Basic information

2009/2127(DEC) DEC - Discharge procedure	Procedure completed
2008 discharge: European Police College CEPOL See also 2010/2933(RSP) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MATHIEU HOUILLON Véronique (PPE)	01/10/2009
	Shadow rapporteur STAVRAKAKIS Georgios (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE)	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2994	2010-02-16

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
23/07/2009	Non-legislative basic document published	SEC(2009)1089	Summary
07/10/2009	Committee referral announced in Parliament		
23/03/2010	Vote in committee		Summary
26/03/2010	Committee report tabled for plenary	A7-0075/2010	
21/04/2010	Debate in Parliament		

05/05/2010	Results of vote in Parliament		
05/05/2010	Decision by Parliament		
05/05/2010	Report referred back to committee		
05/05/2010	End of procedure in Parliament		
27/09/2010	Vote in committee		Summary
29/09/2010	Committee report tabled for plenary	A7-0253/2010	
07/10/2010	Decision by Parliament	T7-0348/2010	Summary
07/12/2010	Final act published in Official Journal		

Technical information

Procedure reference	2009/2127(DEC)
Procedure type	DEC - Discharge procedure
Amendments and repeals	See also 2010/2933(RSP)
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/02988

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	LIBE	PE430.722	13/01/2010	
Committee draft report		PE430.456	02/02/2010	
Amendments tabled in committee		PE439.264	05/03/2010	
Committee report tabled for plenary, single reading		A7-0075/2010	26/03/2010	
Text adopted by Parliament, single reading		T7-0140/2010	05/05/2010	Summary
Committee draft report		PE443.079	04/08/2010	
Amendments tabled in committee		PE448.694	08/09/2010	
Committee report tabled for plenary, single reading		A7-0253/2010	29/09/2010	
Text adopted by Parliament, single reading		T7-0348/2010	07/10/2010	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05827/2010	01/02/2010	Summary

European Commission

Document type	Reference	Date	Summary

Non-legislative basic document	SEC(2009)1089	23/07/2009	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0012/2010 OJ C 304 15.12.2009, p. 0001	08/10/2009	Summary
CofA	Document attached to the procedure	N7-0036/2009 OJ C 269 10.11.2009, p. 0001	10/11/2009	
EU	Follow-up document	32011D0150 OJ L 062 09.03.2011, p. 0031	03/02/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2010/0756
OJ L 320 07.12.2010, p. 0011 Summary

2008 discharge: European Police College CEPOL

2009/2127(DEC) - 08/10/2009

PURPOSE: to present the report by the Court of Auditors on the 2008 annual accounts of the European Police College (CEPOL).

CONTENT: in the Court's opinion, the College's Annual Accounts present fairly, in all material respects, its financial position as of 31 December 2008 and the results of its operations and its cash flows for the year then ended.

Without calling into question this opinion, the Court notes that difficulties experienced in 2008 in migrating the old accounting system to ABAC and the late implementation of a proper accounting system still **put at risk the quality of the financial information** concerning the carry-overs from the previous year, the use of assigned revenue and the link with certain figures in the balance sheet for 2007.

In addition, the Court sets out the basis for qualified opinion on the legality and the regularity of the transactions underlying the accounts:

- the College directly contracted consulting services with a provider on the basis of a framework contract of the Commission exclusively intended for training services. This procurement procedure is **irregular**;
- expenditure for the organisation of courses and seminars represent a significant part of the College's budget. The audit of such expenditure revealed a high number of **breaches of the applicable administrative and financial rules** such as the absence of justifications of the costs incurred, the absence of confirmation of attendance, original invoices and documents necessary for the reimbursement of accommodation, travel costs for experts not queried etc;
- for a sample of 15 commitments, the audit showed the absence of: (i) legal commitment in three cases, (ii) budgetary commitment before the legal commitment in nine cases.

The Court of Auditor's report includes a detailed section on the College's expenditure and an analysis of the expenditure, as well as the College's replies.

