Basic information

2007/2063(DEC) DEC - Discharge procedure	Procedure completed
2006 discharge : European Police College CEPOL **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MARTIN Hans-Peter (NI)	27/03/2007

Committee for opinion	Rapporteur for opinion	Appointed
LIBE Civil Liberties, Justice and Home Affairs	DÜHRKOP DÜHRKOP Bárbara (PSE)	05/11/2007

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2847	2008-02-12

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
30/03/2007	Non-legislative basic document published	SEC(2007)1055	Summary
25/10/2007	Committee referral announced in Parliament		
26/03/2008	Vote in committee		Summary
03/04/2008	Committee report tabled for plenary	A6-0121/2008	
22/04/2008	Decision by Parliament	T6-0160/2008	Summary
22/04/2008	Results of vote in Parliament		
22/04/2008	Debate in Parliament		

22/04/2008	End of procedure in Parliament		
31/03/2009	Final act published in Official Journal		

Technical information

Procedure reference	2007/2063(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/53889

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE396.704	07/02/2008	
Committee opinion	LIBE	PE400.462	28/02/2008	
Amendments tabled in committee		PE402.784	06/03/2008	
Committee report tabled for plenary, single reading		A6-0121/2008	03/04/2008	
Text adopted by Parliament, single reading		T6-0160/2008	22/04/2008	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05843/2008	29/01/2008	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2007)1055	30/03/2007	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0004/2008 OJ C 309 19.12.2007, p. 0001	15/11/2007	Summary

Additional information

Source	Document	Date

European Commission	EUR-Lex	

Final act	
Budget 2009/0233 OJ L 088 31.03.2009, p. 0243	Summary

2006 discharge : European Police College CEPOL

2007/2063(DEC) - 15/11/2007

PURPOSE: presentation of the report by the Court of Auditors on the 2006 annual accounts of the European Police College (CEPOL).

CONTENT: the report shows that CEPOL was not able to present a table clearly showing the implementation of its budget for 2006, but rather settled for putting forward an economic outturn account and a financial balance sheet ending 31.12.2006.

Although the Court notes that the annual accounts are reliable in all material respects, it draws CEPOL's attention, nevertheless, to the **ambiguities regarding the presentation of the accounts**. The Court also points out that the underlying transactions of CEPOL's annual accounts are, taken as a whole, legal and regular even though the **procurement procedure is far from satisfactory**.

Analysis of the accounts by the Court: regarding the implementation of the budget for 2006 (CEPOL's first year in operation), the Court indicates that in 2006, the College did not establish the necessary systems and procedures to enable it to prepare a financial report in compliance with the requirements of the Financial Regulation applicable to the Agencies. Moreover, its Financial Regulation must usually be accompanied by detailed rules for its implementation, which was not the case (particularly concerning procurement procedures).

In addition, the Court specifies that CEPOL neither used differentiated appropriations to implement its budget, as provided for by its Financial Regulation, nor drew up budgetary implementation statements. According to the Court, the introduction of commitment appropriations would have helped to improve control over the College's budgetary implementation and ensured that any appropriations which were not used at the close of the financial year could be carried over under strictly defined conditions, in accordance with the Financial Regulation.

As regards the courses and seminars (amounting to EUR 1 296 636 in 2006), although information relating to the events was made available, there was no formal submission and approval of cost estimates prior to the events taking place. Thus, budget appropriations were not used in accordance with the **principle of sound financial management**.

Finally, the system of procurement did **not comply** with the provisions of the Financial Regulation. There was no documentation available to justify the need to purchase particular items and to explain the recourse to a particular supplier. A similar issue arose with relocation costs for staff, which were not dealt with following standard procurement procedures for the acquisition of goods and services.

The Agency's replies: CEPOL replies to all of the criticisms one by one and indicates that it is in the process of implementing the new budget management system ABAC during 2007, to become fully compliant with the requirements of its Financial Regulation.

CEPOL specifies that the implementing rules to the Financial Regulation were presented for adoption to the Governing Board in its meeting of November 2007. In addition, it points out that it is in the process of implementing the ABAC system, which will enable rapid progress to be achieved, during the financial year 2007, on the implementation of procedures that shall allow for full compliance in the management of the College's budget, as defined in the Financial Regulation.

CEPOL also indicates that, in future, it shall pay due attention to the principle of sound financial management when deciding on, approving and managing the activities under its work programme.

Lastly, CEPOL specifies that it has largely improved its procurement procedures in order to fully respect EC public procurement directives, rules and regulations, for instance, regarding the launch of extensive calls for tenders, such as the *E-Platform Network* (electronic platform network).

