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European Union

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## COVER NOTE

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| From:            | Mr Vítor CALDEIRA, President of the European Court of Auditors   |
| date of receipt: | 23 October 2014  |
| To:              | Mr Linas LINKEVICIUS, President of the Council of the European Union   |
| Subject:         | Report on the annual accounts of the European Police College for the financial year 2013 together with the College's replies |

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Delegations will find attached the European Court of Auditors' report on the annual accounts of the European Police College for the financial year 2013.

This report is accompanied by the College's replies and will shortly be published in the *Official Journal of the European Union*.

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Encl.: Report on the annual accounts of the European Police College for the financial year 2013 together with the College's replies.<sup>1</sup>

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<sup>1</sup> In English only. The other languages of this report are available on the European Court of Auditors' website: <http://eca.europa.eu/>

ΕΒΡΟΠΕΪΣΚΑ ΣΜΕΤΗΑ ΠΑΛΑΤΑ  
TRIBUNAL DE CUENTAS EUROPEO  
EVROPSKÝ ÚČETNÍ DVŮR  
DEN EUROPÆISKE REVISIONSRET  
EUROPÄISCHER RECHNUNGSHOF  
EUROOPA KONTROLLIKODA  
ΕΥΡΩΠΑΪΚΟ ΕΛΕΓΚΤΙΚΟ ΣΥΝΕΔΡΙΟ  
EUROPEAN COURT OF AUDITORS  
COUR DES COMPTES EUROPÉENNE  
CÚIRT INIÚCHÓIRÍ NA HEORPA



EUROPSKI REVIZORSKI SUD  
CORTE DEI CONTI EUROPEA  
EIROPAS REVĪZIJAS PALĀTA  
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EUROOPAN TILINTARKASTUSTUOMIOISTUIN  
EUROPEISKA REVISIONSRÄTTEN

Report on the annual accounts  
of the European Police College  
for the financial year 2013

together with the College's replies

## **INTRODUCTION**

1. The European Police College (hereinafter “the College”, aka “CEPOL”), which is located in Bramshill, was established by Council Decision 2000/820/JHA, repealed and replaced in 2005 by Council Decision 2005/681/JHA<sup>2</sup>. The College’s task is to function as a network and bring together the national police training institutes in the Member States to provide training sessions, based on common standards, for senior police officers<sup>3</sup>.

## **INFORMATION IN SUPPORT OF THE STATEMENT OF ASSURANCE**

2. The audit approach taken by the Court comprises analytical audit procedures, direct testing of transactions and an assessment of key controls of the College’s supervisory and control systems. This is supplemented by evidence provided by the work of other auditors (where relevant) and an analysis of management representations.

## **STATEMENT OF ASSURANCE**

3. Pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

(a) the annual accounts of the College, which comprise the financial statements<sup>4</sup> and the reports on the implementation of the budget<sup>5</sup> for the financial year ended 31 December 2013, and

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<sup>2</sup> OJ L 256, 1.10.2005, p. 63.

<sup>3</sup> ***Annex II*** summarises the College’s competences and activities. It is presented for information purposes.

<sup>4</sup> These include the balance sheet and the economic outturn account, the cash flow table, the statement of changes in net assets and a summary of the significant accounting policies and other explanatory notes.

- (b) the legality and regularity of the transactions underlying those accounts.

*The management's responsibility*

4. The management is responsible for the preparation and fair presentation of the annual accounts of the College and the legality and regularity of the underlying transactions<sup>6</sup>:

(a) The management's responsibilities in respect of the College's annual accounts include designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies on the basis of the accounting rules adopted by the Commission's accounting officer<sup>7</sup>; making accounting estimates that are reasonable in the circumstances. The Director approves the annual accounts of the College after its accounting officer has prepared them on the basis of all available information and established a note to accompany the accounts in which he declares, *inter alia*, that he has reasonable assurance that they present a true and fair view of the financial position of the College in all material respects.

