2008 discharge: European Police College CEPOL

2009/2127(DEC) - 07/10/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 618 votes, with no votes against and 7 abstentions, **a decision refusing to grant the Director of the European Police College discharge** in respect of the implementation of the College's budget for the financial year 2008. Parliament also postponed the closure of the College's 2008 accounts to a subsequent part-session.

In parallel, Parliament adopted by 627 votes to 2, with 5 abstentions, a resolution containing a series of observations in respect of the implementation of the budget of the European Police College.

Recurrence of structural problems: Parliament notes, that in its report on the College's annual accounts for the 2008 financial year, it qualified its opinion on the reliability of that agency's accounts and that Parliament had decided on 5 May 2010, to postpone its decision to grant discharge for the 2008 financial year due to structural and internal organisational problems within CEPOL. Given the recurrence of these problems which have been in evidence since the College became an agency in 2006, Parliament makes a series of both general and specific observations explaining its position of refusing to grant discharge which may be summarised as follows:

General considerations: Parliament considers it unacceptable that since the College was established as an agency, in 2006, it has struggled to meet the standards of good administration expected from a regulatory agency. Since that time, repeated audits have highlighted issues in the College's adherence to the Financial and Staff regulations, to the accounting system as well as the failings in budget management, human resources, procurement procedures and rules governing expenditure on courses. Aware that the College's improvements are expected to be visible only from 2014 when the College's Multi-Annual Plan (approved by its Board in May 2010) is supposed to be fully implemented, it is, therefore, not ready to accept that the College needs **at least nine years** (2006-2014) to reach an acceptable standard of good administration expected from a regulatory agency.

From 2006 to 2009, CEPOL was marked by an unacceptable lack of professionalism of its former Director, but also poor overall management and transparency, the former director having refused all offers of support from the European Commission to assist its better management.

Parliament deplores the fact that the College's Governing Board did not make a proper response to the former Director's managerial failings, out of concern not to harm the agency's image and that the Board had decided not to take disciplinary action mainly because of the possibility of legal action by the former Director. In an EPP and Greens/EFA amendment, adopted in plenary, Parliament insists, therefore, that the Governing Board of the College must be held responsible and suggests that changes be made to prevent this situation from recurring in future. It calls for a reconsideration of the position of the Commission **to grant it the right to vote and to constitute a blocking minority on decisions concerning the budgetary, financial and administrative management of the agency** within the Governing Boards of the College and of the other Union agencies.

It calls, furthermore, into question **the capability of the College to fully overcome its structural problems with respect to its structural problems** and in particular its small size which casts doubt on its capacity to handle effectively the complexities of the EU's Financial and Staff regulations, its location 70km from London, which is a disadvantage as regards recruitment and transport links, and its very high fixed costs.

Parliament suggests (as it has done previously) examining the possibility of **attaching the College to Europol** as a concrete solution to the College's structural and chronic problems. It also suggests that the Court of Auditors carries out a comprehensive review of regulatory agencies to examine, inter alia, the proportion of operating, governance and operational costs and assess ways of addressing structural or other problems, with a view to complementing the Commission's own evaluation of regulatory agencies.

The College's Action Plan for 2010-2014: Parliament notes that, upon Parliament's request in its resolution of 5 May 2010, the new Director of the College has delivered on time the Action Plan. It regrets that the measures and indicators proposed by the College are vague and do not always clearly help to assess the implementation of the objectives. It requests that the Director of the College inform the discharge authority on the progress of the implementation of the Action Plan every six months.

Specific observations: Parliament also makes some more technical remarks in regard to the internal management of CEPOL which may be summarised as follows:

- **validation of the financial procedures and new accounting system ABAC:** Parliament is concerned about the difficulties experienced in 2008 in migrating the old accounting system to ABAC and the late implementation of a proper accounting system. It also expresses its deep concern about the fact the College's actions are now delayed until 2011 due to the resignation of two key actors in the financial circuit: the Accounting Officer and the Finance and Budget Officer. It deplores the lack of transparency in the audit trail for the 2008 financial year;
- **budgetary programming and monitoring:** Parliament voices concern at the College's weaknesses in programming and monitoring the budget implementation: it notes, in particular, that 31% of the College's total budget had to be carried over in 2008. It considers inadequate and vague the measures proposed by the College in this regard;
- **financial management of the College's work:** Parliament notes that, for the year 2008, the Court flagged up the absence of : a legal or a budgetary commitment preceding the legal commitment in several cases, and it considers inadequate and vague the measures proposed by the College in this regard;
- **shortcomings in respect of rules applicable to public procurement and spending controls:** Parliament notes the College's constant lack of compliance with the Financial Regulation with regard to public procurement rules. It stresses the fact that the Court of Auditors identified in 2008 a large number of cases in which the administrative and financial rules governing expenditure on the organisation of courses and seminars, which accounts for a major proportion (64%) of the College's operational expenditure, were not followed. Whether in regard to public procurement or operational expenditure, these irregularities have been present for several years since similar cases had already been noted by the Court of Auditors in relation to previous financial years;
- **human resource management:** Parliament deplores the fact that the College's financial work is still being carried out by interim staff and that it was not until 2009-2010 that the necessary recruitment procedures were undertaken.

Lastly, Parliament returned to the question of **appropriations used to finance private expenditure**. It regrets that the external audit on using appropriations to finance private expenditure announced by the College and to be carried out by an external company, has not been launched yet. Even if most of the funds have been recovered, Parliament indicates that the sum of 2 320.77 pounds sterling, on transport costs and taxis, had still not been recovered. Likewise, the amount of expenditure for the use of mobile phones and cars by staff is still not clear. It stresses the fact that, in its specific annual report for the year 2007, the Court of Auditors had already signalled that it was not feasible for the auditors to review all payments made during the year 2007 as it was not possible to quantify either the amount that was irregularly spent on private use.