

DECISION 06/2016/GB

OF THE GOVERNING BOARD OF THE EUROPEAN POLICE COLLEGE

ESTABLISHING THE ANALYSIS AND ASSESSMENT

OF THE CONSOLIDATED ANNUAL ACTIVITY REPORT 2015

Adopted by the Governing Board

on 24 May 2016

THE CEPOL GOVERNING BOARD,

Having regard to Council Decision 2005/681/JHA, and in particular Article 10(9)(e) thereof;

Having regard to Decision 01/2014/GB of the Governing Board of the European Police College (CEPOL) adopting the Financial Regulation and repealing decision 28/2011/GB, and in particular Article 47 thereof;

Having regard to the Consolidated Annual Activity Report (CAAR) for the financial year 2015;

HAS ADOPTED the Analysis and Assessment of the Consolidated Annual Activity Report (CAAR) for the financial year 2015, as set out in the Annex to this decision.

Done at The Hague, 24 May 2016

For the Governing Board

<Signature on file>

*Mrs. Frederike Everts MPA
Chair of the Governing Board*

ANNEX: Consolidated Annual Activity Report (CAAR) for the financial year 2015 including its Analysis and Assessment by the Governing Board

Annex



Consolidated Annual Activity Report 2015

European Police College (CEPOL)

This Consolidated Annual Activity Report has been drawn up in compliance with Article 47 of the REGULATION (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council
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Governing Board's analysis and assessment

Adopted on 24 May by Decision 06/2016/GB

The Governing Board (GB) takes note of the Consolidated Annual Activity Report (CAAR) for the financial year 2015, submitted by the Authorising Officer in accordance with Article 47(1) of the Financial Regulation applicable to CEPOL.

The Governing Board, based on its analysis and assessment of the CAAR 2015, notes in particular that:

- the report covers the main activities of CEPOL in 2015, clearly identifies the risks associated with CEPOL operations, duly reports on the use made of the resources provided and indicates the effectiveness of the internal control system;
- 2015 was a year for stabilisation for CEPOL in the new headquarters in Budapest following relocation; operating from its own infrastructure, allowed the Agency to organise many courses in-house, but also to host high-level conferences and events;
- 2015 was also a year for preparation in view of the implementation of CEPOL's new legal mandate to be implemented starting with 1 July 2016; a change management plan has been proactively prepared, to respond to the additional challenges and tasks entrusted to CEPOL;
- in terms of the delivery of its core business, for the fifth year in a row the outreach of CEPOL has increased: number of participants has grown to 12,992 versus 10,322 in 2014, which represents an increase of over 25%. This takes place while operating within a stable budget frame and staffing levels, which demonstrates CEPOL's success in achieving higher resource efficiency;
- the portfolio implemented in 2015 features eleven strategic areas. The key priorities respond to the training needs of the Union internal security threats, such as terrorism, serious and organised crime, cybercrime and migration (EU Policy Cycle priorities);
- the quality of CEPOL products as measured by the stakeholders' and clients' satisfaction rate remained exceptionally high with 94% of participants stating that they were very satisfied or satisfied with the activities;
- the demand for CEPOL's training services was considerably greater than the available resources, therefore the agency had to apply negative priorities resulting in more than 25% of legitimate needs not met;
- in 2015 the law enforcement community saw development and delivery of several new CEPOL products, such as European Joint Master Programme, European Law Enforcement Leadership Programme and Disaster Victim Identification course curriculum;

- CEPOL continued to invest in maintaining and enhancing its partnerships, by hosting participants from the Eastern partnership and Western Balkan countries in its activities, and implementing joint activities with regional organisations and bodies;
- CEPOL was also able to raise its profile in technical cooperation projects, by developing and obtaining a financing for a 2.5 M EUR project on counter terrorism training in four MENA countries (Lebanon, Jordan, Turkey and Tunisia) with a duration of 18 months;
- in terms of human resources management, the GB takes notes of the Agency's efforts to ensure business continuity while the staff turnover continues to increase following relocation, due to the significantly lower correction coefficient applied to staff salaries;
- as far as regards budget management, by end of the year 79% of budget has been paid, while 17% carried over to 2016; the carried over is higher than in 2014 (15%) but justified by practical considerations having in view the contract renewals or pending invoices at the end of year; the budget implementation of financial year 2014 reached 95% by end of 2015, representing the best budget management result in the history of CEPOL.

The Governing Board takes note of the declaration of assurance of the Director and the underlying supporting information. The Governing Board positively notes that audit recommendations have been addressed and there are no critical findings from the external auditor with respect to the legality or regularity of transactions in the last year.

The Governing Board positively notes that following the five year evaluation, the independent external evaluator has assessed the Agency as being efficient. The evaluator made an observation concerning the necessity of additional human resources to CEPOL, in the light of the new mandate.

The Governing Board considers CEPOL has effectively delivered the expected products and services in accordance with the 2015 Work Programme. There is a growing demand for CEPOL's training activities and the satisfaction rate of participants continues to be high, which confirms CEPOL's role as a contributor to the development of a common European law enforcement culture.

The Governing Board attaches this analysis and assessment to the CAAR for submission to the Court of Auditors, the Commission, the European Parliament and the Council by no later than 1 July, in accordance with Article 47(2) of the Financial Regulation applicable to CEPOL.

For the Governing Board

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*Mrs Frederike Everts MPA
Chair of the CEPOL Governing Board*

Introduction

CEPOL was initially founded by Council Decision 200/820/JHA of 22 December 2000 as a body financed directly by the Member States of the European Union and functioned as a network, by bringing together the national training institutes in the Member States, whose tasks include the training of senior police officers. CEPOL was later established as an agency of the European Union by Council Regulation No. 2005/681/JHA of 20 September, 2005 (OJ L 256/63 of 1 October, 2005). The decision was amended by Regulation (EU) No 543 of 15 May 2014 changing the seat of CEPOL from Bramshill, UK to Budapest, Hungary.

In 2015 Council Decision 2005/681/JHA was replaced by Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL), to be implemented starting with 1 July 2016.

CEPOL's main function is to support the training of police officers of the Member States by optimising cooperation between the national training institutes. CEPOL therefore 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 dimension of those problems (Article 5 of Council Decision 2005/684/JHA). Its partner DG of the European Commission is the General Directorate for Home Affairs.

CEPOL is headed by a director, who is accountable to a Governing Board. The Governing Board is made up of representatives from EU Member States, who are in general directors of national police training institutes. Representatives of the Commission and of the General Secretariat of the Council of the European Union and Europol are invited to attend meetings as non-voting observers. In addition, CEPOL has dedicated national contact points in every Member State to provide information and assistance to police officers who wish to participate in CEPOL's activities.

CEPOL's mission, vision and values¹ are defined by the Governing Board Decision 43/2010/GB.

Mission

CEPOL as a European Union Agency contributes to European police cooperation through learning to the benefit of European citizens.

Vision

CEPOL is acknowledged by allied agencies and authorities in the policing and educational world to be the primary source of learning and development in the field of education and training for enhanced cooperation and policing in Europe.

Values

- Primary source of knowledge
- Respect for diversity
- Faith in justice and policing

¹ to be updated in accordance with Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL)
06/2016/GB (24.05.2016)

Executive Summary

The Year in Brief

Following relocation, 2015 was for CEPOL a year for stabilisation in the new headquarters from Budapest as well as for preparation in view of future challenges brought about by the new CEPOL Regulation (EU) 2015/2219 adopted by the legislators on 25 November 2015.

The new legal basis refers to a wider target group of “law enforcement officials” identified as the community CEPOL should serve, along with a number of new tasks attributed to the agency. As a consequence, the Governing Board adopted a change management plan, to respond to the challenges and tasks emerging from the new mandate.

In 2015 CEPOL underwent its second five year evaluation by an independent external evaluator regarding its utility, relevance, effectiveness, efficiency and working practices. The external evaluator has assessed the Agency as being efficient. This conclusion is supported by evidence of an increased number of activities implemented by CEPOL over the evaluation period, against a relatively stable number of resources put at its disposal for the same period. Moreover, a comprehensive set of recommendations is also put forward by this study. The latter will support CEPOL in improving its current functioning and organisation.

In 2015 CEPOL received a direct grant from the European Commission to implement the EU/MENA Counter-terrorism Training Partnership project, aimed at building the capacity of relevant law enforcement services and other relevant personnel in 4 beneficiary countries (Lebanon, Jordan, Turkey and Tunisia) by offering tailored made learning and training activities in the field of counter-terrorism. A contract to that effect was signed in late 2015 for duration of 18 months.

CEPOL has effectively delivered the expected products and services in accordance with the 2015 Work Programme. The number of participants to CEPOL’s trainings activities continued to increase, while the quality of products as measured by the stakeholders’ and clients’ satisfaction rate remained extremely high.

Key Performance Indicators

CEPOL has introduced systematic monitoring of its performance in 2010, with a Governing Board Decision on the Agency’s 5-year strategy (2010-2014). Several Performance Indicators (PIs) and a vital few of Key Performance Indicators (KPIs) have assisted CEPOL in integrative management practices that focus on meeting and exceeding stakeholder and public expectations.

A short-term strategy has been adopted by the Governing Board until 2017, to facilitate the transition following the Agency’s new legal mandate taking effect in July 2016. The new set of PIs and KPIs have a marginal difference, but equally aim at the best implementation of CEPOL’s mission during the period of transition.

Summary of the Agency's performance in 2015 – KPIs

Key Performance Indicators 2015-2017	Target 2015- 2017	Performance 2015
Satisfaction of training provided by CEPOL	90%	93%
Overall rate of implemented agreements	80%	100%
Implementation of the CEPOL strategy	80%	70%

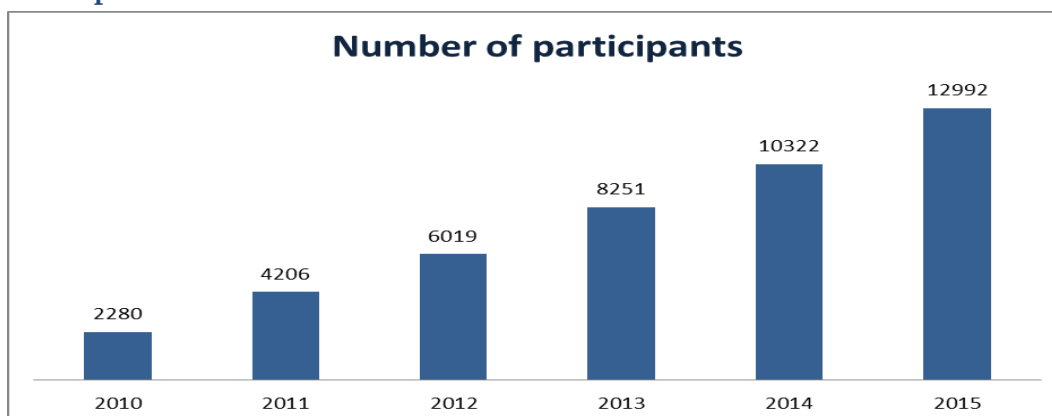
Key conclusions on training and learning activities, external relations (executive summary of Part I)

Training delivered by CEPOL is dedicated to enhancing the capacity of European law enforcement personnel to work effectively across borders. By fostering a common understanding of the European security threats, increasing mastery of existing cooperation mechanisms, CEPOL training supports concerted efforts in combating crime and prepares the law enforcement community to deal with emerging threats.

The design of CEPOL's training and learning portfolio is based on validated training needs that are identified by the agency working together with its stakeholders: European Union Member States, European Commission, Justice and Home Affairs agencies and professional networks.

In 2015, CEPOL made available to the law enforcement community **151** training activities (**85** residential activities and **66** webinars), **389** exchanges under the European Police Exchange Programme, **24** online modules, **1** online course, **9** common curricula, and various research and science products.

For the fifth year in a row the outreach of the agency has increased while operating within a stable budget frame: number of participants has grown to **12,992** compared to **10,322** in 2014. The requirements for training are considerably greater than the available resources though, therefore the agency has to apply negative priorities resulting in more than 25% of legitimate needs not met.

Participation in CEPOL activities 2010-2015*

* Participation includes seminars, courses, conferences, e-learning modules, online courses, webinars and the European Police Exchange Programme

In 2015, the content of CEPOL's training efforts successfully met the operational expectations, the overall satisfaction rate with CEPOL activities remained exceptionally high - 94% of participants stating that they were very satisfied or satisfied with the activities (92% in 2014).

The portfolio implemented in 2015 features eleven strategic areas. The key priorities respond to the training needs of the Union internal security threats, such as terrorism, serious and organised crime, cybercrime and migration (EU Policy Cycle priorities). The learning products were built to facilitate development and sharing of skills, knowledge and good practices, to contribute to the development of a common European law enforcement culture that is able to deal with the security challenges in a collective and shared manner fully respecting fundamental rights, to make effective use of existing cooperation mechanisms, tools and techniques.

In 2015 the law enforcement community saw development and delivery of several new CEPOL products, such as European Joint Master Programme, European Law Enforcement Leadership Programme and Disaster Victim Identification course curriculum.

In 2015, CEPOL invested extensively in maintaining and enhancing its partnerships. The agency continued to host participants from the Eastern partnership and Western Balkan countries in its activities, and invested time and energy to implement joint activities with regional organisations and bodies.

CEPOL supported the EU political dialogues in the Middle East and North Africa (MENA) region, and enhancing its role as one of the actors the EU can display and count on in its external action activities, and building its credibility in the specific geographic area.

CEPOL continued to pursue working arrangements with candidate countries and potential candidates, in recognition of their role as partners for the security of the EU.

On an inter-institutional level, CEPOL on one hand contributed to the drafting of its new legal basis by advising the co-legislators upon request, participated to Council working groups, and worked closely with the group of Justice and Home Affairs (JHA) agencies to ensure ever closer coordination in the development and delivery of training, inter alia by finalising an online database which gives a full picture of all training provided by EU JHA agencies and bodies. Relations with the European Commission have been open, frank and effective.

CEPOL was also able to raise its profile in technical cooperation projects, by developing and obtaining a financing for a 2.5 M EUR project on counter terrorism training in four MENA countries, and by supporting similar efforts by international organisations and the Commission itself.

Further details on achievements in the area of core business can be found in Part I.

Key conclusions on management of human resources

By the end of 2015, the agency had 26 temporary agents and 9 contract agents in post. When measured against the actual allocation of posts in the Establishment Plan (27 and 14 respectively; this latter number includes 4 positions for the EU/MENA Counter-terrorism project, separately

financed for which the grant agreement was signed in November), this can be considered as a very good result.

In addition to regulatory staff (positions), CEPOL had in 2015, 10 SNE positions. On 31 December, 8 of these positions were filled.

CEPOL run 21 recruitment campaigns for regulatory staff in 2015 (including 4 positions for the MENA project), the highest number in our history. Out of these 21, 4 had to be cancelled or were unsuccessful for different reasons. For two positions it was possible to use an existing reserve list. As a high number of these recruitments were started in the 4th quarter of the year, many new staff will only take up employment in 2016.

The 21 recruitment campaigns attracted 1,020 applications. It should be noted that the number of applications seems to be lower than in the past; also there is a significant number of applications from Hungarian citizens. This leads to the risk that in a few years there will be a significant over representation of Hungarians in CEPOL.

Further details on management of human resources can found in Part II, point 2.4.

Key conclusions on management of financial resources

In 2015 CEPOL closed an exceptional year, as for the first time in the history of the Agency, the budget implementation of a financial year (2014) is more than 95%.

CEPOL's regular budget for 2015 was € 8,471,000. The regular budget is consumed over three budget headings (titles). Title 1 covers staffing; Title 2 covers expenditure related to infrastructure, such as running costs; and Title 3 covers operational costs. By the end of 2015, 95.51% of the budget has been committed, out of which 79% has been paid. A total of € 1,406,984² has been carried over to 2016, amounting to 17% of the overall 2015 budget.

A budget of € 2.5 M has been granted to CEPOL via the grant agreement signed with the European Commission on EU/MENA Counter-terrorism Training Partnership. In order to properly follow up the project financially, Title 4 has been created to manage this project.

The cost of the relocation from Bramshill, UK to Budapest, Hungary has been estimated at approximately €1M to be spent during 2014 and 2015. The total relocation budgeted executed in 2014-2015 is € 880,787. A number of staff members initiated a legal dispute against CEPOL arguing the conditions in which the relocation has been carried out and its financial impact on their income. Therefore the final figures for the cost of relocation should consider the financial obligation arising from the court judgement, to become known by end of 2016.

Further details on management of financial resources can be found in Part II, point 2.3.

Key conclusions on internal control effectiveness

CEPOL conducts its operations in compliance with the applicable rules and regulations, working in an open and transparent manner, and meeting the expected high level of professional and ethical standards.

The Agency has adopted a set of internal control standards (ICS), based on international good practice, aimed at ensuring the achievement of operational objectives. As required by the

² Includes 1,398,594 € of the annual subsidy (C1 credits) and 8,390 € of recoveries (C4 credits)
06/2016/GB (24.05.2016)

Financial Rules, the Director has put in place an organisational structure and internal control systems suited to the achievement of the agency's objectives, in accordance with the ICS and with due regard to the risks associated with the environment in which it operates. As reported in Part III, CEPOL has a constant progress towards full compliance with the 16 internal control standards.

The Agency has systematically examined the observations and recommendations issued by internal auditors, the European Court of Auditors and the European Parliament. On this basis, it took actions as appropriate.

No audit recommendations having a critical nature or impacting on the legality and regularity of transactions were formulated by the internal/external auditors in the past three years.

The agency has assessed the effectiveness of its key internal control systems during the reporting year and has concluded that the internal control system is working effectively. Further details regarding the assessment of the effectiveness of the internal control systems can be found in Part III.

The Director, in his capacity as Authorising Officer, has signed the Declaration of Assurance.

Part I. Achievements of the year

1.2 Training and Learning activities organised in 2015

Goal 1: An enhanced independent CEPOL capability that delivers efficient training and education services

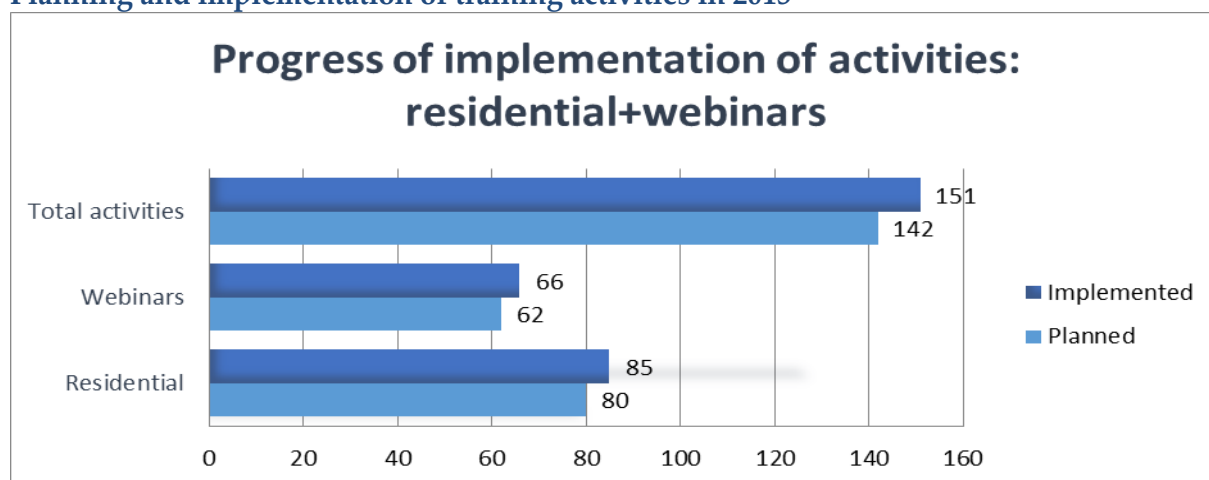
Key Performance Indicator 1: Satisfaction of training provided by CEPOL

Target 2015: 90% - Progress to date: 94%

Overall satisfaction rate with CEPOL activities in 2015 is 94% (93% residential, 94% webinars, 94% EPEP). In comparison overall satisfaction rate in 2014 was 92%.