(b) The management's responsibilities in respect of the legality and regularity of the underlying transactions and compliance with the principle of sound financial management consist of designing, implementing and maintaining

<sup>5</sup> These comprise the budgetary outturn account and the annex to the budgetary outturn account.

<sup>6</sup> Articles 39 and 50 of Commission Delegated Regulation (EU) No 1271/2013 (OJ L 328, 7.12.2013, p. 42).

<sup>7</sup> The accounting rules adopted by the Commission's accounting officer are derived from the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants or, where relevant, the International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

an effective and efficient internal control system comprising adequate supervision and appropriate measures to prevent irregularities and fraud and, if necessary, legal proceedings to recover funds wrongly paid or used.

*The auditor's responsibility*

5. The Court's responsibility is, on the basis of its audit, to provide the European Parliament and the Council<sup>8</sup> with a statement of assurance as to the reliability of the annual accounts and the legality and regularity of the underlying transactions. The Court conducts its audit in accordance with the IFAC International Standards on Auditing and Codes of Ethics and the INTOSAI International Standards of Supreme Audit Institutions. These standards require the Court to plan and perform the audit to obtain reasonable assurance as to whether the annual accounts of the College are free from material misstatement and the transactions underlying them are legal and regular.

6. The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and the legality and regularity of the underlying transactions. The procedures selected depend on the auditor's judgement, which is based on an assessment of the risks of material misstatement of the accounts and material non-compliance by the underlying transactions with the requirements in the legal framework of the European Union, whether due to fraud or error. In assessing these risks, the auditor considers any internal controls relevant to the preparation and fair presentation of the accounts, as well as the supervisory and control systems that are implemented to ensure the legality and regularity of underlying transactions, and designs audit procedures that are appropriate in the circumstances. The audit also entails evaluating the appropriateness of accounting policies, the

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<sup>8</sup> Article 107 of Regulation (EU) No 1271/2013.

reasonableness of accounting estimates and the overall presentation of the accounts.

7. The Court considers that the audit evidence obtained is sufficient and appropriate to provide a basis for its statement of assurance.

***Opinion on the reliability of the accounts***

8. In the Court's opinion, the College's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

***Opinion on the legality and regularity of the transactions underlying the accounts***

9. In the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

10. The comments which follow do not call the Court's opinions into question.

**COMMENTS ON BUDGETARY MANAGEMENT**

11. Out of the committed appropriations carried over from 2012 amounting to 1,7 million euro, 0,3 million euro (17,6 %) were cancelled in 2013. This was mainly due to lower than estimated costs to be reimbursed under 2012 grant agreements (0,21 million euro or 70 % of cancelled carry-overs), which indicates the need to obtain more accurate information from beneficiaries at year-end on the actual cost incurred.

12. The level of committed 2013 appropriations for the different titles varied between 92 % and 95 %, indicating that legal commitments were made in a timely manner. The level of committed appropriations carried over to 2014 was

high for title II (administrative expenditure) at 145 410 euro (30,5 %), but this mainly arose from events beyond the College's control, such as payments due in 2014 for services and goods ordered and received as planned in 2013.

### **OTHER COMMENTS**

13. The College's recruitment procedures are still not fully transparent. Guidance to members of the selection boards on the consistent assessment of selection criteria was not sufficiently clear; requirements set in respect of professional experience were not always compliant with the Implementing Rules to the College's Staff Regulations and recruitment documentation was incomplete.

### **FOLLOW-UP OF PREVIOUS YEARS' COMMENTS**

14. An overview of the corrective actions taken in response to the Court's comments from previous years is provided in **Annex I**.

This Report was adopted by Chamber IV, headed by Mr Milan Martin CVIKL, Member of the Court of Auditors, in Luxembourg at its meeting of 1 July 2014.

