

DECISION 10/2014/GB
OF THE GOVERNING BOARD OF THE EUROPEAN POLICE COLLEGE
ADOPTING THE
EUROPEAN POLICE COLLEGE'S INTERNAL CONTROL STANDARDS
AND
AMENDING THE DECISION 08/2011/GB

Adopted by the Governing Board
on 19 May 2014

THE GOVERNING BOARD,

Having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL)¹, and in particular Article 17 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 44(2) thereof;

Having regard to Decision 08/2011/GB of the Governing Board of the European Police College (CEPOL) adopting the European Police College's Internal Control Standards and repealing decision 36/2007/GB,

Whereas:

- (1) In order to ensure that the procedures for filling vacant posts are transparent and objective, being a small sized agency, CEPOL does not use internal mobility (internal selections) for filling vacant posts. It therefore becomes evident the necessity to amend internal control standard 3 '*Staff allocation and mobility*' in order to remove the present obligation of having a policy to promote, implement and monitor mobility,
- (2) In order to align the standard requirements with the practical arrangements in place, as recommended by the Internal Audit Service, it is necessary to amend the internal control standard 4 '*Staff evaluation and development*', for removing the present obligation of completing annual training maps for each staff member,
- (3) Due to evolution of activities of the Agency over the years, it becomes necessary to amend the internal control standard 5 '*Objective and performance indicators*' in order to align the terminology with the current practice, therefore the '*Secretariat's Annual Activity Plan*' shall be renamed as '*Management Plan*',
- (4) Following entering into force of the '*Service Level Agreement on provision of Accounting Officers' Services by DG Budget*' starting with 01/04/2014, it becomes necessary to amend the internal control standard 13 '*Accounting and financial reporting*' in accordance with the new arrangements in place.
- (5) The internal audit function is provided by the Internal Audit Service (IAS) of the European Commission, therefore the internal control standard 16 '*Internal audit capability*' shall be amended in order to remove the references to the internal audit capability and annual audit plan, which are not applicable unless a resident internal audit capability is established.

HAS DECIDED AS FOLLOWS:

Article 1

Internal control standard n° 3 shall be modified and reads as follows:

¹ OJ L 256, 1.10.2005, p. 63.

3. Staff allocation and mobility

'The allocation and recruitment of staff is based on CEPOL's objectives and priorities. Management promotes and plans staff policy so as to strike the right balance between business continuity and renewal of technical expertise.'

Whenever necessary, management shall align the organisational structures and staff allocations with priorities and workload; staff job descriptions shall be consistent with relevant mission statements; Management promotes and plans staff policy in order to ensure that the right person is in the right job at the right time and, where feasible, to create career opportunities; necessary support shall be defined and delivered to new staff to facilitate their integration in the team'.

Internal control standard n° 4 shall be modified and reads as follows:

4. Staff evaluation and development

'Staff performance is evaluated against individual annual objectives, which fit with CEPOL's goals and objectives. Adequate measures are taken to develop the skills necessary to achieve the objectives.'

In the context of the human resources development (incl. staff appraisal), discussions and feedback sessions shall be held individually with all staff to establish and review their annual objectives and activities, which fit with CEPOL's and departments' strategic objectives and activities; annual training needs shall be identified for each staff member and discussed with and approved by the line manager; all training activities undertaken by the staff shall be recorded accordingly; staff performance shall be evaluated according to the objectives and targets set down in the human resources development process and with the requirements of the job descriptions. This shall also be taken into account in the assessment for promotion.

Internal control standard n° 5 shall be modified and reads as follows:

5. Objective and performance indicators

'CEPOL's goals and objectives are clearly defined and updated when necessary. These are formulated in a way that makes it possible to monitor their achievement. Key performance indicators are established to help management evaluate and report on progress made in relation to their objectives.'

CEPOL's Annual Work Programme and the Management Plan shall be developed in accordance with applicable guidance and on the basis of a dialogue between managers, middle managers and staff in order to ensure they are understood and owned; the Annual Work Programme and the Management Plan shall clearly set out how the planned activities at each management level will contribute to the achievement of objectives set, taking into account the allocated resources and the risk identified; where appropriate, road-maps shall be established for ongoing multi-annual activities, setting out critical milestones for the needed actions before the budget appropriations can be implemented for the whole period of the activity; the BSC reporting shall be in place to alert management when indicators show that the achievement of the objectives is at risk'.

