



EuroHPC JOINT UNDERTAKING
DECISION OF THE GOVERNING BOARD OF EuroHPC JOINT
UNDERTAKING No 23/2026
Adopting the EuroHPC JU Anti-Fraud Strategy 2026-2028

THE GOVERNING BOARD OF EUROHPC JOINT UNDERTAKING,

Having regard to Council Regulation (EU) 2021/1173 of 13 July 2021 on establishing the European High Performance Computing Joint Undertaking and repealing Regulation (EU) 2018/1488, as last amended by Council Regulation (EU) 2026/150 of 16 January 2026 amending Regulation (EU) 2021/1173 on establishing the European High Performance Computing Joint Undertaking (hereinafter, “the JU Regulation”),

Having regard to the Statutes of the European High Performance Computing Joint Undertaking annexed to the Regulation (thereinafter "Statutes"), in particular to Article 7(3)(q) thereof,

Having regard to Decision of the Governing Board of the EuroHPC Joint Undertaking No 3/2020, approving the Financial Rules of the EuroHPC Joint Undertaking¹, in particular Articles 14(2)(d), 19(1), 23(1), 24(2), 26(2), 33(4)(e), 40 and 58 thereof,

Having regard to the Decision of the Governing Board of the EuroHPC Joint Undertaking No 38/2023 Adopting the EuroHPC JU Anti-Fraud Strategy 2023-2025,

WHEREAS

- (1) EuroHPC JU needs to implement appropriate controls and procedures to combat fraud in accordance with the applicable rules and the Anti-Fraud Strategies applied by the Commission and by the Common Research Family;
- (2) EuroHPC JU should align its Anti-Fraud Strategy with the other entities of the Research Family;
- (3) The Anti-Fraud Strategy 2026-2028 shall be adopted by the Governing Board,

HAS ADOPTED THIS DECISION:

¹ Readopted by Decision of the Governing Board of the EuroHPC Joint Undertaking No 17/2021, approving the re-adoption of Governing Board Decisions adopted under the framework of Regulation (EU) 2018/1488 and its updated Rules of Procedure in the view of Regulation (EU) 2021/1173

Article 1

The EuroHPC Joint Undertaking Anti-Fraud Strategy 2026-2028 annexed to this Decision is adopted.

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Luxembourg, on 22 May 2026

For the Governing Board

Rafal Duczmal

The Chair

Annex: EuroHPC Joint Undertaking Anti-Fraud Strategy 2026-2028.



EuroHPC Joint Undertaking

Anti-Fraud Strategy

2026-2028

This document provides practical guidance to help staff combat fraud and other illegal activities affecting the Union's financial interests, with a view to strengthening protection against criminal offences which affect those financial interests, in line with the *acquis* of the Union in this field.

References

Date	Document
18/12/1995	Council Regulation (EC, EURATOM) No 2988/95 on the protection of the European Communities financial interests
24/06/2011	COM(2011) 376 final - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions, and the Court of Auditors - Commission Anti-Fraud Strategy
19/07/2012	Joint Statement of the European Parliament, the Council of the EU and the European Commission on decentralised agencies - Common Approach
07/06/2016	Consolidated version of the Treaty on the European Union and the Treaty on the Functioning of the European Union
19/04/2017	Communication to the Commission from Commissioner Oettinger on the Revision of the Internal Control Framework, C(2017)2327
05/07/2017	Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (PIF Directive)
30/11/2018	Internal Control Framework of the Commission, Implementation Guide "2018 Edition", Version updated in November 2018
29/04/2019	COM(2019) 196 final – Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions, and the Court of Auditors - Commission Anti-Fraud Strategy: enhanced action to protect the EU budget
13/11/2019	Decision of the Governing Board of the EuroHPC JU No 36/2019 on EuroHPC JU Guidelines on Whistleblowing
20/02/2020	Decision of the Governing Board of the EuroHPC JU No 3/2020 Approving the Financial Rules of the EuroHPC JU
17/06/2020	Decision of the Governing Board of the EuroHPC JU No 13/2020 on the EuroHPC JU Internal Control Framework
17/06/2020	Decision of the Governing Board of the EuroHPC JU No 14/2020 Concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption, and any illegal activity detrimental to the Union's interests
17/06/2020	Decision of the Governing Board of the EuroHPC JU No 15/2020 on the accession of the European High Performance Computing Joint Undertaking (EuroHPC JU) to the Interinstitutional Agreement of 25 May 1999 between the European Parliament, the Council and the Commission concerning internal investigations by the European Anti-Fraud Office

06/04/2021	Decision of the Governing Board of the EuroHPC JU No 07/2021 Adopting the EuroHPC JU Anti-Fraud Strategy
13/07/2021	Council Regulation (EU) 2021/1173 of 13 July 2021 on establishing the European High Performance Computing Joint Undertaking and repealing Regulation (EU) 2018/1488
30/09/2021	Decision of the Governing Board of the EuroHPC JU No 17/2021 Approving the re-adoption of Governing Board Decisions adopted under the framework of Regulation (EU) 2018/1488 and its updated Rules of Procedure in the view of Regulation (EU) 2021/1173
15/10/2022	EU Grants – HE Ex ante anti-fraud checks – version 1.0
15/02/2024	EU Grants – Double funding & plagiarism checks – version 1.2
01/05/2024	OLAF - Methodology and guidance for the anti-fraud strategies of EU Decentralised Agencies and Joint Undertakings – Ares(2024)4040978
17/06/2024	Council Regulation (EU) 2024/1732 of 17 June 2024 amending Regulation (EU) 2021/1173 as regards a EuroHPC initiative for start-ups in order to boost European leadership in trustworthy artificial intelligence
15/07/2024	EU Grants – Implementation of OLAF findings – version 1.2
23/09/2024	Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

Purpose

The EuroHPC Joint Undertaking Anti-Fraud Strategy 2026 – 2028 provides practical guidance to staff to combat fraud in EuroHPC JU. This Strategy presents a roadmap for staff to help them implement an effective and efficient anti-fraud strategy within the JU. It also aims to raise awareness of anti-fraud principles, the methodology and the process cycle used to help detect fraud. It is based on the *acquis* of the EU, OLAF recommended methodologies and guidance and the ‘Common Anti-Fraud Strategy in the Research Family.’.

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1. Background

Fraud that affects the EU budget - both revenue and expenditure – causes EU funds to be diverted from their legitimate purposes, reduces the impact of EU actions and undermines the public trust in EU policies. EU citizens and taxpayers need guarantees that their contributions to the EU budget are spent in a sound and efficient manner and are protected from fraud.

