



## Summary, conclusions and recommendations

Of Sweden's approximately 100 missions abroad (embassies and consulates), 60 conduct migration activities and process applications for visas and residence permits on grounds of ties to Sweden. In recent years several cases of fraud in these activities have been reported in the media. These include among other things taking bribes when processing residence permit cases and granting visas to Sweden on false grounds.

The missions abroad play an important part in processing migration cases. In 2017 they made decisions in 247 000 visa applications and participated in the processing of 36 000 applications for residence permits. Migration cases at missions abroad have increased in recent years.

Both visas and residence permits for Sweden represent a considerable value and there is therefore a risk that missions abroad for example will be subjected to pressure from applicants who want favourable decisions or faster processing. Several missions abroad are located in countries that have extensive corruption and are thus operating in a risk-exposed environment.

Fraud in migration activities risks damaging confidence in both the missions abroad and central government administration as a whole. Consequently, it is important that the missions abroad have satisfactory protection against fraud. In view of this, the Swedish NAO audited whether protection against fraud in migration activities at missions abroad should be strengthened.

## Audit questions

The audit was based on the following questions:

Is the protection against fraud in migration activities at missions abroad appropriate with regard to:

1. Dealing with risks of fraud?
2. Preventing fraud?
3. Discovering fraud?
4. Dealing with reported cases of fraud?

The audit mainly covers the missions abroad, the Ministry for Foreign Affairs and the Swedish Migration Board, and to some extent the Government Offices' internal audit. The grounds for assessment of each question are based on the National Financial Management Authority's guidance concerning work to prevent fraud and the Swedish NAO's experiences of previous audits in this area.

## Audit conclusions and recommendations

The Ministry for Foreign Affairs has implemented several measures to strengthen protection against fraud in migration activities at missions abroad in the past year. The Swedish NAO considers, however, that protection in several central aspects is too weak and should be strengthened. This applies in particular to control procedures in processing migration cases, ex post checks of migration activities and investigations into alleged fraud.

The audit shows that reports on alleged fraud in migration activities at missions abroad increased continually between 2014 and 2017. Altogether about 60 alleged cases of fraud were reported during the period, including selling interview appointments, stolen visa stickers, issuing visas on false grounds and prohibited searches in case management systems. The Swedish NAO was not able to audit the number of reports that were actual fraud but notes that several cases of fraud have taken place at missions abroad.

Missions abroad, the Ministry for Foreign Affairs and the Swedish Migration Board are all responsible for migration activities at missions abroad. The division of responsibility between them is sometimes unclear and difficult to assess. According to the Swedish NAO this leads to particular challenges in ensuring satisfactory and common protection against fraud at missions abroad. Ensuring protection is made even more difficult in that the missions abroad vary regarding in terms of size, case volume, case mix and risk exposure. In addition, for the missions abroad the internal control requirements are not sufficiently explicit. The Swedish NAO wishes to emphasise how important it is that the Government takes action to further clarify the internal control requirements for missions abroad.

The ambition of the audit has been to investigate the protection on a general level and not individually for each of the 60 relevant missions abroad. However, the Swedish NAO wishes to highlight the importance that each mission abroad adapt its protection based on the risk environment in which it finds itself.

In 2017 the Inquiry on responsibility for migration activities at missions abroad (Swedish Government Official Reports SOU 2017:14) and the Agency for Public Management proposed that the main responsibility for the migration activities at missions abroad should lie with the Swedish Migration Board. This proposal means that the Migration Agency is given responsibility for the resources for these activities and the allocation of these resources. However, the Swedish NAO has based its recommendations on the current organisation since the proposal is still being processed. The Swedish NAO wishes to emphasise that the audit's recommendations are relevant even if the responsibility for migration activities at missions abroad is changed in line with the inquiry proposals.

The Swedish NAO presents its conclusions and recommendations below based on the four audit questions.

### **Is the risk of fraud dealt with appropriately?**

A fundamental part of an agency's protection against fraud is to carry out *risk analyses* to gain an overview of the operational risks. The risk analysis includes designing measures to deal with unacceptable risks. The Swedish NAO's overall assessment is that the work of missions abroad on risk analysis is not yet sufficiently developed and should be followed up by the Ministry for Foreign Affairs.

### *The work of missions abroad on risk analyses should be followed up*

The missions abroad have recently been instructed by the Ministry for Foreign Affairs to implement risk analyses in migration activities. In the long term this can strengthen the missions abroad in their handling of risks in these activities. Since the risk analyses were introduced recently it has not been possible to assess how the work is functioning. However, the Swedish NAO has examined how the work of missions abroad on risk analysis in the area of accounting and administration functions and assesses that as yet these risk analyses are not an effective tool. The Ministry for Foreign Affairs has provided support to missions abroad in implementing risk analyses in migration activities, but in the opinion of the Swedish NAO further support is needed and the Ministry for Foreign Affairs should follow up the risk analyses more systematically. This follow-up would also give the Ministry for Foreign Affairs an overview of what common risks exist at the missions abroad and thus reference data for the Ministry's governance of migration activities.