- **The Court's analysis of the accounts**: as regards financial and budgetary management, the Court makes a number of comments such as: (i) more than EUR 2.7 million of the 2008 payment appropriations had to be carried forward. This situation is against the principle of annuality and indicates weaknesses in the programming and the monitoring of the implementation of the budget; (ii) during 2008 a commitment of EUR 175 000 was made in relation to a recovery order made by the European Commission in respect of an advance payment made before 2006 to

the College's predecessor. The commitment was carried forward to 2009; (iii) the audit of a sample of commitments showed that, in three cases, there was no audit trail to retrace the financial execution such that it was not possible to match their closing balances in the accounts; (iv) the College closed its old accounting system and migrated to ABAC. The migration to the new system effectively started on 14 July 2008. In the meantime, a manual system was set up. Not all the adjustments related to the period covered by the manual system were effected on time; (v) inventory of assets: two fixed assets management systems are in place, sometimes duplicating the recording of assets. No labels and no unique inventory numbers are used; (vi) in its report concerning the 2007 financial year, the Court had noted cases where appropriations were used to finance private expenditure. The College replied that an ex-post control would be carried out by an external company. Such a control had not been launched mid-2009.

- **The Agency's replies**: the College takes note of the observations of the Court: (i) it has taken all the necessary measures to minimise the risks linked to the migration to the ABAC system. The commitment system implemented in 2008 is closely monitored and improved to avoid error; (ii) monitoring and control systems already in place and will continue to be improved and implemented in order to avoid such situations in the future; (iii) the College notes the observation on the commitment system. The ex-ante controls on transactions have been reinforced in 2009 to avoid such situations in the future. The College notes that measures have been taken to improve the monitoring of operational expenditure to avoid committing significant funds at the year-end and to avoid excessive carry-over; (iv) the College recognises that they were inconsistencies concerning the three commitments mentioned by the Court. The total error amounts to EUR 1 169 to be compared to a total value of EUR 318 210 of the 15 commitments sample; (v) as regards inventories, the College has in 2009 implemented ABAC assets and has drafted an inventory policy which is under review for approval in view of a proper registering and accounting of the inventory; (vi) lastly, the final part of the recovery process regarding personal expenditure in 2007 was completed in June 2009, except for the seconded national experts who left the College the previous years. When the recovery is fully completed an ex-post control, will be carried out following a tender process.

2008 discharge: European Police College CEPOL

2009/2127(DEC) - 03/02/2011 - Follow-up document

PURPOSE: to close the accounts of the European Police College (CEPOL) for the financial year 2008.

NON-LEGISLATIVE ACT: Decision 2011/150/EU of the European Parliament on the closure of the accounts of the European Police College for the financial year 2008.

CONTENT: this Decision provides that the European Parliament closes the accounts of the European Police College for the financial year 2008.

2008 discharge: European Police College CEPOL

2009/2127(DEC) - 05/05/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 605 votes to 6, with 12 abstentions, a decision **to postpone its decision on discharge to be granted to the Director of the European Police College (CEPOL)** in respect of the implementation of its budget for the financial year 2008.

Parliament thus postpones the closure of CEPOL's accounts.

In parallel, Parliament adopted by 605 votes, to 4, with 10 abstentions, a resolution containing a series of observations on budgetary and financial management which may be summarised as follows:

- **criticisms of the Court of Auditors:** Parliament considers that the Court made a great number of criticisms in regard to CEPOL's budgetary and financial management and that, for the most part, the College's responses are vague and insufficient. It considers, as a result, that the discharge authority is not in a position to evaluate well whether the College will be able to improve in the future;
- **structural problems:** given the small size of the College, Parliament considers that this calls into question its capacity to handle effectively the complexities of the EU's financial and staff regulations. Moreover, the College secretariat's location, in Bramshill, some 70 kilometres from London, is a disadvantage, inter alia as regards recruitment and public transport links. Overall, Parliament questions whether the College's new Director will be able to address these structural problems and wonders whether consideration should not be given to attaching the College to Europol;
- **College governance and transparency:** Parliament notes the College's high fixed governance costs, noting that the College has a 27-member Governing Board and calls for a list of board members to be placed on the website of the College;
- **reliability of the accounts:** Parliament is concerned about the overall quality of financial information supplied and the fixed assets management systems. It also regrets that no ex post control by an external company was launched even in mid-2009 (following the Court of Auditors' findings in the 2007 financial year report that there were cases of appropriations which were used to finance private expenditure). Parliament calls on the College to take all the steps needed to ensure that such a control is carried out as speedily as possible;
- **weaknesses in procurement procedures:** noting the number and serious nature of irregularities in the procedure used for a public supply contract, Parliament stresses, as in previous years, the need for the College to strictly abide by the Financial Regulation and EC public procurement legislation;
- **failure to comply with the rules governing expenditure on courses:** Parliament notes the great number of administrative and financial rules governing expenditure on the organisation of courses and seminars, which were not followed and the irregularities regarding the routine organisation of the College. In this regard, it calls on the College to take steps to improve the situation;
- **carryover of appropriations:** CEPOL carried over 31 % of its total budget in 2008 and this situation is at odds with the principle of annuality. For this reason, Parliament calls on the College to introduce a system of differentiated appropriations in future budgets for grants, so as to obviate the need for cancellations;
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other irregularities: Parliament notes the absence of a legal commitment covering a total of EUR 39 500, budgetary commitments preceding the legal commitments in nine cases covering a total of EUR 244 200. As a result, the College needs to take steps to improve this situation and, in the coming years, the discharge for the implementation of its budget should be further based on its performance throughout the year;

