

GREEK REPUBLIC

MINISTRY OF ECONOMIC AFFAIRS AND  
DEVELOPMENT

GENERAL SECRETARIAT FOR PUBLIC INVESTMENT  
AND THE NATIONAL STRATEGIC REFERENCE  
FRAMEWORK

NATIONAL COORDINATION AUTHORITY  
SPECIAL SERVICE FOR INSTITUTIONAL SUPPORT

## **THE GREEK NATIONAL ANTI-FRAUD STRATEGY FOR STRUCTURAL ACTIONS**

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**Review - Update of information**

**March 2017**

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## Introduction

The Greek Anti-fraud Strategy for Structural Actions was prepared and submitted to the European Anti-Fraud Office (OLAF) in 2014. There is a detailed action plan in place, which is an integral part of the strategy, including specific actions, functions, schedules and achievement indicators. The strategy was to remain in force for two years.

This text reviews the strategy and updates specific parts of it. The text is structured as follows:

1. Background
  - 1.1 Methodology for developing the initial strategy - action plan
  - 1.2 Overview of the strategy
2. Overall review of the implementation of the anti-fraud strategy - action plan for structural actions
  - 2.1 Important legislative and organisational changes
  - 2.2 Implementation of the action plan
3. Specification of the parts to be updated
4. The updated Anti-fraud Strategy for Structural Actions

The General Secretariat for Public Investment and the National Strategic Reference Framework (NSRF, 'ESPA') (GGDE & ESPA) of the Ministry of Economy and Development, through the Special Service for Institutional Support (EYTHY), is responsible for developing the sectoral anti-fraud strategy for structural actions. GGDE & ESPA plays a pivotal role in structural actions at national level, as its functions include the following:

- ✓ ensuring the objectives of the National Strategic Reference Framework (ESPA);
- ✓ designing the management and control systems for structural actions;
- ✓ monitoring the sound management and maximum utilisation of Community resources;
- ✓ monitoring compliance with commitments to the European Union;
- ✓ monitoring and ensuring compliance with the principles of legality and regularity, as well as the proper application of Union and national law in the investment sector.

The anti-fraud action plan for structural actions was drawn up in cooperation with national authorities/bodies, chiefly the Financial Audit Committee (EDEL), the Financial Crime Unit (SDOE) and the Secretariat-General for Combating Corruption (GEGKAD) of the Ministry of Justice, Transparency and Human Rights, which has been designated as the Anti-Fraud Coordination Service at national level (the Greek AFCOS).

The anti-fraud action plan for structural actions is updated systematically by the EYTHY/GGDE & ESPA to reflect the progress made on each action and is, upon request, provided to the competent Commission services and Task Force Greece. Such systematic updating facilitates cooperation. It ensures that the plan is constantly monitored/reviewed and that the actions included serve the strategy objectives and are implemented according to schedule.

Summary data on the progress made in implementing these actions are also recorded in the questionnaire completed in application of Article 325 TFEU by GGDE & ESPA for the field of cohesion policy and sent to GEGKAD (the Greek AFCOS) for submission to OLAF.

## 1. Background

### 1.1 Methodology for developing the initial strategy - action plan

The Greek Anti-fraud Strategy for Structural Actions was drawn up in 2014 by the General Secretariat for Public Investment and the ESPA (GGDE & ESPA) of the Ministry of the Economy and Development, through the Special Service for Institutional Support (EYTHY), which reports to the National Coordination Authority.

Drawing up and implementing a national anti-fraud strategy for structural actions was a priority because:

- ✓ preventing and combating fraud is at the very core of the Commission's policies for protecting the Union's financial interests, as clearly shown by the regulations relating to the new programming period, and therefore it was necessary to include it in the 2014-2020 ESPA management and control system (MCS);
- ✓ GGDE & ESPA feels that combating fraud is crucial for ensuring the objectives of the ESPA and the sound management and maximum utilisation of Union resources;
- ✓ drawing up and implementing an anti-fraud strategy for the Structural Funds (ERDF, ESF) and the Cohesion Fund had been included as a specific objective in the 2014 support programme for Greece and had been achieved.

The strategy was formally submitted to the European Anti-Fraud Office (OLAF) by GGDE & ESPA on 5 May 2014 and was accepted in August 2014.

The planning and development of the initial strategy and the drafting of the action plan were based on collecting and considering a set of information and data, as well as utilising all necessary collaborations. Specifically, the following were considered:

- the EU's joint anti-fraud strategy for structural actions;
- the Commission's guidelines for authorities/bodies applying the new requirements laid down in Regulation (EU) No 1303/2013 on addressing fraud issues (Guidance Note on Fraud Risk Assessment and Effective and Proportionate Anti-Fraud Measures (EGESIF 14-0021-00, 16/06/2014));
- the national anti-corruption strategic plan;
- the anti-corruption mechanisms and actions implemented in the 2007-2013 programming period, both at structural action level and national level;
- the points identified which needed addressing and/or improving;
- using the fraud risk assessment tool (Annex 1 to document ref. EGESIF 14-0021-00, 16/06/2014), which was implemented as a means of reviewing the 2007-2013 ESPA management and control system and was utilised to incorporate and/or adapt procedures and measures for the new 2014-2020 ESPA management and control system, to prevent, detect and respond to fraud cases;
- the guidelines from the European Anti-Fraud Office (OLAF);
- the contribution from the Task Force Greece experts;

