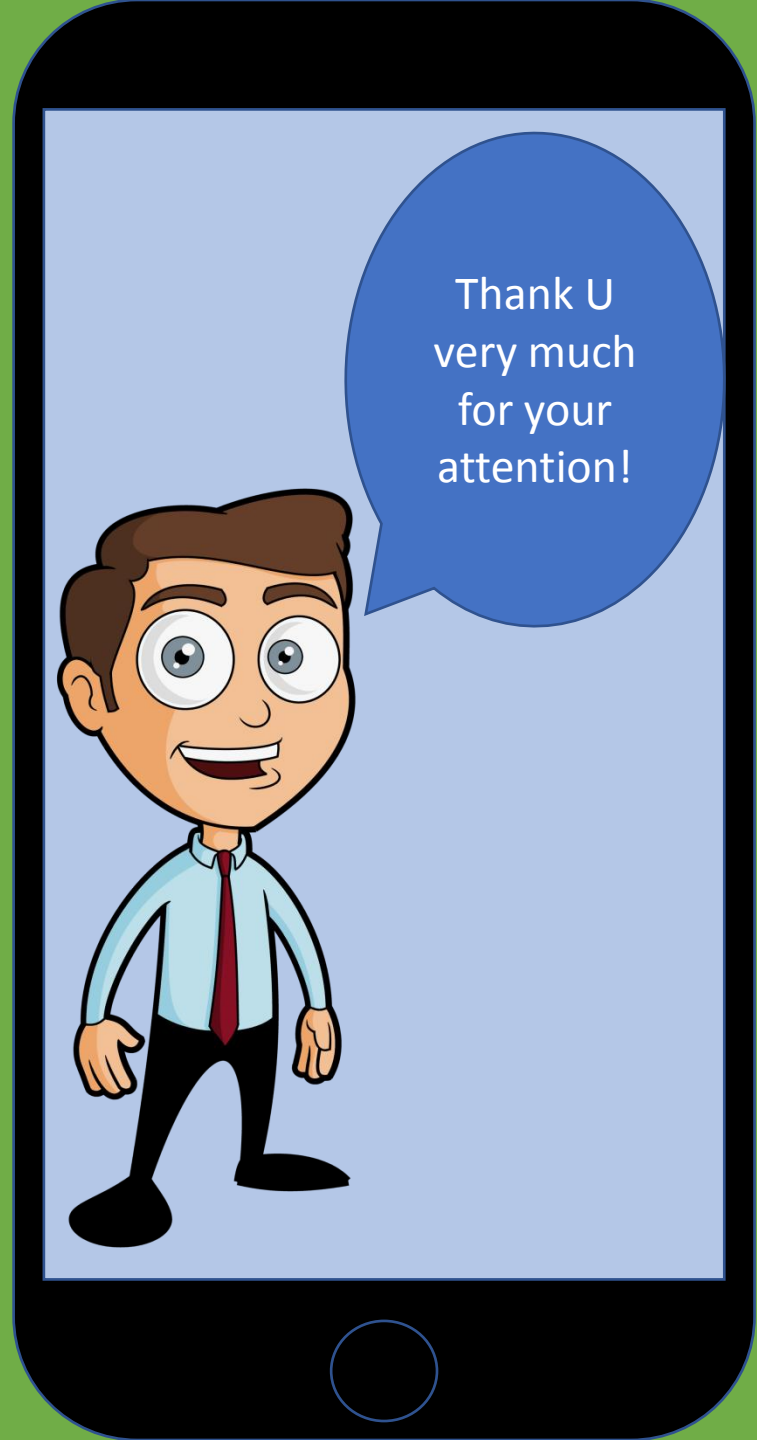
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Greece:

Anti-Corruption Campaign

<https://www.youtube.com/watch?v=cttU9gQ2E5k>





Thank U
very much
for your
attention!