- **ongoing OLAF investigation:** Parliament recalls the OLAF investigation into the use of public money for private purposes by members of the College's staff and is pleased to note that some information has been obtained. This relates to the fact that the recovery process has been initiated for the amounts involved. It calls on the College and the Commission to communicate the findings of the OLAF investigation to the discharge authority without delay;
- **human resources:** Parliament notes that it was not until 2009 that the College issued a vacancy notice for the recruitment of an Internal Control Standards Coordinator and that the interviews for that post were then scheduled for early 2010;
- **internal audit:** Parliament calls on the College to implement the recommendations made by the Internal Audit Service (IAS), in particular in regard to public procurement; management assurance; fixed assets (inventory system); management of delegations (delegations must be fully documented and regularly reviewed); budgetary management; compliance with accounting rules and principles; and the checklist ensuring consistency and documentation of the financial controls;
- **Action plan:** lastly, Parliament calls on the CEPOL to adopt and implement an action plan to meet the objectives set out in the annex to this report by 30 June 2010. As a second step, the College's Director, in cooperation with the IAS and the parent directorate-general (DG) would have to draft specific measures and a timetable for implementation of that plan and to submit them to the Governing Board for adoption. Parliament calls on the College to communicate the specific measures and indicators adopted to the discharge authority by 30 June 2010, as well as on the Court of Auditors to deliver an opinion in letter form on the establishment of the College's action plan to the discharge authority at the earliest opportunity.

Parliament also makes a number of general recommendations that are contained in the resolution on the performance, financial management and control of EU agencies (see 2010/2007(INI) adopted in parallel).

2008 discharge: European Police College CEPOL

2009/2127(DEC) - 23/07/2009 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Police College (CEPOL) for the 2008 financial year.

CONTENT: this document sets out a detailed account of the implementation of the College's budget for 2008. It indicates that the College's final budget amounted to EUR 8.7 million in 2008 with the following allocations between budget titles:

- Title 1: Expenditure relating to persons working within the College: EUR 3 237 500
- Title 2: Buildings, equipment and miscellaneous expenditure: EUR 493 500
- Title 3: Operational expenditure: EUR 4 969 000.

As regards the staffing policy, the College, whose headquarters are in Bramshill (UK) officially had 22 members of staff and 2 national seconded national experts.

In 2008, CEPOL's main activities consisted of:

- **Courses and seminars**:the College organised 87 courses and seminars. Activities increased on 2007 with 2 078 participants. The College Secretariat organised nine activities in support of the network. Two major conferences were organised in Paris under the aegis of the College. The College Annual Conference: '*Crime, Police and Justice in the 21st Century*'. The meeting of the General Directors of the Police, Customs and Security Services from the MEDA regions and the EU Member States, organised under the Euromed Police II project developed by the College.
- **Cooperation**: the College continued to formalise cooperation with key institutions. A cooperation agreement with Interpol was signed in December 2008. The College continued work on furthering agreements with Frontex and Eurojust. Agreements will be signed in 2009.
- **European Dimension**: the College conference '*European Dimension -Enhancing Europe in Police Training*' took place in October 2008 in France.
- **Electronic Network (e-Net)**: the implementation of the College's e-Net was concluded.
- **Common curricula**: three 'new' common curricula were developed (civilian crisis management, drug trafficking and management of diversity). The revision of the common curriculum on counterterrorism was finalised.
- **Evaluation**: a new system for evaluating the College activities was developed and a post-course evaluation system introduced.
- **Exchange programme**: the College/Agis exchange programme came to a successful conclusion with the publication of '*Exchanging places: sharing police knowledge and practice in the European Union*'.
- **Research and science**: the College developed the concept for a 'European Police Science and Research Bulletin'. The 2008 CEPOL European Police Research and Science Conference focused on 'Comparative policing research from a European perspective' with a focus on organised crime.
- **Euromed Police II project**: nine preparatory meetings, eight seminars and five study visits took place for senior police officers in the MEDA countries. A meeting of the General Directors of the police, customs and security services from the MEDA regions and the EU Member States was organised. A specific section of the College restricted website on e-Net was developed and became operational in November 2008.