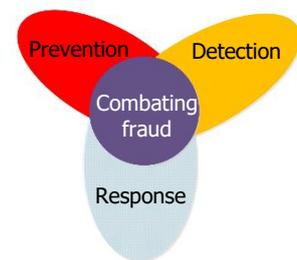
- the contribution from the national competent authorities, namely the Financial Audit Committee (EDEL), the Greek AFCOS and the Financial and Economic Crime Unit (SDOE), which provided expertise, texts/data and proposals for action;
- the cooperation between the EYTHY and other special services of the National Coordination Authority and the special service of the certification authority, which report to the GGDE & ESPA;
- the authorities responsible for the ISO standard management systems.

By considering and utilising all the above data, it was possible to:

- ✓ determine the strategy's purpose and axes;
- ✓ plan an anti-fraud management system, which is the basis for developing and implementing the overall strategy (Deming cycle);
- ✓ determine the strategy's objectives;
- ✓ draw up a detailed action plan translating these objectives into operational activities/actions.

## 1.2 Overview of the strategy

The anti-fraud strategy for structural actions developed along three key axes, namely prevention, detection and response, all of them complementary to each other and ensuring ongoing improvement.

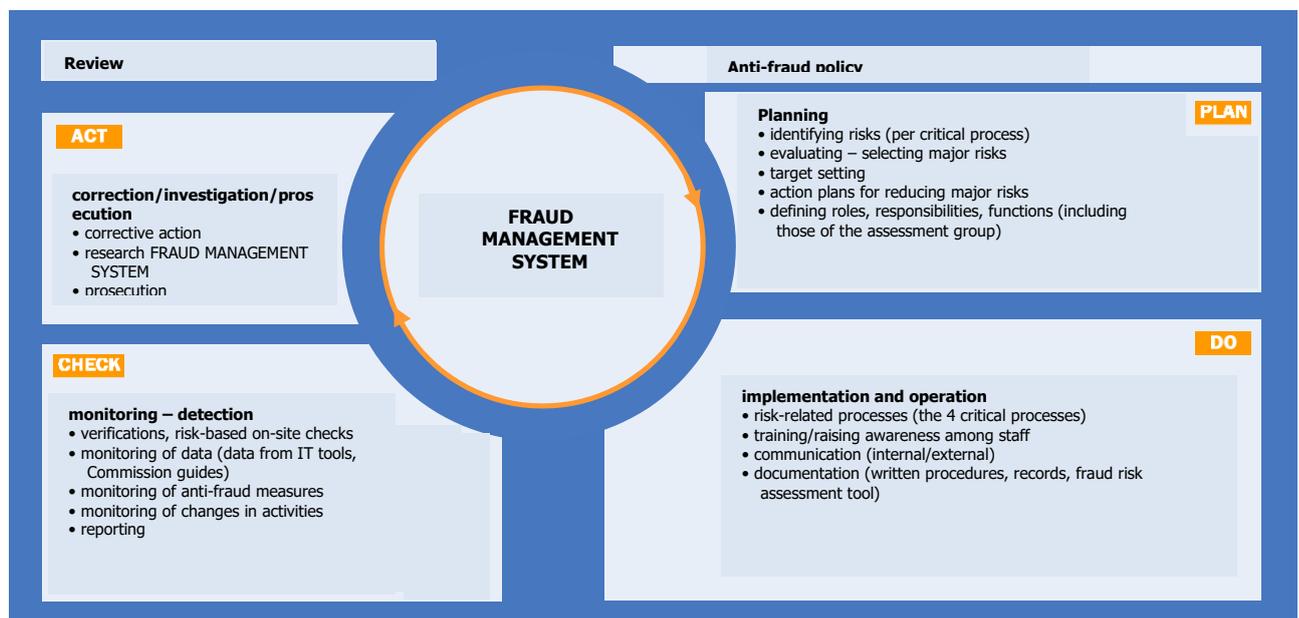
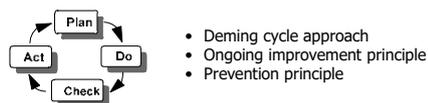


The following are the aims of the strategy:

1. *Promotion and establishment of an ethical culture.* An 'ethic of responsibility' and the enhancement of the professional standards of the staff involved in the management and implementation of co-financed programmes by establishing and maintaining high standards and rules of conduct contribute towards the prevention and deterrence of fraud.
2. *Effective cooperation among the national competent authorities.* Improved cooperation and coordination between all stakeholders within the country, both the competent bodies entrusted with the management and control of co-financed programmes and the institutions involved in the detection and prevention of fraud, is a prerequisite for, and will contribute significantly towards, the effective implementation of the strategy.
3. *Effective cooperation with relevant external bodies.* Good cooperation with and correct and timely notification of the European Commission, especially OLAF, and the exchange of information and practices between the competent EU and Greek authorities are also a prerequisite for preventing and combating fraud.
4. *Increased transparency.* The information available to all stakeholders on the use of resources from the Structural Funds and the Cohesion Fund as well as the capabilities offered by modern information systems have made it possible to check and analyse data that are important for preventing, detecting and combating fraud.