*For the Court of Auditors*

Vítor Manuel da SILVA CALDEIRA  
*President*

*Follow-up of previous years' comments*

| Year        | Court's comment  | Status of corrective action<br>(Completed / Ongoing / Outstanding / N/A) |
|-------------|--|--|
| <b>2011</b> | The high level of carry-overs as well as the high level of cancellations indicate shortcomings in budget planning and/or implementation and are at odds with the budgetary principle of annuality.   | <b>Not applicable</b>  |
| <b>2011</b> | The high level of budget transfers indicates weaknesses in budget planning and is at odds with the principle of specification.   | <b>Ongoing</b>   |
| <b>2011</b> | The College is located in Bramshill, using premises of the UK National Policing Improvement Agency (NPIA). NPIA is due to close at the end of 2012 and it is not clear until when the College can continue using its current premises.   | <b>Ongoing</b>   |
| <b>2011</b> | The College needs to improve the transparency of recruitment procedures. Vacancy notices made no reference to the possibility of appeal; weightings for selection criteria were not set before the examination of applications and reports summarising screening procedures and decisions on reserve lists were not always prepared. | <b>Completed</b>   |



| Year        | Court's comment   | Status of corrective action<br>(Completed / Ongoing / Outstanding / N/A) |
|-------------|---|--|
| <b>2012</b> | <p>The College has carried over to 2013 committed appropriations amounting to 355 500 euro for the 2013 Exchange Programme, which is scheduled to take place between March and November 2013. In the absence of any reference to the 2013 Exchange Programme in the College's 2012 Annual Work Programme and in view of the fact that no financing decision had been made on the matter in 2012, the carry-over is irregular.</p> | <b>Not applicable</b>  |
| <b>2012</b> | <p>Out of the committed appropriations carried over from 2011 amounting to 1,7 million euro, 0,7 million euro (41,2 %) were cancelled in 2012. This was mainly due to lower than estimated costs to be reimbursed under 2011 grant agreements (0,44 million euro or 62 % of cancelled carry-overs).</p>   | <b>Outstanding</b>   |

| Year        | Court's comment  | Status of corrective action<br>(Completed / Ongoing / Outstanding / N/A) |
|-------------|--|--|
| <b>2012</b> | <p>The level of committed 2012 appropriations for the different titles varied between 90 % and 99 % of total appropriations, indicating that legal commitments were made in a timely manner. The level of committed appropriations carried over to 2013 was high for title III (operating expenditure) as it amounted to 1,5 million euro (36 %). This however was not due to delays in implementing the College's 2012 Annual Work Programme, but mainly arose from the carry-over referred to in paragraph 11 and from the fact that costs relating to courses that were organised in the last months of 2012 under 2012 grant agreements were not due for reimbursement until the beginning of 2013 (1 million euro).</p> | <b>Not applicable</b>  |
| <b>2012</b> | <p>In 2012, the College made 37 budgetary transfers amounting to 1 million euro, out of which 36 within their respective titles.</p>   | <b>Ongoing</b>   |
| <b>2012</b> | <p>Discussions about the College's future that have been ongoing for several years have created a situation of uncertainty which continues to hamper business planning and implementation.</p>   | <b>Ongoing</b>   |

| Year | Court's comment   | Status of corrective action<br>(Completed / Ongoing / Outstanding / N/A) |
|------|---|--|
| 2012 | <p>The College needs to ensure full compliance with the "Guide to CEPOL recruitment" and to improve further the transparency of recruitment procedures: vacancy notices were not always published at least 6 weeks before applications were due; there was no evidence that assessors checked that the rules for the submission of applications had been respected; the selection criteria that were applied did not always match those that had been specified in the vacancy notices; there were major delays in some cases in the examination of applications.</p> | <p><b>Completed</b></p>  |