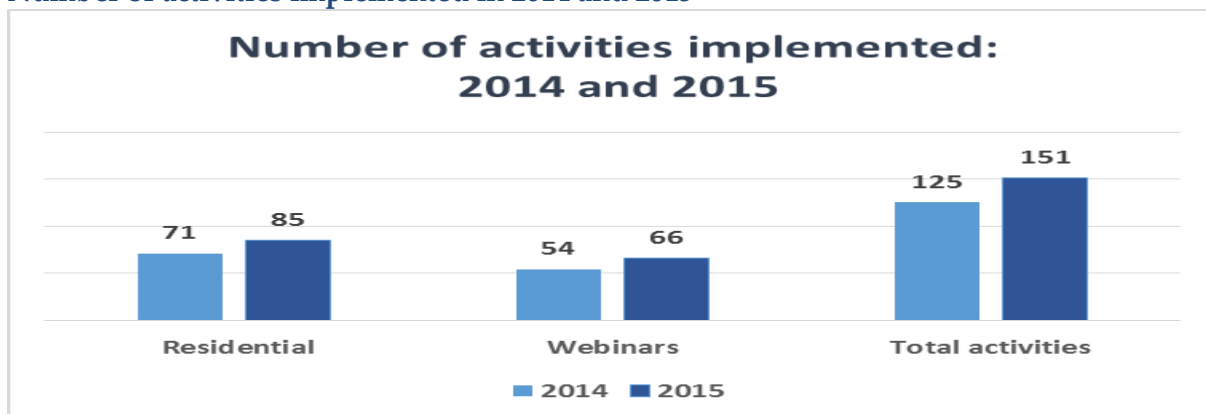
142 activities were planned in 2015: 80 residential and 62 webinars. In total 151 training activities were implemented (85 residential and 66 webinars).

Planning and implementation of training activities in 2015

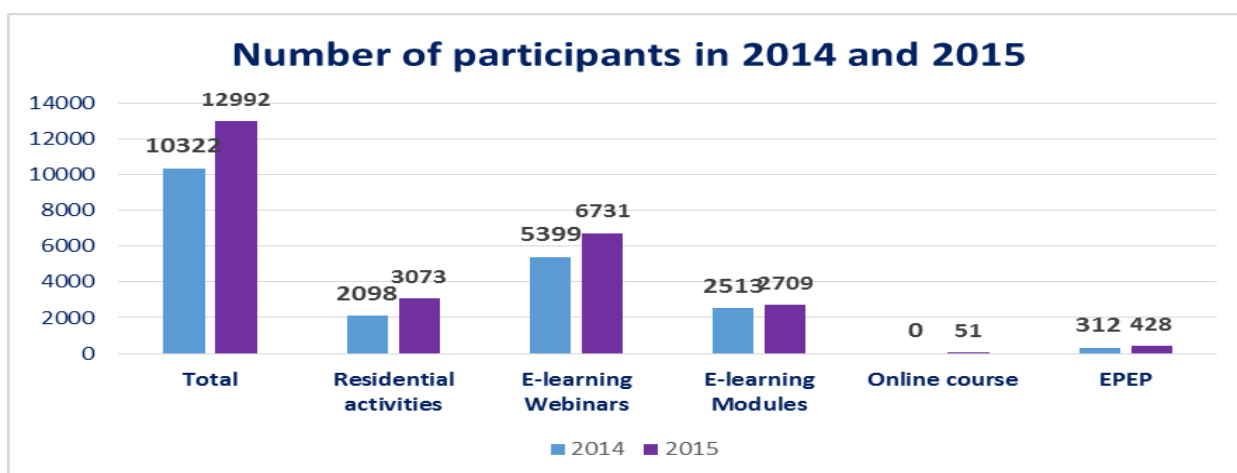


26 more activities were implemented in 2015 in comparison with the previous year. The details are given below:

Number of activities implemented in 2014 and 2015



The overall number of participants in 2015 reached 12,992, which is 2,670 more in comparison with 2014. The overview per tool and comparison details with 2014 is given below:



Key highlights per priority areas of the European Agenda on Security and European Agenda on Migration

CEPOL responded to the challenges related to **terrorism** by implementation of a portfolio of activities comprising a common curriculum, online module, 6 residential courses, 2 webinars, EPEP. In total **761 participants** took part in one of the counter-terrorism related training activities organized by CEPOL (courses – 296, webinars 344, online module – 100, EPEP-21).

Serious and organized crime, including **cybercrime**, constitutes a significant part of CEPOL training and learning portfolio – 28% of CEPOL activities. All 13 priorities of the EU Policy Cycle are addressed with corresponding portfolios of training and learning options consisting of:

- 21 residential activities attended by 710 participants
- 22 webinars attended by 2,322 participants
- 3 online modules attended by 597 participants
- EPEP with 136 exchanges.

In total **3,765** law enforcement officers trained in CEPOL on **EU Policy Cycle priorities**, which constitutes almost 30% of the total number of CEPOL participation in 2015.

Migration flows posed considerable challenge to the Union law enforcement personnel. In addition to planned 3 activities (1 course, 2 webinars and EPEP, in total attended by **224 participants**) CEPOL was able to address pressing need with adopting implementation of an additional migration package of 4 activities that will be implemented in January-February 2016.

Future European law enforcement leadership that shares a common vision

In 2015 the law enforcement community received new products aiding development of European law enforcement leaders that share common goals of the Union security environment:

- **European Leadership Development Programme** was launched in 2015. The common denominator for “Police chiefs”, “Future leaders” and “Heads of Training” is to offer inspiration from the areas outside the law enforcement (private sector, academia) to find innovative ways how to cope with law enforcement challenges in an efficient manner. The key approach is to interlink all three facets throughout the entire programme - each module feeding the next. It addresses high level and future leaders. The programme consisting of 4 activities was attended by **113 participants**.
- **EU CSDP Police Command and Planning Course**, designed to prepare senior law enforcement officials for deployment to CSDP civilian crisis management mission or to relevant EU bodies dealing with crisis management. One pilot course was implemented in Portugal in November 2015, based on the new curriculum prepared by an expert group. It responds effectively to the training needs defined by the European External Action Service catering for operational needs of the EU missions. It replaced the previous Senior Police Officer Planning and Command Course (SPOPCOP).
- **Fully accredited CEPOL European Joint Masters Programme (EJMP)** designed to further qualify law enforcement officers on the implementation and operationalisation of EU instruments, especially on police cooperation in concrete cross-border settings. It is the first EU academic programme aimed at addressing common challenges of police cooperation in the frame of internal security. EJMP was launched in October 2015. The first module took place in Hungary with **30 students** attending.

1.2.1 Residential training activities

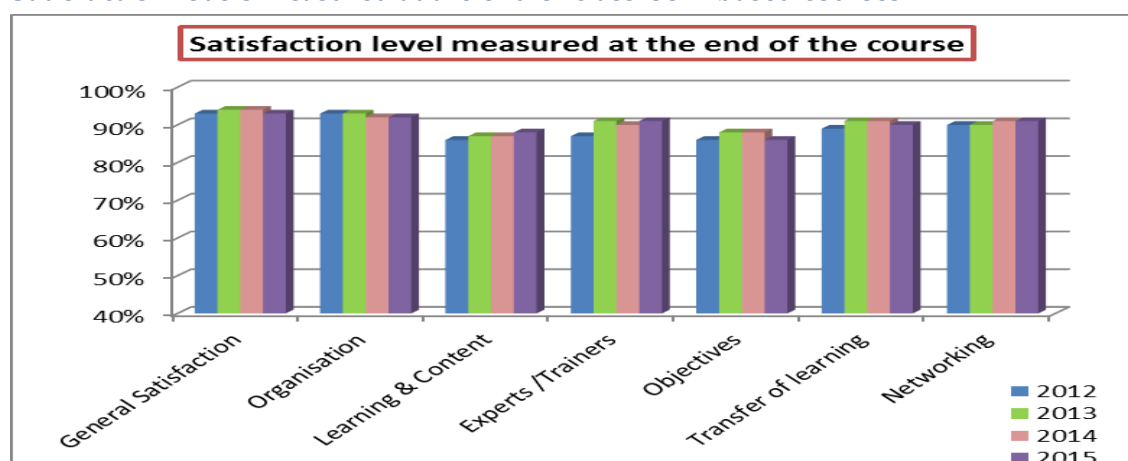
Strategic Objective 1.1	Enhanced leadership and command training of executive and operational police and law enforcement officers and staff
Performance in 2015	Target : 20% increase in the number of participants in leadership development activities by 2017 Progress 2015: 46%
Strategic Objective 1.2	Effective interoperability and shared good practice
Performance in 2015	Target 2015: 10% increase in the overall participation in the CEPOL residential activities Progress 2015: 47%
Strategic Objective 1.3	Maintain and develop CEPOL training portfolio
Performance in 2015	Target 2015: 80% Implementation of CEPOL-led planned JHA scorecard activities Progress 2015: 100%

In 2015, 80 residential activities (courses, seminars and conferences) were planned and **85 were implemented** bringing together **3,073 participants**. This was 12% higher than the forecasted number of participants (2,755). The participation rate remained high (112%) compared to previous years (108% in 2014, 116% in 2013, 96% in 2012 and 80% in 2011). In average 20 Member States participated in a course. In comparison it was 20 in 2014, 18 in 2013, 15 in 2012 and 14 in 2011.

CEPOL successfully maintained outstanding quality level of residential activities in 2015 as the **general participant satisfaction rate was 93%**.

Course evaluation addresses seven aspects ranging from organisation to the achievement of learning objectives; the satisfaction rate remained excellent across the board.

Satisfaction levels measured at the end of classroom-based courses



The evaluation of activities, part of quality assurance measures, is an essential step in CEPOL efforts to monitor and maintain the quality of training and it ascertains achieved impact. CEPOL's evaluation system is based on the Kirkpatrick model, with a methodology specifically adapted to CEPOL's structure and environment. CEPOL conducts evaluations at level 1 (immediately after residential activities) and at level 3 (six months after the activity). Post-course evaluations are carried out with the participants and their line managers.

In 2015, the agency completed its **post-course evaluation of 2014 residential activities**. Quantitative and qualitative data were collected and analysed concerning all 71 residential activities implemented in 2014. The post-course evaluation surveys appraised the long term practical impact of CEPOL courses.

In brief, the conclusions from this evaluation are as follows:

- It confirmed the relevance of CEPOL training, the practical utility and applicability at work.
- The cascading of gained knowledge is an on-going practice in all Member States. Networking may be strengthened further.
- Overwhelming majority of former participants is committed to continue the learning following their participation in the CEPOL training activity. This firm dedication creates an opportunity for the further development of the CEPOL business.
- The current CEPOL evaluation system does not provide measureable information on the level of the acquired knowledge in CEPOL training activities.

More specifically, feedback from participants included the following:

- Six out of seven participants (86%) confirmed that the CEPOL training reflected their professional training needs.
- 69% of participants have been able to practically apply the knowledge gained from their activity to their work.
- 85% of the course participants carried on studying the training subjects following the classroom activity. This includes re-reading course material, further researching the topic and discussing the topic with others.
- 94% of participants declared that they successfully transferred the obtained knowledge in their professional environment.
- Slightly more than half of the participants (53%) managed to maintain some of their newly acquired professional contacts.

Feedback from line managers stated the following:

- 96% of line managers confirmed the practical use of the knowledge gained in CEPOL trainings.
- 94% of line managers asserted that the officer participating in the course was able to cascade gained knowledge.

Grant agreements - Call for grants 2015

The first call was launched on 7 July 2014, with the deadline for submission of applications set to 24 October. The Director's Decision on awarding grants (033/2014/DIR) was adopted on 18 December 2014.

The second call was launched on 27 February 2015, with the deadline for submission of applications set to 31 March. The Director's Decision on awarding grants (028/2015/DIR) was adopted on 26 May 2015.

The average time taken to notify the applicants on the grant decisions is two months from the deadline for submitting applications. From the moment of notifying the applicants on the grant decision, the average time taken to sign the grant agreement by both parties, is one month.

In total 58 activities were awarded a grant in 2015 and all of them were implemented. €1,345,274 was budgeted for grant-financed activities while €1,146,810 was spent (15% underspending). The staff of the agency implemented 25 activities, while 2 activities were implemented by the Framework Partners through joint procurement agreements.

1.2.2 E-learning: bringing lifelong opportunities to a wider audience

Strategic areas of intervention	1.3 Maintain and develop CEPOL training portfolio
Performance in 2015	<p>Satisfaction with training provided by CEPOL (webinars): Target 2015: 90% Performance 2015: 94% ; Performance 2014: 91%</p> <p>Number of CEPOL e-Learning modules adopted and revised Target 2015: 2 Performance 2015: 5 modules updated, content for 2 new modules produced Performance 2014: N/A</p>

Introduction of e-learning allows CEPOL to contribute in achievement of two goals: diversifying multi-layered portfolio of learning options (blended learning) and broadening access to the EU

level learning. Significant share of the increase in CEPOL's outreach has been achieved through application of e-learning solutions.

CEPOL offers several online supported training and learning options, among those:

- Webinars;
- Self-paced online modules;
- In 2015 new products – online courses was introduced;
- Communities of practice for experts;
- learning support for the residential training activities and the European Police Exchange Programme, blending the effectiveness of face-to-face learning with the benefits of e-learning.

Participants in these activities have access to the online modules, webinar resources and platforms for online communities as a means of increasing knowledge, sharing experiences and becoming more competent police or law enforcement professionals. Forums, communities of practice, webinars and online meetings enable cross-border peer groups to meet virtually, learn, share experiences and seek support. As a result, professional life-long learning is continuously brought closer to police and law enforcement officers in the European Union. Whilst participation in CEPOL's e-learning activities is chiefly designed for learning by individual users, it is not intended to replace classroom-based training, study visits or exchanges.

Overall e-Learning participation

In 2015 a total of 9,491 users took part in CEPOL e-learning activities (see table below).

2014 CEPOL e-Learning users per activity	N users
Webinars	6,731
Online modules	2,709
Online Course	51
Total	9,491

Webinars

Webinars, short for web seminars, are a contemporary way to interact online with professionals combining advantages of residential trainings and e-learning tools in short training sessions for which there is no need for expert trainers and trainees to meet in a classroom. This type of learning is used by CEPOL for two purposes: raising awareness and building specialist skills. Experts and trainees meet online in the comfort of their workplaces; thus devoid of travel overheads this is a cost and time effective learning option. All webinars are recorded and made available for CEPOL learners for further use through CEPOL e-NET in such manner increasing the effectiveness of learning accessibility.

Demand for webinars is constantly increasing. In 2015, CEPOL implemented 66 webinars attracting a total of 6,731 attendees. The overall attendee satisfaction with the 2015 webinars was high at 94%. Since July 2015 webinar attendance certificates are available.

Online learning modules

By 31 December 2015, CEPOL had 24 online learning modules available on its learning management system (LMS) of e-Net, visited by 2,709 users. The overview below features the division of unique users per module in 2015.

Online learning module	No users 2015
Specialist CEPOL modules	
Cybercrime	319
EU Police Cycle for Organised and Serious International Crime ³	111
Europol	207
Gender Based Violence	74
Joint Investigation Teams	215
Money Laundering	112
Lisbon Treaty	45
Prüm Decisions	50
Police English Language: Station, Equipment & Officers ¹	477
Police English Language: Policing Domains	169
Schengen	180
Trafficking Human Beings	167
SIS II	52
CEPOL modules for educators	
CEPOL's Approach to Online Learning and Training ¹	55
Exchange Programme Knowledge Landscape of Narrative Reports	101
How to write learning objectives	62
LMS Use for Courses: Course Image 7.0 ¹	49
Q13: Quality in 13 Questions ⁴	33
Webinars for Educators ¹	49
Third party online modules	
CoPPRa (Community Policing Preventing Radicalisation & Terrorism)	100
E-Campus Policing Europe Showcase	7
PCC SEE: Hot Pursuit	21
PCC SEE: Mixed Patrols	25
PCC SEE: Data & Information Exchange	29
Total	2,709

Content for online modules on Firearms and Police English Language was developed in 2015. Both new modules will become available in 2016.

Online course

In 2015 CEPOL implemented its first fully online course 'Police English Language'. A blend of online activities has been used in the course curriculum which includes a combined application of CEPOL's learning management system, webinars, online modules and additional online resources. The course has been completed over a five week period by 51 participants. The online course has been successful and will be further developed and implemented as an e-learning product for 2016.

Platforms for communities of practice

Through dedicated platforms on e-Net CEPOL provides online support to communities of experts to handle the knowledge management, cooperation, collaboration and communication within their network community of professionals. Platforms are provided for communities such as the educators & trainers, European Police Exchange Programme, Schengen Information System II Supplementary Information Request at the National Entry (SIRENE) and the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA). In 2015, the platforms for communities of practice were populated by 3,231 law enforcement professionals.

³ Module updated in 2015.

⁴ The Q13: Quality in 13 Questions is a new module which has become available in 2015.

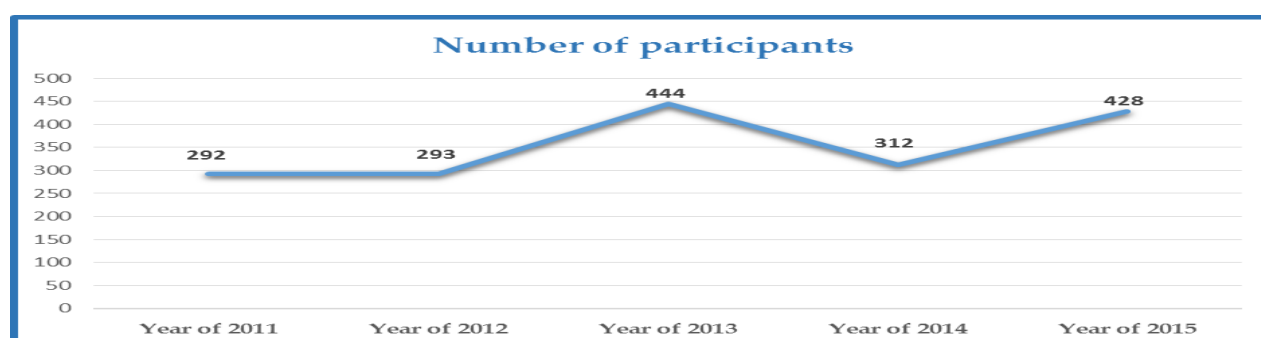
1.2.3 European Police Exchange Programme

Strategic areas of intervention	1.3 Maintain and develop CEPOL training portfolio
Performance in 2015	<p>Satisfaction with training provided by CEPOL Target 2015: 90% Performance 2015: 94%; Performance 2014: 91%</p> <p>Number of participants in EPEP Target 2015: 400 Performance 2015: 428; Performance 2014: 312</p>

The current Erasmus-style European Police Exchange Programme (EPEP) was established by Council Conclusions in 2010⁵. The Council tasked CEPOL to implement the EPEP and envisioned additional 5M€ for its implementation. Although it was a new task, no additional resources were given to the agency; hence CEPOL is implementing the EPEP using its core budget. Its limitations affect the extent to which the programme can be implemented hence negative priorities need to be applied (30% of applications for EPEP could not be implemented within the given budget).

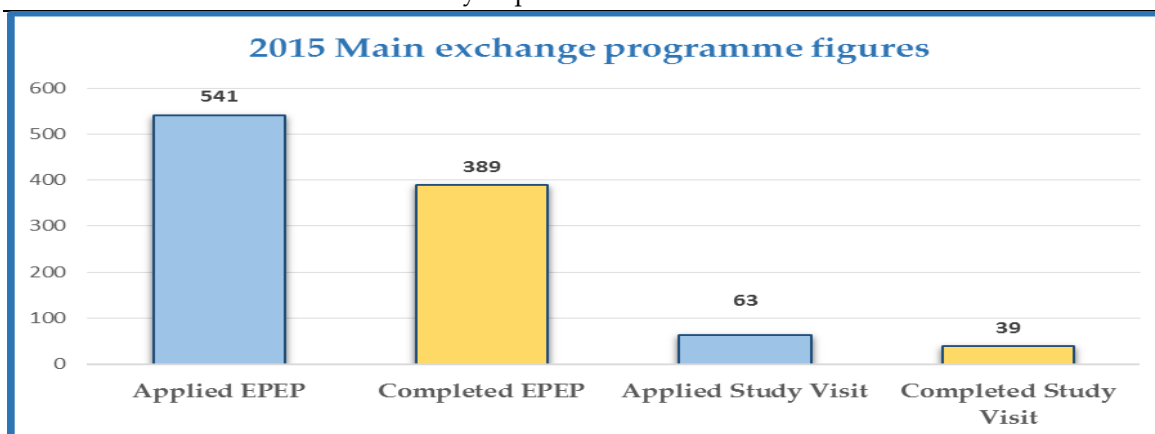
The EPEP reflects the requirements of the Union's internal security strategy and the EU Policy Cycle on serious and organised crime. Thematic areas of study are synchronised with EU priorities and CEPOL's overall training portfolio. This alignment enables the exchange programme to complement CEPOL's other training options contributing to the agency's multi-layered approach to learning.