5. *Adaptation and/or incorporation of structures and procedures for the 2014-2020 programming period management and control system, to ensure the prevention, detection and proper and timely response to fraud.*

The ultimate objective is to implement the anti-fraud management system on which the overall strategy is based. The system has been structured/modelled in accordance with the Deming cycle and is based on the principles of prevention and ongoing improvement, as it functions as a constant 'plan-act-check-do' cycle (Figure 1).



**Figure 1: Systemic approach to preventing and combatting fraud in structural actions (Greece)**

The individual elements of the cycle were detailed in the initial strategy text and were considered in drawing up and implementing the action plan.

The action plan includes a set of activities/actions for each objective, and the following information is provided for each action:

- its description;
- its connection/correlation with the individual elements of the anti-fraud management system on which the strategy is based;
- the authority/body responsible for implementing the action;
- the relevant implementation timeframe;
- the target groups;
- the indicators to be achieved.

These actions relate both to legislative interventions and organisational and operational measures, for which the GGDE & ESPA and its services, the Managing Authorities, EDEL and other national bodies such as SDOE and AFCOS were appointed as competent implementing authorities.

Please note that most of the actions included in the plan were directly associated with strengthening the management and control system of the 2014-2020 ESPA operational programmes (OPs), this system being the backbone of the management and implementation of structural actions.

## **2. Overall review of the implementation of the anti-fraud strategy - action plan for structural actions**

This chapter provides an overall review of the implementation of the anti-fraud strategy - action plan for structural actions since May 2014.

The review focuses on:

- the most important legislative and organisational changes made in the above period, which contributed towards the timely and proper implementation of the strategy; and the implementation of the action plan (level of implementation, achievement of objectives, observance of schedules).
- The result of this review also identifies the elements of the strategy – action plan which are updated.

### **2.1 Important legislative and organisational changes**

#### **☐ *Adoption of Law 4314/2014 (Part I) concerning the 2014-2020 ESPA***

Part I of Law 4314/2014 (Government Gazette, Series I, No 265/23.12.2014), which was adopted in December 2014, established rules on the management, control and implementation of development interventions for the 2014-2020 programming period and specified the framework for the MCS of the 2014-2020 ESPA OPs.

This Law includes specific anti-fraud provisions for structural actions, which incorporate the corresponding new requirements laid down in the EU regulatory framework.

In accordance with Article 52 of the Law, the Special Service of Institutional Support (EYTHY) is responsible for developing the national anti-fraud strategy for structural actions, its primary function being the planning and monitoring of the management and control system. The EYTHY reports to the National Coordination Authority of the General Secretariat for Public Investment and the ESPA (GGDE & ESPA). The action plan, which sets out more detailed provisions on the strategy, is implemented by the EYTHY/GGDE & ESPA in cooperation with the General Secretariat Against Corruption (GEGKAD), the latter being designated as the Greek AFCOS, as the plan must comply with the national anti-corruption strategic plan.

The same article provides for:

- The creation of an internal cooperation network between the services involved in the management of structural actions, coordinated by the EYTHY.

- The setup of a group at each managing authority appointed to carry out fraud risk assessment, propose and implement any corrective measures and report on the assessment results to the above internal network.
- The creation and implementation, in full cooperation with GEGKAD (the Greek AFCOS), of a mechanism for receiving and examining complaints concerning the co-financed projects of the 2014-2020 programming period.

Certain provisions were also included in Articles 37 and 38 concerning: (a) job rotation following a study, (b) the obligation to submit a declaration of assets, and (c) the obligation to submit a 'no conflict of interest' declaration for staff engaged evaluating operations and verifying operations and payments under the 2014-2020 ESPA Operational Programmes.

All these provisions laid down in Law 4314/2014 were included in the anti-fraud action plan for structural actions, in the form of specific actions, and have contributed towards the timely and proper implementation of the strategy.

□ *Designation of the Greek AFCOS*

The Anti-Fraud Coordination Service was designated at national level in 2014, in accordance with Article 325 TFEU, within the meaning of Article 3(4) of Regulation (EU, EURATOM) No 883/2013.

Initially, the National Anti-Corruption Coordinator was designated as the Greek AFCOS, in accordance with Article 69 of 4316/24-12-2014. By virtue of Law 4320/2015 (Government Gazette, Series I, No 29/19.3.2015), the provision creating the post of National Anti-Corruption Coordinator was repealed, and the General Secretariat Against Corruption (GEGKAD) was established under the competent Minister for Justice, Transparency and Human Rights. By virtue of Law 4320/2015, as supplemented/amended by Law 4446/2016 (Government Gazette, Series I, No 240/22.12.2016), GEGKAD has been granted significant powers to ensure the coherence and effectiveness of the national anti-corruption strategy and was designated as the Greek AFCOS responsible for anti-fraud coordination.