Internal control standard n° 13 shall be modified and reads as follows:

13. Accounting and financial reporting

'Adequate procedures and controls are in place to ensure that accounting data and related information used for preparing the organisation's annual accounts and financial reports are accurate, complete and timely.'

CEPOL's accounting procedures and controls shall be adequately documented. Each Authorising Officer shall have responsibility through ABAC for ensuring the reliability and completeness of the accounting information under his/her control necessary to the Accounting Officer for the production of accounts which give a true and fair view of CEPOL's assets and of budgetary implementation; the Finance Contact Person¹ is the coordinator and shall act as liaison point for DG Budget with a view to ensuring the quality of accounting data and information supplied to the European Commission central accounting system; financial and management information produced (incl. financial information provided in the Annual Activity Report) shall be in conformity with applicable accounting rules and the Accountant's instructions'.

Internal control standard n° 16 shall be modified and reads as follows:

16. Internal audit function

CEPOL relies on an internal audit function provided by the Internal Audit Service (IAS) of the European Commission. IAS provides independent, objective assurance and consulting services designed to add value and improve the operations of CEPOL.

The Director shall liaise (incl. attending all meetings and providing all information necessary) with the Internal Audit Panel assisting the Governing Board in fulfilling its oversight responsibility for the audit process, the system of internal control and the financial reporting process.

Article 2 Entry into force

This decision shall enter into force on the day of adoption by the Governing Board.

Done in Athens, 19 May 2014

For the Governing Board

*Vasilios Kontogiannis
CEPOL Governing Board Chair*

¹ The post title has been amended in accordance with the Service Level Agreement on provision of Accounting Officers' Services by DG Budget applicable starting with 01/04/2014

EUROPEAN POLICE COLLEGE
INTERNAL CONTROL STANDARDS - consolidated version

A. MISSION AND VALUES

1. Mission

The raison d'être of CEPOL is clearly defined in an up-to-date and concise mission statement developed from the perspective of CEPOL's founding regulation and the expectations of its stakeholders.

CEPOL's vision and mission shall be communicated to staff and made readily accessible. The purpose of each department shall be linked to the mission.

2. Ethical and organisational values

Management and staff are aware of and share appropriate ethical and organisational values and uphold these through their own behaviour and decision-making.

Ethical and organisational values have to be experienced by every member of CEPOL. Where appropriate, written rules and procedures shall be clearly communicated and accessible to all to avoid conflicts of interest, facilitate ethical conduct, avoidance of conflicts of interest, fraud prevention and reporting of irregularities.

B. HUMAN RESOURCES

3. Staff allocation and mobility

The allocation and recruitment of staff is based on CEPOL's objectives and priorities. Management promotes and plan staff policy so as to strike the right balance between business continuity and renewal of technical expertise.

Whenever necessary, management shall align the organisational structures and staff allocations with priorities and workload; staff job descriptions shall be consistent with relevant mission statements; Management promotes and plan staff policy in order to ensure that the right person is in the right job at the right time and, where feasible, to create career opportunities; necessary support shall be defined and delivered to new staff to facilitate their integration in the team.

4. Staff evaluation and development

Staff performance is evaluated against individual annual objectives, which fit with CEPOL's goals and objectives. Adequate measures are taken to develop the skills necessary to achieve the objectives.

In the context of the human resources development (incl. staff appraisal) discussions and feedback sessions shall be held individually with all staff to establish and review their annual objectives and activities, which fit with CEPOL's and departments' strategic objectives and activities; annual training needs shall be identified for each staff member and discussed with and approved by the line manager; all training activities undertaken by the staff shall be recorded accordingly; staff performance shall be evaluated according to the objectives and targets set down in the human resources development process and with the requirements of the job descriptions. This shall also be taken into account in the assessment for promotion.

C. PLANNING AND RISK MANAGEMENT PROCESSES

5. Objective and performance indicators

CEPOL's goals and objectives are clearly defined and updated when necessary. These are formulated in a way that makes it possible to monitor their achievement. Key performance indicators are established to help management evaluate and report on progress made in relation to their objectives.