EPEP allows participants to spend one week with a counterpart in their hosting country, exchanging knowledge and good practices, initiating cooperation projects and fostering deep and long-lasting learning and networking. Above all, exchanges promote trust and cooperation between law enforcement staff from different police services. The programme fulfils one of CEPOL's key objectives in developing a European police culture; exchanges increase appreciation of different cultures, remove biases and break down barriers. EPEP is available for police officers and trainers of the EU Member States, EU Candidate Countries, Western Balkan and European Eastern Partnership countries.

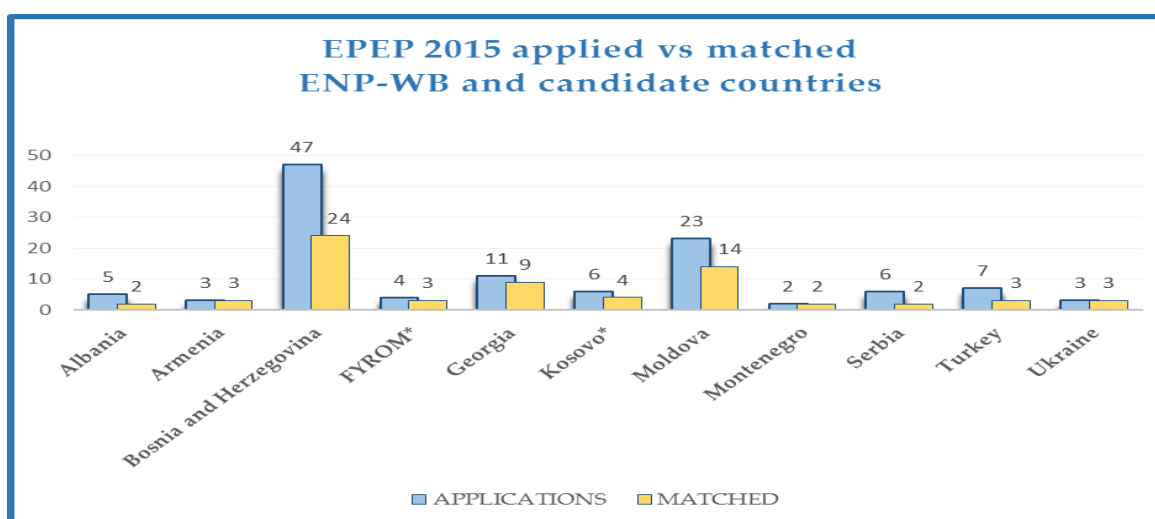
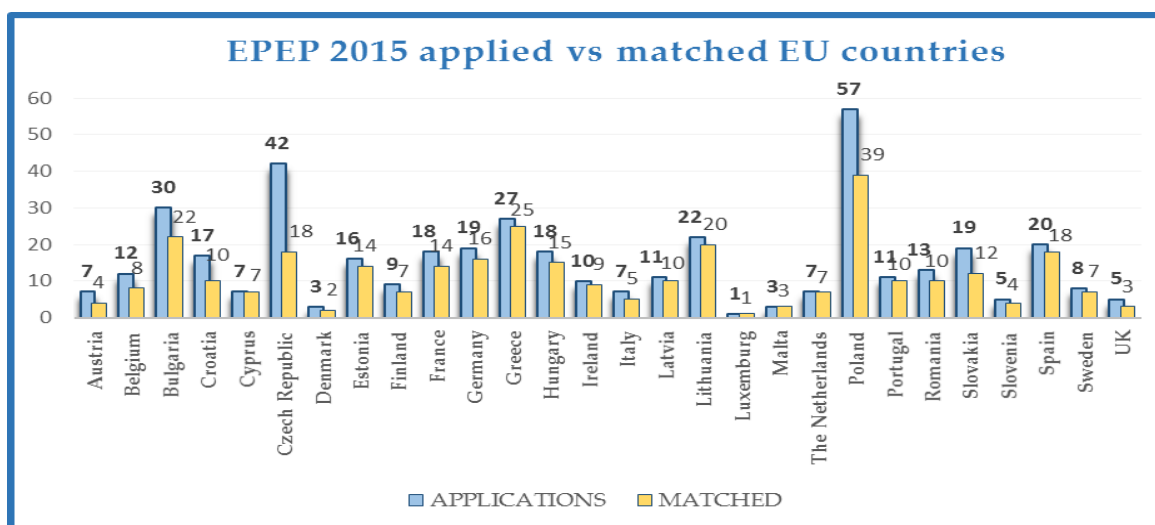


In 2015 all partners (EU MS, Candidate, Eastern Partnership and WB Countries) submitted a record high number of applications (541). Within the available budget it was possible to implement 389 exchanges for law enforcement officers, in addition 39 participants took part in the study visit to Europol, resulting in altogether 428 participants attended this year's programme.

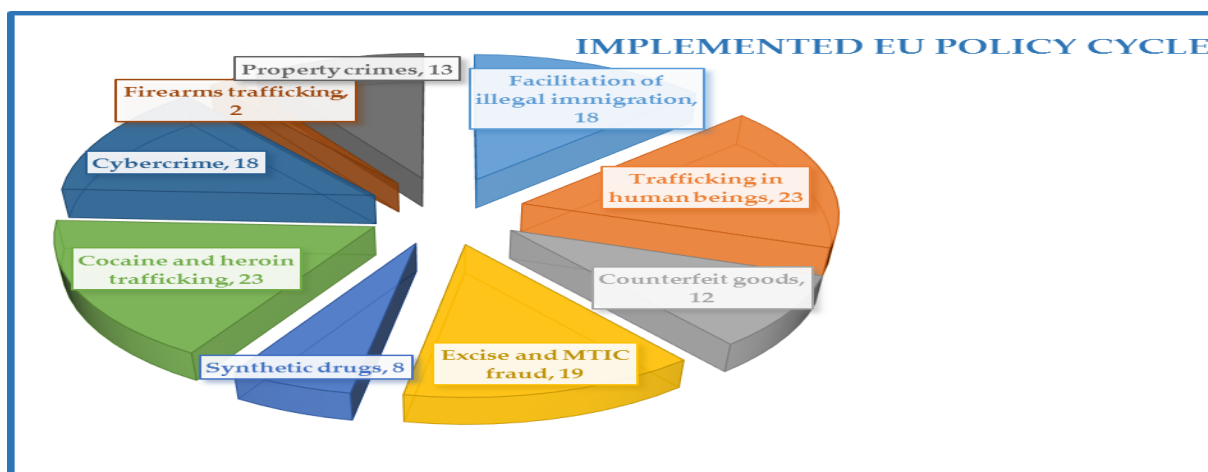
⁵ Conclusion of the Council of European Union of 13 April 2010 on the exchange programme for police officers inspired by Erasmus, 8309/1/10 REV 1 ENFOPOL 93
06/2016/GB (24.05.2016)



The aspiration was to involve all countries, all segments and all categories in the programme. The outcome to accommodate this need is shown in the below graphs (data apply to exchange programme applicants only, the study visit participants are not included).



A priority was given to the categories under the EU Policy Cycle, particularly the exchange needs identified by the Policy Cycle EMPACT Teams. Distribution of the exchanges per priority is given below:



1.2.4 Common Curricula

Strategic areas of intervention	1.3. Maintain and develop CEPOL training portfolio
Performance in 2014	Number of common curricula maintained Target 2015: 9 Performance 2015: 9 ; Performance 2014: 9

Common Curricula provide Member States with specific training material on EU and international police cooperation tools as well as on cross-border crime threats, which can be incorporated into national training curricula.

In 2015, a Survey on the Common Curricula implementation was conducted amongst the MS with the aim to obtain input for a revised Common Curriculum policy. The final report with the outcomes of this survey was presented to the CEPOL Governing Board and National Contact Points outlining the challenges of the full use of the Common Curricula.

There are currently nine adopted Common Curricula available through the CEPOL Learning Management System on e-Net:

- *Counter-Terrorism (adopting Decision 22/2014/GB);*
- *Europol (adopting Decision 25/2012/GB),*
- *Drug Trafficking (adopting Decision 24/2014/GB),*
- *Police Ethics and Integrity (adopting Decision 5/2013/GB),*
- *Money Laundering (adopting Decision 23/2014/GB),*
- *Trafficking in Human Beings (adopting Decision 7/2013/GB),*
- *Domestic Violence (adopting Decision 10/2013/GB) ,*
- *Civilian Crisis Management (adopting Decision 11/2013/GB)*
- *Eurojust (adopting Decision 25/2014/GB)*

Furthermore two new course curricula were developed with the aid of national experts on the following topics:

- Disaster Victim Identification, adopted by the GB in November 2015 (35/2015/GB); a pilot course was implemented at the end of 2015 on the basis of this curriculum.
- EU CSDP Police Command and Planning has been finalised and piloted in 2015.

1.2.5 Research & Science

Strategic intervention areas	1.2 Effective interoperability and shared good practice
Performance in 2015	<p>Number of registrations in the CEPOL Lecturer, Trainer and Researcher Database Target 2015: 300 (cumulative) Performance 2015: 359 (227 Trainers and Lecturers and 132 Researchers) Performance 2014: 293 (194 Trainers and Lecturers and 99 Researchers)</p> <p>Number of items published in the e-Library - Target 2015: 1,700 (cumulative) Performance 2015: 1,781; Performance 2014: 1,603</p> <p>Publication of R&S Bulletin - Target 2015: 2 issues Performance 2015: 2; Performance 2014: 2</p> <p>Number of participants at research conferences - Target 2015: 100 Performance 2015: 235 (including speakers); Performance: 2014: 0 (cancelled)</p>

CEPOL's activities in the field of research and science facilitate the sharing of knowledge and support the role of research in modern policing. Police research component contributes to CEPOL training and learning activities by giving an academic outlook on emerging societal and technological trends and their impact on policing.

Lecturers, Trainers and Researchers Database (LTRdb)

The CEPOL LTRdb has been established to support qualitative learning and facilitate easier access to qualified experts for those in charge of implementing CEPOL activities. The database contains data on lecturers, teachers, and scientific researchers considered eligible to contribute to CEPOL learning activities based on their subject knowledge, teaching skills or scientific research. Interest to be registered as expert in the CEPOL Lecturer, Trainer and Researcher Database increased steadily and brought the numbers of enlisted experts to a total of 359. The operational experience gained led to the development of an advanced online version of the LTRdb, which will become operative in early 2016 and will make the tool easier accessible for registering experts as searching course organisers as well.

CEPOL European Police Research and Science Conference

Wide international and European audience of academia, researchers and police practitioners exchanged practical knowledge and scientific findings on Evidence Based Policing. Counting 235 active attendees, the 2015 CEPOL Annual European Police Research and Science Conference 2015 in Lisbon has been the largest and most successful in bringing the academic and practical worlds closer to each other in tackling common societal challenges. Overwhelmingly positive feed-back from participants and speakers confirmed CEPOL increasing relevance as serious contributor to the development of police science in Europe and beyond. A selection of presentations of the 2015 conference was made available on CEPOL's website.

Publications and Knowledge Management

Two new issues of the 'European Science and Research Bulletin' (no 12 and 13) were published online and in print. A new Bulletin Editorial Board with three members has been established.

In 2015, CEPOL provides the access to scientific e-journals for all eNet users. The number of available fully subscribed professional titles rose from 9 to 16, including leading international

periodicals like Policing & Society or Police Practice and Research. In addition, access was established to an even wider pool of more than 300 e-journals with full text access covering criminal justice and social science topics.

The CEPOL e-Library continued to offer a knowledge repository for registered e-Net users. By end 2015, there were 1,781 contributions from a variety of CEPOL Member States available in the e-Library.

1.3 External Relations

Goal 2: Strengthening the CEPOL network and enhancing the external relations	
Key Performance Indicator 2: Overall rate of implemented agreements	
Target 2015: 80% - Progress to date: 100%	
Strategic Objective 2.1	Improved partnership, collaboration and coordination across the network
Strategic Objective 2.2	Improved partnership, collaboration and coordination of external relations aligned to the EU policy objectives and priorities
Performance in 2015	Percentage of CEPOL framework partners implementing activities under framework partnership agreements Target 2015: 90% - Progress 2015: 77% Percentage of Working Arrangements with third countries effectively been implemented Target 2015: 80% - Progress 2015: 100%

In 2015, CEPOL continued to invest extensively in maintaining and enhancing its partnerships. CEPOL is proud to have welcomed many law enforcement officers from the Eastern partnership and Western Balkan countries in its activities. These included the European Police Exchange Programme, with 58 law enforcement officers from the above mentioned regions taking part, as well as one Joint investigation team seminar organised in Slovenia in close cooperation with the Police Cooperation Convention for South Eastern Europe (PCC SEE) Secretariat, and other courses with regional focus.

CEPOL supported the EU political dialogues with Turkey and Lebanon, contributing to an increasing acceptance in the region of CEPOL as a key instrument for law enforcement cooperation, and enhancing its role as one of the actors the EU can display and count on in its external action activities.

CEPOL also supported the development and coordinated the implementation of working arrangements and developed cooperation with candidate countries and potential candidates; agreements were negotiated with Serbia and Kosovo*, and sent to Council for approval. Due to the changes in the legal basis, it is realistic to expect that the two arrangements will be concluded in 2016.

Throughout 2015, CEPOL liaised closely with the co-legislators (European Parliament and Council) and the European Commission to provide the Institutions with input they could consider when drafting the agency's new legal basis. As a result, the new legal basis matches to a great extent of the initial position of the agency as expressed in its position paper presented to Council during the Italian presidency. CEPOL also worked on a Change Management Plan to integrate the changes stemming from the new legal basis to its workflow.

As far as technical cooperation is concerned, following a request from the EU Counterterrorism Coordinator's Office and the European External Action Service (EEAS), CEPOL developed a 2.5 M EUR project on counter terrorism training in four MENA countries: Turkey, Lebanon,

Jordan and Tunisia. The project aims at conducting training needs assessments (TNA) for law enforcement in the beneficiary countries, developing tailor-made courses for law enforcement officers, and implementing staff exchanges within the target countries and with EU Member States. CEPOL is thus the only EU agency operating in this region at this time. Further to that, CEPOL's expertise has also been requested in the framework of the EUROMED IV (Police) project funded by the European Commission, and by ICMPD in the context of a project in Lebanon.

Moreover, CEPOL finalised the JHA Training Matrix project, an online tool aimed at providing an overview of law enforcement training in the EU. The Beta testing was initiated in November 2015, and the exercise resulted in a joint online tool accepted by all JHA agencies and hosted by CEPOL. In the future the tool will facilitate more efficient planning, implementation and evaluation of training activities both on the policy and operational level.

Overview of CEPOL's cooperation and working agreements

Country/entity	Type of cooperation	Status
Albania	Working Arrangement	In force
Armenia	Working Arrangement	Under negotiation
Bosnia and Herzegovina	Working Arrangement	In force
The former Yugoslav Republic of Macedonia	Working Arrangement	Under negotiation
Georgia	Cooperation Agreement	In force
Iceland	Cooperation Agreement	In force
Kosovo ⁶	Working Arrangement	Under negotiation
Lebanon	Working Arrangement	Preparatory phase
Mexico	Informal cooperation	Preparatory phase
Moldova	Working Arrangement	In force
Montenegro	Cooperation Agreement	In force
Norway	Cooperation Agreement	In force
Russian Federation	Working Arrangement	In force
Serbia (Republic of)	Working Arrangement	Under negotiation
South Africa	Informal cooperation	Preparatory phase
Switzerland	Cooperation Agreement	In force
Turkey	Cooperation Agreement	In force
Ukraine	Working Arrangement	Under negotiation
USA FLETC	Working Arrangement	Negotiation initiated
AEPC	Memorandum of Understanding	In force
EJTN	Informal cooperation	In force
ENFSI	Memorandum of Understanding	In force
eu-LISA	Working arrangement	In force
Eurojust	Cooperation agreement	In force
Europol	Cooperation agreement	In force
Frontex	Cooperation agreement	In force
Interpol	Cooperation agreement	In force
PCC-SEE	Informal cooperation	In force

⁶ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Part II. (a) Management and Governance

Goal 3: Maintaining and improving the effectiveness of the current governance structures and processes whilst preparing for future commitments	
Key Performance Indicator 3: Implementation of the CEPOL strategy	
Target 2015-2017: 80% - Progress 2015: 70%	
Performance in 2015	Implementation of the annual work programme and the budget Target 2015: 95% - Progress 2015: 87% Implementation of a new evaluation system for the whole CEPOL training portfolio by the end of 2016 Target 2015-2016: 100% - Progress 2015: 50% Grant Agreements implemented vs. signed Target 2015: 95% - Progress 2015: 100% Five-year-evaluation to be completed by the end of 2015 Target 2015: 100% - Progress 2015: 100%

2.1 Governing Board

In 2015 the Governing Board issued a total of 36 Decisions, 22 under the Latvian Presidency and 14 under the Luxembourg Presidency. Out of the total, 24 decisions were taken by written procedure and the other via oral proceedings. The 33rd Governing Board Meeting took place in Latvia in May 2015 and the 34th Governing Board Meeting took place in November 2015 in Luxembourg. Three web meetings of the Governing Board were organised in the course of the year.

Relations with the Presidency Teams have been given high priority. In April 2015 the Director visited The Netherlands to listen to the views of the 2016 Netherlands Presidency and to offer CEPOL's support to the Presidency priorities. After the Luxembourg Presidency team visited CEPOL in May 2015, Latvia handed over the Presidency to Luxembourg in June; CEPOL worked closely with the Luxembourg Presidency team, which has chaired several network meetings organised by the Agency, including the Stakeholders meeting and the National e-Net Managers meeting. A visit to CEPOL by the incoming Presidency of The Netherlands took place in November 2015, and the Director also visited Slovakia in view of the Slovak Presidency of the Council to discuss CEPOL matters. The Governing Board has been kept apprised of developments around the new legal basis, and a comprehensive Change Management Plan resulting from a thorough assessment of the renewed landscape for CEPOL in light of the legal basis and the new EU strategic documents, was approved by the Board in December 2015.

The Governing Board also set up, in 2015, a working group to compile the report and issue recommendations in view of the externally-contracted 2nd Five Year evaluation. The Board was kept informed throughout the year on the progress made by the contracted consultancy firm.

2.2 Major Developments

To ensure efficient management and coordination, regular coordination meetings have been held in 2015, as in 2014. The Deputy Director chairs regular management, financial and general coordination meetings. In addition, the Agency holds quarterly coordination meetings for all staff chaired by the Director. Further, management holds regular dialogues with the Staff Committee.

In 2015, the Director took 52 administrative decisions. These included decisions on grant procedures, working groups, budget implementation, appraisal exercise, and revising the agency's organisational structure.

Two surveys aimed at measuring staff engagement and staff satisfaction respectively (the latter conducted by the CEPOL Staff Committee) were conducted in the second quarter 2015. While the staff engagement survey gave positive overall results, in line with or exceeding those of other EU agencies, both surveys identified a potential for improvement. The Management team is currently discussing an action plan to address the outcomes.

Development Projects

CEPOL's management launched a project to build its **management system based on the ISO 9001:2015 requirements**. Following the implementation phase which will run until late autumn 2016, it will then be certified by an independent accredited body. The key concepts of this revised international standard address leadership, planning, service delivery, support, and performance evaluation.

In order to prepare for its new legal mandate and the increase of its target audience, CEPOL conducted throughout 2015 a **rebranding** project aimed at analysing its image amongst its stakeholders and developing a coherent visual identity that reflects all its stakeholders; the first phase of the rebranding of CEPOL, the image analysis has been completed.

In January 2015 a new project has been launched to **redesign CEPOL's e-Net**. The next version of e-Net shall provide educational support to the Agency and its target groups. An open tender procedure for a feasibility study and provision of technical expertise and support in drawing up the tender documentation for e-Net 3.0 has been carried out, and the contract was signed in September 2015. Contractor carried out a number of surveys and interviews to identify the business requirements, which was enforced by discussions with the e-Net Managers and Research and Science Correspondents at their meeting in October 2015. Unfortunately the contractor failed to deliver the feasibility study on time and in sufficient quality therefore a CEPOL led expert group consisting of Member States experts and advisors will complete development of technical specifications in 2016.

In 2015 the Agency initiated a project aiming to introduce an electronic document management system technology (**ECM-Enterprise Content Management System**). The tool shall provide a digital platform to manage the document flow.

A pilot phase of the **Customer Relationship Management tool** (CRM) has been launched in 2015. CRM is a tool for sharing data and monitoring all CEPOL events where travelling is required (courses, meetings, EPEP, missions). CRM shall replace the current way of working based on manually maintained Excel sheets and storage of documents on P drive. It is expected that, following the successful pilot phase of the Customer Relationship Management tool (CRM), its full implementation should start from 2017.