*Inter alia*, GEGKAD is responsible for:

- coordinating the action with the operational plan of the Financial Police, the Financial and Economic Crime Unit (SDOE), the internal audit services of the different ministries, the Healthcare and Welfare Services Inspectorate (SEYYP);
- the anti-corruption strategic plan;
- in its capacity as AFCOS, it:
  - coordinates the competent anti-fraud national authorities/bodies;
  - works together with the competent EU bodies, OLAF in particular;
  - submits the questionnaire in application of Article 325 TFEU;
  - receives complaints on cases relating to co-financed, transnational and other programmes;
- resolves conflicts and issues relating to overlapping functions across different services or bodies involved in combating corruption and fraud.

These developments were very important for implementing the anti-fraud strategy – action plan for structural actions, primarily those actions that were included in objectives 2 and 3, as well as those included in objective 5 of the strategy.

□ *Planning and implementation of the management and control system (MCS) for the structural actions of the 2014-2020 programming period*

The most important organisational and operational changes related to completing the planning and starting the implementation of the MCS procedures for structural actions.

A new common MCS has been designed for the OPs in the new 2014-2020 programming period, which are financed by the ERDF, the ESF and the Cohesion Fund as part of the 'Investment for growth and jobs' (IGJ) objective.

The system was submitted to the Audit Authority (EDEL), which issued a report and an opinion on 6 November 2015 in accordance with the designation procedure set out in Article 124 of Regulation (EU) No 1303/2013.

The structure of this system includes the authorities/bodies responsible for management, certification and audit, in accordance with the requirements laid down in Regulation (EU) No 1303/2013. These are defined in Part I of Law 4314/2014 and are as follows:

- The *Managing Authorities (MAs)*, responsible for the management of OPs. Eighteen (18) MAs have been designated under this MCS, one for each OP. The MAs of all sectoral OPs (5 in total) are special services reporting to the Ministry of the Economy and Development.  
The MAs of the regional OPs (13 in total, one to manage each regional OP) are special services reporting to the head of the region concerned.
- The *certification authority (CA)*, responsible for certification. The 'Special Service Certification and Verification Authority of Co-Financed Programmes', reporting to the Ministry of the Economy and Development, was designated as CA. Under this MCS, the CA is the same for all 18 OPs.
- The *Audit Authority (AA)*, responsible for verifying that the MCS functions well. The Financial Audit Committee (EDEL) of the Ministry of Finance, was designated as Audit Authority. Under this MCS, the Audit Authority is the same for all 18 OPs.
- The *intermediate bodies (IBs)*, which may be assigned the management of part of an OP or specific duties of the managing authority under the responsibility of the latter.

The National Coordination Authority (*NCA*) was also designated, which is the implementing body responsible for coordinating the 2014-2020 ESPA at national level and liaising with the Commission. It reports to the GGDE & ESPA.

The bodies designated as part of the MCS apply specific procedures to ensure the sound financial management of 2014-2020 ESPA funds. These procedures are accompanied by standard publications and guides.

All these documents constitute the '*MCS Procedures Manual*', which is provided to, and must be complied with by, all authorities/bodies.

The '*MCS Procedures Manual*' includes procedures and measures for preventing and combating fraud, which aim to clarify operational flows, mechanisms and functions, thus contributing towards achieving objectives 5 and 3 of the strategy. More specifically, the manual includes:

- ✓ Procedure '*DVII\_1 Fraud risk assessment*', which is implemented using the Commission's fraud risk assessment tool (EGESIF 14-0021-00 (16/06/2014)). The procedure:
  - provides for a fraud risk assessment team to be set up and an anti-fraud officer to be designated for each MA, who must, in addition to their other responsibilities, represent the team in the anti-fraud strategy internal cooperation network;
  - specifies the start and frequency of the fraud risk assessment (the 1<sup>st</sup> assessment is carried out in March 2016 and then on an annual or biannual basis);
  - describes the steps taken in the assessment, which covers the critical MCS processes and results in proposals for measures to be taken;
  - provides that, during the assessment procedure, account should be taken of other data kept in related files, such as suspected fraud reports, in addition to data already defined by the tool;
  - provides that, should a decision be made to take to for prevent and combat fraud, the person responsible for implementing them and the implementation schedule should be specified, and ensures that they are followed up on systematically.

The following are the standard printed forms for the procedure:

- the decision on the designation of the anti-fraud officer and the setup of the fraud risk assessment team;
  - the Commission's tool and the instructions on how to use it.
- ✓ Public procurement preventive checks procedures (*DII\_2, DII\_3 and DII\_4*), Verification procedures (*DII\_5, DII\_6, DII\_7, DII\_11*) and *Procedure D.III\_4: Inspection by the certification authority*, which ensures prevention, timely identification of failures and detection of irregularities, including those involving suspected fraud, and determines the required corrections/recoveries. A risk assessment methodology is used for on-site verification sampling. During the above procedures, the guidelines and instructions included in the Commission's documents on red flags and the detection of suspicious incidents are used to detect suspected fraud.
  - ✓ Procedure '*DVIII\_2: Examining and reporting suspected fraud*', which applies in cases of suspected fraud, namely when an irregularity believed to conceal intent is identified. This procedure, which is accompanied by a detailed flowchart, describes the steps to be taken by the MA to examine/investigate the case and substantiate the result, as well as the steps to be taken if the investigation detects suspected fraud, including primarily:
    - forwarding the case file to GEGKAD (Greek AFCOS), for the latter to forward it to the national competent (investigating or judicial) authorities;
    - reporting the suspected fraud to the Commission;
    - adopting preventive and corrective measures.