CEPOL's Annual Work Programme and the Management Plan shall be developed in accordance with applicable guidance and on the basis of a dialogue between managers, middle managers and staff in order to ensure they are understood and owned; the Annual Work Programme and the Management Plan shall clearly set out how the planned activities at each management level will contribute to the achievement of objectives set, taking into account the allocated resources and the risk identified; where appropriate, road-maps shall be established for ongoing multi-annual activities, setting out critical milestones for the needed actions before the budget appropriations can be implemented for the whole period of the activity; the BSC reporting shall be in place to alert management when indicators show that the achievement of the objectives is at risk.

6. Risk management process

A risk management process that is in line with applicable provisions and guidelines is integrated into the annual activity planning.

Although CEPOL as a whole is generally dealing with low risks, a risk assessment shall be part of the annual programming cycle. The risk register and action plan shall be in place. The risk management action plan shall be realistic and take into account cost/benefit aspects in order to avoid disproportionate control measures. All processes shall be described and managed accordingly by Process Owners to ensure that actions are implemented according to plan and continue to be relevant. Risks considered 'critical' from an overall CEPOL's perspective shall be indicated in the Work Programme and followed-up in the Annual Activity Report.

D. OPERATIONS AND CONTROL ACTIVITIES

7. Operational structure

CEPOL's operational structure supports effective decision-making by suitable delegation of powers. Risks associated with sensitive functions are managed through mitigating controls and ultimately staff mobility. Adequate IT governance structures are in place.

Delegation of authority shall be clearly defined, assigned and communicated in writing, shall conform to regulations and requirements and shall be appropriate to the importance of decisions to be taken and risks involved; all delegated and sub-delegated Authorising Officers shall have received and acknowledged the rules and specific delegation instruments; as regards financial transactions, delegation of powers (including both 'passed for payment' and 'certified correct') shall be defined, assigned and communicated in writing. Risks associated with sensitive functions shall be managed through mitigating controls and by specific ex-post controls and/or focused audit every two years. The standard IT governance policy shall be in place (incl. management of the information systems and a multi annual IT strategy).

8. Processes and procedures

CEPOL's processes and procedures used for the implementation and control of its activities are effective and efficient, adequately documented and compliant with applicable provisions. They include arrangements to ensure segregation of duties, and to track and give prior approval to control overrides or deviations from policies and procedures.

CEPOL's main operational and financial processes and procedures and IT systems shall be adequately documented and centrally accessible. CEPOL's processes and procedures shall ensure appropriate segregation of duties (incl. non-financial activities); CEPOL's processes and procedures shall comply with applicable provisions, in particular the financial regulation (e.g. ex-ante and ex-post checks/verifications) and CEPOL's implementing rules. A registry shall be in place to ensure that all instances of overriding of controls or deviations from established processes and procedures are documented as either operational or financial exceptions, justified, duly approved before action is taken and logged centrally.

9. Management supervisions

Management supervision is performed to ensure that the implementation of activities is running efficiently and effectively while complying with applicable provisions.

Management at all levels shall supervise the activities they are responsible for and keep track of main issues identified which are reported through the management meetings. Management supervision shall cover both legality and regularity aspects, operational performance and organisational development (i.e. achievement of CEPOL Secretariat's objectives); CEPOL's Balanced Scorecard (BSC) shall be developed for the main goals and processes of CEPOL and, where appropriate, at the level of departments. The BSC shall include concise management information necessary to oversee CEPOL's activities and evolution (e.g., performance indicators, financial information or other relevant management information); the management shall monitor the implementation of accepted audit recommendations and related action plans on the basis of a transparent allocation of roles and responsibilities; at any time deemed appropriate, the Director shall inform the Governing Board and/or the European Commission of any potentially significant issues related to internal control, audit and OLAF (European Anti-Fraud Office) investigations, as well as material budgetary and financial issues that might have an impact on the sound management of appropriations or which could hamper the attainment of the objectives set.

10. Business continuity

Adequate measures are in place to ensure continuity of service in case of 'business-as-usual' interruption. Continuity plans are in place to ensure that CEPOL is able to continue operating to the extent possible whatever the nature of a major disruption.

Adequate measures—including handover files and deputising arrangements for relevant operational activities and financial transactions—shall be place, and accessible centrally, to ensure the continuity of all service during 'business-as-usual' interruptions (such as absence, staff change, migration to new IT systems, incidents, etc.); Business Continuity Plan shall identify the functions, services and infrastructure which need to be restored within certain time-limits and the resources necessary for this purpose (incl. key staff, buildings, IT, documents) and cover the crisis response and recovery arrangements with respect to major disruptions (incl. pandemic diseases, terrorist attacks, natural disasters).

