2009 discharge: European Police College CEPOL

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The Committee on Budgetary Control adopted the report by Georgios STAVRAKAKIS (S&D, EL) **recommending that its decision regarding the discharge to be granted to** the Director of the European Police College (CEPOL) **for implementation of CEPOL's budget for the financial year 2009 be postponed**.

Noting that the Court of Auditors qualified its opinion on the legality and regularity of the underlying transactions, Members **postpone the closure of the College's accounts**. They also make a number of recommendations (in addition to the general recommendations that appear in the draft resolution on financial management and control of EU agencies - see DEC/2010/2271) that are attached to the decision to postpone the discharge:

- **weaknesses in procurement procedures**: Members voice concern at the College's persistent lack of compliance with the Financial Regulation with regard to public procurement rules and irregularities regarding tendering rules. They deplore the fact that in certain instances no investigations were ever carried out even when someone was appointed to do deal with the matter within CEPOL;
- **failure to comply with the rules governing expenditure on courses:** Members voice concern at the fact that severe shortcomings were identified in the administrative and financial rules governing expenditure on the organisation of courses and seminars. They consider it unacceptable that the main irregularities are due to the fact that the revised College's Financial Regulation has never entered into force (because it did not receive a favourable opinion from the Commission on certain points). They recommend that the College, in the interest of fostering transparency, provide direct access to its detailed budget, with the exception of those contracts for which publication might entail a security risk);
- **carryover of appropriations:** noting that more than EUR 3.8 million of the 2009 payment appropriations (43% of the total budget) was carried forward to 2010 and that 46% of the appropriations carried over from 2008 had to be cancelled, Members call for these shortcoming to be rapidly remedied. They welcome, however, the fact that, in 2010, measures were taken to begin to rectify this problem;
- **accounting system**: Members regret the significant delays and errors in the preparation of the 2009 provisional accounts (a backlog of unprocessed invoices totalling EUR 900 000 at the end of 2009) due to difficulties in recruiting and retaining staff qualified and experienced in financial and accounting matters. They note that the College, in its Financial Statements for 2009, quantified the total impact on accumulated reserves of its errors prior to 1 January 2008 as EUR 929 670.27 (10.56% of its total budget for 2009) and the total impact on accumulated reserves of its errors from 2008 as EUR 284 718.77 (3.2% of its total budget for 2009);
- **human resources management**: the Court of Auditors reported several weaknesses with regard to staff selection procedures that put at risk the transparency of these procedures. Members are concerned about practices which are not allowed under the Staff Regulations or are illegal (e.g. a staff member with management responsibilities was authorised to be based outside the United Kingdom, but to work on the College's premises in Bramshill for a limited number of days per year while the College was reimbursing the travel expenses). Members wonder how the College intends to address these recurrent human resources management issues, especially considering the fact that the location of the College's Secretariat in Bramshill significantly impedes its capacity to attract and retain duly qualified people;
- **appropriations used to finance private expenditure:** among the most serious problems brought to light by the Court of Auditors and Parliament, Members highlight the issue of CEPOL

appropriations used to finance private expenditure. These amounts were finally reimbursed, but not in their totality. It would appear that there is not even a real possibility for the further recovery of certain sums. In this context, Members underline, once again, the responsibilities of the former Director for these deficiencies and irregularities and regret the fact that, out of concern not to harm the Agency's image, the Governing Board decided not to take disciplinary action mainly because of the possibility of legal action by the former Director. They reiterate their position that the Governing Board of the College must be held accountable and call again for a reconsideration of the position of the Commission in the Governing Board by granting it the right to vote;

- **internal audit:** Members welcome the College's initiative of providing to the discharge authority the final assessment Report of the Internal Audit Service (IAS) on the implementation of the Multi-Annual Plan (MAP) 2010-2014 of the College and consider this a sign of transparency and a best practice to be followed by all other Agencies.

College's MAP (2010-2014): on the request of the discharge authority, the College's Governing Board finally approved the MAP in May 2010 and this is being implemented gradually, even if the first progress reports highlights some shortcomings. The College is called upon to take further measures: i) better application of control standards, ii) better application of certain financial procedures, iii) enhanced ex-ante and ex-post verification capacity, iv) reduced reliance on interim staff, v) improved Human Resource (HR) management. Information on these various points should be sent to Parliament by 30 June 2011 at the latest. Members recall that the progression of the College in implementing the MAP is primarily linked to its **capacity in recruiting and retaining qualified staff experienced in financial and accounting matters**.

Structural deficits: Members highlight the shortcomings in the College that appear to be the hardest to overcome. These relate, in particular, to:

- the impossibility to apply the complex EU financial and staff regulations, given the limited mission and corresponding small size of the College;
- the location of the College's secretariat, in Bramshill, some 70 kilometres from London;
- the College's governance costs which are very high as compared to its activities, given that while employing only 28 staff, the College had a 27-voting member Governing Board during 2009.

They also note that the College and Europol are two Union bodies evolving in similar fields and are performing complementary activities. **They believe that if these activities were brought together under a common agency**, unnecessary additional costs would be avoided. They recommend, therefore, **merging the College within Europol in the near future** as such a merger would engender greater rationality and efficiency in expenditure (although some Member States have already rejected this proposal). They believe that a merger would not only provide concrete solutions to the aforementioned College's structural and chronic problems but would also enable the College to benefit directly from Europol's expertise regarding international organised crime and terrorism. They reiterate their request to the Commission to examine before 1 September 2011 the possibility of attaching the College to Europol as a concrete solution to the College's structural and chronic problems and call on the Council and the Commission to provide the Parliament with a report on the merging of the College with Europol by the end of 2011.