Full details of the College's accounts are available from the following address: http://www.cepol.europa.eu/index.php?id=final-accounts

2008 discharge: European Police College CEPOL

2009/2127(DEC) - 07/10/2010 - Text adopted by Parliament, single reading

The European Parliament adopted by 618 votes, with no votes against and 7 abstentions, **a decision refusing to grant the Director of the European Police College discharge** in respect of the implementation of the College's budget for the financial year 2008. Parliament also postponed the closure of the College's 2008 accounts to a subsequent part-session.

In parallel, Parliament adopted by 627 votes to 2, with 5 abstentions, a resolution containing a series of observations in respect of the implementation of the budget of the European Police College.

Recurrence of structural problems: Parliament notes, that in its report on the College's annual accounts for the 2008 financial year, it qualified its opinion on the reliability of that agency's accounts and that Parliament had decided on 5 May 2010, to postpone its decision to grant discharge for the 2008 financial year due to structural and internal organisational problems within CEPOL. Given the recurrence of these problems which have been in evidence since the College became an agency in 2006, Parliament makes a series of both general and specific observations explaining its position of refusing to grant discharge which may be summarised as follows:

General considerations: Parliament considers it unacceptable that since the College was established as an agency, in 2006, it has struggled to meet the standards of good administration expected from a regulatory agency. Since that time, repeated audits have highlighted issues in the College's adherence to the Financial and Staff regulations, to the accounting system as well as the failings in budget management, human resources, procurement procedures and rules governing expenditure on courses. Aware that the College's improvements are expected to be visible only from 2014 when the College's Multi-Annual Plan (approved by its Board in May 2010) is supposed to be fully implemented, it is, therefore, not ready to accept that the College needs **at least nine years** (2006-2014) to reach an acceptable standard of good administration expected from a regulatory agency.

From 2006 to 2009, CEPOL was marked by an unacceptable lack of professionalism of its former Director, but also poor overall management and transparency, the former director having refused all offers of support from the European Commission to assist its better management.

Parliament deplores the fact that the College's Governing Board did not make a proper response to the former Director's managerial failings, out of concern not to harm the agency's image and that the Board had decided not to take disciplinary action mainly because of the possibility of legal action by the former Director. In an EPP and Greens/EFA amendment, adopted in plenary, Parliament insists, therefore, that the Governing Board of the College must be held responsible and suggests that changes be made to prevent this situation from recurring in future. It calls for a reconsideration of the position of the Commission **to grant it the right to vote and to constitute a blocking minority on decisions concerning the budgetary, financial and administrative management of the agency** within the Governing Boards of the College and of the other Union agencies.

It calls, furthermore, into question **the capability of the College to fully overcome its structural problems with respect to its structural problems** and in particular its small size which casts doubt on its capacity to handle effectively the complexities of the EU's Financial and Staff regulations, its location 70km from London, which is a disadvantage as regards recruitment and transport links, and its very high fixed costs.

Parliament suggests (as it has done previously) examining the possibility of **attaching the College to Europol** as a concrete solution to the College's structural and chronic problems. It also suggests that the Court of Auditors carries out a comprehensive review of regulatory agencies to examine, inter alia, the proportion of operating, governance and operational costs and assess ways of addressing structural or other problems, with a view to complementing the Commission's own evaluation of regulatory agencies.

The College's Action Plan for 2010-2014: Parliament notes that, upon Parliament's request in its resolution of 5 May 2010, the new Director of the College has delivered on time the Action Plan. It regrets that the measures and indicators proposed by the College are vague and do not always clearly help to assess the implementation of the objectives. It requests that the Director of the College inform the discharge authority on the progress of the implementation of the Action Plan every six months.