Contingency and backup plans for information systems shall be established, maintained, documented and tested as determined by operational, business continuity and security needs.

11. Document management

Appropriate processes and procedures are in place to ensure that CEPOL's document management is secure, efficient (in particular as regards retrieving appropriate information) and complies with applicable legislation.

Document management systems and related procedures shall comply with relevant compulsory measures (incl. data protection), provisions on document management and rules on protection of personal data. An appropriate document control (incl. the registry of the Director's decisions) and records (incl. the filing plan) management system shall be in place.

E. INFORMATION AND FINANCIAL REPORTING

12. Information and communication

Internal communication enables management and staff to fulfil their responsibilities effectively and efficiently, including in the domain of internal control. CEPOL has an external communication strategy to ensure that its external communication is effective, coherent and in line with the Commission's key political messages. IT systems used are adequately protected against threats to their confidentiality and integrity.

Internal and external communications shall comply with relevant copyright provisions; arrangements shall be in place to ensure that management and staff are appropriately informed of decisions, projects or initiatives—including those in other departments—that concern their work assignments and environment; all staff are encouraged to communicate potential internal control weaknesses, if judged significant or systemic, to the appropriate management level; a documented strategy for external communication shall be in place (incl. clearly defined target audiences, messages and action plans).

CEPOL shall adopt and implement an IT security plan based on an inventory of the security requirements and a risk analysis of the IT systems under their responsibility, and shall apply the relevant control measures as documented in the security plan and disaster recovery plan; the IT systems shall support adequate data management (incl. database administration and data quality assurance). Data management systems and related procedures shall comply with relevant compulsory security measures and rules on protection of personal data.

13. Accounting and financial reporting

Adequate procedures and controls are in place to ensure that accounting data and related information used for preparing the organisation's annual accounts and financial reports are accurate, complete and timely.

CEPOL's accounting procedures and controls shall be adequately documented. Each Authorising Officer shall have responsibility through ABAC for ensuring the reliability and completeness of the accounting information under his/her control necessary to the Accounting Officer for the production of accounts which give a true and fair view of

CEPOL's assets and of budgetary implementation; the Finance Contact Person³ is the coordinator and shall act as liaison point for DG Budget with a view to ensuring the quality of accounting data and information supplied to the European Commission central accounting system; financial and management information produced (incl. financial information provided in the Annual Activity Report) shall be in conformity with applicable accounting rules and the Accountant's instructions.

F. EVALUATION AND AUDIT

14. Evaluation activities

Evaluations of expenditure programmes and other non-spending activities are performed to assess the results, impacts and needs that these activities aim to achieve and satisfy.

Evaluations shall be performed in accordance with appropriate guiding principles and annual evaluation plan outlining the appropriate type (retrospective: interim, final, ex-post; prospective: ex-ante, impact assessments) and the scope of each evaluation. Evaluations shall be performed in accordance with professional standards.

15. Assessment of internal control systems

Management assesses the effectiveness of the internal control systems, including the processes carried out by implementing bodies, at least once a year.

Management shall assess the effectiveness of the internal control system (incl. the processes carried out by implementing bodies) at least annually. Such self-assessments can, be based on Common Assessment Framework (CAF) self-assessment, staff surveys or interviews combined with management reviews of supervisory reports, results of evaluation and ex-ante/ex-post verifications, audit recommendations and other sources that provide relevant information about the internal control effectiveness. On an annual basis (e.g., Annual Activity Report) the Quality Management Officer and Internal Control Officer shall produce a statement that to the best of his/her knowledge the information on management and internal control systems provided in the Annual Activity Report is accurate and exhaustive.

16. Internal audit function

CEPOL relies on an internal audit function provided by the Internal Audit Service (IAS) of the European Commission. IAS provides independent, objective assurance and consulting services designed to add value and improve the operations of CEPOL.

The Director shall liaise (incl. attending all meetings and providing all information necessary) with the Internal Audit Panel assisting the Governing Board in fulfilling its oversight responsibility for the audit process, the system of internal control and the financial reporting process.

³ The post title has been amended in accordance with the Service Level Agreement on provision of Accounting Officers' Services by DG Budget applicable starting with 01/01/2014