2009 discharge: European Police College CEPOL

2010/2181(DEC) - 03/10/2011

The Committee on Budgetary Control adopted the second report drafted by Georgios STAVRAKAKIS (S&D, EL) granting the Director of the European Police College (CEPOL) discharge in respect of the implementation of the College's budget for the financial year 2009. At the same time, Members approved the closure of CEPOL's accounts for the financial year 2009.

This report is the follow up to the postponement of the discharge decision on 11 May 2011.

Stating that the Court of Auditors had reserved its opinion on the legality and reliability of the underlying transactions, Members made a series of recommendations (other than those outlined in the draft resolution as regards the performance, financial management and the controls – see DEC/2010/2271) which accompanies the decision postponing the discharge.

General considerations: Members acknowledge measures taken by the new management and governance of the College to tackle its deficiencies in response to Parliament's request for action, following the serious irregularities in the implementation of the budget for 2009 and welcome, in particular, the following actions taken in time to respond to Parliament's requests: (i) the revision of the Financial Regulation of the College by introducing a derogation concerning the exclusion for tender with regard to the selection of educational experts in order to use experts from national police training institutes and, therefore, ensuring the cost effectiveness and the representation of these institutions as part of the College's network; (ii) the assurance from the Court of Auditors and from the IAS that the College's MAP for 2010-2014 gives an overview of the status of its different milestones and that the College is progressing according to its targets; (iii) a report on the application by the College of the procurement manual for the period covering 1 July 2010 - 1 July 2011; (iv) the decision of the Governing Board of the College to grant voting rights to the Commission.

Members look forward to the Commission's presentation in 2012 of the College's new legal framework to integrate the abovementioned Commission's voting rights in the proceedings of the Governing Board. They note that the final report on the five-year external evaluation of the College established that there is a case for the College's relocation and call on the Court of Auditors to prepare a **special report**, during 2012, setting out the costs and benefits in financial and operational terms of merging the College's responsibilities with those of Europol.

Specific actions to be taken by the College to tackle its weaknesses: Members made the following observations:

- ***Procurement procedures***: Members welcome the first report of the College on the application of its procurement manual for 1 July 2010 - 1 July 2011.
- ***Rules governing expenditure on courses***: Members acknowledge that on 28 April 2011 the College presented the Commission with a request to modify its Financial Regulation by introducing an Article which includes a derogation from Regulation (EC, Euratom) No 2343/2002 concerning the exclusion for tender for the selection of educational experts in order to use experts from national police training institutes. They welcome the Commission's subsequent which granted consent to the abovementioned derogation. Members take the view that the College should grant direct access to its detailed budget, which should include a list of its contracts and of its public procurement decisions and considers that it should publish that list on its internet site, according the provision of the Financial Regulation, excluding details of any contracts whose disclosure might pose a security risk.
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Carryover of appropriations: Members take note that the College established an organisational risk register as part of its ongoing budget management to mitigate its risk of underspending. They call also on the Court of Auditors and the IAS to assure Parliament on the College's effective improvements on this issue and to indicate that all instruments for programming and monitoring are firmly in place.

- ***Errors in the accounts***: Members take note that, despite the significant delays and errors in its provisional accounts for 2009, the College has assured Parliament that since 2010 it increased its financial discipline and internal control. They welcome the decision by the Governing Board of the College to replace the former Internal Control Standards (ICS) with the recently established 16 ICS of the Commission. They call on the College to update Parliament on the level of implementation of these 16 ICS on a continuing basis.
- ***Human resource management***: Members note that the College put an end to a contract that the Court of Auditors considered "illegal" and note that the vacancy notice is already advertised. They call on the College to update the discharge authority on subsequent developments on this specific case.
- ***Appropriations used to finance private expenditure***: Members acknowledges that, as a result of an external audit on an ex-post check, the current Director initiated a recovery order requiring the former Director to return the sum of EUR 2 014.94 of which only EUR 43.45 have been recovered to date. They regret the small amount recovered compared to the financial loss that the College incurred under the management of the former Director. They take note that a final reminder for payment has been issued in 2011 and that the next step is to institute proceedings before an English court to establish the legality of the debt, dating from 2007, and, should the appropriate judgement be obtained, the enforcement service will seek to recover the remainder of the unpaid debt.
- ***The College's MAP for 2010-2014***: Members note that the enhanced transparency provided by the current Director and its management team has led to an improved understanding of the challenges the College is facing and has fostered the necessary changes. They welcome, in this respect, the policy of the College to: (i) publish a monthly newsletter and regular progress reports on its activities for its Governing Board in order to provide them with a clearer analysis of the status of the College’s activities; (ii) regularly update its progress report on the level of implementation of its MAP; (iii) provide Parliament with the IAS' annual reports pursuant to the relevant provisions of the Financial Regulation. They welcome the Court of Auditors publication of a report on the implementation of the College's MAP for 2010-2014 in response to Parliament’s request and note that in this report the Court of Auditors stated that the College’s implementation of the MAP is progressing according to its milestones. They call on the College to consult Parliament regularly and to continue to update it with its progress report on the MAP implementation.
- ***Structural deficits***: Members underline that the governance costs of the College are high compared to its activities. They welcome, therefore, the efforts of the College to reduce its governance expenditure at its 25th Governing Board (GB) meeting of June 2011, when it was agreed that all GB committees should be abolished by 2012 and that all GB working groups should be critically analysed.