1.1. Overall context

Under Articles 310, 317 and 325 of the Treaty on the Functioning of the European Union (TFEU), the EU institutions implementing the EU budget shall comply with sound financial management principles and shall counter fraud and any other illegal activities affecting the financial interests of the Union. Accordingly, under Article 36 of the EU Financial Regulation (FR)², EU institutions implement the EU budget in compliance with sound financial management principles applying effective and efficient internal control, which includes preventing, detecting, correcting³ and following up on fraud and other irregularities. Article 74(2) of the FR states the responsibility of the authorising officers for internal control and risk assessment.

Over time, the EU anti-fraud legal framework has developed and incorporated several new elements. The European Anti-Fraud Office (OLAF)⁴ was established in 1999 with the mandate to act as the leading Commission Service for developing effective EU anti-fraud policies. The European Commission's Anti-Fraud Strategy (CAFS) was first adopted in June 2011⁵. The current CAFS was amended in 2019 and focuses on protecting the EU's financial interests from fraud, corruption, and other intentional irregularities and on the risk of serious wrongdoing inside the EU's institutions and bodies. Every year, OLAF prepares the Annual Report on the Protection of the European Union's financial interests (PIF report).

The most recent developments in the EU law and policy on anti-fraud were: the establishment of the European Public Prosecutor's Office (EPPO)⁶, with the responsibility for investigating, prosecuting and bringing to judgment crimes against the financial interests of the EU, including several types of fraud; the adoption of the Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (PIF Directive) which defines the crimes that are considered crimes affecting the EU budget.

² Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union.

³ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

⁴ OLAF was set up as an investigative body fighting fraud, corruption, and other illegal activities detrimental to the EU's financial interests as well as serious misconduct within the European institutions. For more see: Decision 1999/352/EC, ECSC, Euratom of 28 April 1999 establishing the European Anti-Fraud Office (OLAF). OLAF's competences are ruled by Regulation (EU, Euratom) No 883/2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 and Council Regulation (Euratom) No 1074/1999.

⁵ COM(2011) 376 final of 24/06/2011, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee of the Regions and the Court of Auditors on the Commission Anti-Fraud Strategy.

⁶ Council Regulation (EU) 2017/1939 of 12 October 2017, implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office.

In 2019, the European Court of Auditors (ECA) published a special report on ‘Fighting fraud in EU spending: action needed’⁷.

With regard to decentralised agencies and other autonomous bodies, the Commission has developed the ‘Common Approach on EU decentralised agencies’ that requires agencies to actively prevent fraud and to better communicate on the measures in place⁸.

1.2. EuroHPC JU

EuroHPC JU is a legal and funding entity, created in 2018 and governed by means of the Council Regulation (EU) 2021/1173⁹. It is located in Luxembourg.

EuroHPC JU allows the European Union and EuroHPC JU participating countries to coordinate their efforts and pool their resources to make Europe a world leader in supercomputing. This will boost Europe's scientific excellence and industrial strength and support the digital transformation of its economy while ensuring its technological sovereignty.

The EuroHPC JU mission is to:

- develop, deploy, extend, and maintain in the Union a world-leading federated, secure, interoperable and hyper-connected supercomputing, quantum computing, service, and data infrastructure ecosystem;
- support the development and uptake of demand-oriented and user-driven innovative and competitive supercomputing systems and quantum technologies and systems and the development of a wide range of applications optimised for those systems; this shall be based as far as possible on a European supply chain in order to limit the risk of disruptions and dependencies and to reinforce the strategic autonomy and technological sovereignty of the Union, whilst ensuring use of the best components, technologies and knowledge;
- widen the use of that infrastructure ecosystem to a large number of public and private users and support the twin transition and the development of key skills for the European workforce in science and industry.
- develop, deploy, extend and maintain in the EU a world-leading federated, secure and hyper-connected supercomputing, quantum computing, service and data infrastructure ecosystem;
- support the development and uptake of demand-oriented and user-driven innovative and competitive supercomputing system based on a supply chain that will ensure components, technologies and knowledge limiting the risk of disruptions and the development of a wide range of applications optimised for these systems;

⁷ European Court of Auditors Special Report No 01/2019 ‘Fighting fraud in EU spending: action needed’.

⁸ Joint Statement of the European Parliament, the Council of the EU and the European Commission on decentralised agencies - Common Approach – 19 July 2012.

⁹ Council Regulation (EU) 2021/1173 of 13 July 2021 on establishing the European High Performance Computing Joint Undertaking and repealing Regulation (EU) 2018/1488, amended by Council Regulation (EU) 2024/1732 of 17 June 2024 and by Council Regulation (EU) 2026/150 of 16 January 2026 .

- widen the use of that supercomputing infrastructure to a large number of public and private users and support the development of key HPC skills for European science and industry.
- develop and operate AI Factories located around EuroHPC supercomputing facilities to support the growth of a highly competitive and innovative AI ecosystem in Europe.
- develop AI gigafactories which in their operation could be connected with the EuroHPC network of AI factories for ensuring seamless integration, user support and knowledge sharing across the European AI ecosystem.
- address the full quantum ecosystem and the application domains of quantum computing and simulation, quantum communication, and quantum sensing and metrology, ensuring the security and resilience of the quantum supply chain and its enabling technologies.

The EuroHPC JU is composed of public and private members. At present, public members are:

- the European Union (represented by the Commission),
- Member States and Associated Countries that have chosen to become members of the Joint Undertaking: Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye and United Kingdom.

Private members of the JU currently are the European Technology Platform for High Performance Computing (ETP4HPC), the Big Data Value Association (BDVA), and the European Quantum Industry Consortium (QuIC).

As per the Staff Establishment Plan, the JU total team currently consist of 54 positions (in a balanced proportion between TA and CA). Overall, the organisational structure consists of four units, two are responsible for operational objectives (core business from the mission) and two for horizontal duties (administration and governance).

EuroHPC JU is jointly funded by its members with a budget of approximately EUR 8 billion for the period 2021-2027.

The EU funding comes from the current EU long-term budget, the Multiannual Financial Framework (MFF 2021-2027) with a contribution of approx. EUR 4 billion, distributed as follows:

- Approx. EUR 1.9 billion from the Digital European Programme (DEP);
- Approx. EUR 1.8 billion from Horizon Europe (HE);
- Approx. EUR 300 million from Connecting Europe Facility.

The EU contribution is matched by a similar amount from the participating countries. Additionally, private members may contribute an amount of up to EUR 900 million.

The Joint Undertaking provides financial support in the form of procurement or research and innovation grants to participants following competitive calls.

In 2020, EuroHPC JU adopted the Internal control framework¹⁰ aligned with the Commission internal control framework¹¹. The Anti-fraud strategy is embedded within the internal control system of EuroHPC JU. Fraud risks are a type of risk that the JU addresses as part of its risk management process.

The present Anti-fraud Strategy will be valid for three years and will be updated in 2028 or earlier if it is deemed necessary.