#### The Swedish National Audit Office recommends

- that the Ministry for Foreign Affairs follows up the missions abroad risk analysis in migration activities.

### Is there appropriate prevention of fraud?

To prevent fraud, it is important that there are communicated *guidelines* in which the management's view of fraud is stated and that staff receive *training* about fraud. In addition, it is important that there are *control procedures* in processing, such as work rotation and that more than one person has insight into the processing of a case. Control procedures also aim to protect assets in the operations. The Swedish NAO's overall assessment is that the preventive work is satisfactory on several counts, but that it needs to be improved in some significant areas.

### *Guidelines and training about fraud are satisfactory on several counts*

At the missions abroad, there are both Swedish posted staff that are often replaced and locally employed staff from countries with a different administrative culture than in Sweden. In the view of the Swedish NAO it is therefore of particular importance that guidelines on fraud are clear and easy for staff to take note of.

The audit shows that the Ministry for Foreign Affairs has drawn up both guidelines and guidance on fraud for staff at missions abroad. These cover relevant areas and are available to all staff.

Moreover, the audit shows that all staff posted to missions abroad undergo training on fraud, and the Swedish NAO's assessment is that the training is satisfactory based on the material the Swedish NAO has had access to. However, locally employed staff do not undergo equally systematic training. One reason for this is that it is not clear who is responsible for providing training on fraud to this staff category.

#### **The Swedish National Audit Office recommends**

- that the Ministry for Foreign Affairs and missions abroad ensure that locally employed staff are systematically provided with training on fraud.

#### ***Control procedures in migration activities should be strengthened***

The audit shows that it is up to each mission abroad to design its control procedures in the processing of migration cases. Many missions abroad, however, have limited staff resources and a heavy workload. Moreover, the posted staff are replaced at relatively short intervals. All in all, this means that it is difficult to create stable control procedures and according to the Swedish NAO the missions abroad therefore need support in this. Some missions abroad may also need increased staff resources.

At the missions abroad, there are assets such as visa stickers and embossing presses. In 2017 the Ministry for Foreign Affairs drew up guidelines for handling visa stickers and embossing presses, thus strengthening the protection of these assets. The Ministry for Foreign Affairs has also drawn up guidance for booking interview appointments at missions abroad, since long processing periods have meant that interview appointments have become an asset that can be sold to applicants. The Swedish Migration Board has developed an on-line booking system for appointments for applicants but this has been difficult to adapt to the varying local conditions at missions abroad. Most missions abroad therefore have their own booking systems in which they themselves book the applicants' interview appointments, which entails a risk of fraud. The Swedish Migration Board has started a review of the common appointment booking system, but it is not clear when it will be completed.

#### **The Swedish National Audit Office recommends**

- that the Ministry for Foreign Affairs supports the missions abroad in introducing control procedures
- that the Swedish Migration Board intensifies the work of developing a common appointment booking system for missions abroad.

## Is the work of discovering fraud appropriate?

To discover fraud, it is important to carry out *controls on a regular basis* and *ex post controls* of the organisation's activities and operations. Ex post controls can be made by means of inspections or supervision but also by means of following up processing statistics. To discover fraud, it is also important that there are clear *reporting channels* for informants. The Swedish NAO's overall assessment is that the work of discovering fraud in migration activities at missions abroad should be considerably strengthened and that it is important that there are resources for this.

### *Regular checks in migration activities should be strengthened*

In the same way as for control procedures, it is up to each mission abroad to design regular checks of migration activities. According to the Swedish NAO, also in this area many missions abroad need support in how such checks can be implemented.

The Swedish National Audit Office recommends

- that the Ministry for Foreign Affairs supports the missions abroad in introducing regular checks

### *The Ministry for Foreign Affairs inspections should be reviewed to increase focus on migration activities*

Regular ex post checks of an activity are important to assess whether the control procedures are working as intended or to discover unusual patterns, for example in the processing of cases. Even though several actors carry out ex post checks of the activities of missions abroad, the Swedish NAO notes that migration activities are seldom subject to controls. The Ministry for Foreign Affairs inspectors make relatively infrequent checks on missions abroad with migration activities, and the inspections do not always examine and assess the missions' control procedures and regular checks. The Swedish Migration Board also participates in some inspections, but the agency does not use the same review criteria as the Ministry for Foreign Affairs and consequently the inspections are not carried out consistently either.

The internal audit function at the Government Offices and the Swedish Migration Board have to date not audited internal control for migration activities at missions abroad. The Ministry for Foreign Affairs' Security Department examines security protection at missions abroad and this supervision therefore has limited focus on migration activities.

In the opinion of the Swedish NAO the inspections by the Ministry for Foreign Affairs of missions abroad with migration activities need to increase if ex post checks are to be able

to contribute to protection against fraud. However, it may be difficult to implement this within the current resource framework. The migration activities could, however, be inspected more often if the Ministry for Foreign Affairs changes the principles of selection for the missions abroad that are to be inspected and also allows risk factors in migration activities to influence the selection.