Communication

In terms of communications, 2015 has been a challenging year for CEPOL. The relocation to Budapest resulted in an increased visibility for the agency and a higher number of courses organised in-house, which in turn increased dramatically the demand for communications

services. To meet this demand, 2015 budget for communications amounted €143 000 (4.77 times higher than in 2014).

CEPOL communications supported in 2015 the organisation of 49 in-house events and 73 training activities in Member States (vs 20 in house activities and 70 in MS in 2014). 18 publications were produced (layout, content, printing and dissemination) amounting to a total number of 6,880 copies (vs 5 publications in 2014, amounting to 2,350 copies).

In 2015, the website attracted 225,604 (vs 219,102 visitors in 2014), CEPOL Twitter gained 500 followers for 22,500 monthly views on average and CEPOL YouTube channel got 14,217 views and 113 subscribers (vs. 8,876 views and 65 subscribers in 2014). CEPOL also produced a number of multimedia content, with over 40 interviews of experts, 3 promotional videos and about 5,000 photos. Besides, CEPOL was able to increase its presence in the media with 1,104 articles published in 2015 (vs 602 in 2014).

Data Protection

CEPOL is committed to collect and use personal data in a responsible, secure and fair way.

In 2015, several data processing operations in the core business area were either reviewed or notified to the Data Protection Officer. Dedicated stakeholder groups have been provided with updated information on how their personal data is being processed.

A steady progress related to regulatory compliance has been witnessed especially in the management of:

- Residential courses, seminars and conferences
- The European Police Exchange Programme
- The Lecturers, Trainers and Researchers Database
- Customer Relationship Management (CRM) System
- Video-surveillance system
- Declarations of Interest and CVs.

The Agency's Data Protection Officer was re-appointed by the Director for the second term.

Fruitful collaboration with the European Data Protection Supervisor (EDPS) continued to take place. CEPOL's video-surveillance system was sent for the EDPS' consultation. Clarifications were provided on the staff recruitment. State of play of the Inventory and Register of Processing Operations was provided. Transfers to recipients not subject to national provisions implementing Directive 95/46/EC were explained. Information security aspects were disclosed, further details were provided on the effective deletion of personal data.

2.3 Budgetary and Financial Management

2.3.1 Budget 2015 execution - overview

CEPOL's regular budget for 2015 was € 8,471,000. By the end of the year 2015, 95.51% of the C1 budget has been committed, out of which 79% has been paid.

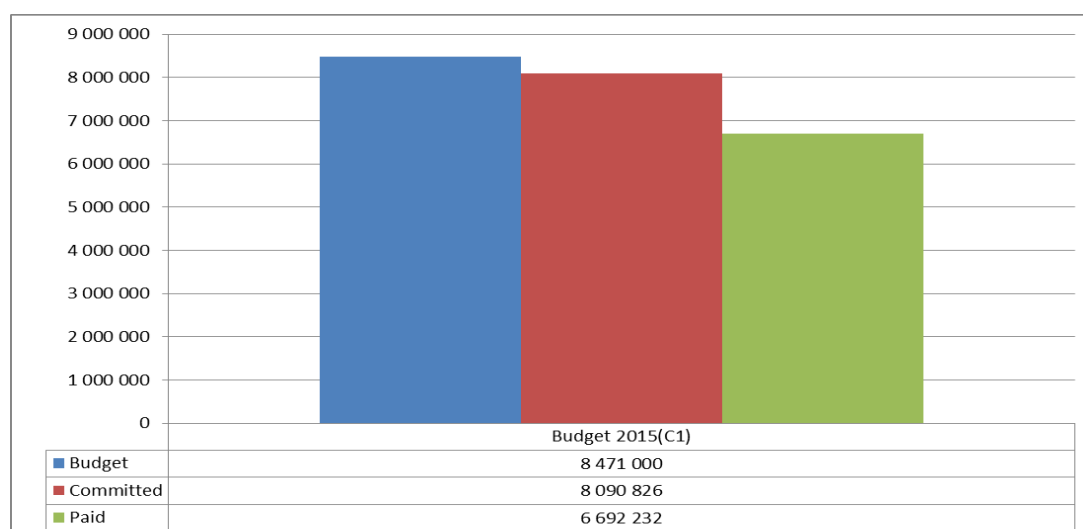
For Title 1, 96% of the C1 credits available have been committed and 88% have been paid.

For Title 2, 88% of the C1 credits have been committed and 45% have been paid.

For Title 3, 96% of the available C1 funds have been committed and 75% have been paid.

Following signature of the grant agreement with the European Commission on EU/MENA Counter-terrorism Training Partnership, a budget of € 2.5 M has been agreed, out of which € 300k has been inscribed in CEPOL budget as assigned revenue already in 2015. The remaining € 2.2 M will be transferred during 2016 and 2017. In order to properly follow up the project financially, Title 4 has been created to manage this project.

Budget 2015 – Implementation to 31.12.15



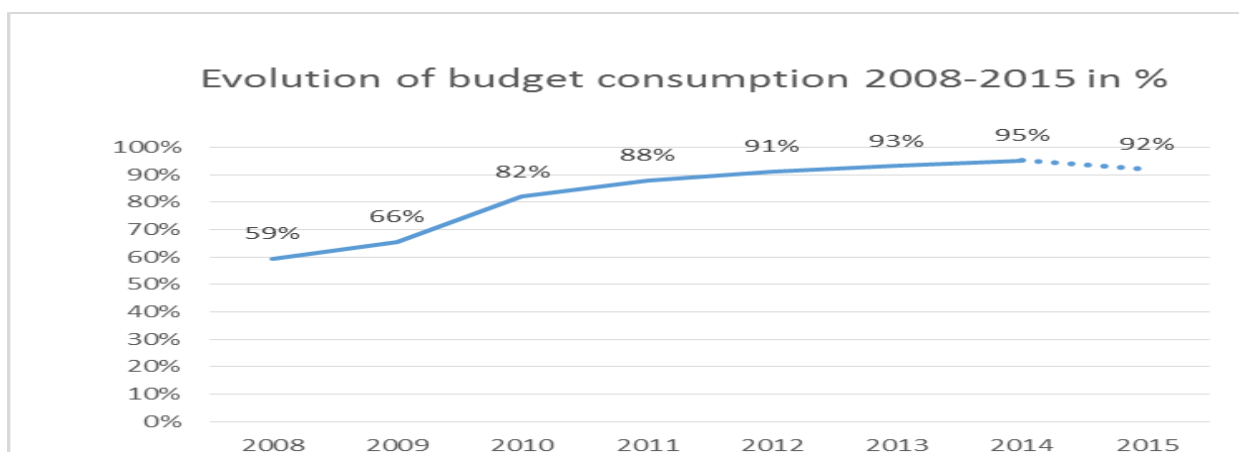
A total of € 1,406,984⁷ has been carried over to 2016, amounting to 17% of the overall 2015 budget.

The amount is higher than in the previous year (15%), as the relocation of the Agency took place in September 2014; CEPOL initiated new service and supply contracts in Hungary with starting dates in the last quarter of the year. Most of them are annual contracts expiring by the end of the year and the renewals evidently also start by that period. Moreover some training courses were organised in January-February 2016, hence invoices have not yet been received.

Overview on Budget 2015 execution, status as of 31 December 2015 is provided in Annex II Table A2.1)

Budget execution has been continuously improving since 2010 as the below graph shows. The total 2014 budget implementation has reached 95% at the end of December 2015.

⁷ Includes 1,398,594 € of the annual subsidy (C1 credits) and 8,390 € of recoveries (C4 credits)
06/2016/GB (24.05.2016)

Budget implementation 2008 – 2015 (amounts in EUR)*

79%; however including the carried over appropriation to 2016, the 2015 budget consumption could reach theoretically 95.5% (commitment level in 2015). The exact budget consumption will be known at the end of 2016.

2.3.2 Relocation budget

The cost of the relocation from Bramshill, UK to Budapest, Hungary has been estimated at approximately €1M (€ 1,006,515) to be spent during 2014 and 2015.

In accordance with the agreement between the European Commission and the United Kingdom, the amount of € 570,283 has been financed with 50% from the UK Authorities (€ 285,141.50) and with 50% from the European Commission (€ 285,141.50).

The funds relating to the relocation of the Agency from the United Kingdom to Hungary, for which the United Kingdom in 2014 agreed to pay a contribution has been inscribed in the budget as assigned revenue (R0 credits in ABAC). The inscription of the R0 credits in ABAC has been done by DG BUDG at the end of November 2014 and funds were available for commitments and payments only starting the last month of the year.

The unused R0 funds relating to the relocation from 2014 were carried over automatically to 2015 and were fully used for expenditure related to the relocation during 2015 (mainly in Title 1 for staff related expenditure).

The assigned revenue stemming from the UK contribution and the contribution paid by the European Commission to the relocation of CEPOL to Budapest has been fully used.

The remaining funds (€ 310,504, corresponding to 35% of the final relocation budget) has been financed with CEPOL's budget by savings deriving from the lower correction coefficient applied to staff entitlements in Hungary.

The total relocation budgeted executed in 2014-2015, all funds included, is € 880,787.

Relocation Budget Execution per titles

Relocation budget		Total relocation budget Estimation	Total relocation budget executed in 2014-2015 All funds included
1	TITLE 1 Expenditure relating to persons working with CEPOL		
11	Staff in active employment	622,835	518,805
13	Missions and duty travel	34,380	42,855
14	Socio-Medical Infrastructure	0	0
16	Social welfare	0	0
17	Entertainment and representation expenses	0	0
1	TITLE 1 Expenditure relating to persons working with CEPOL	657,215	561,660
2	TITLE 2 Buildings & equipment and miscellaneous expenditure		
20	Investments in immovable property & rental of buildings	3,000	0
21	Information and communication technology expenditure	244,000	228,625
22	Movable property and associated costs	0	0
23	Current administrative expenditure	62,300	70,867
24	Postal charges	0	0
2	TITLE 2 Buildings & equipment and miscellaneous expenditure	309,300	299,493
3	TITLE 3 Operational Expenditure		
30	Bodies and organs	40,000	19,634
31	Courses, Flight Schemes, E-Net	0	0
32	Other programme activities	0	0
33	Evaluation	0	0
35	Missions	0	0
37	Other operational activities	0	0
3	TITLE 3 Operational Expenditure	40,000	19,634
GRAND TOTAL		1,006,515	880,787

The final figures for the cost of relocation will be known by end of 2016, more details are provided under the next heading.

Overview of estimated savings for the financial year 2015, after the relocation of CEPOL to Budapest, Hungary

The relocation of CEPOL from Bramshill, United Kingdom to Budapest, Hungary took place in October 2014. During the last quarter of 2014 and the year 2015, the Agency dedicated considerable financial and human resources to consolidate and to improve the basic working conditions in the new location.

Although the relocation has been finalised in 2015, it is difficult to conclude that the savings deriving from lower staff costs will feed operational expenditure in the coming years, as there are still many uncertainties which will have an impact on budget planning and execution. Further details can be read below.

According to the host agreement signed between CEPOL and the Hungarian authorities, Hungary provides accommodation for CEPOL for 10 years free of charge as from 1 September 2014. Hungary covers also the utility fees, maintenance of the building as well as the security and reception services for the same period.

Overview of the budget estimates for years 2014 and 2015

Overview of expenditure during the relocation years Not taking into account the contribution paid by the United Kingdom		Adopted budget 2014	Adopted budget 2015	Difference
		05/2014/GB*	24/2015/GB**	
		Seat in UK during 2014 full year	Seat in Hungary 2015 full year	
1	TITLE 1 Expenditure relating to persons working with CEPOL			
11	Staff in active employment	4,430,917	3,191,600	-1,239,317
13	Missions and duty travel	20,000	30,000	10,000
14	Socio-Medical Infrastructure	4,000	321,400	317,400
16	Social welfare	2,000	2,000	0
17	Entertainment and representation expenses	2,500	2,500	0
1	TITLE 1 Expenditure relating to persons working with CEPOL	4,459,417	3,547,500	-911,917
2	TITLE 2 Buildings & equipment and miscellaneous expenditure			
20	Investments in immovable property & rental of buildings	155,310	45,000	-110,310
21	Information and communication technology expenditure	206,000	330,000	124,000
22	Movable property and associated costs	5,600	12,300	6,700
23	Current administrative expenditure	21,000	95,700	74,700
24	Postal charges	11,500	11,500	0
2	TITLE 2 Buildings & equipment and miscellaneous expenditure	399,410	494,500	95,090
3	TITLE 3 Operational Expenditure			
30	Bodies and organs	255,000	311,000	56,000
31	Courses, Flight Schemes, E-Net	2,582,000	3,159,000	577,000
32	Other programme activities	444,990	629,000	184,010
33	Evaluation	0	100,000	100,000
35	Missions	120,000	150,000	30,000
37	Other operational activities	30,000	80,000	50,000
3	TITLE 3 Operational Expenditure	3,431,990	4,429,000	997,010
GRAND TOTAL		8,290,817	8,471,000	180,183
* 05/2014/GB has been repealed and replaced by 17/2014/GB, however for the sake of comparison 05/2014/GB will be taken into account, as that budget proposal covers the costs estimated for the full 2014 operating from the United Kingdom				
** Title 4, MENA project is not taken into account, as it is assigned revenue for the Agency, stemming from a grant agreement with the European Commission				

The above table shows clearly that the savings in Title 1, deriving mainly from the significantly lower correction coefficient applied to the salaries of the staff were dedicated to increase the budget for operational expenditure, mostly for trainings and exchanges. The additional almost €1M enabled implementation of 26 training activities more than 125 implemented in 2014, extension of the European Police Exchange Programme, which made possible that 12,992 participants could take part in CEPOL activities compared to 10,322 in 2014.

Additional funds allocated to Title 3 allowed to make long due investment in further development of supporting technical solutions, such as future e-NET, online solutions for Lecturers, Trainers and Researchers database, JHA Training Matrix, etc.

The savings in Title 2, deriving from the lower maintenance costs (Hungary pays the utility bills for a period of 10 years, contrary to the situation in the United Kingdom, where CEPOL paid the utility bills) are mostly recycled within Title 2: the major part of the expenditure is for investments in ICT in order to guarantee that CEPOL will be able to continue to deliver police training. As Hungary put at CEPOL disposal ICT technology together with the building, the maintenance and licenses for running those technologies run at CEPOL expenses, which will be planned during the coming years.

As regards to the overview of real expenditure for years 2014 and 2015, the budget execution figures for 2014 do not provide a good basis where comparison can be made, as a considerable

number of additional tasks related to the relocation were financed. Moreover, CEPOL moved its seat officially from Bramshill, United Kingdom to Budapest, Hungary, in October, meaning that for the first 9 months of 2014, the Agency was operating from the United Kingdom and for the last 3 months of the year from Hungary. Therefore the expenditure in year 2014 partly covers standard operations of CEPOL, but also covers the expenses related to the relocation.

By the end of 2015, two tendencies became evident, which will impact on budgetary planning and execution as well. Both of them concerns staff matters.

As a consequence of the relocation and due to the significantly lower correction coefficient applied to staff salaries in the new location, the number of resignation shows and increasing trend. This result in higher vacancy rates, putting at risk the implementation of tasks assigned to the Agency, as CEPOL has very scarce human resources. The higher number of vacancies will increase recruitment cost in the near future. As long as the correction coefficient applied to salaries remains at the current levels, probably the turnover will continue at a high level.

Another consequence of the relocation is that children of staff members cannot attend the public school in Hungarian in the new location; therefore CEPOL pays the fees of international schools for all staff with children according to GB decision 16/2014/GB. The schooling costs show an increasing trend, as the staff composition changes and there is more staff with children.

Moreover, a number of staff members initiated a legal dispute against CEPOL arguing the conditions in which the relocation has been carried out and its financial impact on their income. CEPOL arrived to an amicable settlement with 4 ex-staff members during 2015 and the partial payment of the agreed amount, forming part of the relocation budget, was made in December (€54,000), while the remaining part (€39,700) has been paid from the 2016 budget.

However, the court case initiated by the other 3 staff members continues, therefore if any financial obligation arises from the court judgement, it will be imputed to the general budget of CEPOL. The court judgement on 11 April 2016 was that the applicants will have to bear all costs, including CEPOL's costs. The applicants have 2 months and 10 days to appeal this judgement.

As the multiannual financial framework does not foresee a significant increase during the planning period for CEPOL, not even after the implementation of the new legal framework, the cost of any legal dispute or eventual compensation to staff, the increased recruitment and schooling costs will be covered from funds initially dedicated to operational activities.

2015 was a year for stabilisation for CEPOL in the new headquarters. The expenditure in 2015 still contains costs related to the relocation, as the actual removal has been done only at the end of 2014. Moreover, the final budget execution for the year 2015 is not yet known, the final figures will be available by the end of 2016.

Therefore, Table A2.2 included in Annex II shows only preliminary information on the impact of the relocation on the expenditure for CEPOL.

2.3.3 Budget 2015 Implementation per Titles

Title 1: Expenditure relating to persons working with CEPOL

Title 1 C1: Regular budget 2015

Regular budget 2015- Staff costs

Budget Implementation		Initial Budget	Budget Transfers	Actual Budget	Committed	%	Paid	% (Compared to budget)	% (Compared to commitments)	Carry over to 2016
Regular budget 2015 (C1)		A	B	C	D	D/C	E	E/C	E/D	D-E
1	TITLE 1 Expenditure relating to persons working with CEPOL									
11	Staff in active employment	3 191 600	- 56 300	3 135 300	3 019 004	96%	2 756 932	88%	91%	262 072
13	Missions and duty travel	30 000	0	30 000	24 795	83%	19 793	66%	80%	5 002
14	Socio-Medical Infrastructure	321 400	48 800	370 200	364 854	99%	357 665	97%	98%	7 189
16	Social welfare	2 000	5 000	7 000	7 000	100%	1 249	18%	18%	5 751
17	Entertainment and representation expenses	2 500	2 500	5 000	3 190	64%	2 751	55%	86%	439
1	TITLE 1 Expenditure relating to persons working with CEPOL	3 547 500	0	3 547 500	3 418 843	96%	3 138 390	88%	92%	280 454

Staff costs constitute 99% of the budget in this Title.

At the end of the year 96% of the annual budget for Title 1 has been committed and 88% paid. In December CEPOL paid the amicable settlement to 4 former staff members stemming from the Court case related to the relocation (3 staff members continue with their cases into 2016). The high amount of carried over funds relate to interim staff engaged to replace vacant positions or employees on long term maternity leave.

Title 1 C8: Amounts carried over from 2014 for payment in 2015

Use of amounts carried over in Title 1

Budget Implementation		Carried Over from 2014 to 2015	Paid	% (Compared to amount carried over)	De-committed (Excess carry over)	%	Amount to be returned to
Commitments carried over from 2014 to 2015 (C8)							Commission
1	TITLE 1 Expenditure relating to persons working with CEPOL						
11	Staff in active employment	161 092	139 077	86%	22 014	14%	22 014
13	Missions and duty travel	10 444	9 790	94%	654	6%	654
16	Social welfare	1 270	1 172	92%	97	8%	97
17	Entertainment and representation expenses	1 195	869	73%	326	27%	326
1	TITLE 1 Expenditure relating to persons working with CEPOL	174 000	150 909	87%	22 668	13%	23 091

The highest overestimates for amounts necessary in 2015 related to other services and work to be contracted out (€ 15k from € 131k); this related to contracts with temporary workforce agencies (both in United Kingdom and Hungary) for interim staff in 2014 and the first few months of 2015. There was a need for a reserve related to exchange rate differences between GBP and HUF to EUR.

Expenditure on recruitment has been also slightly overestimated (€ 6k from € 16k), as the number of candidates actually attending an interview was lower than estimated. The total cancelled appropriation to be returned to the Commission is € 23,091.

Title 1 C4: Internally assigned revenue

Stemming from the recovery for missions in Title 1, € 46 has been inscribed in the budget. The amount has not been consumed.

Title 1 R0: Assigned revenue

All assigned revenue relating to the relocation of CEPOL to Hungary has been used in 2015.