2. Introduction

This Strategy is designed following three main stages, as indicated by the OLAF methodology for EU decentralised agencies and Joint Undertakings¹². In the drafting of this strategy, the following activities were carried out:

- An assessment of the EuroHPC JU AFS 2023-2025, including a diagnosis of the state of play concerning the management of risks in EuroHPC JU and screening of the measures already in place to handle fraud;
- A fraud risk assessment carried out simultaneously with the annual risk assessment exercise 2026;
- The setting of objectives aimed at preventing fraud and mitigating weaknesses;
- The development of indicators to monitor the achievement of objectives.

The Strategy incorporates the overall objectives set in the Commission Anti-Fraud Strategy 2019 (CAFS)¹³:

- improving prevention, detection, and the conditions for investigating fraud;
- ensuring there is sufficient reparation and deterrence, with proportionate and dissuasive sanctions.

The Strategy takes also into account the additional objectives set up in the CAFS 2019:

¹⁰ Decision of the Governing Board of the EuroHPC JU No 13/2020 on the EuroHPC JU Internal Control Framework.

¹¹ Communication on the Revision of the Internal Control Framework, C(2017)2327.

¹² Methodology and guidance for anti-fraud strategies for EU decentralised agencies and Joint Undertakings – Ares(2024)4040978.

¹³ COM(2019) 196 final – Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the Court of Auditors - Commission Anti-Fraud Strategy: enhanced action to protect the EU budget. The first strategy was set up in 2011. COM(2011) 376 final - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the Court of Auditors - Commission Anti-Fraud Strategy. The overall objective set in the Commission Anti-Fraud Strategy 2011 (CAFS)¹³ was to improve prevention, detection and the conditions for investigations of fraud and to achieve adequate reparation and deterrence, with proportionate and dissuasive sanctions, and respecting the due process, especially by introducing anti-fraud strategies at Commission Service level

- Objective No 1: data collection and analysis - Further improve the understanding of fraud patterns, fraudsters' profiles and systemic vulnerabilities relating to fraud affecting the EU budget,
- Objective No 2: coordination, cooperation, and processes - Optimise coordination, cooperation, and workflows for the fight against fraud, in particular among Commission services and executive agencies,
- Objective No 3: Integrity and compliance - Ensure EU policymakers and staff members comply with the highest standards of professional ethics,
- Objective No 4: Know-how and equipment - Ensure a sufficient level of anti-fraud know-how among EU staff, improve such know-how and provide pertinent technical equipment at Member State level,
- Objective No 5: Transparency - Implement and promote transparency as an antidote to fraud,
- Objective No 6: Legal Framework Optimise the fraud-resilience of EU legislation and other legal instruments.
- Objective No 7: Fighting revenue fraud Strengthen anti-fraud measures in the fields of traditional own resources (TOR) and value-added tax (VAT)

The main rules and anti-fraud measures recommended and/or linked to the policy of the partner DG(s) are also duly addressed in this strategy, with particular regard to the Common Anti-Fraud Strategy in the Research Family.

EuroHPC JU is committed to ensuring that other measures established for EU funded programmes such as EU Grants controls on double funding and plagiarism¹⁴ and Horizon Europe ex-ante anti-fraud checks¹⁵ are properly applied.

Whistleblowing guidance¹⁶ is in place and ensure adequate protection against any retaliation towards staff that want to confidentially report fraud, corruption, or other serious wrongdoings.

The Decision of the Governing Board of the EuroHPC JU No 16/2022¹⁷ established rules on the prevention and management of conflicts of interest of the staff members of the JU and the Decision of the Executive Director No 9/2024¹⁸ adopted the Code of good administrative behaviour/code of conduct for staff of the EuroHPC Joint Undertaking in their relations with the public. Sysper module on ethics is available to staff for declaring or requesting outside activities.

Rules of procedure are in place for the Governing Board and the Advisory Boards, providing the measure of the management of conflict of interest and overall behaviour of members.

¹⁴ EU Grants – Double funding & Plagiarism checks - version 1.0 of 15/09/2021

¹⁵ EU Grants – HE ex-ante anti-fraud checks – version 1.0 of 15/10/2022

¹⁶ Decision of the Governing Board of the EuroHPC JU No 36/2019 of 13 November 2019 on EUROHPC JU Guidelines on Whistleblowing

¹⁷ Decision of the Governing Board of the EuroHPC JU No 16/2022 - Adopting rules on the prevention and management of conflicts of interest of the staff members of the EuroHPC Joint Undertaking

¹⁸ Executive Director Decision 9/2024 - Adopting a Code of good administrative behaviour/code of conduct for staff of the EuroHPC Joint Undertaking in their relations with the public

2.1. Terms and definition

The definition of the term ‘fraud’ in the context of the European Union is provided in Directive (EU) 2017/1371¹⁹. The following definition shall be regarded as fraud affecting the Union's financial interests:

(a) in respect of non-procurement-related expenditure, any act or omission relating to:

- the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds or assets from the Union budget or budgets managed by the Union, or on its behalf;
- non-disclosure of information in violation of a specific obligation, with the same effect; or
- the misapplication of such funds or assets for purposes other than those for which they were originally granted;

(b) in respect of procurement-related expenditure, at least when committed in order to make an unlawful gain for the perpetrator or another by causing a loss to the Union's financial interests, any act or omission relating to:

- the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds or assets from the Union budget or budgets managed by the Union, or on its behalf;
- non-disclosure of information in violation of a specific obligation, with the same effect; or
- the misapplication of such funds or assets for purposes other than those for which they were originally granted, which damages the Union's financial interests;

(c) in respect of revenue other than revenue arising from VAT own resources referred to in point (d), any act or omission relating to:

- the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the illegal diminution of the resources of the Union budget or budgets managed by the Union, or on its behalf;
- non-disclosure of information in violation of a specific obligation, with the same effect; or
- misapplication of a legally obtained benefit, with the same effect;

(d) in respect of revenue arising from VAT own resources, any act or omission committed in cross-border fraudulent schemes in relation to:

- the use or presentation of false, incorrect or incomplete VAT-related statements or documents, which has as an effect the diminution of the resources of the Union budget;

¹⁹ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law

- non-disclosure of VAT-related information in violation of a specific obligation, with the same effect; or
- the presentation of correct VAT-related statements for the purposes of fraudulently disguising the non-payment or wrongful creation of rights to VAT refunds.

The Directive 2017/1371 also defines other types of criminal offences that, similarly to fraud, affect (damage) the Union's financial interests:

- Passive corruption means the action of a public official who, directly or through an intermediary, requests or receives advantages of any kind, for himself or for a third party, or accepts a promise of such an advantage, to act or to refrain from acting in accordance with his duty or in the exercise of his functions in a way which damages or is likely to damage the Union's financial interests;
- Active corruption means the action of a person who promises, offers or gives, directly or through an intermediary, an advantage of any kind to a public official for himself or for a third party for him to act or to refrain from acting in accordance with his duty or in the exercise of his functions in a way which damages or is likely to damage the Union's financial interests;
- Misappropriation means the action of a public official who is directly or indirectly entrusted with the management of funds or assets to commit or disburse funds or appropriate or use assets contrary to the purpose for which they were intended in any way which damages the Union's financial interests.