A standard form for Procedure *DVIII\_2* is *Guideline O.DVIII\_2\_1, which contains all definitions of irregularities and fraud issues*.

- ✓ Procedure *DVIII\_3: Receiving and examining complaints*, which is accompanied by a flowchart and clearly describes the mechanism designed for the management of complaints for structural actions (authorities/bodies involved, handling method and steps taken in each case, notification of the outcome in each case). GEGKAD (the Greek AFCOS) is the national competent authority for receiving and examining complaints for co-financed actions.

Please note that the role of GEGKAD (the Greek AFCOS) is pivotal in these two procedures (*DVIII\_2* and *DVIII\_3*), as GEGKAD ensures that the MCS bodies are informed of the findings of the national competent authorities in respect of the progress and outcome of the cases (follow-up), to ensure that they take corrective and preventive measures as appropriate.

- ✓ Procedure *DIII\_3 Reporting irregularities to the Commission* describes how and when irregularities and suspected fraud should be reported to the Commission by the MCS authorities/bodies (MA/ IB, CA, EDEL), in accordance with Article 122 of Regulation (EU) No 1303/2013 and Regulations (EU) 1970/2015 and (EU) 1974/2015. If suspected fraud is detected in structural actions by other national competent authorities/bodies, notification is made through GEGKAD (the Greek AFCOS). The information is sent through the Commission's Irregularity Management System (IMS). The Financial Audit Committee (EDEL) of the Ministry of Finance is the national competent body responsible for reporting irregularities and suspected fraud to the Commission.

The implementation of the MCS procedures is supported by the management information system (MIS), which is a core management tool for the 2014-2020 programming period, too, as well as a means of electronic data exchange between all the authorities/bodies involved (beneficiaries, MA/IB, CA, AA). The MIS is used to enter all the required data on the co-financed ESPA programmes and operations, as well as data on MCS procedures.

The following tools are also used for State aid in particular:

- The *State aid management information system (SAMIS)*, which is designed to manage the lifecycle of an operational plan, from submission to observance of long-term obligations.
- The *State aid cumulation system (SACS)*, which is used to enter all (national and co-financed) aid, to keep the cumulation limits under control in accordance with the rules on State aid.

## 2.2 Implementing the action plan

The initial action plan prepared in May 2014 — an integral part of the anti-fraud strategy for structural actions — included 38 actions/operations and, during its implementation, it was deemed appropriate to add another two actions to increase awareness (Actions 1.9 and 5.3.6). The actions included in the plan aim to achieve the strategy's objectives and cover the individual elements of the anti-fraud management system (Figure 1).

The authorities/bodies responsible for implementation implemented the plan immediately, to keep to the timeframes and individual indicators.

The action plan is being followed up systematically by the EYTHY/GGDE & ESPA updating the corresponding file with the progress made in each action. Entries are made in the file to indicate whether the action concerned is completed or still in progress, detailed information is provided to substantiate the implementation of the action, and additional observations/clarifications are recorded as appropriate.

This is followed by a short review of the implementation, in which the actions/ operations are grouped by type of intervention (legislative arrangements, collaborations, studies, MCS, training, etc.), and the numbering used to record the actions in the action plan is stated in all cases (Chapter 4).

## **2.2.1 Completed actions:**

### ***Legislative arrangements***

- ✓ Arrangements concerning the obligation to submit a declaration of assets (*Action 1.4*):
  - Article 222 of Part F of Law 4281/2014 added the following obligated persons, *in addition to the usual categories*: heads, deputy heads and heads of units of all special services and other bodies carrying out management, implementation, coordination and control duties and/or responsibilities within the co-financed actions.
  - Moreover, Law 4314/2014 (Article 38(4)) extends the obligation to submit a declaration of assets in accordance with the provisions of Law 4281/2014 to the staff serving in ESPA special services, the central service of the Management Organisation Unit of Development Programmes (MOD AE) and the intermediate bodies, who are involved in the evaluation of operations, verifications and payments.

This declaration must be submitted in accordance with the procedure established at national level by Law 4281/2014.