**The Swedish National Audit Office recommends**

- that the Ministry for Foreign Affairs reviews its selection principle for the missions abroad that are to be inspected and ensures that the inspections are carried out appropriately and consistently.

***The Government Offices internal audit function should carry out separate audit visits***

The Government Offices internal audit function annually audits a number of missions abroad and coordinates its audit visits at missions abroad with the visits by the Ministry for Foreign Affairs inspectors. The Swedish NAO considers that this coordination is not appropriate, as it risks influencing the independence of the internal audit function.

**The Swedish National Audit Office recommends**

- that the Government Offices ensure that the internal audit function carries out separate audit visits at missions abroad.

***Supervision of service providers should be reviewed***

The missions abroad are responsible for supervising the service provider VFS-Global. This supplier assists the missions abroad in processing visa cases and in 2016 received 75 per cent of all visa applications.

The supervision is important as there also may be risks of fraud at the supplier. The Swedish NAO notes that the checklists drawn up by the Ministry for Foreign Affairs for supervision focus on fraud risks but at the same time takes the view that the supervision by the missions abroad risks being superficial as they have limited resources for carrying out the supervision.

**The Swedish National Audit Office recommends**

- that the Ministry for Foreign Affairs reviews the supervision of VFS-Global to ensure that it is performed appropriately.

### *Follow-up of processing statistics has been limited up to now*

Follow-up of statistics for positive and negative decisions in visa cases as well as visa defections may contribute to quality assurance of processing and give indications of fraud. The Swedish Migration Board administers the statistics but to date has only made limited follow-ups and analysis of them.

However, the Swedish Migration Board has recently been instructed by the Government to analyse the reasons for and extent of visa defections as well as giving feedback and recommendations on development measures to the missions abroad concerned. Moreover, the Swedish Migration Board is to report how the quality of processing visas can be followed up.

### *The reporting channels should also be available on the websites of missions abroad*

The audit shows that the Ministry for Foreign Affairs has a reporting channel for informants and that information about it is provided both on the Government internal and external websites. However, there is no information about the reporting channel on the websites of the missions abroad themselves. The websites contain information for applicants concerning processing of migration cases, and information about the reporting channel on these websites may therefore make it easier for informants.

#### **The Swedish National Audit Office recommends**

- that the missions abroad ensure that information about the reporting channel for reporting fraud is provided on their websites.

### **Are cases of reported fraud dealt with appropriately?**

It is important that there are procedures for how reports of alleged fraud should be *dealt with* and that those investigating are independent and have the competence and mandate. If several parties are responsible for investigation, procedures must stipulate the division of responsibility between them. The work of dealing with fraud also includes learning *lessons* from what has happened, to improve protection against fraud. The Swedish NAO's overall assessment is that the procedure for investigating reported fraud at missions abroad has several material deficiencies and therefore needs to be improved. Moreover, the Swedish NAO assessment is that lessons are learned from cases of fraud that have occurred but that transparency around the cases could preferably be improved.



### *Independence and clearer division of responsibility in processing should be ensured*

When an alleged fraud is reported to the Ministry for Foreign Affairs, the procedure is that the mission abroad concerned investigates the complaint, while the Ministry coordinates the investigation. In the view of the Swedish NAO it is not appropriate for missions abroad to investigate themselves, since there is a risk that the investigations will not be conducted independently and in a legally secure manner. The missions abroad are often small, with few employees, which makes it more difficult to carry out independent investigations. Normally they do not have the relevant competence either to investigate complaints. The consequence may be that reports of substance are rejected or that investigations are conducted in a way that make any preliminary investigation within the legal system more difficult. The Swedish NAO further considers that the Ministry for Foreign Affairs' procedure for investigating fraud lacks some central components. This applies to how documentation and confidentiality should be handled, as well as how protection for informants and staff under investigation should be ensured.

The audit also shows that the Swedish Migration Board has often assisted in investigations concerning missions abroad through its supervisory function. However, the division of responsibility between the Ministry for Foreign Affairs and the supervisory function of the Swedish Migration Agency in investigations is not formalised, either at an overall level or in the individual investigations the Swedish Migration Board assists with. In the view of the Swedish NAO this creates a lack of clarity as to who is responsible for what in investigations.

#### **The Swedish National Audit Office recommends**

- that the Ministry for Foreign Affairs investigates how the procedure for dealing with cases of reported fraud at missions abroad can be improved to ensure independent investigations and a clear division of responsibility.

### *Lessons are learned but transparency in cases that have occurred could be better*

The audit shows that both missions abroad and the Ministry for Foreign Affairs have learned lessons from the fraud that has taken place. A series of measures have been taken in various areas in recent years. In the view of the Swedish NAO the work against fraud would be further strengthened if the Ministry for Foreign Affairs provided information in a more systematic way both internally and externally about cases that have taken place. This would contribute to the knowledge of missions abroad and also support the Swedish Foreign Service zero tolerance of fraud.

**The Swedish National Audit Office recommends**

- that the Ministry for Foreign Affairs more systematically provides information both internally and externally about the cases of fraud that have occurred within the Swedish Foreign Service.