In addition, the Council regulation (EC, EURATOM) No 2988/1995²⁰ defines the meaning of 'Irregularity' as any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

2.2. Principles

The following principles of the Strategy serve as key elements of the anti-fraud culture and guide the actions of EuroHPC JU:

- Zero tolerance for fraud
- Fight against fraud as an integral part of internal control
- Cost-effectiveness of controls and corrective actions
- Professional integrity and competence of the JU staff
- Transparency on how EU funds are used
- Fraud prevention, notably fraud-proofing of spending programmes
- Effective investigation capacity and timely exchange of information with investigative bodies such as OLAF or prosecutorial bodies such as the EPPO
- Duty to report suspicions of fraud

²⁰ Council Regulation (EC, EURATOM) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests.

- Protection of the whistle blowers from any pressure and harassment
- Swift correction (including recovery of defrauded funds and administrative sanctions)
- Good cooperation between internal and external players and with all EU institutions and bodies
- Effective internal communication on the fight against fraud

2.3. Assessment of the EuroHPC JU AFS 2023-2025

The present strategy is based on the assessment of the EuroHPC JU AFS 2023-2025.

The assessment was carried out by the Internal control and audit officer and concerned the following areas:

- Compliance with regulation in place and guidelines
- Review of roles and responsibilities
- Effectiveness and efficiency of the risk management process applied to fraud risks
- Assessment of monitoring and reporting processes

The results of the overall assessment proved that:

- The AFS 2023-2025 was aligned with EU Law and the anti-fraud strategies of the European Commission and Research family; it did not take into account the OLAF Methodology and guidance for the anti-fraud strategies of EU Decentralised Agencies and Joint Undertakings published in 2024;
- Roles and responsibilities were clearly stated in the AFS 2023-2025 and adequately encompassed all essential tasks to manage the anti-fraud cycle;
- The fraud risk management process was regularly carried out according to the AFS 2023-2025; the fraud risk assessment and risk management took place annually and in compliance with the JU Risk Management Implementation Guide²¹;
- Indicators set up in the AFS 2023-2025 demonstrated to be RACER and adequate to assess the functioning of the AFS implementation; they were annually followed up and reported at appropriate level and in the Consolidated Annual Activity Report (CAAR).

Overall, EuroHPC JU AFS 2023-2025 proved to be a comprehensive tool to efficiently and effectively address the management of combatting fraud and other illegal activities affecting the EU's financial interest at all levels of the organisation.

2.4. Fraud Risk Assessment

The EuroHPC JU Fraud Risk Assessment was carried out and followed up regularly. The latest risk assessment was performed at the end of 2025 and was taken into consideration for the present strategy.

The risk assessment exercise was based on a bottom-up approach and involved all staff and management of the JU. The exercise started with identification and assessment of risks by every member of staff. The competence, knowledge of the context, and awareness of staff allowed for the identification of internal and external threats, using many sources of

²¹ Decision of the Executive Director No 31/2023 Adopting the Risk Management Implementation Guide

information (such as analysis of data available in the IT tools in use, internet research, queries to stakeholders, news published online). Meetings and discussions followed at team and unit level, to aggregate and complement lists of identified risks. The final list was drafted by the Internal Control Officer, revised with staff and management where needed, and submitted to the Executive Director for approval.

The following fraud risks were identified²²:

- Risk of double funding
- Undue costs claiming (inflated or false costs)
- Manipulation of tenders
- Ineligible participants

The assessment of identified risks was carried out in accordance with the JU Risk Management Implementation Guide based on likelihood and impact criteria. Fraud risks were assessed to be at a very low level of likelihood and medium to high level of impact.

Overall, the residual risks of fraud or other illegal activities that could affect the EU's financial or reputational interests was assessed to be very low, as consequence of the high level of commitment and awareness of staff, the multiple layers of controls in place, and the corporate IT tools in use.

2.4.1. What is fraud in practice?

Fraud is an intentional, deceptive, illegal act or omission that has or would have the effect of financial damaging. It often involves a materially false statement that the perpetrator uses to influence the defrauded person to take, or refrain from taking, certain actions with regards to a financial transaction. The risk of fraud, threatening the achievement of EuroHPC JU's objectives and possibly entailing a considerable financial and reputational impact, must not be underestimated.

In accordance with the Fraud Diamond Theory of Wolfe and Hermanson²³, which expands on the traditional Fraud Triangle, four conditions are identified as the driving force behind fraud:

- **Pressure/incentive** is the financial or emotional cause prompting a fraudulent act.
- **Opportunity** is the perceived or actual possibility to commit fraud.
- **Rationalisation** is the personal justification of fraudsters.
- **Capability** is the situation of having the necessary traits or skills and abilities for the person to commit fraud.

More in details, pressure, incentive, or motivation comprises the aspects of money, ideology, coercion, and ego:

- ideological motivation is that which considers participation in a fraud act as a means to achieve some perceived greater good;

²² The full description of risks, a assessment, actions and responsibilities is reported in the EuroHPC JU risk register 2026, Ares(2026)469808

²³ *The Fraud Diamond* - Hermanson, Dana R.; Wolfe, David T., CPA Journal, 2024, Vol 94, Issue 3/4

- coercion occurs when individuals may be unwillingly pulled into a fraud scheme, but those individuals can turn into whistle-blowers;
- ego may provide a motive for fraud where the offence serves to protect the offender's reputation or position of power.

Opportunity: Even if a person has a motive, an opportunity must appear. Slack internal control systems may give rise to an opportunity (the presumed likelihood of the fraud not being detected is a crucial consideration for the fraudster). Examples of weaknesses in the internal control systems are inadequacies related to:

- supervision and review;
- segregation of duties;
- management approval processes;
- system controls.

Rationalisation or self-justification reflects the potential offender's personal belief system and his/her standards of personal integrity. From a practical point of view, observing a person's commitment to ethical decision-making can help in assessing integrity and thus an individual's likelihood to commit fraud.

Capability, other than the fraudsters skills and abilities, includes situations where controls are not applied or if persons in positions of authority create opportunities to override existing controls.



2.4.2. What is an irregularity in practice?

An irregularity is an act which does not comply with EU rules, and which has a potentially negative impact on EU financial interests, but which may be the result of genuine errors committed both by beneficiaries claiming funds and by the authorities responsible for making payments. The irregularity is defined in Article 1 of Council Regulation 2988/95.

If an irregularity is committed deliberately, however, it is fraud. **‘Intentional deceit distinguishes fraud from the more general issue of ‘irregularity’.**

2.4.3. What are red flags?

Red flags are warning signals or indicators pointing to possible irregularities, fraud or corruption.