2006 discharge : European Police College CEPOL

2007/2063(DEC) - 29/01/2008

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Police College (CEPOL) for the financial year 2006, as well as on the Court of Auditor's report and CEPOL's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the CEPOL discharge in respect of the implementation of the budget for the financial year 2006.

In doing so, the Council confirms that the appropriations carried over from 2006 to 2007 amount to EUR 2.1 million and that a total of EUR 430 000 was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Agency's annual accounts were, in all material aspects, reliable at the close of the financial year on 31 December 2006, the Council regrets, however, that in terms of reasonable assurance of the legality and regularity of the underlying transactions, as a whole, the Court excluded transactions relating to the organisation and conclusion of markets.

While recognising the problems caused by the transformation of the existing College into a body of the European Communities and noting the efforts made by the College to adapt its management as a result, the Council would like to draw attention to the following points:

- **Procurement:** the Council regrets that procurement system adopted by the College does not comply with the Financial Regulation and encourages the College to step up its efforts to rectify such a situation;
- **Presentation of the budget:** the Council calls on the College to actively step up its efforts in order to implement the necessary systems and procedures concerning the establishment of financial reports and to comply in full with the requirements of the Framework Financial Regulation applicable to the Agencies. The Council also notes the process in place to adopt terms for the implementation of the College's Financial Regulation, the planned implementation of the ABAC system and the adoption by the Board of a set of mechanisms to provide the College with necessary legal framework and the corresponding tools for transparent and healthy budgetary management.

2006 discharge : European Police College CEPOL

2007/2063(DEC) - 22/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 599 votes in favour, 17 against and 38 abstentions, a Decision to grant the Director of the European Police College (CEPOL) discharge in respect of the implementation of its budget for the financial year 2006. The decision to grant discharge also constitutes closure of the accounts of this EU agency.

At the same time, the Parliament adopted by 593 votes in favour, 18 against and 34 abstentions, a Resolution containing the comments which form part of the decision giving discharge. The report had been tabled for plenary by Hans-Peter **MARTIN** (NI, AT) on behalf of the Committee on Budgetary Control.

As is the case for all EU agencies, Parliament's Resolution is divided into two parts: part one contains general comments on EU agencies, while part two focuses on the specific case of the College.

1) General comments on the majority of EU agencies: the Parliament notes that the budgets of the 24 agencies and other satellite bodies audited by the Court of Auditors totalled **more than EUR 1 billion** and that the number of agencies is constantly increasing. The number of agencies subject to the discharge procedure evolved from 8 in 2000 to 20 in 2006. It concludes therefore that the auditing/discharge process has become cumbersome and disproportionate compared to the relative size of the agencies and that, in the future, this type of procedure should be simplified and rationalised for decentralised agencies.

On the basis of the financial analysis, the Parliament is of the following opinion:

- **Fundamental considerations**: given the constantly increasing number of agencies, the Parliament requests that, before the creation of a new agency, the Commission provide clear explanations regarding agency type, objectives of the agency, internal governance structure, products, services, clients and stakeholders of the agency, formal relationship with external actors, budget responsibility, financial planning, and personnel and staffing policy. It also requests that each agency be governed by a yearly performance agreement which should contain the main objectives for the coming year and that the performance of the agencies be regularly audited by the Court of Auditors (and extend the financial analysis of expenditure to also cover administrative efficiency and effectiveness). More generally, the Parliament takes the view that, in the case of agencies, which are continually overestimating their respective budget needs, technical abatement should be made on the basis of vacant posts in order to reduce the assigned revenue for the agencies and therefore also lower administrative costs of the EU. It recalls that it is a serious problem that a number of agencies is criticised for not following rules on public procurement, the Financial Regulation, the Staff Regulations etc., and considers that the principal reason for this is that most regulations and the Financial Regulation are designed for bigger institutions rather than for small agencies. Therefore, it is necessary to seek a rapid solution in order to enhance the effectiveness of the legislation by grouping the administrative functions of various agencies together or by establishing implementing rules which are better adapted to the agencies. The Parliament also insists that the Commission, when drafting the Preliminary Draft Budget, take into consideration the results of budget implementation by the individual agencies in former years and revise the budget requested by the particular agency accordingly. If the Commission does not undertake this revision, the Parliament invites **the competent committee to revise, itself, the budget in question to a realistic level**. At the same time, the Parliament recalls that it expects the Commission to present every five years a study on the added value of every existing agency and to not hesitate to close an agency if it is deemed useless by the analysis. Such an assessment is expected as soon as possible given that this type of assessment has yet to be presented. Furthermore, the Parliament insists that recommendations of the Court of Auditors should be promptly implemented and the level of subsidies paid to the agencies should be aligned with their real cash requirements.
- **Presentation of reporting data**: noting that there is no standard approach among the agencies with regard to the presentation of information, the Parliament recalls that it already invited the directors of the agencies to accompany their annual activity report with a declaration of assurance concerning the legality and regularity of operations, similar to the declarations signed by the Directors General of the Commission. It therefore asks the Commission to amend its standing instructions to the agencies and to produce a harmonised model for presenting information, including: i) an annual report intended for a general readership on the body's operations, work and achievements; ii) financial statements and a report on implementation of the agency's budget; iii) an activity report of the Directors of the agency (as requested by the Parliament since 2005); iv) a declaration of assurance signed by the body's director.