Budget Implementation Assigned Revenue 2015 (R0)	Initial Budget	Budget Transfers	Actual Budget	Committed	%	Paid	% (Compared to budget)	Carry over to 2016
1 TITLE 1 Expenditure relating to persons working with CEPOL								
11 Staff in active employment	215 477	525	216 002	216 002	100%	216 002	100%	0
13 Missions and duty travel	9 000	- 525	8 475	8 475	100%	8 475	100%	0
14 Socio-Medical Infrastructure	0	0	0	0	N.A.	0	N.A.	0
16 Social welfare	0	0	0	0	N.A.	0	N.A.	0
17 Entertainment and representation expenses	0	0	0	0	N.A.	0	N.A.	0
1 TITLE 1 Expenditure relating to persons working with CEPOL	224 477	0	224 477	224 477	100%	224 477	100%	0

Title 2: Buildings & equipment and miscellaneous expenditure

Title 2 C1: Regular budget 2015

Building & equipment and miscellaneous expenditure

Budget Implementation Regular budget 2015 (C1)	Initial Budget	Budget Transfers	Actual Budget	Committed	%	Paid	% (Compared to budget)	% (Compared to commitments)	Carry over to 2016
	A	B	C	D	D/C	E	E/C	E/D	D-E
2 TITLE 2 Buildings & equipment and miscellaneous expenditure									
20 Investments in immovable property & rental of buildings	45 000	- 5 000	40 000	28 790	72%	21 740	54%	76%	7 050
21 Information and communication technology expenditure	330 000	- 10 000	320 000	297 070	93%	153 056	48%	52%	144 015
22 Movable property and associated costs	12 300	10 000	22 300	19 737	89%	8 955	40%	45%	10 782
23 Current administrative expenditure	95 700	5 000	100 700	83 895	83%	33 921	34%	40%	49 974
24 Postal charges	11 500	0	11 500	6 279	55%	5 644	49%	90%	635
2 TITLE 2 Buildings & equipment and miscellaneous expenditure	494 500	0	494 500	435 771	88%	223 315	45%	51%	212 456

By year-end, 88 % of the available credits have been committed and 45% paid. Due to the fact that as the relocation took place in September 2014, CEPOL initiated new service and supply contracts in Hungary, with starting dates in the last quarter of the year. Most of them are annual contracts expiring by the end of the year and the renewals evidently also start by that period. That means that the services are not provided by the end of the year and obviously the funds to pay existing legal commitments have to be carried over to next year. The provision for postal charges was overestimated.

Title 2 C8: Amounts carried over from 2014 for payment in 2015

Use of amounts carried over in Title 2

Budget Implementation Commitments carried over from 2014 to 2015 (C8)	Carried Over from 2014 to 2015	Paid	% (Compared to amount carried over)	De- committed (Excess carry over)	%	Amount to be returned to Commissi
2 TITLE 2 Buildings & equipment and miscellaneous expenditure						
20 Investments in immovable property & rental of buildings	17 875	14 774	83%	3 101	17%	3 101
21 Information and communication technology expenditure	350 559	298 543	85%	1 398	0%	52 016
22 Movable property and associated costs	5 277	5 260	100%	17	0%	17
23 Current administrative expenditure	8 932	6 356	71%	2 576	29%	2 576
24 Postal charges	1 298	558	43%	740	57%	740
2 TITLE 2 Buildings & equipment and miscellaneous expenditure	383 940	325 491	85%	7 832	2%	58 450

A number of contracts have been signed by the end of the year 2014; therefore the amount of carry-over was relatively high in 2015. At the end of December, 85% of the credits have been paid.

The relatively high cancellation (€ 50k) in Chapter 21 relates to the commitment which covers sTesta services for the period September 2014 – September 2015. Initially € 62k expenditure has been foreseen, however Orange informed CEPOL on 3 December 2015, that due to the difficulties in deliveries and the fact that CEPOL's connection from 1 October 2015 is financially covered by DG DIGIT, the actual amount invoiced will be significantly lower: € 11k. This couldn't have been foreseen when the commitment was carried over in 2014.

Title 3 – Operational expenditure

Title 3 C1: Regular budget 2015

Title 3 Operational expenditure

Budget Implementation	Initial Budget	Budget Transfers	Actual Budget	Committed	%	Paid	% (Compared to budget)	% (Compared to commitments)	Carry over to 2016
Regular budget 2015 (C1)	A	B	C	D	D/C	E	E/C	E/D	D-E
3 TITLE 3 Operational Expenditure									
30 Bodies and organs	311 000	- 68 039	242 961	193 600	80%	153 837	63%	79%	39 763
31 Courses, Flight Schemes, E-Net	3 159 000	- 69 200	3 089 800	2 975 152	96%	2 375 771	77%	80%	599 380
32 Other programme activities	629 000	73 239	702 239	673 461	96%	471 019	67%	70%	202 442
33 Evaluation	100 000	- 13 875	86 125	86 125	100%	86 125	100%	100%	0
35 Missions	150 000	14 000	164 000	164 000	100%	151 387	92%	92%	12 613
37 Other operational activities	80 000	63 875	143 875	143 874	100%	92 387	64%	64%	51 486
3 TITLE 3 Operational Expenditure	4 429 000	0	4 429 000	4 236 212	96%	3 330 528	75%	79%	905 685

On 31 December 96% of the available budget has been committed and 75% has been paid.

Within this 75% payment implementation is an amount of € 675k related to pre-financing for signed grant agreements. The budget for EPEP has been reinforced with € 89,500 to cover costs of study visits to Europol, NEC meeting and the publication which were in the original budget not foreseen and the budget line for communication with € 63,875 to cover a number of activities, such as publications, branded stationary, translation, video productions, etc.

The carry over to 2016 in Title 3 amounts to € 906k. The biggest part of this (€ 437k) relates to the courses; other big chunks are E-Net (€ 120k), E-learning (€ 99k), EPEP (€ 70k) and travel expenditure for participants (€ 62k).

Title 3 C8: Amounts carried over from 2014 for payment in 2015

Use of amounts carried over in Title 3

Budget Implementation	Carried Over from 2014 to 2015	Paid	% (Compared to amount carried over)	De-committed (Excess carry over)	%	Amount to be returned to Commission
Commitments carried over from 2014 to 2015 (C8)						
3 TITLE 3 Operational Expenditure						
30 Bodies and organs	60 356	36 717	61%	23 639	39%	23 639
31 Courses, Flight Schemes, E-Net	532 480	474 090	89%	58 390	11%	58 390
32 Other programme activities	101 528	94 609	93%	6 919	7%	6 919
35 Missions	17 628	8 210	47%	9 418	53%	9 418
37 Other operational activities	17 161	16 407	96%	755	4%	755
3 TITLE 3 Operational Expenditure	729 153	630 033	86%	99 121	14%	99 121

On 31 December, 86% of the funds carried over have been paid; 14% has been cancelled.

Amounts carried over for the European Police Exchange Programme (EPEP) were fully consumed after the finalisation of the EPEP Publication 2014.

Overestimation relates to Governing Board and working group meetings and reimbursement of travel expenses for course participants (€ 10k each), where the estimated travel costs were higher than the actual expenditure. For residential courses € 47 k had to be cancelled due to overestimation of costs.

Title 3 C4: Internally assigned revenue

Internally assigned revenue is generated where CEPOL recovers over paid amounts. By the end of the year 2015 € 30,076 has been made available for re-use in this way. 82% of this amount (€ 22,672) has been committed and 54% (€ 16,282) has been paid. The uncommitted amount of € 5 404 will be returned to the Commission.

2.3.4 Other financial and budgetary topics

Budget transfers

Within the Title 10 budget transfers have been carried out until the end of the year, all of them with the same budget title.

Recovery orders

At the end of December, there were 11 recovery orders not cashed or cleared in the accounting system. Total value of these is € 21,943.82. This includes a recovery order to the British International School for the fees paid in advance (value € 14,441.12) for the children of 2 staff members who left the Agency. All other amounts are insignificant (less than € 600) with the exception of one recovery of pre-finance balance (€ 3.5k) and a recovery to British Telecom for overcharged internet fees (€ 1.5k). 7 recovery orders were overdue in the system.

Payment statistics

By the end of December, CEPOL processed in total 1,281 payments (1,088 payments in 2014).

At the end of December, 89% of all payments were paid in time, thereby exceeding the objective of 85% of all payments paid within the legally set timeframe. No interest was charged by the suppliers through late payments.

More details on payment times per title and fund source are presented in Annex II (Table A 2.3).

Procurement

In 2015, the procurement function continued to provide support for the acquisition of goods and services necessary for the achievement of the Agency's objectives in an effective, efficient and compliant manner.

In 2015 the CEPOL procurement function continued to cope with a substantial increase in workload in the light of the relocation of the Agency to its new seat. In this context additional procurement procedures had to be carried out to enable the Agency to operate at its new premises as well as to re-establish contracts which had to be re-tendered due to the relocation (e.g. travel arrangement services, interim staff, mobile communications).

Overall 109 contracts were signed in 2015 as a result of conclusion of procurement procedures and implementation of existing framework contracts. Information on procurement procedure types used is provided in the table below.

Type of procedure	Number of procedures	%
Open procurement procedure	5	4.6%
Negotiated procurement procedure – contracts with value between €15,000 and €60,000 (Art 137 (1) of RAP)	3	2.8%
Negotiated procurement procedure for contracts between €1,000.00 and €15,000 (Article 137 (2) of the RAP)	35	32.1%
Negotiated procurement procedure without publication of a contract notice (Article 134 (1) (b) of RAP)	2	1.8%
Specific contracts in execution of framework contracts	64	58.7%
TOTAL	109	100%

2.4 Human Resources (HR) Management

Overall situation

By the end of 2015, the agency had 26 (of 27) temporary agents and 9 (of 10) contract agents in post. Out of 10 Seconded National Experts (SNEs) positions, 8 were occupied on 31 December 2015. Additionally, Netherlands made one cost-free SNE available as part of their national staff development programme.

In 2015 the Agency was allocated 4 new contract agent positions to deal with EU/MENA Counter-terrorism Training Partnership, to be separately financed via the grant agreement signed with the European Commission in November.

SNEs continued to provide valuable contribution to the operations of CEPOL, primarily associated with the European Police Exchange Programme, e-Learning, course management, external relations, document management.

Interim staff has been contracted to fill in for staff absence and to cope with peak periods. The areas covered by the interim staff are: travel and mission arrangements, IT, HR, procurement, accounting, European Police Exchange Programme, secretarial assistance (please refer for further details to Annex IV Table A4.4).

CEPOL conducted 21 recruitment campaigns in 2015 (including some vacancy notices launched in 2014) attracting 1,020 applications. Four of these recruitments were conducted outside of CEPOL's establishment plan to cover for the needs of EU/MENA project. It should be noted that of the 21 recruitment procedures run in 2015, a total of 6 have a deadline for application in the beginning of 2016.

15 recruitment procedures were finalised in 2015, five candidates joined CEPOL during the year; for other six finalized recruitments, the successful candidates will only join CEPOL in 2016. For different reasons it was necessary to cancel three procedures; additionally, one procedure was unsuccessful in the sense that both the selected candidate and the candidate placed on the reserve list didn't accept a CEPOL job offer.

It should be noted that the number of applications seems to be lower than in the past; also there is a significant number of applications from Hungarian citizens. This leads to the risk that in a few years there will be a significant over representation of Hungarians in CEPOL.

It is important to take into consideration the fact that successive expert analyses of CEPOL have identified that the agency operates with a deficit of available human resources.

In November 2015 the GB decided positively on a proposal from the CEPOL director to transform a number of SNE and long-term interim positions into six contract agent positions; simultaneously, the budgetary authorities granted one additional temporary agent (AD) position for a legal officer. Recruitment procedures for all these posts (with the exception for 2 contract agents) have started in 2015 (included in the total figures above).

Benchmarking exercise

CEPOL completed the second benchmarking exercise resulting in 60% of the staff in operational posts in 2015 (versus 55% in 2014).

The job screening was done in accordance with the methodology provided by the EU Agencies Network and took into consideration the statutory staff (Temporary Agents/Contract Agents) as well as SNE and interims in active employment on 31 December 2015.

Detailed information is included in Annex IV (Table A4.2 and A 4.3).

Human Resources allocation

An overview of the actual against the planned allocation of human resources (expressed in Full Time Equivalent (FTE)) for the activities included in the Work Programme 2015 is provided in Annex V.

Some activities related to the provisions of training have been allocated with a smaller number of resources (e.g. programming of learning options, EU Policy Cycle priorities). Other activities have been allocated additional resources during the course of the year, e.g. management of human resources, residential activities, and the European Police Exchange Programme.

The overall difference of 1.50 FTE's is due to the fact that a number of posts have been reinforced by the use of interim staff to cover operational needs. Although a number of posts have been only partially staffed during the year, this has only partially offset the effect of additional interims. Therefore the net effect on human resources used has a positive sign of 1.50 FTE.

HR training

The training plan for agency staff was adopted in July 2015 due to a prolonged internal discussion how to deal with training requests from individuals for specific training as well as on the subject of language training. As a result of this late adoption, it wasn't possible to grant all individual training requests. These agreed requests will be included in the 2016 training plan. Also, the outcome of discussions on training needs during the annual appraisal exercise 2016 shall be input for the training plan 2017.

The training provided in 2015 to CEPOL staff has been more than in any previous year for CEPOL: anti-harassment training, ethics training, project management, first aid and Microsoft Office suite were all provided in 2015 in addition to internal information and training courses on issues related to the business implementation (e.g. on mission expenses and financial processes) and basic finance training focusing on expenditure lifecycle for newcomers.

Schooling Fees

There is no European School in Budapest or at a reasonable distance from Budapest, nor is there any European section in national schools. It appears that this situation is not likely to change in the coming years. This would cause an unjustified disadvantage for children of CEPOL staff when compared to other EU Institutions and bodies, and may hinder the agency's capacity to promote geographical balance among the staff.

Based on these considerations, the CEPOL Governing Board supported by the European Commission decided that CEPOL shall take charge of school fees. These are paid directly to the educational institution concerned. Staff members who are part of this scheme do not receive the education allowance provided for in Article 3 of Annex VII of the Staff Regulations.

2.5 Assessment by Management

2.5.1 Control effectiveness as regards legality and regularity

Ex ante controls

The financial workflow implemented in CEPOL follows the four eyes principle. Each financial transaction needs to be verified after initiation and before it is authorised. The implementation of ex-ante controls (verifications in the financial circuits, exceptions recording) remains the primary means of ensuring sound financial management and legality and regularity of transactions.

In line with the provisions of ICS # 8 ‘Processes and procedures’ CEPOL implements a process for registration and authorisation of exceptions. Every year, the exceptions registered are analysed to identify specific areas of concern and relevant improvement actions (see point 2.5.2).

Ex post controls

CEPOL management adopts on an annual basis an internal control plan based on which ex post controls are conducted within the agency, as well as at the level of the grant beneficiaries, to check that transactions are in compliance with rules and regulations, as well as respect of the principle of sound financial management.

In 2015 the Agency conducted 11 ex post controls (8 originally planned, 3 ad hoc requested), resulting in 100% implementation rate (vs 90% in 2014).

Overall, the 2015 ex post controls showed no significant weaknesses in the Agency's internal controls, resulting in positive assurance to the Director with regard to the legality and regularity of transactions and some recommendations on improving transparency and administration of the concerned processes. The results of ex post controls did not reveal any amounts to be recovered.

Recommendations were also made for supporting the Agency to continue its progress in further increasing compliance with the adopted internal control standards.

The areas subject to the ex post controls and main conclusions for each control are presented below:

- *Follow-up on implementation of the 16 internal control standards* - CEPOL's action plan was updated with progress made and further actions for maintaining and strengthening the internal control;
- *Follow-up on open issues resulting from ex post controls implemented in 2014* – conclusion was that majority of recommended actions were completed; others which are more complex will be implemented on a longer term (ex implementing the Electronic Document Management technology in CEPOL);
- *Procurement of travel arrangement services* - resulting in providing positive assurance to the Director regarding compliance with rules and regulations;
- *Recruitment* - three recruitment files were ex post controlled (Financial Contact Point, Management Support Assistant, E-learning Assistant); two resulted in positive assurance to the Director and few remarks for improvement; one recruitment procedure was

recommended to be cancelled, due to deviation from the rule on marking the written test without knowing the identity of candidate;

- *Grant Agreements* - two on the spot controls were conducted, one at the Police University College of Finland and one at the Police Academy Zagreb, Croatia. The result was positive assurance, organisers comply with the reimbursement rules in all material aspects; minor remarks for improvement (budget planning to reduce underspending, accommodation cost for experts from EU Agencies requested for reimbursement etc);
- *Processes and Procedures for Operational Activities* – resulting in proposals to further streamline and develop the procedural framework, in line with the ICS # 8 and quality document management system, especially at the level of process description/work instructions to support staff in daily implementation of task;
- *Management Supervision* - resulting in identified areas of improvement to maintain compliance with ICS # 9, with regards to the management of internal meetings, back-up scheme, organisation of administrative and quality documents on the internal public drive;
- *ICS # 3 workload assessment in the Logistics Team* – resulting in proposed elements of improvement in the following areas: job description, horizontal planning and cooperation, task allocation, guidelines/work instruction to support staff in daily implementation of task.

2.5.2 Management review of the registry of exceptions 2015

The assessment of non-compliance events and exceptions is an important reporting tool. The procedure regarding reporting and recording of exceptions has been defined by Director's decision 010/2010/DIR amended in 2014 by the 'Policy on Management and Recording of Exceptions' (PO INCO 002).

The exceptions registered are analysed to identify specific areas of concern and actions for improvement, assisting the decision-making process. In addition, they enable the management team to handle exceptional circumstances with a reasonable degree of flexibility and in a transparent and justified way.

By end of 2015, a total of 31 exceptions were reported, which is a decrease comparing to 2014, when 41 exceptions were reported. However, in terms of financial impact, the total value of exceptions was significantly higher in 2015 than in 2014 (€181,597 vs €31,550).

The financial impact of individual exceptions reported in 2015 was between €27 (the lowest) and € 43,182 (the highest). In case of 19 exceptions (61%), the financial impact is below €1,000.

There were 3 exceptions exceeding the ceiling limit (€25,000 or higher) requiring approval by the Authorising Officer, as following:

- €36,425 a posteriori budgetary commitment for debit note received in April from DG Budget regarding ABAC system and accounting fees - the commitment was raised with delay, after receiving the debit note, as the budget line owner was not made aware about the DG Budget letter received in February, informing on the annual fees to be invoiced;
- €38,376 mission costs for interim staff - mission guidelines were exceptionally applied to the missions carried out by the interim staff in the interest of CEPOL, shortly before and after

relocation, in order to ensure the business continuity – this exception is justified by the special circumstances generated by the relocation of the Agency and it is not likely that this will be repeated in the future;

- €43,182 a posteriori budgetary commitment for invoice received from British International School Budapest, regarding the school fees for the second term January-April 2015; the budgetary commitment was raised after receiving the invoice, due to omitting to include the invoice in the carried over exercise 2014/2015; there was a lack of clarity on the budget planning requirements for the school fees, being the first year to deal with this type of costs after relocation.

In most cases, the exceptions filed during 2015 were necessary due to occurring circumstances and are duly justified as exceptional situations. Some of them were justified by the special circumstances generated by the relocation of the Agency, while focus was put on ensuring the business continuity.

As in the previous year, the most common occurring non-compliance event remains *the ‘a posteriori’* budgetary commitment, having also the highest financial impact in the total reported exceptions. CEPOL implemented several preventative measures together with regular in house training on expenditure lifecycle to increase understanding of financial rules among staff.

CEPOL’s standard quantitative material threshold is set at €25,000 (details defined in Annex VI B). Deviations from this material threshold must be justified in the Consolidated Annual Activity Report.

None of the deviations occurred involved any financial loss; considering their non-systematic nature and limited scope, as well as the proposed solutions and corrective actions, they are not deemed as significant deficiencies.

The 2015 report on exceptions confirms that CEPOL’s internal control system is well functioning, non-compliance events are detected and mitigated with corrective and preventive actions. The Court of Auditors examined the exceptions during their audits and raised no observations.

2.6 Budget implementation tasks entrusted to other services and entities

N/A

2.7 Assessment of audit results during the reporting year

CEPOL is audited by both internal and external independent auditors: the Commission’s Internal Audit Service (IAS) and the European Court of Auditors (ECA).

The Governing Board has also established an Internal Audit Panel⁸ to assist in fulfilling its oversight responsibility for the audit process, the system of internal control and the financial reporting process. The Internal Audit Panel is composed of three financial experts nominated, on a voluntary base, by public institutions in the Member States, which participate in CEPOL’s network.

⁸ Decision 27/2012/GB of the Governing Board establishing an Audit Panel repealing Decision 37/2010/GB 06/2016/GB (24.05.2016)

Results from audits during the reporting year

2.7.1 Internal Audit Service

No audit took place during the reporting year. IAS performed a full Risk Assessment in CEPOL in January 2015. It covered all processes of the Agency (administrative, financial, operational and IT). The exercise resulted in preparing the IAS Strategic Audit Plan 2015-2017 for CEPOL, whereby the IAS present the key risks in CEPOL as seen by the auditors and propose topics for future IAS audits.