Red flags have a particular nature from the perspective of the anti-fraud cycle: they are linked both to the prevention and to the detection part of the cycle.

The presence of a red flag, as such, does not mean that fraud exists. It indicates, especially in cases where more than one red flag regarding the same operation, project, transaction or beneficiary is identified, that staff and managers should look further into a situation and carry out additional checks. The authorising officer responsible has to be aware of the presence of such indicators so that (s)he can take further action, in particular suspending payments, launching an audit or submitting the case to OLAF.

2.4.4. Common types of fraud

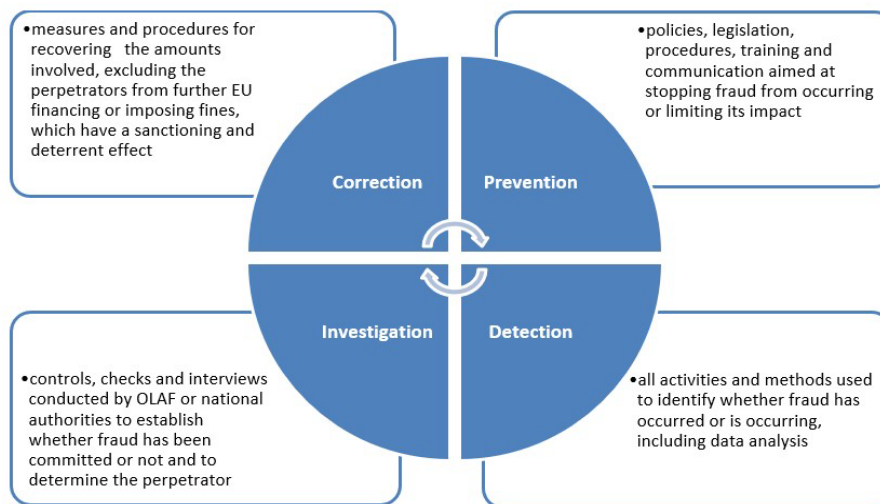
A non-exhaustive list of the most common types of fraud and irregularities is the following:

- Misuse of EU funds in general,
- Inflation of (personnel) costs,
- Falsification of invoices or documents,
- Unreliable time recording system,
- Misrepresentation,
- Double funding,
- Plagiarism,
- (Undisclosed) conflict of interest,
- Fraudulent bankruptcy,
- Fictitious beneficiaries,
- Profit making schemes,
- Irregular tender procedures,
- Irregular HR or recruitment processes

3. Strategic Objectives, Scope and Indicators

3.1. The anti-fraud cycle

The Strategy defines a number of objectives (see paragraph 3.2). Objectives are identified to cover all stages of the anti-fraud cycle as it had been designed by the Commission.



3.2. Strategic Anti-Fraud objectives

The aim of EuroHPC JU Anti-Fraud Strategy for 2026-2028 is to set SMART²⁴, cost-effective and proportionate realistic and attainable objectives, aligned with the maturity of the entity's internal control, risk management and anti-fraud culture. Hence, **the main objective is to develop, disseminate and implement a comprehensive and integrated process encompassing the main stages of the anti-fraud cycle**, taking in due account the principles of cost-effectiveness and proportionality.

In the pursuit of the main objective, the following specific objectives are identified:

- Maintain a high level of ethics and anti-fraud culture in the JU (prevention stage),
- Keep fraud risk management integrated in the general risk management (prevention stage),
- Keep the management of conflicts of interest effective and efficient (prevention stage) and ensure the absence of conflicts of interest among staff and stakeholders (detection stage),
- Strengthen the capacity to effectively tackle fraud (prevention and detection stage),
- Ensure high level of reactivity and effective exchange of information with OLAF and/or EPPO (investigation stage),
- Ensure efficient and effective corrective actions, such as sanctions and recovery of funds (correction stage).

These objectives are pursued by means of specific actions and monitored by indicators as listed in the Annex 1. Monitoring is carried out yearly and weaknesses reported in the Internal Control Annual Self-assessment.

²⁴ SMART (Specific, Measurable, Achievable, Relevant, Time-bound)

3.3. Scope of the EuroHPC JU Anti-Fraud Strategy

The focus of the present strategy is on protecting the EU's financial interests²⁵ from fraud, corruption and other intentional irregularities and on the risk of serious wrongdoing inside the JU. As a result, the strategy aims at fighting against:

- Fraud, corruption and misappropriation affecting the EU's financial interests, including those outside the legal framework of the general budget;
- Other criminal offences that affect the Union's financial interests, e.g., offences linked to an abuse of procurement procedures affecting the EU budget;
- Irregularities as defined in Article 1(2) of Regulation (EC, Euratom) No 2988/95²⁶;
- Serious breaches of professional obligations by staff or members of the Governing Board of the JU.

To protect the EU's financial interests from the above mentioned misbehaviours, the strategy encompasses the following area:

- All stages of the anti-fraud cycle (prevention, detection, investigation, correction);
- Internal and external fraud and non-fraudulent irregularities;
- Corruption involving JU staff or the Management Board;
- The different management modes (direct, indirect);
- Operational and administrative appropriations;
- Fraud without any direct financial impact for the EU.

The Strategy and its Action Plan are embedded into EuroHPC JU's Internal Control System. As for any other internal control document, the strategy is communicated to all staff via Ares, at time of adoption by Governing Board and whenever an update occurs. Availability in the JU intranet is ensured and managed by the Internal Control Officer.

3.4. Strategy Indicators

The performance indicators are key elements that show the progress made or the results reached towards the objectives and the actions in the strategy. They are used for reporting on the Anti-Fraud Strategy and help assess the impact of its overall implementation. Table in Annex 1 lists objectives, actions and indicators, and the link among them.

The following indicators are adopted to assess the Strategy implementation:

- Percentage of staff who have undergone anti-fraud or ethics training within six months from entry in service,
- The annual Risk assessment exercise includes identification and assessment of fraud risks, selection and implementation of actions to manage fraud risks,

²⁵ The 'Union's financial interests' means all revenues, expenditure and assets covered by, acquired through, or due to the budgets of the EU institutions, agencies and other autonomous bodies established pursuant to the Treaties or budgets directly or indirectly managed and monitored by them.

²⁶ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests.

- Percentage of members of Governing Board and the INFRAG and RIAG advisory boards who have signed the Declaration of Absence of Conflict of Interest,
- Time to submit information to OLAF/EPPO,
- Percentage of funds recovered according to findings by OLAF/EPPO.

Indicators are followed up annually and reported on in the CAAR.

4. Roles and Responsibilities

4.1. Internal resources

'In the event of any illegal activity, fraud or corruption which may harm the interests of the Union, of the EuroHPC JU or of its members, a member of staff or other servant, including national experts seconded to the EuroHPC JU, shall inform their immediate superior, the Executive Director or the Governing Board of the EuroHPC JU or, as far as the interests of the Union or of the EuroHPC JU are concerned, the OLAF or the European Public Prosecutor's Office (EPPO) directly'²⁷.

