

Decision of the Management Board 10/2018/MB

**On establishing the analysis and assessment
of the Consolidated Annual Activity Report 2017**

Adopted by the Management Board

On 16 May 2018

THE MANAGEMENT BOARD,

Having regard to 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) and replacing and repealing Council Decision 2005/681/JHA¹, and in particular Article 9(1)(t) 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 2017;

HAS ADOPTED the Analysis and Assessment of the Consolidated Annual Activity Report (CAAR) for the financial year 2017, as set out in the Annex to this decision.

The present Decision shall take effect on 16 May 2018.

Done at Sofia, on 16 May 2018

For the Management Board

<< Signature on file >>

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Norbert Leitner

Chair of the Management Board

ANNEX: Consolidated Annual Activity Report (CAAR) for the financial year 2017 including its Analysis and Assessment by the Management Board

¹ OJ L319, 4.12.2015, p.1.

Consolidated Annual Activity Report (CAAR)	Document number:	TE.REPO.001-2
	Approval date:	09/04/2018



**Consolidated Annual Activity Report (CAAR)
of the European Union Agency for Law Enforcement Training (CEPOL)
for financial year 2017**

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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Acronyms and abbreviations

AEP	Association of European Police Colleges	FLETC (US)	Federal Law Enforcement Training Centres
ALEFA	Association of Law Enforcement Forensic Accountants	FR	Financial Regulation
CAAR	Consolidated Annual Activity Report	FRA	The European Union Agency for Fundamental Rights
CEPOL	European Union Agency for Law Enforcement Training	FRONTEX	European Border and Coast Guard Agency
CEP	CEPOL Exchange Programme	HR	Human Resources
CA	Contract Agent	IAS	Internal Audit Service
CARIN	Camden Assets Recovery Interagency Network	IAP	Internal Audit Panel
CKCs	CEPOL Knowledge Centres	ICS	Internal Control Standards
CNU	CEPOL National Units	ICSP	Instrument Contributing to Stability and Peace
COSI	Standing committee for the EU internal security	ICT	Information and Communications Technology
CRM	Customer Relationship Management tool	IP	Internet Protocol address
CT	Counter Terrorism	ISO	International Organization for Standardization
CSDP	Common Security and Defence Policy	INTERPOL	International Criminal Police Organization
DCAF	The Geneva Centre for the Democratic Control of Armed Forces	JITs	Joint Investigation Teams
DG HOME	The Directorate-General for Migration and Home Affairs	JHA	Justice and Home Affairs
DG JUST	The Directorate-General for Justice and Consumers	KPI	Key Performance Indicators
DPO	Data Protection Office	LETS	European Law Enforcement Training Scheme
EASO	European Asylum Support Office	LEWP	Law Enforcement Working Party
EC	European Commission	LIBE	European Parliament's Committee on Civil Liberties, Justice and Home Affairs
EC3	European Cybercrime Centre at Europol	LMS	Learning Management System
ECA	European Court of Auditors	LTRdb	CEPOL Lecturers, Trainers and Researchers Database
ECTEG	European Cybercrime Training and Education Group	MENA	Middle East and North Africa
ECTC	European Counter Terrorism Centre	MB	Management Board
EEAS	European External Action Service	MS	Member State
EJMP	CEPOL European Joint Master Programme	OLAF	European Anti-Fraud Office
EJTN	European Judicial Training Network	OSCE	Organization for Security and Co-operation in Europe
EMCDDA	European Monitoring Centre for Drugs and Drug Addiction	OTNA	Operational Training Needs Analysis
EMPACT	European Multidisciplinary Platform against Criminal Threats	PCC SEE	Police Cooperation Convention for Southeast Europe Secretariat
EMSC	European Migrant Smuggling Centre	PI	Performance Indicators
ENFAST	European Network on Fugitive Active Search Teams	RIPE NCC	Regional Internet Registry for Europe, the Middle East and parts of Central Asia
ENFSI	European Network of Forensic Science Institutes	SIS II	Schengen Information System
ENTRI	Europe's New Training Initiative for Civilian Crisis Management	SIRENE	Supplementary Information Request at the National Entries
EP	European Parliament	SNE	Seconded National Expert
ESDC	European Security and Defence College	SOC	Serious Organized Crime
EU	European Union	TA	Temporary Agent
EUIPO	European Union Intellectual Property Office	TNA	Training Needs Assessment
Eu-LISA	The European Agency for the operational management of large-scale IT Systems in the area of freedom, security and justice	UEFA	Union of European Football Associations
EUPST	The European Union Police Services Training	UNODC	United Nations Office on Drugs and Crime
EU-STNA	EU-Strategic Training Needs Assessment	WG	Working Group
Eurodac	European Dactyloscopy - European Union fingerprint database for identifying asylum seekers and irregular border-crossers	WP	Work Programme
EUROPOL	European Union Agency for Law Enforcement Cooperation		
EUROJUST	European Union Agency dealing with judicial co-operation in criminal matters		
fYROM	Former Yugoslav Republic of Macedonia		
FIU	Financial Intelligence Unit		