- ✓ The provision on the obligation to submit a 'no conflict of interest' declaration applies to the staff serving in ESPA special services, the central service of the Management Organisation Unit of Development Programmes (MOD AE) and the intermediate bodies, who are involved in the evaluation of operations, verifications and payments. Apart from the legislative provision (Article 38(5) of Law 4314/2014), a standard form was prepared for this declaration, which is included in the MCS of the 2014-2020 ESPA OPs (IGJ objective) and should be submitted to the central service of MOD AE in accordance with the relevant guidance provided by EYTHY (*Action 1.5*).
- ✓ Submission of 'no conflict' declarations by the members, audit teams and officials of the support services of EDEL, which must be kept at the secretariat of EDEL (*Action 1.7*).
- ✓ The introduction of a 'no conflict of interest' legislative arrangement for beneficiaries (as contracting authorities) - *Action 5.1.8* was completed in 2016, as there are relevant provisions included in Article 24 of the new Law 4412/2016 (Government Gazette, Series I, No 147/8.8.2016) for public works contracts, public supply contracts and public service contracts (transposing Directives 2014/24/EU and 2014/25/EU).
- ✓ The introduction of legislative arrangements at national level for protecting whistle-blowers (*Action 5.3.1*). The action was completed in 2014, as related provisions were included in Law 4254/2014 (Government Gazette, Series I, No 85) (Article one, paragraph 15(iii) to 15(xx)), as amended by Law 4258/2014 (Government Gazette, Series I, No 94) (Article 32). Please note that improvements to the legislative framework for the protection of whistle-blowers in the public interest, which needed to be made after 2015, were included as a distinct Action (No 28) in the national anti-corruption strategic plan which is being implemented by the General Secretariat Against Corruption (GEGKAD).

Therefore, the implementation of these improvements is being followed up on by GEGKAD.

- ✓ Creation of a register of financial auditors and EDEL auditors (*Part 1 of Action 5.1.9*). The register was drawn up in 2014 on the basis of Ministerial Decision No 2/95230/0004/24.10.2013 (Government Gazette, Series II, No 2730/25.10.2013).

#### ***Collaboration at national level:***

- ✓ In January 2014, a proposal was made at the initiative of GGDE & ESPA to set up a cooperation network for the national anti-fraud strategy for structural actions between the GGDE & ESPA, EDEL, SDOE, the National Anti-Corruption Coordinator and the General Inspector of Public Administration. The network was fully utilised to develop the strategy and draw up the action plan up until the designation of the AFCOS, through constructive meetings and the provision of texts and data (*Action 2.2*).

GEGKAD, upon being officially designated as the Greek AFCOS to coordinate the competent authorities/ bodies responsible for investigating and combatting fraud, and also on the basis of other responsibilities which it has been assigned (such as the coordination and operational planning of national control mechanisms), is setting up a new framework for collaboration and information exchange, the connection between administrative and judicial authorities, to combat fraud and work together at national level.

- ✓ There is ongoing cooperation between the GGDE & ESPA and GEGKAD (the Greek AFCOS) (*Action 2.4*). Such cooperation was particularly constructive in finalising critical issues in planning the MCS of the 2014-2020 ESPA OPs (IGJ objective) concerning the handling of suspected fraud and complaints for co-financed projects.

#### ***Studies:***

- ✓ Adapting the mapping of bodies responsible for combating corruption, to include those dealing with fraud (*Action 2.3*).
- ✓ The study on expropriations (*Action 4.2*).
- ✓ The study on developing a job rotation methodology in the 2014-2020 programming period (*Action 1.8*).

Pursuant to the legislative provision of Article 37(3) of Law 4314/2014 on the rotation of staff working in the evaluation of operations, the verification of operations and payments ('sensitive' positions), a study was carried out to describe the methodology for the rotation of staff in these 'sensitive' positions. The methodology considers the new staff allocation to the MAs and the CA in the context of designating the structures of the new MCS, the need to retain the know-how and experience acquired and other important parameters. Certain elements of the methodology were taken into account in preparing the draft ministerial decision on the overall mobility mechanism for staff working in the 2014-2020 ESPA services.

### ***Management and control system:***

Actions were implemented within the individual timeframes set, relating directly to the MCS of the 2014-2020 ESPA OPs, which are financed by the ERDF, the ESF and the Cohesion Fund under the 'Investment for growth and jobs' (IGJ) objective.

In particular:

In 2014, the Commission's fraud risk assessment tool was implemented on a trial basis (Annex 1 to document ref. EGESIF 14-0021-00, 16/06/2014) by the MA of the OP 'Competitiveness and entrepreneurship 2007-2013', which was utilised by EYTHY to determine the anti-fraud elements/measures that needed to be included in the new MCS of the 2014-2020 ESPA (*Actions 5.1.1 and 5.1.2*).

In the following phase, all the actions of the plan were implemented, which developed a coherent set of procedures and responsibilities for preventing, detecting and responding to fraud issues within the new MCS. These actions were:

- ✓ *Action 5.1.4*, consisting of the Managing Authorities drawing up a distinct *fraud risk assessment* procedure using the relevant tool (*see Chapter 2.1*).
- ✓ The setting up, in implementation of the above procedure, of the *fraud risk assessment team*, as well as the appointment of an *anti-fraud officer* at each MA. To that end, decisions were issued by the heads of the MAs using a standard document for setting up the team, designating the anti-fraud officer at each MA and specifying their functions (*Actions 5.1.4 and 5.1.5*).
- ✓ The immediate activation of the internal cooperation network for the national anti-fraud strategy for structural actions (Article 52 of Law 4314/2014). The anti-fraud officers of the 18 MAs participate in the network, along with the EYTHY, the latter acting as coordinator (*Action 2.1*).