As for the EuroHPC JU's overall Internal Control Framework, the effective application of the Anti-Fraud Strategy is based on collective efforts of all staff. **All staff are concerned when facing a potential issue of fraud**²⁸, however, some staff members are assigned with some specific roles and responsibilities with respect to prevent, detect and correct frauds and other illegal activities harming the financial interests of the Union.

4.1.1. Governing Board

The Governing Board shall:

- Adopt the anti-fraud strategy of the Joint Undertaking in compliance with Joint Undertaking's Regulation and Statutes, the Financial Rules, and other appropriate legal documents;
- Adopt the minimum internal control standards or principles, on the basis of the Internal Control Framework laid down by the Commission²⁹;
- Approve the Consolidated Annual Activity Report (CAAR)

According to the Administrative agreement between EuroHPC JU and the OLAF the Chair of the Governing Board may act as contact person for information related to internal investigations where at least one of the persons concerned or potential persons concerned is the Executive Director, the HoU of Administration, Finance and Corporate support, a Member of the Governing Board.

²⁷ Decision of the Governing Board No 3/2020 Approving the Financial Rules of the EuroHPC Joint Undertaking – Article 24.

²⁸ Council Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community - Article 22a of the Staff Regulations.

²⁹ Decision of the Governing Board No 3/2020 – Article 20.

4.1.2. Executive Director

The Executive Director (ED) is the legal representative and the Authorising Officer of EuroHPC JU and shall put in place the organisational structure and the internal control systems suited to the performance of his/her duties and in accordance with the rules adopted by the Governing Board.

Regarding the anti-fraud policy, the ED shall:

- Organise, direct, and supervise the operations and the staff;
- Establish and ensure the functioning of an effective and efficient internal control system and report any significant change to it to the Governing Board³⁰;
- Ensure that risk assessment and risk management are performed;
- Takes necessary measures to ensure the proper implementation of Governing Board decisions;
- Sets the tone and acts by example towards the staff in questions related to fraud;
- Communicate anti-fraud topics to the Governing Board, as necessary;
- Act as contact person with OLAF, as for the Administrative agreement between EuroHPC JU and the OLAF;
- Inform OLAF or EPPO in case of presumed fraud or other financial irregularities;
- Inform the Commission without delay on cases of presumed fraud and other financial irregularities and of any ongoing or completed investigations by EPPO and OLAF³¹;
- If applicable, approves application of sanctions or other measures regarding fraud or other criminal offences cases.

4.1.3. Management

Heads of Unit and Sector shall:

- Contribute to raising awareness on fraud among the staff in their sectors;
- Steer the designing of particular ex-ante and ex-post checks and controls aimed also at prevention/detection of fraud;
- Contribute to the risk assessment process, including the risks of fraud;
- Contribute to the drafting of the Anti-Fraud Strategy and the related Action Plan;
- If applicable, suggest application of sanctions or other measures with regard to fraud and irregularity cases.

³⁰ Council Regulation (EU) 2021/1173 on establishing the European High Performance Computing Joint Undertaking and repealing Regulation (EU) 2018/1488 – Article 9.

³¹ Decision of the Governing Board No 3/2020 – Article 40.

4.1.4. Accounting Officer

The Accounting Officer, in the event of illegal activity, fraud or corruption which may harm the interests of the EuroHPC JU or of its members, shall inform the authorities and bodies designated by the applicable legislation, in particular the OLAF³².

4.1.5. Internal control and audit officer

The Internal Control and Audit Officer shall:

- Take primary responsibility for drafting of the EuroHPC JU Anti-Fraud Strategy and Action Plan.
- Steer the risk assessment process, including the risks of fraud.
- Advise on and participate in designing of particular ex-ante and ex-post checks and controls aimed also at prevention/detection of fraud.
- Perform regular reviews and follow-up of the JU's Anti-Fraud Action Plan.
- Participate in the Fraud and Irregularities in Research Committee (FAIR) meetings.

4.1.6. Legal Officer

The Legal Officer shall:

- Contribute to the drafting of the Anti-Fraud Strategy and the related Action Plan;
- Contribute to the risk assessment process, including the risks of fraud;
- Provide advice from the legal perspective, if a suspicion of fraud occurs;

4.1.7. Administration Unit (in particular, HR and Finance teams)

The Administration Unit shall:

- Contribute to the drafting of the Anti-Fraud Strategy and the related Action Plan;
- Contribute to the risk assessment process, including the risks of fraud;
- Provide advice from HR and Finance perspectives, if a suspicion of fraud occurs;
- A member of the Finance Sector may also act as back-up for the Internal Control Officer concerning the participation in the FAIR Committee meetings.

In addition, other EuroHPC JU members might be involved in particular activities and measures regarding its anti-fraud policy. This can be indirectly, such as the actions of the IT Officer in respect of fraud proofing of IT systems and tools applied in the JU.

EuroHPC JU staff utilise IT tools provided by the Commission which enable to the applicable extent the deployment of measures contributing to the fight against fraud. This includes setting up access rights and financial circuits in SUMMA in a way that allows for appropriate segregation of duties and transactions approval. Other checks that might serve in relation to potential fraud prevention and detection are embedded in the standardised workflows performed in Compass/SyGMA. EuroHPC JU also utilises the eGrants Data Warehouse (formerly called the Common Research Family Data Warehouse - CORDA) and the

³² Decision of the Governing Board No 3/2020 – Article 26.

Framework Programmes' central repository of data, to be able to extract and subsequently analyse data and statistics made available by this portal. The Early Detection and Exclusion System (EDES) established to reinforce the protection of the Union's financial interests and to ensure sound financial management might also be used in case of necessity.

4.2. External resources and synergies

In addition to its own internal capacities, EuroHPC JU takes advantage of cooperation with external parties, as further detailed below.

4.2.1. Fraud and Irregularities in Research (FAIR) Committee

EuroHPC JU participates in the FAIR Committee, chaired by the Head of the Common Audit Service (CAS). FAIR is the main forum of the R&I family for matters of irregularity and fraud (including grants) and serves as a network to exchange information, experience, and best practices.

4.2.2. External Auditors

Contracts with external auditors carrying out audits on the financial management of the JU shall provide for an obligation of the external auditor to inform the Executive Director or the Governing Board of any suspected illegal activity, fraud or corruption which may harm the interests of the Union, of the EuroHPC JU or of its members³³.

4.2.3. European Anti-Fraud Office

EuroHPC JU has adopted the Interinstitutional Agreement of 25 May 1999 concerning internal investigations by the European Anti-fraud Office (OLAF)³⁴, as stated in the Regulation establishing the EuroHPC JU³⁵. Consequently, OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Council Regulation (Euratom, EC) No 2185/96 and Regulation (EU, Euratom) No 883/2013 and with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union³⁶.