Specific observations: Parliament also makes some more technical remarks in regard to the internal management of CEPOL which may be summarised as follows:

- **validation of the financial procedures and new accounting system ABAC:** Parliament is concerned about the difficulties experienced in 2008 in migrating the old accounting system to ABAC and the late implementation of a proper accounting system. It also expresses its deep concern about the fact the College's actions are now delayed until 2011 due to the resignation of two key actors in the financial circuit: the Accounting Officer and the Finance and Budget Officer. It deplores the lack of transparency in the audit trail for the 2008 financial year;
- **budgetary programming and monitoring:** Parliament voices concern at the College's weaknesses in programming and monitoring the budget implementation: it notes, in particular, that 31% of the College's total budget had to be carried over in 2008. It considers inadequate and vague the measures proposed by the College in this regard;
- **financial management of the College's work:** Parliament notes that, for the year 2008, the Court flagged up the absence of : a legal or a budgetary commitment preceding the legal commitment in several cases, and it considers inadequate and vague the measures proposed by the College in this regard;
- **shortcomings in respect of rules applicable to public procurement and spending controls:** Parliament notes the College's constant lack of compliance with the Financial Regulation with regard to public procurement rules. It stresses the fact that the Court of Auditors identified in 2008 a large number of cases in which the administrative and financial rules governing expenditure on the organisation of courses and seminars, which accounts for a major proportion (64%) of the College's operational expenditure, were not followed. Whether in regard to public procurement or operational expenditure, these irregularities have been present for several years since similar cases had already been noted by the Court of Auditors in relation to previous financial years;
- **human resource management:** Parliament deplores the fact that the College's financial work is still being carried out by interim staff and that it was not until 2009-2010 that the necessary recruitment procedures were undertaken.

Lastly, Parliament returned to the question of **appropriations used to finance private expenditure**. It regrets that the external audit on using appropriations to finance private expenditure announced by the College and to be carried out by an external company, has not been launched yet.

Even if most of the funds have been recovered, Parliament indicates that the sum of 2 320.77 pounds sterling, on transport costs and taxis, had still not been recovered. Likewise, the amount of expenditure for the use of mobile phones and cars by staff is still not clear. It stresses the fact that, in its specific annual report for the year 2007, the Court of Auditors had already signalled that it was not feasible for the auditors to review all payments made during the year 2007 as it was not possible to quantify either the amount that was irregularly spent on private use.

2008 discharge: European Police College CEPOL

2009/2127(DEC) - 01/02/2010

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 2008, 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 2008.

The Council takes note with satisfaction of the Court's opinion that the College's annual accounts present fairly, in all material aspects, the financial position as at 31 December 2008 and the results of operations and cash-flows for the year then ended, in accordance with the provisions of the College's Financial Regulation. However, it **regrets that the underlying transactions for the financial year ended on 31 December 2008 are subject of reservations regarding legality and regularity**.

The Council considers that observations made in the Court of Auditor's report call for a certain number of observations to be taken into account when granting discharge, particularly on the following points:

- **procurement**: the Council notes with great concern the irregularities identified by the Court in the College's procurement procedures and the non-respect of administrative and financial rules, notably expenditure not justified by suitable documentation or without sufficient legal or budgetary commitment. It urges the College to improve its internal monitoring and control systems to avoid such problems in the future;
- **carry-over of appropriations**: the Council is concerned about the high level of appropriations carried forward by the College to the following financial year, partly even with unclear justification, and asks the College to better plan and monitor the implementation of its budget;
- **ABAC system**: the Council notes with dissatisfaction the difficulties and delays experienced during the migration to the ABAC system and the remaining uncertainties about the quality of the financial information available in the new system. It regrets the existence of two separate, non-harmonised fixed assets management systems which do not allow a proper registering and accounting of the College's inventory. The Council notes the progress made in the implementation of ABAC assets and asks for a rapid approval of the College's inventory policy;
- **private expenditure**: the Council takes note of the College's intention to recover the appropriations irregularly used to finance private expenditure and to carry out an external ex-post control of the corrections. It urges the College to complete this process as soon as possible.

2008 discharge: European Police College CEPOL

2009/2127(DEC) - 07/10/2010 - Final act

PURPOSE: to refuse discharge to the European Police College (CEPOL) for the financial year 2008.

LEGISLATIVE ACT: Decision 2010/756/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Police College for the financial year 2008.

CONTENT: the European Parliament refuses to grant the Director of the European Police College discharge in respect of the implementation of the College's budget for the financial year 2008.

The raisons for refusal are laid down in a European Parliament resolution approved on 7 October 2010 (please refer to the summary of the opinion of 7 October 2010).

The decision to close the accounts of the European Police College for the financial year 2008 shall be taken at a subsequent part-session, in accordance with Article 5(2)(b) first subparagraph of Annex VI to Parliament's Rules of Procedure.