The initial technical meeting of the network was held in Athens from 22 to 23 February 2016 and was attended by all anti-fraud officers of the MAs and a representative of the AA as observer.

Please note that, thanks to the internal network and the active participation of all anti-fraud officers of the MAs, the cooperation went on even after the technical meeting, to ensure that the 1<sup>st</sup> fraud risk assessment is carried out in a timely and proper manner.

As part of this cooperation and given that the 2014-2020 MCS Manual is the same for all 18 MAs, the network proceeded to adapt and optimise the Commission's tool by including all existing control measures introduced by Greece in the procedures laid down in the 2014-2020 MCS Manual which aim to contribute towards preventing and combating fraud for structural actions (*ex ante* controls of public contracts, verifications, etc.). The tool, as adapted, is a standard document in procedure '*DVIII\_1 Fraud risk assessment*' which must be used by the teams.

- ✓ The performance of the 1<sup>st</sup> fraud risk assessment by all by all MAs in March 2016 (as required by the procedure) and the submission of the results to the EYTHY (*Actions 5.1.4 and 2.1*).

- ✓ The drawing up of distinct procedures and corresponding flowcharts for *examining and reporting suspected fraud, receiving and examining complaints and reporting irregularities to the Commission*, providing a detailed description of the authorities/ bodies involved, the handling method and the actions carried out in each case, as well as notifying OLAF of suspected fraud involving structural actions (*see Chapter 2.1*). Through these procedures, it was possible to complete *Actions 5.2.1, 5.2.2, 5.3.2, 5.3.3, 5.3.4, 5.3.5, 3.1 and 3.2* of the action plan.

**Training Actions (1.6, 5.1.6, 5.1.7, 5.2.5 and 5.1.10):**

- ✓ A virtual classroom seminar entitled 'Preventing and combating fraud for structural actions' was conducted in March 2015, at all MAs. The staff attendance rate was very high (72%). The seminar was organised by the EYTHY in cooperation with MOD AE and covered the following topics:
  - context of requirements and introduction to key concepts/definitions;
  - anti-fraud strategy and system for structural actions;
  - introduction to the fraud risk management tool;
  - 'red flags'.

The training was videotaped and can be watched on the e-learning system of MOD AE by all the staff of the special services of the MCS of the 2014-2020 ESPA.

- ✓ At the 1<sup>st</sup> technical meeting of the internal network held in February 2016, which was attended by all anti-fraud officers of the MAs and a representative of the AA as observer, a presentation was made of the concepts, responsibilities and procedures of the new MCS for preventing, detecting and reporting fraud cases and handling complaints. The presentations were made by the EYTHY, in the form of interactive training, which was completed with multiple-choice questions which all attendees had to answer. Training was also provided on implementing the fraud risk assessment tool, to disseminate the information to the fraud risk assessment teams of the MAs and carry out the 1<sup>st</sup> evaluation.

- ✓ A similar seminar was also conducted in May 2016 for all the staff of the MA of the OP 'Human resources development, training and life-long learning'.  
The training was provided by the anti-fraud officers of the MA in cooperation with the EYTHY.

- ✓ As regards the training provided to EDEL's staff and the auditors registered in the corresponding register (*Action 5.1.10*): The training programme organised by the National Centre for Public Administration and Local Government (EKDDA) in cooperation with the General Directorate of Financial Audit (GDDE) includes a section entitled 'Participation of the Audit Authority in actions for preventing and combating fraud', covering the following topics:
  - distinguishing fraud from irregularities/ 'red flags';
  - auditors' obligations;
  - cooperation of the Audit Authority with other bodies.

Eleven (11) training seminars with the above content were conducted from September 2015 to June 2016. Training is provided in stages, depending on the schedule of the audit missions.

- An MCS training programme was planned by the EYTHY in December 2016 for beneficiaries, which provides targeted information/training on combating fraud (*Action 5.1.7*). The seminar is implemented through the National Centre for Public Administration and Local Government (EKDDA), and 6 training cycles have been scheduled for the 1<sup>st</sup> half of 2017.

The 1<sup>st</sup> cycle has already been implemented (13 to 17 February 2017).

Apart from the above initial training interventions, provision has been made under the action plan for training to be provided on a regular basis, depending on the needs of the different services involved in the management and control of the 2014-2020 ESPA.

### ***Increasing awareness:***

All actions for increasing awareness have been implemented, including in particular:

- ✓ The signing of an official anti-fraud policy declaration for structural actions by the Secretary-General for Public Investment & ESPA, the development of an electronic information and awareness brochure for preventing fraud, which was distributed to all Managing Authorities and posted on the websites of the ESPA and of the OPs (*Actions 1.1, 1.2 and 1.3*).
- ✓ Creation of a permanent distinct section on the official ESPA website and on the anti-fraud e-library as early as in 2014 (*Action 1.9*). These sections are used to post all related documents, such as the national strategy, the OLAF guides and the training material for conferences and seminars.
- ✓ Publication of the mechanism used to submit complaints for co-financed projects (*Action 5.3.6*). A specific banner was created in late 2015 on the website of the 2014-2020 ESPA and on the websites of the 2014-2020 OPs, to inform all the parties involved in structural actions and the general public that, if they wish to submit a complaint concerning co-financed projects, they should contact the General Secretariat Against Corruption (the Greek AFCOS).

