2007 discharge: European Police College CEPOL

2008/2271(DEC) - 16/03/2009

The Committee on Budgetary Control adopted the report by. Christofer FJELLNER (EPP-ED, SE) on discharge to be granted to the European Police College. The committee calls on the European Parliament **to postpone its decision concerning granting the Director of the College discharge** for implementation of College's budget for the financial year 2007.

Noting that, in its report on the annual accounts of the College for the financial year 2007, the Court of Auditor's statement of assurance for 2006 was unqualified with regard to the accounts and qualified with regard to the underlying transactions, **MEPs postpone the closing of the accounts**.

In addition to the general recommendations appearing in the draft resolution on financial management and control of EU agencies (see 2008/2207(INI)), MEPs stress that the College must comply strictly with the Financial Regulation and Community public procurement legislation and must improve its financial management. They call on the Commission to closely supervise the implementation of the College's budget.

Members are deeply concerned that the Court of Auditors identified cases where appropriations were used to finance the private expenditure of the College's staff. In their view, **this private use of public funds is material in nature**. Steps should be taken, therefore, to ensure complete reimbursement of these funds.

Members provide the following justification for the postponement of the discharge decision:

- incomplete information provided on the private use of public money,
- failure to meet the deadline of June 2008 set in the 2006 discharge resolution to bring its financial management in line with the Financial Regulation, and
- recurrent breaches of basic financial rules.

It also appears that the College violated the principle of unity and accuracy of the budget by not recording EUR 1.5 million received from the Commission in 2007 to implement MEDA properly. MEPs are also concerned about the weaknesses in the College's budget management (20 % of the appropriations carried over from previous years were cancelled).

As far as the question of misuse of public funds is concerned, the Court of Auditor's report showed that these expenditures related to the financing of mobile telephone calls, use of pool cars by staff, purchase of furniture for staff accommodation and fee shuttle service of staff to airports and train stations.

Although MEPs accept that steps have been taken to recover these expenditures, they are **not prepared to accept the submission by the College of incomplete information**.

In addition to this, MEPs are concerned that, although this was already highlighted in the Court of Auditors annual report and the discharge resolution 2006, the College adopted implementing rules for the financial regulation only in February 2008, i. e. more than two years after it became an agency.

In this regard, Members call for **urgent action to be taken and documents to be presented** to Parliament by 15 June 2009 at the latest. In particular, MEPs call for:

- a complete report on the amounts and types of private use of public funds, from 1 January 2006 onwards, differentiating between staff who were legally entitled to specific advantages under "old

CEPOL" contracts and those who were not, indicating the precise types and amounts, detailing the state of play of recovery, the amounts recovered, and the reasons why certain amounts have not been recovered,

- a report on budgetary and financial management for 2007,
- a report drawn up by its Director summarising the number and type of internal audits conducted by the internal auditor concerning the financial year 2007, the recommendations made and the actions taken on these recommendations,
- the internal procurement guidelines adopted by the Director in 2008.

Lastly, MEPs note that **OLAF has opened an internal enquiry into the College** and call on the College to cooperate fully with the Anti-Fraud Office. They also ask the **College, OLAF and the Commission** to inform the discharge authority of the results of the OLAF investigation without delay as soon as they are available**.**