



Clean Sky 2 Joint Undertaking

Roles and responsibilities in the Clean Sky 2 JU in combatting fraud

Internal Guidance

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1. Introduction

This internal guidance describes the roles and responsibilities assigned to different actors in the Clean Sky 2 JU for preventing and detecting fraud in the various stages of the management of grants.

As part of the JU's fraud risk management, antifraud measures have been defined and are carried out in line with the Research Antifraud Strategy of DG R&I and the specific CS2 JU Antifraud Strategy.

The CS2 Financial Rules refer to the principle of Sound Financial Management, which requests the JU to “reducing the risk of fraud and irregularities by building preventive and detective measures in the internal control system whilst following the principles of economy, effectiveness and efficiency”.

2. Antifraud activities and processes in the JU

2.1 Fraud risk assessment

Under the lead of the Antifraud correspondent (AFC), the JU performs a dedicated fraud risk assessment as input to the global JU risk assessment, which is updated at least twice a year. Each JU manager evaluates the potential fraud risks in his/her area of responsibility and provides the results of this assessment to the AFC as input for the global JU risk register.

Mitigating actions are summarised in an action plan, which is monitored by the AFC. The status of the mitigating actions is considered in the assessment of the Internal Control System done by the JU's Internal Control Coordinator for the annual assurance process.

2.2 Joint activities with the CIC

The Common Implementation Centre of DG R&I maintains the Committee for Fraud and Irregularity in Research (FAIR), in which the AFC of CS2 JU is a member. The FAIR committee monitors the implementation of the Research Antifraud Strategy for the entire research sector, in particular the related action plan. The AFC coordinates the implementation of the actions assigned to CS2 JU, e.g. the awareness raising actions for JU staff and for beneficiaries.

Furthermore, the FAIR committee is a forum for exchange of information and coordination on specific irregularities and fraud cases within the Research family. The AFC of CS2 JU participates in the FAIR meetings and presents fraud issues or OLAF related matters of interest to the entire Research family in this platform.

2.3 Cooperation with OLAF

The Antifraud Correspondent of CS2 JU covers at the same time also the function of the OLAF Correspondent (OC). In analogy to the Guidelines on the tasks and responsibilities of the OLAF correspondents of the Commission Services and the Executive Agencies, the CS2 JU OC is the main reference for:

- reporting potential fraud to OLAF
- supporting OLAF on investigative matters
- following up on OLAF recommendations
- cooperating on fraud prevention

For these activities, the OC will identify and involve the staff who is best equipped to engage on the respective subject matters.

2.4 Fraud prevention and detection

Certain tools and systems support the JU Staff (POs and FOs) to prevent and detect fraud by indicating potential fraud risks for the individual beneficiaries, e.g. stemming from OLAF investigations, EDES notifications, audits, results of plagiarism and double funding checks). These tools and systems are described in the following:

- **Early Detection and Exclusion System (EDES)** = Database to circulate and obtain restricted information on risky and excluded entities among EU services (corporate flags not only related to fraud)

The JU has nominated a Financial Officer as EDES correspondent, who is supported where necessary in legal questions by the Legal team of the JU. The EDES correspondent is provided with information related to potential or proven fraud cases by the AFC. The EDES correspondent clarifies for the individual cases the options for registering entities for early detection or exclusion. The decision on the action to be taken in EDES lies under the responsibility of the HAF.

- **Compass Risk Management Module** (including Reinforced Monitoring) = Module for assessing risks related to projects and/or beneficiaries (not only related to fraud)

At all stages of the grant lifecycle, but in particular during the Grant preparation phase, POs, FOs and LOs perform the checks according to the Guidance Note of the CIC on Quick checks to detect fraud risks.