**European Police College (Bramshill)****Competences and activities**

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| <p><b>Areas of Union competence deriving from the Treaty</b></p> <p><i>(Article 87 TFEU)</i></p> | <p><b>Approximation of laws</b></p> <p>“1. The Union shall establish police cooperation involving all the Member States’ competent authorities, including police, customs and other specialised law enforcement services in relation to the prevention, detection and investigation of criminal offences.</p> <p>2. For the purposes of paragraph 1, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, may establish measures concerning: [...]</p> <p>(b) support for the training of staff, and cooperation on the exchange of staff, on equipment and on research into crime-detection;” [...].</p>   |
| <p><b>Competences of the College</b></p> <p><i>(Council Decision 2005/681/JHA)</i></p>           | <p><b>Objectives</b></p> <p>“The aim of CEPOL shall be to help train the senior police officers of the Member States by optimising cooperation between CEPOL’s various components. It shall support and develop a European approach to the main problems facing Member States in the fight against crime, crime prevention and the maintenance of law and order and public security, in particular the cross-border dimensions of those problems.”</p> <p><b>Tasks</b></p> <ul style="list-style-type: none"> <li>– To increase knowledge of the national police systems and structures of other Member States and of cross-border police cooperation within the European Union.</li> <li>– To improve knowledge of international and European Union instruments, particularly in the following sectors: <ul style="list-style-type: none"> <li>(a) the institutions of the European Union, their functioning and role, as well as the decision-making mechanisms and legal instruments of the European Union, in particular as regards their implications for law-enforcement cooperation;</li> <li>(b) Europol’s objectives, structure and functioning, as well as ways to maximise cooperation between Europol and relevant law-enforcement services in the Member States in the fight against organised crime;</li> <li>(c) Eurojust’s objectives, structure and functioning.</li> </ul> </li> <li>– To provide appropriate training with regard to respect for democratic safeguards, with particular reference to the rights of defence.</li> </ul> |
| <p><b>Governance</b></p>   | <p><b>Governing Board</b></p> <p><i>Composition</i></p> <p>One delegation from each Member State.</p> <p>Each delegation shall have one vote. Representatives of the European Commission and of the General Secretariat of the Council of the European Union and Europol shall be invited to attend meetings as non-voting observers.</p> <p><b>Director</b></p> <p>Manages the College, is appointed and removed by the Governing Board.</p> <p><b>External audit</b></p> <p>European Court of Auditors.</p> <p><b>Internal audit</b></p> <p>European Commission’s Internal Audit Service (IAS).</p>   |

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|  | <p><b>Discharge authority</b></p> <p>European Parliament, acting on a recommendation from the Council.</p>  |
| <p><b>Resources made available to the College in 2013 (2012)</b></p> | <p><b>Budget</b></p> <p>8,4 (8,4) million euro</p> <p><b>Staff</b></p> <p>The Establishment Plan for 2013 provided for 28 (28) Temporary Staff.<br/>In addition: 10 (10) Contract Staff posts were budgeted for.<br/>Member States also seconded a total of: five (five) National Experts during the course of the year.</p>  |
| <p><b>Products and services in 2013 (2012)</b></p>                   | <p><b>Courses, Seminars and Conferences</b></p> <p>The College implemented a total of 72 (82) residential activities (courses, seminars and conferences). The assessment of the evaluation of the activities shows that general satisfaction with the College activities and its learning outcomes remained outstanding at 94 % (93 %).</p> <p>CEPOL has brought together highest number of participants in its history: 2 251 (2 098) law enforcement participants and 707 (772) trainers from 42 (33) countries (EU Member States and Third Countries) and 21 (27) EU and international bodies.</p> <p>Attendance rate (attendance vs seats available) has considerably increased reaching the highest ever rate of 116 % (96 %) demonstrating increasing demand for CEPOL training. The College itself organised 19 (15) activities in support of the network and initiated a Grant Agreement application process for 2014. No activities were postponed to the next calendar year.</p> <p><b>External Relations</b></p> <p>In 2013 CEPOL continued its fruitful cooperation with Candidate, Potential Candidate and ENP/EaP countries as well as Strategic Partners, JHA agencies and EU institutions, including the European External Action Service.</p> <p>In 2013 CEPOL signed two working arrangements with Albania and the Russian Federation (significantly, in 2013 for the first time a joint RF-CEPOL activity took place in Moscow) as well as one with EU-LISA. Negotiations were further pursued with the Former Yugoslav Republic of Macedonia and with Bosnia and Herzegovina, while formal contacts were initiated with Kosovo and Armenia, leading to two expert missions there to explore cooperation opportunities.</p> <p>Contacts were also initiated with law enforcement training actors in the United States. CEPOL successfully concluded its chairmanship of the Contact Group of Justice and Home Affairs agencies carrying out agreed common activities included in a final report validated by the COSI.</p> <p>In 2013 CEPOL supported seven capacity-building projects implemented by EU Member States; those ranged from e-Learning methodologies through training against Child Sexual Exploitation to civilian crisis management and other important policing topics.</p> <p><b>Development of Training Manuals and (Common) Curricula</b></p> <p>The SIRENE Trainers Manual was used in the context of SIRENE activities in 2013 and updated by the SIRENE Training Committee. It will be distributed to the General Secretariat of the Council of the European Union at the beginning of 2014.</p> <p>The Common Curriculum on Drug Trafficking was updated and two new Common Curricula were developed: Counter-Terrorism and Eurojust, the latter with the strong involvement of Eurojust experts. A Europol expert contributed to the Common Curriculum on Counter-Terrorism and Europol also provided comments to the Common Curriculum on Drug Trafficking (<i>four Common Curricula updated and one completed in 2012</i>).</p> <p><b>Research and Science</b></p> <p>The Annual CEPOL European Police Research and Science Conference 2013 with the title "Policing civil societies in times of economic constraints" attracted 126 (120) participants from EU member-states as well as from overseas and was well received. Contributions to the conference were put on CEPOL's websites and a conference volume is in preparation for publication.</p> <p>With the support of the CEPOL network of National Research and Science Correspondents and the Knowledge Transfer Working Group, two new issues of the "European Science and Research Bulletin" were published on the website. In addition, a webpage was made available collecting scientific police publications published in the area of the European Union. The CEPOL e-Library</p> |