CEPOL has put together the action plan in response to the IAS Strategic Audit Plan 2016-2018, regarding high risk areas requiring mitigating action, for which the updated status is presented below:

- business continuity - the 'Business Continuity and Disaster Recovery Plan' has been revised and adopted together with a Service Level Agreement on alternate location offered by the host country, in case of major disruptions;
- performance appraisal/ career development: the performance appraisal exercise for 2014 has been completed in time; the training needs of individual staff members have been identified and prioritised. For each staff member, one individual training has been included in the Agency's training plan; the model decision on promotion/reclassification of TA/CA adopted by the Commission will be tailored to CEPOL's circumstances and sent for adoption to the GB, to be put in practice starting June 2016;
- IT Governance & IT Security - CEPOL scheduled to formalise the standard IT governance policy by end of 2016.

2.7.2 European Court of Auditors (ECA)

ECA opinion on legality and regularity of transactions for the financial year 2015 is not available yet; however the preliminary findings do not refer to any critical issues; one remark was made with regards to high cancellation rate that was noted in case of Title III C8 appropriations, due to lower than estimated costs incurred by the grant beneficiaries. The auditors however acknowledge that the amount has gone down compared to the last year (47,696 euro in 2015 versus 55,324 euro in 2014).

The audit of the annual accounts has been outsourced by ECA to the private audit firm Mazars. The Mazars' audit was carried out from 29 February to 4 March 2016. The draft audit report on provisional accounts states that: 'In our opinion the provisional accounts of the Agency for the year ended December 31, 2015 are prepared in all material aspects, in accordance with the provisions of its Financial Regulation, and the accounting rules adopted by the Commission's accounting officer.'

2.7.3 Internal Audit Panel

According to the Audit Plan, the Audit Panel visited CEPOL on 16-18 March 2015. The checks concerned the following topics: administration of the budget 2014; draft opinion on provisional annual accounts; Consolidated Annual Activity Report 2014; follow up on audit recommendations; examination of relocation issues. The report provided a positive opinion on provisional annual accounts 2014, with no critical remarks.

According to the Audit Plan 2016, the first visit of the Audit Panel to CEPOL took place from 21 to 22 March 2016. The checks concern the following topics: administration of the budget 2015; draft opinion on provisional annual accounts 2015; Consolidated Annual Activity Report 2015. The report is not yet available; however during the closing meeting no critical issues were raised.

2.8 Follow-up of recommendations and action plans for audits

All IAS recommendations issued before 2014 were considered adequately implemented and have been closed. Regarding the IAS 4 important recommendations in the HR Management report received in 2014, all recommendations have been addressed. The improvements have been communicated to the auditors; feedback is awaited for 3 recommendations, as soon as the auditors will complete their next desk review or follow-up audit.

ECA's Report on the annual accounts of CEPOL for the financial year 2014, includes a positive opinion, with no findings, only two remarks for improving the budget planning and implementation, to further reduce the carried forward and cancelled funds.

The improvements introduced by CEPOL lead to a continuous decrease (in percentage) of the level of carryovers and cancellations. The budget implementation of the financial year 2014 is more than 95% at the end of 2015.

2.9 Follow-up of observations from the Budgetary Authority

Detailed information on the measures taken by CEPOL in the light of observations and comments made by the Discharge Authority on 29 April 2015 regarding implementation of the budget for the financial year 2013 is provided in Annex VI A. All observations have been addressed.

Part II. (b) External Evaluations

Article 21 of Council Decision 2005/681/JHA stipulates that every five years CEPOL's Governing Board shall commission an independent external evaluation of the implementation of Council Decision 2005/681/JHA as well as of the activities carried out by CEPOL.

The Five Year External Evaluation of CEPOL was completed by the external evaluator in January 2016. This assignment provides the GB with conclusions on the relevance, efficiency, effectiveness, coherence, impact, utility and added value of the Agency. Moreover, a comprehensive set of recommendations is also put forward by this study. The latter will support CEPOL in improving its current functioning and organisation.

The evaluation covers the period 2011–2015. It evaluates CEPOL with regards to the tasks laid down in Council Decision 2005/681/JHA of 20 September 2005. Furthermore, the study assesses and evaluates three specific themes, namely:

- CEPOL's learning and training activities;
- The European Police Exchange Programme (EPEP); and
- The structure and governance of CEPOL.

In addition, the evaluation focuses on assessing CEPOL's internal communication (between Member States, between Member States and the Agency and within Member States) as well as its external communication with stakeholders.

The assessment of CEPOL's relevance was positive, as CEPOL was able to respond and adapt to emerging priority areas. However, due to dynamic changes in the security environment,

CEPOL's mandate as defined by Decision 2005/681/JHA became outdated. The CEPOL Regulation (EU) 2015/2219 which will enter into force on 1 July 2016 will allow to adapt the strategic objectives and to improve even more the relevance of CEPOL's activities; amongst others, through the Strategic Training Needs Analysis (STNA) and the Training Needs Analysis (TNA).

The evaluator noted that the internal coherence of CEPOL training portfolio has improved since 2010. Better division and streamlining of the thematic areas covered has been achieved, the enhanced use of webinars and LMS⁹ for courses have particularly contributed to the creation of synergies between the different learning tools.

According to the external evaluator, the Agency has achieved its goals and strategic objectives for the period 2011-2015. Despite the fact that the budget was not substantially increased, CEPOL's activities demonstrated a significant growth in participation.

In line with the evaluator's opinion, there is a high participant satisfaction regarding the quality of CEPOL training.

Following the 2012 Discharge Decision of the European Parliament¹⁰, the results and impact CEPOL's work has on European citizens, shall be communicated in an accessible way, mainly through the website. To fulfil this request, the annual reports, work programmes, training catalogues, five-year evaluation reports and other relevant documents are published on the CEPOL website.

The external evaluator has assessed the Agency as being efficient. This conclusion is supported by evidence of an increased number of activities implemented by CEPOL over the evaluation period, against a relatively stable number of resources put at its disposal for the same period.

The evaluator has identified complementarity between CEPOL and nationally organised training and learning activities.

The evaluator made an observation concerning the necessity of additional human resources to CEPOL, in the light of the mandate defined in Regulation (EU) 2015/2219.

A Working Group was mandated to prepare the recommendations and compile the five-year CEPOL evaluation report, on behalf of the Governing Board.

Following adoption, the recommendations will be sent to the Commission and to the Council with the Five Year External Evaluation of CEPOL.

The Five Year Evaluation Report will become public after adoption.

⁹ Learning Management System

¹⁰ P7_TA-PROV(2014)0304

06/2016/GB (24.05.2016)

Part III. Assessment of the effectiveness of the internal control systems

3.1 Risk Management

CEPOL carries out an annual risk assessment exercise. Taking into account its processes, the agency evaluates the potential risks, their likelihood of occurrence and potential impact. The results of the exercise are summarised in a risk register.

In 2015, 51 preventive measures were agreed to mitigate risk areas for different processes: core business, financial processes, human resources, support processes, audit and quality management, stakeholders' management and communication, performance management, as well as implications of the new legal mandate.

The following three main risks were considered as having a high likelihood of occurrence and significant impact on the agency's activities:

- uncertainty concerning CEPOL's future mandate may continue affecting planning; CEPOL not being prepared for implementation of the new legal mandate may affect business continuity;
- post-relocation stabilisation efforts can be hindered by deficit of human resources; expected high staff turnover due to the decrease of salaries and repetitive decrease of correction coefficient;
- non-compliance with the budgetary principle of annuality caused by underspending in Title 3, high level of carry-overs, cancellations.

All the above risks were successfully managed with mitigating actions which ensured an effective response, as evidenced in this consolidated annual activity report.

The new CEPOL's founding regulation was adopted by the legislators on 25 November 2015 to be implemented starting with 1 July 2016. As a consequence, management scheduled improvements and updates to the management and control systems as part of the change management plan, to respond to the challenges and tasks emerging from the new mandate.

The staff turnover became high due to decrease of salaries and repetitive decrease of correction coefficient, therefore the Agency used a number of interim staff and SNEs to fill in for staff absence and ensure business continuity, until recruitment of statutory staff is completed.

In order to mitigate the risk regarding non-compliance with the budgetary principle of annuality, CEPOL improved its budgetary monitoring system by implementing regular budget execution reports and periodic meetings between relevant staff, to analyse the potential carry-overs with a view to minimise them.

The budget implementation of the financial year 2014 is more than 95% at the end of 2015, which is the highest in CEPOL's history.

3.2 Compliance and effectiveness of internal control standards

In 2011 CEPOL adopted the 16 internal control standards¹¹ (ICS) which provide generic management principles and set out the minimum requirements for internal control of all business activities throughout the Agency.

Since then, a follow-up on assessment and report on the implementation of the internal control standards is conducted every year, the results being reported in the Consolidated Annual Activity Report.

In the past year CEPOL continued to improve its control system by progressive development and centralisation of the administrative, operational and financial procedures, in accordance with the internal control standards and quality management system.

In 2015 the Director initiated a project aiming at the ISO 9001 certification of the CEPOL's Management System, which is expected to bring additional elements of improvement, helping to demonstrate the Agency's commitment to quality.

Progress made by CEPOL in 2015, per each standard, and further actions planned for maintaining and strengthening the internal control, in line with the principle of continuous improvement, is presented at point 3.2.1.

3.2.1 Progress achieved in 2015 and further actions planned for 2016/2017

ICS #1 Mission

CEPOL is fully compliant with this standard.

CEPOL mission, vision and values were originally defined in the Strategy 2010-2014 (GB Decision 43/2010/GB). In order to maintain compliance with the standard, management scheduled an update of the Agency's strategy, including redefined mission, vision and values, to bring them in line with the broaden CEPOL's mandate emerging from the new regulation.

ICS #2 Ethical and organisational values

CEPOL is fully compliant with this standard.

In accordance with its Anti-fraud Strategy, CEPOL adopted an action plan having as one of the objectives: 'Promote the highest level of integrity of CEPOL staff'. All actions have been completed in 2015.

In order to facilitate awareness of newcomers, the Staff Induction Plan (FO HR021) was complemented with references to 'CEPOL's Anti-fraud Strategy' and 'Policy on Management of Conflict of Interest'. In 2015, professional training on ethics and integrity was delivered to staff by the external training provider. The training included information of fraud and whistleblowing matters.

GB members, staff members, SNEs, interims and Working Group experts have all signed a declaration of conflict of interest.

¹¹GB Decision 10/2014/GB amending the 'GB Decision 8/2011/GB adopting the European Police College's internal control standards' 06/2016/GB (24.05.2016)

ICS # 3 Staff allocation and mobility

CEPOL is partially compliant with this standard.

In 2015 CEPOL formalised a methodology (WI.PLAN.001) on how to allocate HR per WP activities and how to report on actual use of HR in the Consolidated Annual Activity Report. This development was based on a recommendation from the Internal Audit Service and it is currently subject to auditors' review.

Two actions could not be completed during 2015 as originally planned: define a work instruction on how to update/amend the job descriptions and update the back-up scheme for all functions. These actions were rescheduled to be completed this year, by end of second quarter.

A new action has been scheduled by the management to be completed in 2015, to revise the job descriptions from the perspective of the new legal mandate to accommodate any necessary changes.

ICS # 4 Staff evaluation and development

CEPOL is partially compliant with this standard.

In 2015 CEPOL adopted an appraisal policy (PO.HR.003) in order to assist staff and management with the appraisal exercise.

A training plan was adopted by the management to support staff with further professional development. All staff members (except probationers), based on the priority training needs endorsed by the line manager, have been allocated an all-inclusive sum of up to 2,000€ for individual training, reimbursable upon proof of actual participation and costs borne.

One action is still pending, regarding introducing a promotion policy for the staff, which is to be completed in 2016 as a result of recent legal developments.

ICS # 5 Objective and performance indicators

CEPOL is fully compliant with this standard.

CEPOL's goals and objectives are defined in the CEPOL Short-Term Strategy 2014-2017¹², which is cascaded down into the Single Programming Document/Work Programme, Management Plan/Risk Register and the individual activity plan adopted for each staff member.

Key Performance Indicators (to evaluate overall success of CEPOL) and Performance Indicators (to evaluate the success of a particular activity in which CEPOL is engaged) are reviewed annually together with annual targets in order to ensure they remain updated and relevant.

The Management Plan and Risk Register are management tools to monitor the implementation of the Agency's Work Programme and achievement of related objectives. These are complemented at department level with monthly reports on core business and corporate service activities, giving an account on status of affairs and achievement of related objectives. Additionally, budget implementation reports are produced on weekly/monthly basis, to help management monitor the budget consumption.

¹² Focus on the period preceding the enter into force of the new Regulation
06/2016/GB (24.05.2016)

In 2016 management scheduled an update of CEPOL Strategy, to respond to the new challenges and tasks emerging from the new founding regulation.

ICS # 6 Risk management process

CEPOL is fully compliant with this standard.

An annual risk assessment exercise recurs on an annual basis in the Agency. Inherent and residual process related risks are mitigated with consensus-based actions identified during an annual management planning workshop involving both management and staff in key functions.

Risks considered 'critical' from an overall CEPOL's perspective are indicated in the Single Programming Document/Work Programme and followed-up in the Consolidated Annual Activity Report. In order to maintain the systematic approach, CEPOL adopted in 2015 a procedure on risk management (PR.RIMA.001) providing for the workflow, responsibilities, deadlines and controls to be applied.

ICS # 7 Operational structure

CEPOL is partially compliant with this standard.

The delegation of authority is clearly defined, assigned and communicated in writing via Director's decisions. The Director's Decision on financial workflow is amended on continual basis, whenever changes occur in the staff having a role in the financial circuit.

CEPOL drafted a 'Policy on Identification and Management of Sensitive Functions' adopted by Decision of the Governing Board (34/2014/GB). The following functions have been identified as being sensitive by nature, considering the factors contributing to the sensitivity of the function: Authorizing Officer and Appointing Authority (Director) and Authorizing Officers by Delegation (Deputy Director, Head of Corporate Services, Head of Finance), Procurement Officer, HR Officer and HR interim staff, IT Officer and IT interim staff.

Based on the assessment made, taking into account the agency context, the control environment and procedures in place, it is considered that the preventing and mitigating measures sufficiently reduce the residual risk level, therefore these functions have not been flagged as sensitive in the respective job descriptions.

This standard also requires that the IT governance policy shall be in place (incl. management of the information systems and a multi annual IT strategy). CEPOL postponed the development of the IT strategy for 2016, so that the additional requirements emerging from the new legal mandate can be taken into consideration.

ICS # 8 Processes and procedures

CEPOL is partially compliant with this standard.

In 2015 CEPOL continued to strengthen the documentation of its processes based on the business needs and internal/external audit and ex post control recommendations.

In accordance with the Internal Audit Service recommendations, CEPOL adopted recruitment guidelines for the selection committee on how to score the applicants (UG HR 001), contributing to better administration and increased transparency of the recruitment process. The

improvements have been communicated to the auditors and their final assessment is awaited, as soon as the auditors will complete their next desk review or follow-up audit.

The relocation to Hungary presented many new opportunities, but also brought along some significant challenges in terms of logistics, given that the Agency operates from its own infrastructure. Therefore CEPOL initiated a process description on organising training activities at CEPOL headquarter, to be adopted in 2016.

In 2015, the Agency has performed an ex post control to assess the level of implementation of Internal Control Standard (ICS) 8 'Processes and Procedures' in the area of operations. This resulted in an action plan aiming to streamline and develop the procedural framework, especially at the level of process description/work instructions to support staff in implementing their daily tasks.

ICS # 9 Management supervision

CEPOL is fully compliant with this standard.

To date the ICS # 9 requirements are achieved in terms documentation and practices established. Their effectiveness is demonstrated by the lack of critical internal/external audit recommendations or impacting the legality and regularity of transactions in the past three years.

In 2015, the Agency conducted a follow up on the ex post control on ICS # 9 implemented in 2013. This resulted in identified areas of improvement to strengthen compliance with standard requirements with regards to: management of internal meetings, back-up scheme and organization of administrative documents of the Agency.

ICS #10 Business continuity

CEPOL is partially compliant with this standard.

Due to the Agency's relocation, CEPOL's Business Continuity and Disaster Recovery Plan became obsolete; hence, in 2015 was revised and adopted together with a Service Level Agreement¹³ on alternate location offered by the host country.

The testing of the plan in cooperation with involved institutions is placed on hold, until the IT Backup Policy will be further elaborated, based on latest developments in the field. Due to volatile ICT environment, there is a strong push to cloud based solutions instead of a hardware back-up solution. The cloud based solution is much cheaper and easier to maintain (which is very important for an Agency with the size of CEPOL and the corresponding limited financial & human resources), but is still under scrutiny from the European Data Protection Supervisor.

ICS # 11 Document management

CEPOL is partially compliant with this standard.

The policy on document and records management has been updated in relation to the move to Budapest premises (Enterprise Content Management Policy).

¹³ SLA between CEPOL and the National Directorate General for Disaster Management on alternate location to ensure business continuity in case of major disruptions
06/2016/GB (24.05.2016)

In 2015 the Agency initiated a project aiming to introduce an electronic document management system (ECM-Enterprise Content Management System). Due to lack of resources and change of priorities, the project has been postponed to be continued in 2017. The same is valid for finalising and implementing the Draft Information Management Strategy, originally scheduled for 2016, after adoption of the new legal mandate.

In 2015, further progress was achieved in mapping of privacy risks in document management by Data Controllers in collaboration with the DPO, and completing privacy statements for processing personal data in various activities implemented by the Agency.

ICS 12 # Information and Communication

CEPOL is partially compliant with this standard.

In 2015 CEPOL has introduced as a new practice, the weekly communication ‘Inside CEPOL’ to keep staff informed about the events occurring in the coming week.

The Agency initiated an update to the External Communication Strategy to be finalised in 2016, in line with the changes brought about by the new legal mandate.

In 2016, CEPOL shall document an Information System Security Policy based on an inventory of the security requirements and a risk analysis of the IT systems under CEPOL responsibility.

ICS 13 # Accounting and financial reporting

CEPOL is partially compliant with this standard.

In 2014 CEPOL outsourced its accounting services to the European Commission, therefore the EC Accounting Officer provides all services required by Articles 36 and 50 of the Framework Financial Regulation applicable to Agencies, as follows: Treasury; Accounting; Central budgetary framework; Recovery actions; Validation of local systems.

Following outsourcing, CEPOL nominated a Finance Contact Point, responsible with: control of the reliability of the accounting information of each financial operation (e.g. use of the adequate GL account) and ensuring the completeness of the accounting operations (e.g. reconciliation of G/L accounts with operational information); prepare annual closure file.

In accordance with the standard requirements, CEPOL is to document the key elements of the accounting processes implemented by the Finance Contact Point. This was scheduled since 2014 but not achieved due to lack of resources following staff not willing to relocate/drop out from the reserve list.

The process of drafting the Consolidated Annual Activity Report will be documented with internal procedure describing the workflow, responsibilities, deadlines and controls to be applied. This task was not achieved last year; therefore it is rescheduled for 2016.

ICS # 14 Evaluation activities

CEPOL is partially compliant with this standard.

In 2015 CEPOL contracted services for an independent external evaluation of the Agency, covering the period 2011–2015, aiming to assess the implementation of Council Decision

2005/681/JHA establishing CEPOL, as well as the activities carried out by the Agency. This task was completed, details are provided under section Part II. (b) External Evaluations.

CEPOL measures the impact of its training with a post-course evaluation survey that is completed approximately six months after the activity has ended. Further streamlining of the evaluation is planned to improve the efficiency of the process, by revising the evaluation methodology scheduled to be adopted by the Governing Board in 2016.

ICS # 15 Assessment of internal control systems

CEPOL is fully compliant with this standard.

The compliance with internal control standards is assessed every year; there is regular follow-up of the action plan where progress is constantly monitored to assist the implementation of specific actions. Additional information on results of assessment of internal control system is provided under section 2.5.

3.2.2 Compliance with ICS – overall situation

The updated overall situation following the assessment of compliance with the 16 ICS is presented in the table below:

Internal Control Standard (ICS)	Fully Compliant	Partially Compliant	Not Compliant
ICS 1 Mission	X		
ICS 2 Ethical and Organisational values	X		
ICS 3 Staff allocation and mobility		X	
ICS 4 Staff evaluation and development		X	
ICS 5 Objective and performance indicators	X		
ICS 6 Risk management process	X		
ICS 7 Operational structure		X	
ICS 8 Processes and procedures		X	
ICS 9 Management supervision	X		
ICS 10 Business continuity		X	
ICS 11 Document management		X	
ICS 12 Information and communication		X	
ICS 13 Accounting and financial reporting		X	
ICS 14 Evaluation activities		X	
ICS 15 Assessment of internal control systems	X		
ICS 16 Internal Audit Capability ¹⁴	X		

3.2.3 Conclusion

In 2015 the Agency continued to complement and strengthen its existing tools and procedures to better manage, control and monitor the achievement of strategic objectives, planned activities and key performance indicators, as well as the efficient use of human and financial resources.

