# 2009 discharge: European Police College CEPOL

2010/2181(DEC) - 16/09/2010 - Court of Auditors: opinion, report

PURPOSE: presentation by the Court of Auditors of its report on the annual accounts of the European Police College (CEPOL) for the financial year 2009, together with the College's replies

CONTENT: in accordance with the tasks and objectives conferred on it by the Treaty on the Functioning of the European Union (TFEU), the Court of Auditors, in the context of the discharge procedure, addresses to the European Parliament and the Council a Statement of Assurance on the reliability of the annual accounts, as well as of the legality and regularity of the transactions underlying them of each EU institution, body or agency, on the basis of an external, independent audit.

This audit also covered the annual accounts of the European Police College (CEPOL).

In the Court's opinion, **the College's annual accounts presented "fairly, in all material respects", its financial position as of 31 December 2009** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also stated that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2009 were, "in all material respects, **legal and regular**". However, the Court considered that this statement of assurance should be accompanied by a qualified opinion on the legality and the regularity of the transactions underlying the accounts.

- **Basis for the Court's qualified opinion:** the Court notes the following aspects:
  - **procurement procedures**: in several cases, the College purchased goods and services in the absence of a contract or a tendering procedure. In another case, the procedure was handled by a member of staff not qualified in procurement and, as a result, no terms of reference were specified, no financial offer was requested or received and no financial evaluation was carried out;
  - as in 2008, expenditures for the organisation of courses and seminars represent an important part of the budget. For 2009, the audit of such expenditure also revealed severe shortcomings: engagement contracts of 'module advisers' and 'educational experts' in the field of the Common Curricula Policy were not submitted to the Commission with a view to obtaining its prior consent or communicated to the budgetary authority. Thus, the College's revised Financial Regulation never entered into force and, as a result, all **these engagement contracts were illegal**.

The report again confirmed that the College's 2009 final budget amounted to EUR 8.8 million and that it employed 28 agents during the financial year.

The report also included comments on the College's budgetary and financial management, together with the Agency's replies. The main comments are as follows:

**The Court's comments**:

- carry-over and cancellation of a large number of appropriations: in 2009, more than EUR 3.8 million, i.e. 43% of the College's total budget, were carried forward to 2010. In addition, 46% of the appropriations carried over from 2008 had to be cancelled, indicating severe and recurrent weaknesses in the programming and the monitoring of the implementation of the budget and was at odds with the principle of annuality;
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- delays in the processing of invoices totalling EUR 900 000, due to an unsatisfactory distribution of financial responsibilities, weak internal control procedures and difficulties in recruiting and retaining staff qualified and experienced in financial and accounting matters;
- poorly managed selection and recruitment procedures which were not transparent;
- certain payments made to College staff considered illegal;
- still no effective follow-up of the matter of College appropriations used for private expenses (for further information on this point, see DEC/2008/2271 and DEC/2009/2127).

**The College's replies:**

- since March 2010, the College has been improving its budgetary implementation and control with the Commission's support. Additional improvements are scheduled to be introduced in association with the College's Multi-Annual Activity Plan;
- the financial workflows, processes, procedures as well as roles and responsibilities are the subject of on-going review and improvement (the problem of payment delays is about to be resolved thanks to the recruitment of ad hoc staff);
- new recruitment procedures are in place to ensure that errors or omissions are avoided in future (proof of candidates' professional experience and references);
- since March 2009, no travel expenses have been reimbursed;
- the matter of private expenses: in 2009, the College implemented a number of measures that resulted in the recovery of GBP 17 612,91; the ex-post check remains outstanding.

Lastly, the Court of Auditor's report contained a summary of the **College's activities in 2009** in the following areas:

- 88 courses, seminars and conferences were organised;
- external cooperation with Frontex, Eurojust and ENFSI (European Network of Forensic Science Institutes);
- organisation of joint programmes with the Member States;
- science and research;
- implementation of the Euromed Police II project: seminars on drug trafficking and trafficking in human beings;
- exchange programmes with 21 Member States and one candidate country;
- creation of an electronic network (e-Net): the College's website consulted by 76,000 visitors.