- **General findings by the Court of Auditors**: the Parliament refers to certain recurring findings by the Court, including the disbursement of subsidies paid by the Commission (not sufficiently justified estimates of the agencies' cash requirements), the non implementation of the ABAC accounting system by some agencies or the accrued charges for untaken leave which are accounted for by some agencies. It calls for

rapid measures in these areas as well as improvements to the internal audit procedures of the agencies. The Parliament also calls on the agencies to consider an inter-agency disciplinary board, as some individual agencies have difficulty in setting up their own disciplinary boards due to their size.

- **Draft inter-institutional agreement**: the Parliament recalls the Commission's draft Interinstitutional agreement on the operating framework for the European regulatory agencies (see ACI/2005/2035), which was intended to create a framework for the creation, structure, operation, evaluation and control of the European regulatory agencies, and awaits its adoption as soon as possible. It particularly welcomes the Commission's commitment to bring forward a Communication on the future of the regulatory agencies during the course of 2008.

2. Specific points concerning the European Police College: the Parliament notes that the Court of Auditors qualified its declaration of assurance as regards the legality and regularity of the underlying transactions of the College, on the grounds that the system of procurement did not comply with the provisions of the Financial Regulation, there was no documentation available to justify the need to purchase particular items and a similar issue arose with removal costs for staff. In particular, the Parliament regrets that the College did not manage to prepare a financial report in the same way as the other agencies. It therefore calls on the College to adopt detailed implementing rules (including in terms of procurement procedures) and to significantly improve control over its budgetary implementation.

The Parliament also expresses concern at the fact that, as regards courses and seminars (an overall amount of EUR 1.3 million in 2006), budget appropriations were not used in accordance with the principle of sound financial management.

While taking note of the justifications made by the College (including that it was difficult for this new Community body to instantly respect the principles of the Financial Regulation and that, from now on, the control systems should be put in place), the Parliament calls on the College to ensure by June 2008 at the latest, that its financial management fully respects the provisions of the Financial Regulation and asks that the Commission closely supervise the implementation of the College's budget.

Lastly, the Parliament regrets that this College, although now an EU agency, still retains, according to its annual report, some characteristics of an inter-governmental body (e.g. the rotating presidency of the governing board).

2006 discharge : European Police College CEPOL

2007/2063(DEC) - 30/03/2007 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Police Collegefor the 2006 financial year.

CONTENT: the European Police College was established by Council Decision 2000/820/JHA, as repealed in 2005 and replaced by Council Decision 2005/681/JHA.

The College’s task is to function as a network and bring together the national training institutes in the Member States to provide training sessions, based on common standards, for senior police officers.

The College became fully autonomous in 2006.

This document sets out a detailed account of the implementation of the College’s budget for 2006. It indicates that the Agency’s final budget amounted to 5 million EUR in 2006 - its first year of operation – 100% of which is derived from a Community subsidy.

In terms of personnel, the College, whose headquarters are in Bramshill (UK) officially had 22.5 posts provided for in the establishment plan, of which only 7 were occupied in 2006 and 8 further posts (seconded national experts and contract staff, etc) amounting to 15 effective posts. Expenditures relating to personnel in 2006 amounted to 1.46 million EUR.

Given that 2006 was the year the College was launched, no information was provided on its activities in the course of that financial year.

Full details of the College’s accounts are available from the following address: http://www.cepol.europa.eu

2006 discharge : European Police College CEPOL

2007/2063(DEC) - 22/04/2008 - Final act

PURPOSE: to grant discharge to the European Police College (CEPOL) for the financial year 2006.

LEGISLATIVE ACT: Decision 2009/233/EC of the European Parliament on the discharge for the implementation of the budget of the European Police College for the financial year 2006.

CONTENT: with the present decision, the European Parliament grants discharge to the Director of the European Police College for the implementation of the Authority’s budget for the financial year 2006.

This decision is in line with the European Parliament’s resolution adopted on 22 April 2008 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 22/04/2008).