Considering the results indicated by the internal assessment on implementation of internal control standards, register of exceptions, ex post controls, risk assessment and audit findings (IAS, ECA, Audit Panel), the management has reasonable assurance that, overall, suitable controls are in place and working effectively; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented.

¹⁴ CEPOL relies on the internal audit capability provided by the Internal Audit Service
06/2016/GB (24.05.2016)

Part IV. Management Assurance

4.1 Review of the elements supporting assurance

The information reported in Parts II and III stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provided sufficient guarantees of the completeness and reliability of the information reported and results in a complete coverage of the budget managed by the Agency.

In conclusion:

- there were no reservations listed in the previous years' annual activity reports
- all IAS recommendations issued before 2014 were considered adequately implemented and have been closed
- ECA's preliminary findings on legality and regularity of the transactions 2015 do not refer to any critical issues
- observations from the European Parliament have been addressed.

4.2 Reservations and overall conclusions on assurance

Taking the above into consideration, no critical weaknesses were identified related to the financial management of appropriations inside the Agency, so no reservations are made in this context in the declaration below.

Part V. Declaration of Assurance

I, the undersigned, Director of the European Police College (CEPOL),

In my capacity as Authorising Officer,

Declare that the information contained in this report gives a true and fair view.

I state that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

I confirm that I am not aware of anything not reported here which could harm the interests of CEPOL.

Done at Budapest, on 27 April 2016.

<Signature on file>

Dr Ferenc Bánfi
CEPOL Director

Statement of the Internal Control Officer and the Quality Management Officer

I, the undersigned,

In my capacity as
Internal Control Officer

I, the undersigned,

In my capacity as
Quality Management Officer

Acting in line with the ICS # 15 '*Assessment of internal control systems*', we have reported our advice and recommendations to the Director on the overall state of internal control system of CEPOL and that the best of our knowledge the information on management and internal control systems provided in the Consolidated Annual Activity Report 2015 is accurate and exhaustive.

Done at Budapest, on 21 April 2016.

<Signature on file>

Luminita Moldovan, Internal Control Officer

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<Signature on file>

Leelo Kilg-Thornley, Quality Management Officer

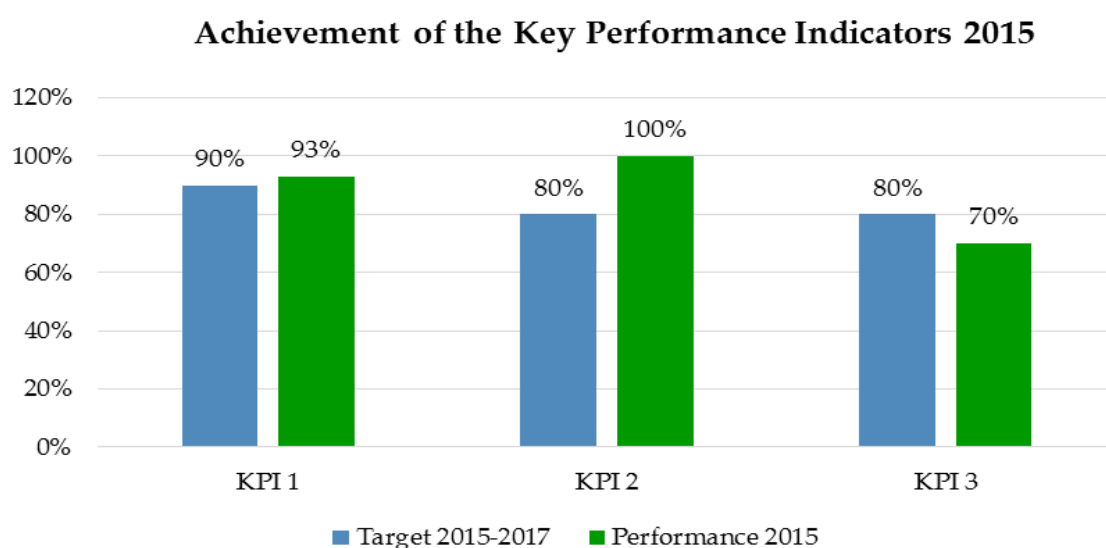
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ANNEXES

Annex I. Core business statistics

100% of the **Key Performance Indicators** (KPIs) demonstrated **steady progress** in 2015:

1. Satisfaction of training provided by CEPOL (*93% in 2015, 90% forecasted for 3 years*)
2. Overall rate of implemented agreements (*100% in 2015, 80% forecasted for 3 years*)
3. Implementation of the CEPOL strategy (*70% in 2015, 80% forecasted for 3 years*)

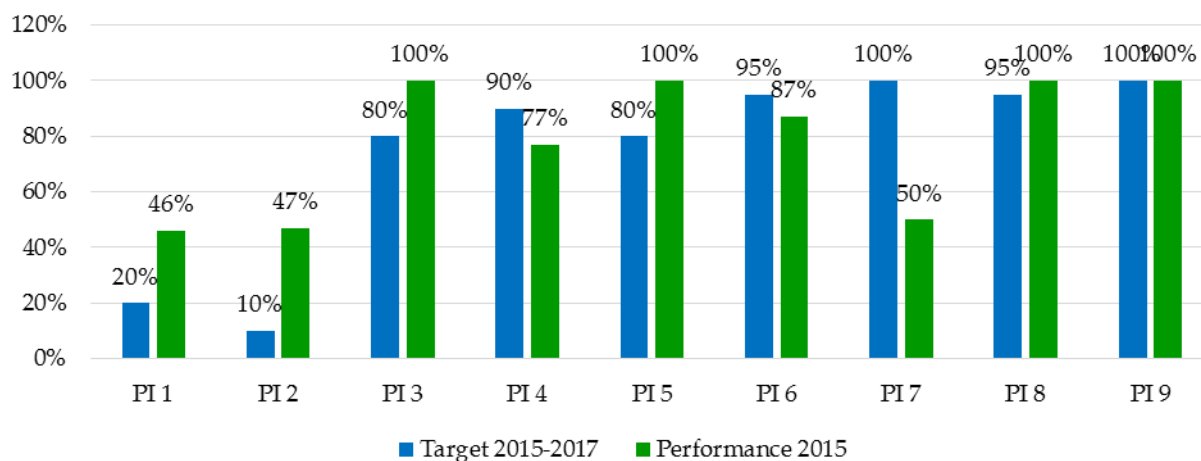


100% of the **Performance Indicators** (PIs) demonstrated **steady progress** in 2015:

1. Increase in the number of participants in leadership development activities by 2017 (*46% in 2015, 20% forecasted for 3 years*)
2. Increase in the overall participation in the CEPOL residential activities (*47% in 2015, 10% forecasted for 3 years*)
3. Implementation of CEPOL-led planned JHA scorecard activities (*100% in 2015, 80% forecasted for 3 years*)
4. Percentage of CEPOL Framework Partners implementing activities under Framework Partnership Agreements (*77% in 2015, 90% forecasted for 3 years*)
5. Percentage of Working Arrangements with third countries effectively been implemented (*100% in 2015, 80% forecasted for 3 years*)
6. Implementation of the Annual Work Programme (*90% in 2015*) and the Budget (*83% in 2015*) (in average *87% in 2015, 95% forecasted for 3 years*)
7. Implementation of a new evaluation system for the whole CEPOL training portfolio by the end of 2016 (*50% in 2015, 100% forecasted for 2 years*)

8. Grant Agreements implemented vs. signed (100% in 2015, 95% forecasted for 3 years)
9. Five-year-evaluation to be completed by the end of 2015 (100% in 2015, 100% forecasted for 1 year)

Achievement of the Performance Indicators 2015



In overall, the Agency's performance in 2015 indicates a successful implementation of the CEPOL's mission during the period of transition, in line with adopted short-term strategy and stakeholder expectations.

Annex II. Statistics on financial management

Table A2.1: Budget 2015 execution status as of 31 December 2015

Budget Implementation Regular budget 2015 (C1)		Initial Budget	Budget Transfers	Actual Budget	Committed	%	Paid	% (Compared to budget)	% (Compared to commitments)	Carry over to 2016
		A	B	C	D	D/C	E	E/C	E/D	D-E
1 TITLE 1 Expenditure relating to persons working with CEPOL										
11	Staff in active employment	3 191 600	- 56 300	3 135 300	3 019 004	96%	2 756 932	88%	91%	262 072
13	Missions and duty travel	30 000	0	30 000	24 795	83%	19 793	66%	80%	5 002
14	Socio-Medical Infrastructure	321 400	48 800	370 200	364 854	99%	357 665	97%	98%	7 189
16	Social welfare	2 000	5 000	7 000	7 000	100%	1 249	18%	18%	5 751
17	Entertainment and representation expenses	2 500	2 500	5 000	3 190	64%	2 751	55%	86%	439
1	TITLE 1 Expenditure relating to persons working with CEPOL	3 547 500	0	3 547 500	3 418 843	96%	3 138 390	88%	92%	280 454
2 TITLE 2 Buildings & equipment and miscellaneous expenditure										
20	Investments in immovable property & rental of buildings	45 000	- 5 000	40 000	28 790	72%	21 740	54%	76%	7 050
21	Information and communication technology expenditure	330 000	- 10 000	320 000	297 070	93%	153 056	48%	52%	144 015
22	Movable property and associated costs	12 300	10 000	22 300	19 737	89%	8 955	40%	45%	10 782
23	Current administrative expenditure	95 700	5 000	100 700	83 895	83%	33 921	34%	40%	49 974
24	Postal charges	11 500	0	11 500	6 279	55%	5 644	49%	90%	635
2	TITLE 2 Buildings & equipment and miscellaneous expenditure	494 500	0	494 500	435 771	88%	223 315	45%	51%	212 456
3 TITLE 3 Operational Expenditure										
30	Bodies and organs	311 000	- 68 039	242 961	193 600	80%	153 837	63%	79%	39 763
31	Courses, Flight Schemes, E-Net	3 159 000	- 69 200	3 089 800	2 975 152	96%	2 375 771	77%	80%	599 380
32	Other programme activities	629 000	73 239	702 239	673 461	96%	471 019	67%	70%	202 442
33	Evaluation	100 000	- 13 875	86 125	86 125	100%	86 125	100%	100%	0
35	Missions	150 000	14 000	164 000	164 000	100%	151 387	92%	92%	12 613
37	Other operational activities	80 000	63 875	143 875	143 874	100%	92 387	64%	64%	51 486
3	TITLE 3 Operational Expenditure	4 429 000	0	4 429 000	4 236 212	96%	3 330 528	75%	79%	905 685
GRAND TOTAL		8 471 000	0	8 471 000	8 090 826	96%	6 692 232	79%	83%	1 398 594

Table A2.2: Preliminary information on the impact of the relocation on the expenditure for CEPOL

Overview of expenditure during the relocation years Not taking into account the contribution paid by the United Kingdom		2014 budget execution	Relocation cost paid on EU funds (not taking into account UK contribution)	2014 without the impact of relocation	2015 provisional budget execution	Relocation cost paid on EU funds (not taking into account UK contribution)	2015 provisional without the impact of relocation	Difference with relocation expenditure	Difference without expenditure for relocation
9 months in UK, 3 months in HU				12 months in HU Paid and carry over					
		1	2	3 = 1-2	4	5	6 = 4-5	7 = 4-1	8 = 6-3
1 TITLE 1 Expenditure relating to persons working with CEPOL									
11	Staff in active employment	4,205,448	196,617	4,008,832	3,019,004	45,522	2,973,483	-1,186,444	-1,035,349
13	Missions and duty travel	78,746	34,380	44,366	24,795	0	24,795	-53,951	-19,571
14	Socio-Medical Infrastructure	71,710	0	71,710	364,854	0	364,854	293,143	293,143
16	Social welfare	3,403	0	3,403	7,000	0	7,000	3,597	3,597
17	Entertainment and representation expenses	3,174	0	3,174	3,190	0	3,190	16	16
1	TITLE 1 Expenditure relating to persons working with CEPOL	4,362,481	230,997	4,131,485	3,418,843	45,522	3,373,322	-943,638	-758,163
2 TITLE 2 Buildings & equipment and miscellaneous expenditure									
20	Investments in immovable property & rental of buildings	91,598	0	91,598	28,790	0	28,790	-62,807	-62,807
21	Information and communication technology expenditure	399,150	228,625	170,524	297,070	0	297,070	-102,079	126,546
22	Movable property and associated costs	11,241	0	11,241	19,737	0	19,737	8,496	8,496
23	Current administrative expenditure	81,313	70,867	10,445	83,895	0	83,895	2,582	73,450
24	Postal charges	4,226	0	4,226	6,279	0	6,279	2,053	2,053
2	TITLE 2 Buildings & equipment and miscellaneous expenditure	587,527	299,493	288,034	435,771	0	435,771	-151,756	147,737
3 TITLE 3 Operational Expenditure									
30	Bodies and organs	208,128	19,634	188,493	193,600	0	193,600	-14,527	5,107
31	Courses, Flight Schemes, E-Net	2,383,931	0	2,383,931	2,975,152	0	2,975,152	591,221	591,221
32	Other programme activities	448,879	0	448,879	673,461	0	673,461	224,582	224,582
33	Evaluation	0	0	0	86,125	0	86,125	86,125	86,125
35	Missions	137,582	0	137,582	164,000	0	164,000	26,418	26,418
37	Other operational activities	43,742	0	43,742	143,874	0	143,874	100,132	100,132
3	TITLE 3 Operational Expenditure	3,222,262	19,634	3,202,628	4,236,212	0	4,236,212	1,013,950	1,033,585
GRAND TOTAL		8,172,270	550,124	7,622,146	8,090,826	45,522	8,045,305	-81,444	423,158

Table A 2.3: Payment times per title and fund source

Payment time monitoring		Number of payments	Amount	Payments in time			
				Number	%	Amount	%
		A	B	C	C/A	D	D/B
	Title 1						
	C8	52	150 909	41	79%	90 978	60%
	C1	243	1 036 927	206	85%	877 276	85%
	R0	3	10 969	1	90%	1 515	92%
		298	1 198 804	248	83%	969 769	81%
	Title 2						
	C8	113	310 191	91	81%	280 289	90%
	C1	197	218 872	178	90%	201 839	92%
		310	529 063	269	87%	482 128	91%
	Title 3						
	C8	116	532 914	97	84%	469 087	88%
	C1	515	3 148 383	490	95%	3 098 091	98%
		631	3 681 297	587	93%	3 567 178	97%
	Non Budgetary payments	42	480 598	39	93%	246 129	51%
		1 281	5 889 763	1 143	89%	5 265 203	89%

Table A 2.4: Progression of payment times in 2015

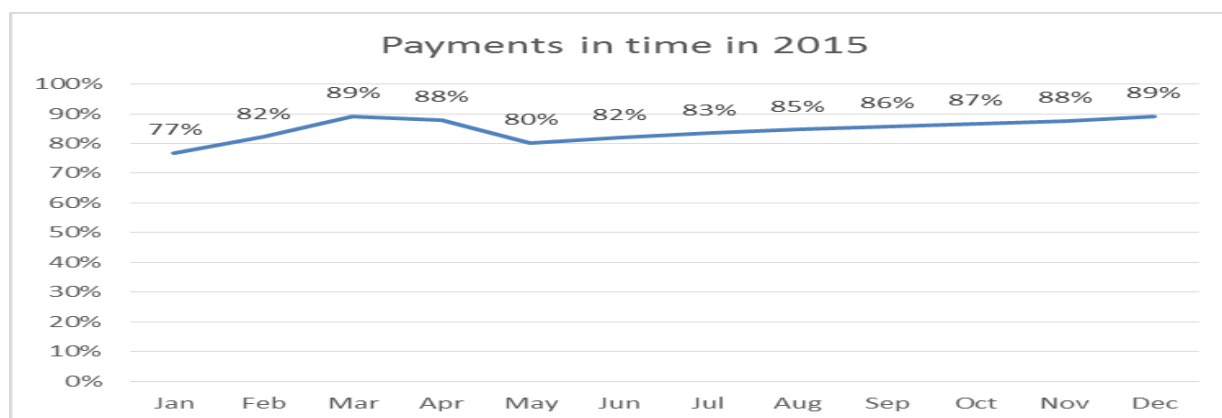
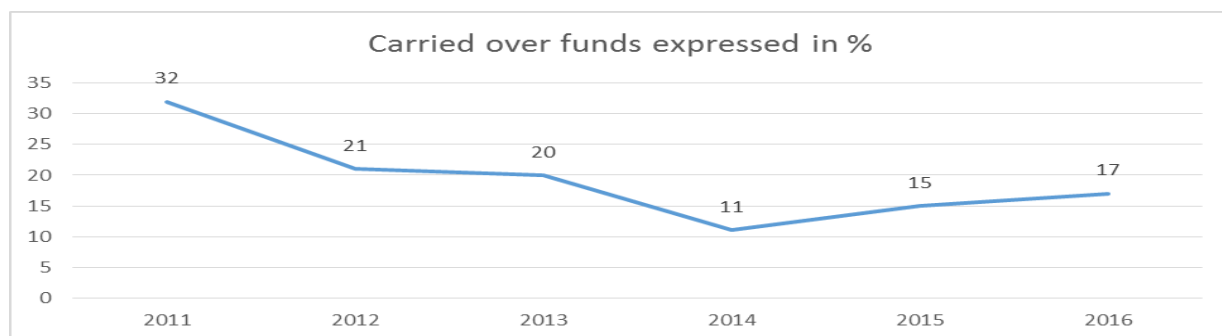
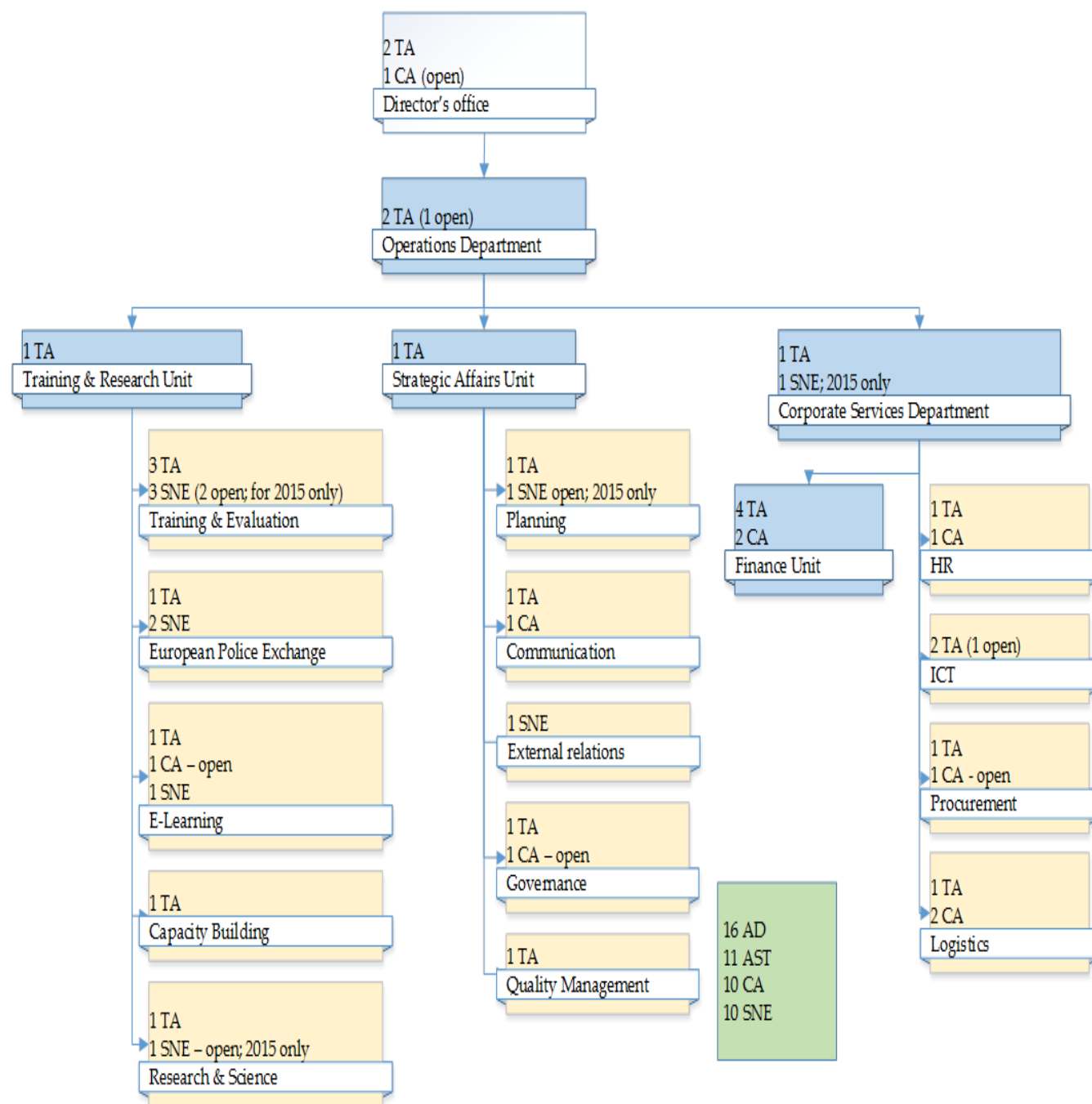


Table A 2.5: Carry-over of funds 2011-2016



Annex III. Organisational chart

Decision of the Director 08/2015/DIR effective from 16 February 2015



Annex IV. Establishment Plan and additional information on Human Resources Management

Table A 4.1: Overview of staff at 31 December 2015

Staff population		Staff population in EU Budget 2015 ¹⁵	Staff population actually filled at 31.12.2015 ¹⁶
Officials	AD	0	0
	AST	0	0
	AST/SC	0	0
TA	AD	16	15
	AST	11	11
	AST/SC	0	0
Total ¹⁷		27	26
CA GFIV		0	0
CA GF III		2	2
CA GF II		7	7
CA GFI		1	
Total CA ¹⁸		10	9
SNE ¹⁹		10	8
Cost free SNE		-	1
Structural service providers ²⁰		-	-
TOTAL		47	44
External staff ²¹ for occasional replacement ²²			9

¹⁵ As authorised for officials and temporary agents (TA) and as estimated for contract agents (CA) and seconded national experts (SNE).