4.2.4. European Public Prosecutor's Office

The European Public Prosecutor's Office (EPPO) is the independent and decentralised prosecution office of the European Union, with the competence to investigate, prosecute and bring to judgment crimes against the EU budget, such as fraud, corruption or serious cross-border VAT fraud. The Regulation establishing the European Public Prosecutor's Office under enhanced cooperation was adopted on 12 October 2017 and entered into force on 20 November 2017. At this stage, there are 22 participating EU countries. Denmark, Ireland, Hungary, Poland and Sweden do not participate in the EPPO.

EPPO was established because:

³³ Decision of the Governing Board No 3/2020 – Article 24.

³⁴ Decision of the Governing Board No 15/2020 On the accession of the EuroHPC JU to the Interinstitutional Agreement of 25 May 1999 between the European Parliament, the Council and the Commission concerning internal investigations by the European Anti-Fraud Office.

³⁵ Council Regulation (EU) 2021/1173 on establishing the European High Performance Computing Joint Undertaking and repealing Regulation (EU) 2018/1488 - Article 28.

³⁶ Decision of the Governing Board No 3/2020 – Article 58.

- existing EU-bodies such as Eurojust, Europol and OLAF lack the necessary powers to carry out criminal investigations and prosecutions;
- national authorities could investigate and prosecute fraud against the EU budget but their powers stopped at national borders.

4.2.5. Directorate-General for Research and Innovation

The CAS of the Common Implementation Centre (CIC) in DG RTD is responsible for the Common R&I Family Anti-Fraud Strategy, together with the FAIR. The CAS shall:

- steer the set-up and coordinating the implementation of a R&I fraud prevention and detection strategy for Horizon Europe and contribute to the development of anti-fraud policy and business processes;
- manage relations with OLAF and facilitate the coordination of OLAF investigations within the R&I Framework Programmes³⁷.

The CAS is member of the Fraud Prevention and Detection Network (FPDnet) chaired by OLAF.

4.2.6. Investigation and Disciplinary Office

The Commission's Investigation and Disciplinary Office (IDOC) carries out administrative inquiries to determine failures to comply with the Staff Regulations (e.g., absences, acceptance of gifts and favours or external activities that are not authorised) as well as pre-disciplinary hearings following an IDOC inquiry or an OLAF investigation.

4.2.7. European Court of Auditors

The European Court of Auditors (ECA) contributes to fraud and irregularity prevention and detection by conducting audits focused on the EU Institutions budget (including the budget of EuroHPC JU) and the spending of EU funds. ECA shall disclose to OLAF and to other competent authorities any fact of which they become aware when carrying out their duties, which could be qualified as a criminal offence.

4.2.8. Directorate-General Internal Audit Service

The internal audit function in EuroHPC JU is performed by the Commission's internal auditor (Director-General of DG IAS). If, in the pursuit of their duties, the auditors of DG IAS become aware of presumed frauds or criminal offences, they shall disclose it to OLAF and other competent authorities.

The IAS also intervenes in the governance of the EuroHPC JU Anti-Fraud Strategy, namely in considering the risk of fraud in its general audit risk assessment, planning and reporting, as well as when performing internal audits and in evaluating the potential for the occurrence of fraud and the management of fraud risks. In addition, the IAS may provide an independent opinion on the effectiveness of this Anti-Fraud Strategy, the prevention and detection processes, or the controls put in place to reduce the risk of fraud.

³⁷ Commission Decision C(2021) 4472 of 24.6.2021 on the coordinated implementation of Horizon Europe and on the operating rules for the Common Policy Centre and the Common Implementation Centre for Horizon Europe, the Framework Programme for Research and Innovation (2021-2027) – Article 23.

5. Anti-Fraud methodology

5.1. Common Anti-Fraud Strategy in the Research Family

The Common Anti-Fraud Strategy of the Research Family (RAFS) was adopted in 2012³⁸ and revised in 2015³⁹, 2019⁴⁰ and 2023⁴¹. It is governed by the FAIR Committee and updates on a ‘need to act’ basis. The RAFS is aligned with the Commission Anti-Fraud Strategy (CAFS) and takes into account the different actions proposed in the CAFS.

The objectives of the 2023 RAFS are:

1. Awareness raising for fraud prevention and detection,
2. A common approach, where relevant, to minimise fraud risks.

Alongside the objectives, an action plan was set up.

5.2. EuroHPC JU Anti-Fraud Cycle

The EuroHPC anti-fraud approach covers all stages of the Anti-Fraud Cycle (see also paragraph 3.1):

- Risk assessment phase,
- Prevention phase,
- Detection phase,
- Investigation phase,
- Correction phase (sanction and recovery),
- Monitoring and reporting.

5.2.1. Risk assessment phase

Fraud risks are a subset of the risks that must be considered in the context of the internal control framework and risk management. The fraud risk assessment follows the EuroHPC JU risk management implementation guide and is a continuous process for which a stocktaking exercise is organised at least once per year, namely the Annual Risk Assessment exercise. The exercise is carried out during the planning phase of the performance management cycle, when MASP and/or Annual Work Programme are prepared, usually in the third to fourth quarters of the year preceding the year of implementation (Year-1).

The exercise first step consists of the identification of risks that might materialise. Approaches to carry out this step are:

- High level review,
- Targeted review,

³⁸ Ares(2012)911323.

³⁹ Ares(2015)1797066.

⁴⁰ Ares(2019)4505245.

⁴¹ Ares(2024)1851642

- Bottom-up perspective.

The combination of all three approaches is applied when conducting the risk identification.

During the risk assessment exercise, fraud risks are:

- Identified,
- Assessed based on two criteria: the likelihood they might materialise and the impact they might have,
- Prioritised according to the residual risk level (combination of likelihood and impact assessments),
- Reported in the general risk register.

Based on the risk level, risk responses are selected for those fraud risks requiring mitigation and an action plan is drafted and presented to the Executive Director for approval. Hence, actions implementation starts and monitoring and reporting are carried out.

The risk register and action plan are revised on a needs basis during the implementation year.

For a detailed description of the risk assessment exercise process, the reference document is the EuroHPC Risk Management Implementation Guide.

5.2.2. Prevention phase

The Strategic Action Plan (Annex 1) is developed to reflect the objectives set up in the present strategy and aims at building up a comprehensive and integrated process enhancing the fraud prevention and detection in the JU.

Raising awareness is one of the most effective measures to prevent fraud, other criminal offences, irregularities, misconduct or breaches of professional obligations. EuroHPC JU is committed to adequately training staff on events that might occur in the mentioned matters and on the tools available to detect them. Compulsory training is provided for all staff, and the JU may organise ad-hoc workshops as the need arises.