The following red flags are considered to indicate an enhanced risk for irregularities or fraud:

- inconsistencies or conflicting information in the documents or additional explanations provided by the beneficiary that raise the attention
- beneficiary's operational capacity (*e.g. re: the availability of qualified persons involved*)
- beneficiary's financial capacity
- quality of the beneficiary's technical performance (*e.g. weak deliverables; similarity index, plagiarism/DF suspicion*)

- allegations of irregularities about the beneficiary communicated e.g. by a whistle blower
- fraud related audit findings

In these cases, checks are performed by the following actors, depending on the area:

Area	JU actor
Entity (applicant or participant)	LO
Personnel (proposed/involved in project)	PO
Recurrence of participation (of entity) ¹	FO
Plagiarism/Double-funding (indicated or not by tools)	PO
Amendment requests	PO/LO
Fraud related audit findings	FO

The above “quick checks” should not be performed systematically, nor done as a standardised additional layer of assurance. Only in cases highlighted through red flags, the use of additional checks should be performed, following a strict need-to-act and cost-benefit approach.

If the results of the **standard checks for Double funding and Plagiarism**, automatically performed by the ARIS/SIMBA tool in SYGMA/COMPASS in the GAP phase or individually initiated during the entire lifetime of the project, indicate a high similarity risk, **reinforced Monitoring measures** may be established in the risk management module.

▪ **Specific tools for detecting Double funding and Plagiarism (ARIS/SIMBA)**

The checks for plagiarism or double funding are supported by the ARIS/SIMBA tool in SYGMA/COMPASS, which systematically checks for similarities between projects that are in the eGrants database. The application generates information for the double funding consultation. It also checks similarities between all deliverables and periodic reports that are in the eGrants database for detecting potential plagiarism. Hence, no manual consultations of double funding and plagiarisms are required.

In case of serious suspicions regarding double funding or plagiarism leading to reinforced monitoring measures or a rejection of the proposal, the AFC is kept informed on a timely basis.

The Guidance on Double funding and plagiarism checks describes precisely the processes following the similarity check by ARIS/Simba, which are applied by the JU in analogy, including several options for different levels of similarity.

At grant preparation phase, the following related tasks may be performed depending on the level of similarity and the information obtained:

¹ How many participations in EU programmes is the beneficiary already involved (*consult the LFV report available in SYGMA*)?

- analysis of ARIS search results, contacting the applicants, obtaining expert opinions: Project Officer (PO)
- decision about reinforced monitoring: PO together with project responsible Authorising Officer (RAO)
- decision about proposal rejection (exceptional): PO together with project RAO and Legal team/CLSS (consultation mandatory)

During the REPA process, POs and FOs may include in the risk-based validation for the individual projects, a similarity check based on an ARIS report on their own initiative.

The following related tasks may be performed:

- For each deliverable and Periodic report submitted, the PO can launch a similarity report on demand.
- analysis of SIMBA search results (PO)
- decision about reinforced monitoring: PO together with project RAO or FO/GAPCo, if financial risk, together with the RAO

▪ **Forensic audits**

In case of suspicion of irregularities or fraud, which are not supported by sufficient evidence for an investigation of OLAF, the AFC of the JU proposes a forensic or risk based audit to be carried out by the CAS. In case the CAS rejects the audit, a risk-based audit following the standard audit scope will be requested. Depending on the confidentiality of the information, the AFC and the Ex-post Audit Officer will provide the appropriate information to the auditors.

2.5 Awareness raising in the JU and with external actors

The JU carries out awareness raising events for staff through mandatory trainings and workshops. The trainings are organised by the HR office of the JU with support of the AFC.

Information on the JU's fraud risks and antifraud measures is provided to all newcomers (including Interim staff) within the "Welcome pack" established by the HR office.

Likewise, information is provided to participants to raise awareness about the anti-fraud related measures that the Commission and the JU are performing. Regular opportunities to be used by the JU for these communications are for instance

- the annual Financial Workshops under the lead of the Financial Unit

- the Programme Coordination Committee (PCC) meetings under the lead of the Programmes unit (updates twice per year)
- the Kick-off Meetings for new participants under the lead of the Programmes Unit or during Info days

3. Allocation of tasks, roles and responsibilities in the JU

Each staff in the JU is responsible for detecting and preventing fraud in the area of his or her activity and responsibility, based on information available in the tools used to implement the Grants and any other information brought to his/her attention.