¹⁶ Offer letters sent are counted as posts filled

¹⁷ Headcounts

¹⁸ FTE

¹⁹ FTE

²⁰ Service providers are contracted by a private company and carry out specialised outsourced tasks of horizontal/support nature, for instance in the area of information technology. At CEPOL the following general criteria should be fulfilled: 1) no individual contract with the Agency; 2) on CEPOL premises, usually with a PC and desk; 3) administratively followed by CEPOL (badge, etc.) and 4) contributing to the value added of CEPOL. FTE

²¹ FTE

²² For instance replacement due to maternity leave or long sick leave.

Table A 4.2: Information on the entry level for each type of post and indication whether the function is dedicated to administrative support or operations

No.	JOB TITLE	Staff Category	Group	Bandwidth		Category Code	Type/Role
				Entry	High		
1	Financial Contact Person	TA	AD	5		FIN CONT	Neutral
2	Travel & Logistics coordinator	TA	AST	3		LOG	Administrative support (ADM SUP)
3	Communications & Publicity Officer	TA	AST	4		COMM	Coordination (COORD)
4	Web & Communications Assistant	CA	FG-II	4		COMM	Coordination (COORD)
5	Head of Department/Deputy Director	TA	AD	10		TOP COORD	Operational (OPER)
6	Director	TA	AD	13		TOP COORD	Operational (OPER)
7	Head of Unit	TA	AD	9		FIN CONT	Neutral
8	Finance & Budget Officer	TA	AD	7		FIN CONT	Neutral
9	Finance & Budget Assistant	TA	AST	3		FIN CONT	Neutral
10	Finance Assistant Initiation	CA	FG-II	5		FIN CONT	Neutral
11	Head of Department	TA	AD	10		RES DIR/HoA	Administrative support (ADM SUP)
12	Finance Assistant Initiation	CA	FG-II	5		FIN CONT	Neutral
13	HR Officer	TA	AST	5		HR	Administrative support (ADM SUP)
14	HR Assistant	CA	FG-II	5		HR	Administrative support (ADM SUP)
15	Internal Control	TA	AD	5		IA	Administrative support (ADM SUP)
16	ICT Officer	TA	AST	5		ICT	Administrative support (ADM SUP)
17	ICT assistant	TA	AST	3		ICT	Administrative support (ADM SUP)
18	Management Support Assistant	TA	AST	4		GEN OPER	Operational (OPER)
19	Secretary	CA	FG-I	1		GEN OPER	Operational (OPER)
20	Procurement Support Officer	TA	AST	3	4	FIN CONT	Neutral
21	Procurement Support Assistant	CA	FG-III	5		FIN CONT	Neutral
22	Planning Officer	TA	AD	5		GEN OPER	Operational (OPER)
23	Head of Unit	TA	AD	9		GEN OPER	Operational (OPER)
24	Governance Assistant	TA	AST	3		GEN OPER	Operational (OPER)
25	E-learning Officer	TA	AD	5		PGM M/IMP	Operational (OPER)
26	E-learning Support Assistant	CA	FG-III	5		PGM M/IMP	Operational (OPER)
27	Research & Knowledge Management Officer	TA	AD	5		PGM M/IMP	Operational (OPER)
28	Head of Unit	TA	AD	9		GEN OPER	Operational (OPER)
29	Programme Officer	TA	AD	5		PGM M/IMP	Operational (OPER)
30	Programme Officer	TA	AD	5		PGM M/IMP	Operational (OPER)
31	Programme Officer	TA	AD	5		PGM M/IMP	Operational (OPER)
32	Finance & Budget Support Officer	TA	AST	3		PGM M/IMP	Operational (OPER)
33	Programme Support Officer	TA	AST	3		PGM M/IMP	Operational (OPER)
34	Governance Support Assistant	CA	FG-II	5		GEN OPER	Operational (OPER)
35	Travel & Mission Assistant	CA	FG-II	5		PGM M/IMP	Operational (OPER)
36	Travel & Mission Assistant	CA	FG-II	5		PGM M/IMP	Operational (OPER)
37	Quality Management/Data Protection Officer	TA	AD	5		EVAL	Operational (OPER)
38	SNE Training & Evaluation	SNE	SNE			PGM M/IMP	Operational (OPER)
39	SNE European Police Exchange Programm	SNE	SNE			PGM M/IMP	Operational (OPER)
40	SNE European Police Exchange Programm	SNE	SNE			PGM M/IMP	Operational (OPER)
41	SNE Webinar and LMS Administration	SNE	SNE			PGM M/IMP	Operational (OPER)
42	SNE External relations	SNE	SNE			GEN OPER	Operational (OPER)

Table A 4.3: Benchmarking against previous year results

Job type	Year N-1 (%)	Year N (%)
Core functions (operational)	55%	60%
Support functions	39%	21%
Special functions (neutral)	6%	19%

Table A 4.4: Information on interim staff employed by CEPOL in 2015

Position	Unit	Group	Step	Start date in 2015	Days in 2015
EPEP Assistant	EPEP	Group II	4	01/01/2015	365
Financial Controller	Training Unit	Group II	4	16/07/2015	168
Travel&Mission Assistant	Logistics	Group II	4	01/01/2015	365
Procurement Support Assistant	Procurement	Group III	9	01/12/2015	31
HR Officer	HR	Group IV	14	01/01/2015	365
Procurement Support Officer	Procurement	Group IV	14	16/12/2015	15
e-Learning Assistant	Training Unit	Group III	9	01/12/2015	31
Financial Contact Point	Finance	Group III	9	16/04/2015	14
Travel&Mission Assistant	Logistics	Group II	4	04/05/2015	241
Financial Contact Point	Finance	Group III	9	16/05/2015	32
Secretary to the Director		Group I	4	01/01/2015	365
Financial Contact Point	Finance	Group III	9	01/09/2015	122
ICT Assistant	ICT	Group II	4	01/01/2015	135
Governance Support Assistant	Governance	Group II	4	01/01/2015	365
					2,614

Table A4.5: Information on the number of leave days authorised to each grade under the flexitime

Grade	Flexi time (in days) taken
AD-7	6.5
AD-5	86.5
AST-5	31.5
AST-4	9.0
AST-3	21.5
FG-III	1.0
FG-II	36.0
SNE	41.5
Grand Total	233.5

Annex V. Human and financial* resources by activity

Overview of the actual against the planned allocation of human resources (expressed in Full Time Equivalent (FTE)) for the Work Programme 2015

WP section	Work programme activity	Planned FTE	Actual FTE	Deviation (FTE)
3.1.1.	Programming of learning options is conducted on the basis of a strategic and operational training needs analysis	3.20	1.80	-1.40
3.1.2.	Quality Assurance of training and learning:	2.20	1.60	-0.60
3.2.1.	Residential activities for specialist skills, knowledge and competencies	5.80	6.90	1.10
3.2.2.	Training on EU Policy Cycle priorities	3.40	2.40	-1.00
3.2.3.	CEPOL's Master Programme is implemented	0.60	0.70	0.10
3.2.4.	CEPOL contributes to building EU Law enforcement leadership	1.10	0.80	-0.30
3.2.6.	Implementation: grant mechanism and/ or centralised event organiser	1.00	0.70	-0.30
3.2.7	E-learning - a supporting tool across all spectrum of CEPOL activities	4.00	3.90	-0.10
3.2.8	Common Curricula are maintained relevant and further promoted	0.50	1.00	0.50
3.2.9	European Police Exchange Programme continues to be among CEPOL's flagship products	5.70	6.90	1.20
3.2.10	CEPOL's Programme and Project Management capacity is further utilised	0.90	1.20	0.30
3.3.1.	CEPOL Annual European Police Research and Science Conference	0.50	0.60	0.10
3.3.2.	Support to Member States with research and science products	0.50	1.40	0.90
3.3.3.	LTR Database in support of organisation of CEPOL activities	0.50	0.70	0.20
4.1.1	CEPOL will continue to manage organisational changes	0.50	0.60	0.10
4.1.2	Activity based budgeting and management	1.40	1.30	-0.10
4.1.3	Managing human resources	4.40	6.00	1.60
4.1.4	ICT management supporting operation of the agency	3.60	4.00	0.40
4.2.1	External Relations underpin CEPOL's institutional standing and operational delivery	1.50	0.70	-0.80
4.2.2	External and Internal Communications:	3.30	2.90	-0.40
4.2.3	Quality Management	0.80	0.80	0.00
4.2.4	Internal Control	1.60	1.60	0.00
	Totals	47.00	48.50	1.50

*the financial resources consumption figures are not available per activities, only per budget lines as indicated in annex II budget execution (Table A2.1)

Annex VI. Specific annexes related to Part II

A. Detailed information on the measures taken by CEPOL in the light of observations and comments made by the Discharge Authority on 29 April 2015 regarding implementation of the budget for the financial year 2013

Observation of the Discharge Authority	Response and measures taken by CEPOL	Implemented
<p>Carry-over funds, cancellations</p> <p>Further improve the carryover levels in order to increase compliance to the budgetary principle of annuality;</p> <p>Reduce level of cancelled commitments, obtain more accurate information from beneficiaries at year-end on the actual costs incurred;</p>	<p>CEPOL has improved its budgetary monitoring system by implementing monthly budget execution reports and periodic meetings between Management, Finance and budget responsible staff, to analyse the potential carry-overs with a view to minimise them.</p> <p>Regular year-end training is provided by CEPOL financial staff and is aimed that for each commitment to be carried over, a full documented, justification is prepared indicating not only the amount to be carried over, but also the background of this amount.</p> <p>As a result, the last 5 years have shown a continuous decrease (in percentage) of the level of carryovers and cancellations.</p> <p>The budget implementation of the financial year 2014 is more than 95% at the end of 2015.</p>	Yes
<p>Recruitment procedures</p> <p>Recruitment procedures are still not fully transparent;</p> <p>Inform the discharge authority about the impact the redesigned process has on the recruitments launched in 2014;</p>	<p>In accordance with the Internal Audit Service and Court of Auditors' recommendations, CEPOL adopted guidelines on how to score the applicants (UG HR 001-2); the guidelines together with the shortlisting matrix (FO HR 005-2) used by the Selection Committee, links the scoring to the justification behind, supporting the transparency principle.</p> <p>The scoring guidelines have been applied by the Selection Committees for the recruitments launched starting with April 2014 contributing to better administration and increased transparency of the recruitment process. The improvements have been communicated to the IAS auditors and their final assessment is awaited as soon as the auditors will complete the next desk review or follow-up audit.</p>	Yes
<p>Prevention and management of conflicts of interests and transparency</p> <p>Publish by June 2015 the declarations of interest of staff and Members of the Governing Board, Members of the Working Groups/ Audit Panel and National Seconded Experts;</p>	<p>The declarations of interest and CVs of the Members of the Governing Board have been published on CEPOL website. So far no cases of conflict of interest were reported among the GB members.</p> <p>Staff members and other individuals directly collaborating with CEPOL (interims, National Seconded Experts, Audit Panel, and active Working Groups) were also requested to fill in a declaration on interest. To date, no case has been identified where a staff member or individuals collaborating with CEPOL is in a conflict of interest situation.</p> <p>In accordance with the Decision 32/2014/GB adopting CEPOL's Policy on prevention and management of potential conflict of interest, and the privacy statement communicated to the data subjects, the declarations of interest is published on CEPOL website only for the top management (Director, Deputy Director and Head of Corporate Services) and the Governing Board members.</p> <p>In case of staff members and other individuals directly collaborating with CEPOL, the declarations of interest are not made public, in order to limit the unnecessary exposure of personal data; given the same data protection considerations, the Agency does not publish on its website the names of its staff members.</p>	Yes
<p>Contacts of the agencies with lobbyists</p> <p>Increasing transparency on contacts of the agencies with lobbyists;</p>	<p>CEPOL is an EU agency dedicated to providing training and learning opportunities to senior police officers on issues vital to the security of the European Union and its citizens.</p> <p>The partners and stakeholders with whom CEPOL cooperates towards achievement of its objectives are represented by bodies of the European Union in the field of law</p>	Yes

	<p>enforcement and other related areas, as well training bodies in Europe. A significant role is played by the national police training colleges – which through framework partnership agreements - implement activities from CEPOL's Work Programme.</p> <p>Considering the nature of its activity and specific context in which it operates, CEPOL does not work with lobbyists in legislative or other related initiatives.</p>	
Internal audit Implementation rate of audit recommendations	<p>To date all Court's comments on budgetary management and recruitment have been addressed with new established practices in the Agency and continuous improvement measures.</p> <p>Regarding the IAS audit recommendations, to date all have been addressed. The improvements have been communicated to the auditors which so far confirmed as closed 2 of the recommendations; feedback is awaited for the remaining 3 recommendations, as soon as the auditors will complete their next desk review or follow-up audit.</p>	Yes
Other comments Include in next annual report an overview of the savings made in operational costs.	<p>The cost of the relocation from Bramshill, UK to Budapest, Hungary has been estimated at approximately €1M. The total relocation budgeted executed in 2014-2015, all funds included, is € 880,787.</p> <p>An overview of the savings made in operational costs is included under section 2.3.2 of the current report.</p>	Yes
Other comments Discussion about the College's future is on-going and it harms business planning and implementation.	<p>CEPOL's new founding regulation (Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL)) was adopted by the legislators, to be implemented starting with 1 July 2016.</p> <p>The Governing Board adopted a change management plan to respond to the requirements brought about the new regulation.</p>	Yes
Other comments Answer the question of the discharge authority regarding the cost-effective and environment-friendly solutions for work environment.	<p>The Hungarian host provided CEPOL with a newly refurbished building free of charge for the next 10 years in terms of rental fee, utilities and security costs.</p> <p>A number of steps are taken in cooperation with the Hungarian host to ensure that the CEPOL office is cost-effective and eco-friendly.</p> <p>The premises benefit of a high amount of natural sunlight, and so the energy consumption for lightening is reduced. The corridors are automatically lit (presence detectors); staff is instructed that all air conditioners, lights and computers are turned off before vacating the office.</p> <p>A paperless working environment is encouraged. Printing on both sides and eco mode is set as default in all computers. Recycling boxes are located at printers. Library books and journals are available on-line. Equipment for web conferences/webinars has been installed to encourage virtual conferences to reduce travels.</p> <p>Environmental considerations are included in all invitations to tender by asking the tenderer to send only one hard copy and one electronic copy of their offer. In case of recruitment, candidates are requested to send their application only in electronic format.</p> <p>Additionally, the Agency is developing an Electronic Document Management System (new on-line applications/tools) to be used in daily work which will result in using less paper and focusing on electronic filing and archiving.</p> <p>CEPOL is located in the city centre therefore it can be easily reached by public transport, as a consequence, only a limited number of staff is using a private vehicle as a means of transport. Agency has space for private bicycle-parking as well as a fitness room with adjacent changing facilities and showers to support a healthy lifestyle.</p>	Yes

B. Materiality Criteria²³

Materiality criteria define the elements for determination of significant weaknesses that should be subject to a formal reservation in the assurance declaration of the Authorising Officer in the context of the Annual Activity Report. The decision whether weakness is significant, remains a matter of judgement of the Authorising Officer. In this judgement the overall impact of a weakness needs to be identified and an assessment needs to be made on whether the issue is material enough to have an influence on the decisions or conclusions of the users of the assurance declaration.

In consequence judgement needs to be based on a qualitative and a quantitative assessment. In addition, reputational events may be considered. The following provides a non-exhaustive list of possible types of weaknesses to be considered in this context.

Quantitative weaknesses: significant occurrence of errors in the underlying transactions (legality and regularity). Qualitative weaknesses: significant control system weaknesses, insufficient audit coverage and/or inadequate information from internal control systems, critical issues reported by the European Court of Auditors, the IAS, or OLAF, significant reputational events.

Qualitative criteria are linked to failure in achieving CEPOL's short-term objectives, risks to CEPOL reputation, significant deficiencies in its control systems and repetitive errors. The qualitative assessment of a weakness (deficiency) should consider if the type of deficiency falls within the scope of the assurance declaration which refers to the use of resources, sound financial management, and legality and regularity of transactions.

In considering the significance of the materiality criteria, one should include the nature and scope of the weakness, the duration of the weakness, the existence of mitigating actions reducing the impact of the weakness and the existence of corrective actions (action plans and financial corrections) which have had measurable impact.

In quantitative terms, in order to make a judgement on the significance of a weakness, it is essential to quantify the potential financial impact ("monetary value of the identified problem"/"amount considered erroneous"/"the amount considered at risk") in monetary terms.

As regards legality and regularity, the proposed standard quantitative materiality threshold must not exceed 2%. Related to CEPOL's overall budget for 2015, the 2% threshold would define an amount of about € 170.000. Considering potential cases, this amount seems too high. Thus, the (standard) quantitative threshold is set at €25,000²⁴.

This threshold is in line with the level of materiality defined by CEPOL in case of exceptions requiring approval by the Authorising Officer, as per adopted 'Policy on Recording and Management of Exceptions' (PO.INCO.002).

Deviations from this materiality threshold must be fully justified in the Annual Activity Report. It is however necessary to underline that some deficiencies below this threshold may be deemed significant on the basis of the qualitative assessment. In addition, it may be considered that specific reputational events on the basis of specific assessments may give rise to a reservation.

²³ Reference: Standing Instructions for 2014 Annual Activity Reports - Ref. Ares (2014)3722820 - 10/11/2014

²⁴ A deficiency is considered material if the financial impact or risk of loss is equal to or more than €25,000.

ANNEX VII. Specific annexes related to Part III

There are no specific annexes related to Part III.

Annex VIII. Draft Annual Accounts 2015

BALANCE SHEET

		EUR '000	
	Note	31.12.2015	31.12.2014
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	7	37
<i>Property, plant and equipment</i>	2.2	613	147
		620	185
CURRENT ASSETS			
<i>Pre-financing</i>	2.3	2	290
<i>Exchange receivables and non-exchange recoverables</i>	2.4	2 713	2 077
		2 715	2 368
TOTAL ASSETS		3 336	2 552
CURRENT LIABILITIES			
<i>Payables</i>	2.5	(1 054)	(786)
<i>Accrued charges and deferred income</i>	2.6	(551)	(527)
		(1 605)	(1 313)
TOTAL LIABILITIES		(1 605)	(1 313)
NET ASSETS		1 731	1 239
<i>Accumulated surplus</i>		1 239	544
<i>Economic result of the year</i>		492	695
NET ASSETS		1 731	1 239

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	2015	2014
REVENUE			
Revenue from non-exchange transactions			
<i>Subsidy from the Commission</i>	3.1	7 912	8 346
Total		7 912	8 346
Revenue from exchange transactions			
<i>Financial income</i>		0	–
<i>Other exchange revenue</i>	3.2	587	440
Total		588	440
		8 499	8 786
EXPENSES			
<i>Operating costs</i>	3.3	(4 131)	(3 197)
<i>Staff costs</i>	3.4	(2 955)	(3 589)
<i>Finance costs</i>		–	(3)
<i>Other expenses</i>	3.5	(922)	(1 301)
		(8 008)	(8 090)
ECONOMIC RESULT OF THE YEAR		492	695