As part of EuroHPC JU internal control system, risk management encompass the risk of fraud. In the strand of internal control implementation, the entity environment is controlled, risks are assessed and controls on operations are in place. Internal control weaknesses and areas for improvement are identified and tackled⁴². With respect to grant management, most internal controls and procedures are defined in rules and guidelines that apply across the research family. Furthermore, the use of central IT tools exercises a strong streamlining effect on internal controls and the management of EU funding programmes (including HE, CEF, DEP). This bulk of controls is a measure to both prevent and detect frauds and other offences that might affect the EU interests.

5.2.3. Detection phase

All EuroHPC JU staff, but particularly, in grant management, Financial Officers and Project/Programme Officers, have a responsibility for detecting fraud. This implies that they must be capable to (i) recognise red flags (see paragraph 2.4.3) that fraud may have been

⁴² EuroHPC JU Internal control strategy 2023-2027.

committed by a beneficiary, (ii) identify control weaknesses that could allow fraud to occur, and (iii) in coordination with the Legal Officers, assess whether a fraud investigation should be conducted by OLAF.

There are three different phases for detecting the potential risk of fraud within programme management:

- Before the implementation of the action:
 - during the evaluation of proposals, checks on experts' obligation of confidentiality and absence of conflict of interest (CoI);
 - during the grant agreement preparatory phase (GAP) checks are carried on (verification of the legal existence, financial and operational capacity of coordinators and beneficiaries, checks on the EDES database, checks on possible double funding and/or plagiarism);
- During the implementation of the action:
assessment of deliverables, projects monitoring, technical reviews, ex-ante controls prior the approval of payments, checks for identification of plagiarism or double funding;
- During ex-post control and/or ex-post audit:
audits carried out by the ECA, the CAS, external auditors, ex-post controls performed by EuroHPC JU.

The internal control system encompasses different elements for supervision and verification of the entity operations, such as financial and non-financial verifications (ex-ante, ex-post controls, verification on CoIs, review of exception and non-compliance events, existence of financial circuits), and audits carried out by the Internal Audit Service (IAS) and the ECA. Although the standard controls are not specifically designed and intended to detect fraud, all of these elements, and the actors involved, play an essential role in fraud prevention and detection, since they may come across elements indicating that an irregularity or fraud could have occurred.

5.2.4. Investigation phase

Any member of the EuroHPC JU staff, including national experts discovering potential irregularities or having sufficient doubts or suspicious that a fraud may exist, shall inform without delay his/her immediate superior or the Executive Director (ED) or the Governing Board of the EuroHPC JU or directly the OLAF or the European Public Prosecutor's Office (EPPO). When the immediate superior or the ED is informed, the decision on launching a request for an OLAF investigation is taken by the ED, jointly advised by the Legal team and the Internal Control & Audit Officer. The Internal Control & Audit Officer informs the CAS on the requested investigations.

When OLAF receives a request for investigation, it carries out a pre-analysis. Based on the outcomes of the pre-analysis, OLAF may decide to launch an investigation.

5.2.5. Correction phase

Grant agreements, as well as the model contract for experts and the rules for validation, provide for contractual corrective measures. These might include rejection of ineligible costs, recovery

of undue amounts, liquidation of damages, reduction of the grant, suspension of payments or projects, possibility to terminate the participation of a beneficiary or the grant agreement.

Based on findings from controls or checks, reviews, audits or OLAF investigations, the ED can ask for the recovery of funds from the beneficiary and apply further sanctions, such as registration in EDES and financial penalties. For suspected systemic issues an audit may be considered to confirm the potential impact to other grants concerned.

Beneficiaries for which a risk is identified are registered in EDES under an early detection case, and beneficiaries who have committed an irregularity in the implementation of the action may, under certain conditions, be excluded from further participation in grant or procurement award procedures and/or be imposed financial penalties.

5.2.6. Monitoring and reporting

EuroHPC JU reports annually in the CAAR on cases which are under investigation for serious irregularities and suspicion of fraud and the outcomes of applied sanctions.

The JU also reports at least every quarter to the Governing Board on the cases under investigations and applied sanctions.

The internal control and audit officer monitors on the implementation of OLAF recommendations and reports at least quarterly to the ED.

To ensure adequate monitoring, communication related to internal control and risk management is continuous and coordinated by the Internal Control and Audit Officer. JU Staff are informed in a timely manner on the identified risks, selected actions and responsibilities, in order to carry out implementation and follow up. The Internal Control and Audit Officer launches quarterly follow ups requiring the staff to report on the status of actions. Staff are asked to promptly report on new risks that could arise after the regular annual risk assessment exercise.

The ECA and CAS are informed on the cases under investigations and applied sanctions in the due time.

Additionally, OLAF and risky cases subject to reporting are documented and followed up at project level via the Risk Management Module in SYGMA, when applicable. Subsequently, cases will be followed up and reported in the Risk Management Module where reinforced monitoring measures (RMM) are applied.

EuroHPC JU should report in a timely manner to OLAF on the implementation of recommendations, according to the agreed action plan, and inform on the measures taken, the recoveries and sanctions launched.

All data and documents are handled and filed in line with the relevant legislation governing the handling of sensitive data.

Annex 1 - Anti-Fraud Strategy 2026-2028 Objectives, action plan and indicators

No	AFS Objective	AFS Action	Owner	Indicator		
				Description - baseline	Target	Deadline
1	Maintain a high level of ethics and anti-fraud culture in the JU	Training on anti-fraud and ethics	HR Sector	Percentage of staff who have undergone anti-fraud or ethics training within six months from entry in service (100%)	100%	31/12/2028
2	Keep the fraud risk management integrated in the general risk management	The anti-fraud risk assessment is carried out along with the overall risk assessment exercise	ICO	The annual Risk assessment exercise includes identification and assessment of fraud risks, selection and implementation of actions to manage fraud risks (Yes)	Yes	31/12/2028
3	Keep the management of conflicts of interest effective and efficient and ensure the absence of conflicts of interest among staff and stakeholders	Implementation of rules adopted in the JU on CoI	Governance Officer	Percentage of members of Governing Board, INFRAG and RIAG advisory boards who have timely signed the declaration of absence of conflict of interest (in the reporting year)	100%	31/12/2028
4	Strengthen the capacity to effectively tackle frauds	Training on anti-fraud strategy, processes and measures	HR sector	Percentage of staff who have undergone anti-fraud or ethics training within six months from entry in service (100%)	100%	31/12/2028
5	Ensure high level of reactivity and effective exchange of information towards OLAF and/or EPPO	OLAF and EPPO requests for information handled within 7 days	Legal Sector	Time to submit information to OLAF/EPPO (N/A)	7 days	31/12/2028
6	Ensure efficient and effective corrective actions, such as sanctions and recovery of funds	Corrective actions implemented according to OLAF/EPPO findings	Legal Sector, Operational Units and Finance Sector	Percentage of funds recovered according to findings by OLAF/EPPO (N/A)	100%	31/12/2028