

2007 discharge: European Police College CEPOL

2008/2271(DEC) - 23/01/2009

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Police College (CEPOL) for the financial year 2007, as well as on the Court of Auditor's report and CEPOL's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the CEPOL discharge in respect of the implementation of the budget for the financial year 2007.

In doing so, the Council confirms that more than 20% (EUR 0.5 million) of the appropriations carried forward from the financial year 2006 to the financial year 2007 have not been used and that EUR 1.7 million in appropriations have been carried forward from the financial year 2007 to the financial year 2008 and EUR 0.9 million have been cancelled.

The Council takes note of the fact that the Court has been able to issue a statement of assurance on the reliability of the College's annual accounts for the financial year ended 31 December 2007, but regrets that the Court had to make reservations concerning both the reliability of the accounts and the legality and regularity of the underlying transactions. It is particularly concerned about the absence of a commitment accounting system and of internal control standards and about the failure of the College to comply with the provisions of the Financial Regulation as regards the system of procurement. It also draws attention to the following points:

- **lack of internal control and the ineffective budget monitoring:** the Council regrets the lack of internal control and ineffective budget monitoring observed by the Court which, in conjunction with the absence of a proper commitment accounting system, led to irregularities in the execution of the College's budget. It takes note that a commitment accounting system was put into place at the end of 2007, and calls on the College to further improve its internal procedures for establishing budgetary and legal commitments, including the exhaustive documentation of contractual conditions;
- **high level and cancellations of carry-overs:** the Council notes with great concern the high level of carry-overs and cancellations of appropriations. Moreover, it is particularly concerned about the contribution from the Commission to the MEDA programme implemented outside the budget of the College. The Council calls on the College to remedy this situation in due respect of the principle of sound financial management;
- **procurement:** the Council deeply regrets that the system of procurement adopted by the College did not comply with the provisions of the Financial Regulation and that this situation repeats for the second year in the row. It urges the College to pursue its efforts to remedy such a situation without delay. Moreover, the Council invites the College to establish detailed implementing rules as well as annual provisional accounts and reports on budgetary and financial management in time, as foreseen in its Financial Regulation;
- **inappropriate use of public funds:** the Council is particularly concerned about the cases identified by the Court where public funds were used to finance private expenditure of some of the College's staff. It strongly urges the College to continue its efforts to remedy this situation as soon as possible and to recover completely and urgently the amount that was irregularly spent for private purposes. The Council notes the **ongoing internal investigation opened by the European Anti-Fraud Office (OLAF)** and calls on the College to fully cooperate with OLAF to ensure that the investigation can be concluded rapidly.