continued to be offered as a knowledge repository for registered e-Net users.

#### **European Police Exchange Programme**

CEPOL's 2013 European Police Exchange Programme (EPEP) comprised six segments plus a Study Visit part:

- General segment for Senior Police Officers;
- Commanders segment;
- Trainers segment;
- Researchers segment;
- Inter-agency segment;
- ENP-WB segment;
- Study visits to EUROPOL (2x), Frontex, EMCDDA and OLAF.

The programme included topics deriving from the Stockholm Programme priorities, the EU Policy Cycle as well as requests from the Member States. The exchange visits are done on bilateral basis, with an implementation period of a maximum of 12 calendar days and a minimum of five working days. Study visits were organised for three-five days to the abovementioned organisations.

For the first time, Western Balkan countries, Turkey and the Eastern Partnership countries participated in EPEP.

Altogether 444 (293) participants from 25 Member States and ENP-WB countries took part - the biggest attendance ever since project inception in 2007. The programme had a budget of just over 600 000 euro financed by CEPOL, and the utilisation rate was above 95 %.

The feedback collected from 135 exchangees and 54 study visit participants indicated a remarkable 98 % general satisfaction rate with the 2013 European Police Exchange Programme.

#### **Electronic Network (e-Net)**

- A meeting for national e-Net managers took place in November. CEPOL's LMS (Learning Management System) proved to be highly successful both in updating and improving the online support to CEPOL activities and by offering a platform for information sharing within the CEPOL network. Open Platforms have also been made available, where in a networked learning context communities of practice can learn from and with each other easily using online technology.

#### **E-Learning**

- In 2013 the College developed three (*four*) new and updated two (*0*) existing e-Learning Modules on the subjects Money Laundering, SISII, Pruem Decision, Europol and Cybercrime. Development of the online module on the EU Policy Cycle had been completed in 2013 and was adopted in January 2014. To date 19 online modules are available.
- In 2013 a total of 1 994 (*1 961*) unique users visited the online learning modules, 31 webinars had been implemented and attended by 3 562 (*1 667*) participants. Ten platforms for communities of practice were active in 2013 where 2 063 likeminded professionals in different domains of policing and police education shared and built on each other's knowledge and expertise.

*Source:* Annex supplied by the College.