2011 discharge: European Police Office (EUROPOL)

2012/2205(DEC) - 18/09/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Police Office (Europol) for the financial year 2011, together with the Office's reply.

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

This audit concerned, amongst others, the annual accounts of the European Joint Undertaking for the European Police Office (Europol).

In the Court's opinion, **Europol's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2011** 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 considers that the **transactions underlying the annual accounts** of Europol for the financial year ended 31 December 2011 are, in all material respects, **legal and regular**.

The report confirms that Europol's 2011 budget amounted to EUR 84.8 million and that the number of staff employed by Europol at the end of the year was 555.

The report also makes a series of observations on the budgetary and financial management of Europol, accompanied by the latter's response. The main observations may be summarised as follows:

Court's comments:

- carry-overs and cancellations: the high carry-over and cancellation rates and also the high number of 11 budget transfers made in 2011 indicate difficulties in the planning and/or implementation of the Office's activities. The level of payments against commitments was low and is at odds with the budgetary principle of annuality;
- assets: weaknesses were found as regards the physical verification and recording of assets before and after the move to the new headquarters. In addition, insurance contracts do not reflect the value of the Office's assets;
- public procurement: the Court notes that there is considerable room for improving the preparation, execution and documentation of procurement procedures;
- building policy: the general conditions of the contract between the Office and the host country on the use of the new headquarters do not include any provision for dilapidation costs;
- recruitment: there is considerable room for improving the transparency of recruitment procedures.

Europol's replies:

- Europol notes that its carry-overs have been reduced. Special circumstances during 2011 held up budget implementation, such as the delayed move (3 months) to the new building;

- exceptions in the area of recruitment, procurement activities and all financial transactions are recorded. Europol states that it has developed an own Process Framework (PF) which is based on and recognises applicable standards and norms. Considerable efforts were undertaken to confirm the physical location of the concerned assets for the final accounts;
- dilapidation costs for the new building of Europol and the external disaster recovery site were reflected as contingent liabilities in the final annual accounts 2011. Europol will seek independent reassurance concerning the estimated costs, taking into account the costs such a review will imply.

Lastly, the Court of Auditors' report contains a summary of **Europol's activities in 2011**. This is focused on the following:

- operational products and services: the Office supported competent authorities in EU Member States in 13 697 cross–border cases, an increase of 17% over 2010. 21% of these cross border cases were related to drugs; Europol initiated or actively supported 694 investigations in the Member States with in-depth analytical and operational support, most of which are still ongoing; it supported 17 Joint Investigation Teams in 2011 as a full member;
- special actions: Europol intensively supported the establishment and implementation of the EU Policy Cycle 2011-2013 which is based on the Organised Crime Threat Assessment (OCTA) 2011. A dedicated unit within Europol continued to fulfil Europol's role in the Terrorist Finance Tracking Programme (TFTP) and processed all related US requests and information leads;
- strategic analysis capability: strategic analysis reports;
- internal reorganisation: Europol liaison officers ensure a live link between Europol headquarters in The Hague and 27 Europol National Units in the national capitals of the Member States. It also hosts liaison officers from 10 non-EU countries and organisations who work together with Europol on the basis of cooperation agreements;
- capacity building expertise in key areas: ex. : online crimes, including hacking and identity theft, sexual exploitation of children, mass marketing fraud, credit card fraud and theft of intellectual property;
- external relations: Europol cooperates with a number of EU partners, and with third countries and organisations. The exchange of information with these partners takes place on the basis of cooperation agreements. Europol currently cooperates with 18 non-EU countries, 9 EU bodies and agencies and 3 other international organisations, including Interpol,