The Antifraud Correspondent is the contact point for all fraud related activities and processes. In order to ensure a proper information flow, four focal points on fraud are established at the level of the JU's units, who are monitoring the fraud risks in their specific area and channel the information on fraud related matters to the AFC. These focal points are established in the Legal team (including procurement), Programmes Unit, Finance Unit and in the HR office.

Meetings between the antifraud focal points and the AFC take place regularly and on specific request for dedicated subject matters.

4. Description of specific processes

4.1 Whistle blowing by JU staff

Staff, who become aware of any serious wrongdoing, depending on who is involved, should report it in writing and without delay to their immediate superior, to the AFC or to the CS Executive Director.

If staff considers it useful, the Chair of the CS2 Governing Board or external bodies like OLAF could be involved.

The process of whistle blowing, including the rights and obligations of all actors, is described in the Whistle blowing Guidelines of the JU.

Upon receipt of the information reported, the JU must give the Whistle blower within 60 days an indication of the period considered necessary to take the appropriate action. The same deadline applies to OLAF, but this is not under the control of the JU.

If neither the Clean Sky JU nor OLAF has taken appropriate action, the Whistle blower has the right to bring his/her concerns to the attention of the President of the Commission, the Council, the EP or the Court of Auditors or the Ombudsman.

4.2 Whistle blowing by external actors

Serious wrongdoing reported by Whistle blowers from outside the JU, e.g. by staff of beneficiaries, or by coordinators, may address their concerns to any contact point in the JU, in particular to the AFC (Internal Audit Officer). Staff being contacted by a Whistle blower immediately inform the AFC, who will take actions to clarify the substance of the reported information, involving the staff who is best equipped to engage on the respective subject matters.

Depending on the available evidence, the Whistle blower will be advised to address his/her reporting directly to OLAF, in the Fraud Notification System (FNS). In case the evidence provided on the potential wrongdoing is sufficiently robust and if the Whistle blower does not wish to take actions with OLAF him/herself, the JU will prepare for launching an investigation of OLAF.

Alternatively, if OLAF considers the evidence insufficient for an investigation, a forensic audit could be asked from the CAS or a standard ex-post audit will be requested from the CAS.

As mentioned above in Chapter 2.4, the information provided by a Whistle blower needs to be assessed and reflected in the risk management module of Sygma/Compass, always ensuring the confidentiality of the information and the protection of the Whistle Blower.

4.3 Requesting OLAF investigation

In case of robust evidence for potential irregularities or fraud occurring in any of the activities of the JU, the concerned units provide all available information to the AFC, who coordinates the further steps. The decision on launching a request for an OLAF investigation is taken by the Executive Director, jointly advised by the Legal team and the AFC.

The AFC also informs the CAS on the requested investigations.

4.4 Monitoring of ongoing OLAF cases

The monitoring of ongoing OLAF cases is under the responsibility of the AFC. The JU maintains a register of all on-going legal and OLAF cases, which is accessible to a limited number of staff including the Executive Director of the JU. The register is updated by the Legal team and by the AFC

Any correspondence received by the JU from OLAF is forwarded to the ED and to the AFC, who decides then on the responsible unit and the actions to be performed.

4.5 Monitoring of OLAF recommendations

When OLAF investigations are finalised and reports have been issued, the AFC takes care of informing the concerned staff in the JU and coordinates the implementation of the results of the investigation, e.g. recommendations for recovering payments from beneficiaries, EDES notifications, Reinforced Monitoring measures. The AFC also informs the CAS on the outcome of the investigation.

4.6 Acronyms

AFC	Antifraud Correspondent
CIC	Common Implementation Centre
CLSS	Common Legal Support Service
FAIR	Committee for Fraud and Irregularity in Research
FO	Financial Officer
EDES	Early Detection and Exclusion System
GAP/Co	Grant Agreement for Partner Coordinator
GAP	Grant Agreement Preparation
LO	Legal Officer
OLAF	European Antifraud Office
PCC	Program Coordination Committee
PO	Project Officer
RAO	Responsible Authorising Officer
REPA	Reporting and Payment Workflow