Moreover, the original form used for the decision on State aid financing has already been included in the text intended to inform beneficiaries – investors about the submission of complaints concerning co-financed projects.

### ***Information systems:***

As regards information systems, the following have been completed:

- ✓ *Phases 1 and 2 of Action 5.1.3 'Technological and operating upgrade of the 2014-2020 MIS'*: The MIS, being the core information system for co-financed programmes/projects, has been adapted to the new programming period and has been put into productive operation since 2015 for the submission of a payment request (phase 1). The trial operation of the system was completed for verification and control procedures in the 2<sup>nd</sup> quarter of 2016 (Q2/2106).
- ✓ *Action 4.1 relating to the 'trial operation of the ARACHNE tool'*: The trial operation of the ARACHNE tool for the 2007-2013 programming period was first carried out in 2014. As the system was not fully developed and a limited amount of data were provided to the Commission for processing, the results obtained related only to a limited number of indicators. Therefore, the trial operation did not allow conclusions to be reached due to the limited operational use of the tool.

### 2.2.2 Actions in progress:

- *Phases 3 and 4 of Action 1.5.3 'Technological and operating upgrade of the 2014-2020 MIS'*. As referred to above, the MIS has been adapted to the new programming period since 2015. There are actions in progress for putting all the procedures relating to the management of operations into productive operation (phase 3, expected to be completed in Q2/2017). Moreover, actions have already started for the complete technological and operational upgrade, which aim to ensure the automation of all required procedures, completion of operational flows and document management, and e-signature support (phase 4, expected to be completed in Q4/2017). The procedures relating to the management of the OPs will also be completed in this phase.
- Part 2 of *Action 5.1.9* for creating/drawing up EDEL's register of experts.
- *Action 5.2.3 'Data monitoring and processing for suspected fraud by means of information tools'*. The information systems (MIS, SAMIS, SACS) are fully utilised to mine and check data on the programmes, operations and procedure monitoring. For example, the sampling for scheduling on-site verifications takes into account a risk assessment of the operations/beneficiaries which is based on data drawn from the MIS and on a value assigned to risk factors/indicators (e.g. beneficiaries implementing a number of projects simultaneously, amendments, financial corrections, etc.). In upgrading the information systems, consideration is given to mining other data too, which could help detect fraud.
- *Action 5.2.4* relating to *'Technical adjustments for enabling SDOE and AFCOS to access the special databases for structural actions (such as the MIS)'*. The AFCOS has already been granted access to the MIS (December 2016). SDOE is expected to be granted access to data relating to structural actions in 2017.
- *Action 5.2.6* relating to training seminars at the services involved in the management and control of structural actions on the control techniques used by SDOE. The action is scheduled for implementation from December 2017 to the end of Q1/2018.

### 2.2.3 Conclusions

The review of the anti-fraud action plan for structural actions has shown that the plan has been implemented almost entirely and complies with all the individual elements of the anti-fraud management system cycle, and is thus in full harmony with the strategy's objectives.

Almost all its actions were completed and the individual indicators were attained. As regards the actions in progress, there is a certain deviation from the initial schedule, but the required steps have already been taken.

Please note that the progress made in implementing the plan was positively commented on by Task Force Greece and the Commission's services in the technical meetings held to that effect. The latest meeting was held in March 2016 and, according to its conclusions, the plan had been successfully implemented by GGDE & ESPA.

### **3. Specifying the parts to be updated**

Based on the above review and analysis, the only update required for the national anti-fraud strategy for structural actions is an updated schedule for the completion of actions in progress.

### **4. The updated Anti-fraud Action Plan for Structural actions**

The updated anti-fraud action plan for structural actions includes all the actions/operations and the progress made since 2014, to provide a complete picture of the implementation and achievement of the strategy (attached Excel file). The updated data are shown on a blue background.

The follow-up on the action plan will be continued up until completion of the actions whose schedules were amended.

As the *anti-fraud management system*, which is an ongoing follow-up, prevention and improvement model (*Figure 1*), has been fully integrated into the MCS of the 2014-2020 ESPA OPs (IGJ objective), preventing and combating fraud will be ensured systematically from now on by:

- ✓ implementing the MCS procedures throughout the new programming period;
- ✓ operating the internal cooperation network for the national anti-fraud strategy for structural actions;
  
- ✓ sustaining the awareness and training actions for the bodies involved, gradually expanding the training provided to the public;
- ✓ sustaining the constructive cooperation with the national competent bodies and the Commission's services to combat fraud.

The planning and processing of any new measures will be carried out using procedure '*DVIII\_1 Fraud risk assessment*', which is applied systematically by all Managing Authorities:

any measures proposed will be shown in the fraud risk assessment tool and the EYTHY will be notified, which will examine them to find out whether there is any need to adapt them to MCS procedures or issue additional guidance or proposals at national level (*ongoing prevention and system improvement*).