Management Board's analysis and assessment

The Management Board,

Having regard to 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) and replacing and repealing Council Decision 2005/681/JHA;

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 2017 of the Authorising Officer of CEPOL;

1. Considers that the Consolidated Annual Activity Report represents a comprehensive and transparent account of the Agency's activities and results of the year; takes note that the Executive Director had no reservation to report;
2. Notes that 2017 is the first year when the agency is operating fully under the new extended mandate. The implementation rate of CEPOL's Change Management Plan reached 83%, with most of the necessary preparations being successfully implemented, particularly in the areas of need assessment, training coordination, and quality delivery.
3. Notes with satisfaction that, in terms of the delivery of its core business, for the seventh year in a row, the outreach of CEPOL has increased: number of participants has grown to 23 767 compared to 18 009 in 2016 which represents an increase of 32%. This demonstrates continuous and increasing commitment of CEPOL's investment as a contributor to the development of a common European law enforcement culture across Europe and beyond.
4. Notes however that the requirements for training are considerably greater than the available resources though, therefore the agency had to apply negative priorities resulting in 23% of identified needs for residential activities not being implemented, and 34% of applications for CEPOL Exchange Programme not responded within the given budget.
5. Stresses that more than 89% of the CEPOL training and learning activities, i.e. residential activities, webinars, online courses, online modules, dealt with the performance gaps of the key security threat priorities stemming from the European Security Agenda, such as: serious and organised crime, including cybercrime and migration; counterterrorism and horizontal aspects, such as law enforcement cooperation tools, professional networks information exchange etc.
6. Notes with satisfaction that the quality of CEPOL products as measured by the stakeholders' and clients' satisfaction rate remained exceptionally high with 93% of participants stating that they were very satisfied or satisfied with the activities;
7. Notes that CEPOL finalised the implementation of the EU/MENA Counter-Terrorism Training Partnership programme aiming at building capacities of law enforcement services of the region of Middle East and North Africa, notably Jordan, Lebanon, Tunisia and Turkey, having responsibility for combatting terrorism by training means; during the project life cycle, a total of 788 participants were involved in 66 programme activities or exchanges, while 95% general satisfaction was reached and positive feedback received;

8. Notes that the 1st CEPOL European Joint Master Programme was successfully completed in October 2017, when 26 students graduated and received their Master Diploma. In parallel, the 2nd edition of the Master Programme was launched with 30 new students enrolled.

9. Notes with satisfaction that, following being certified to the Quality Management System Standard ISO 9001:2015, the 1st surveillance audit implemented by the external auditor resulted in a positive opinion, with no major non-conformities. Therefore, CEPOL continues to demonstrate its high commitment to quality and stakeholder satisfaction.

10. In terms of human resources management, the MB takes notes of the Agency's efforts to ensure business continuity while the staff fluctuation continues to be high, generally due to the low country coefficient factor combined with relatively low grades of staff; notes that due to limited human resources capacity in the area of information and communications technology, slow progress was made in introducing and upgrading the e-tools intended to support the operational activities (CRM, E-net).

11. Notes that as far as regards budget management, at the end of December 2017, the total 2016 budget implementation, including carried forward funds from 2016-2017, has reached 93.76%, which is a good result, although slightly below the target of 95%; with regards to the regular budget 2017, by end of the year 97% of the budget has been committed, 84% has been paid, while 13% carried over to 2017; the carried over is justified by the pending invoices from the service suppliers, a number of residential activities organised in Q1 2018 and service and supply contracts signed at the last month of the year.

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

The Management Board considers CEPOL has effectively delivered the expected products and services in accordance with the 2017 Work Programme. The Management 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 Management Board

<< Signature on file >>

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*Mr. Norbert Leitner
Chair of the Management Board*

Introduction

CEPOL was initially founded by Council Decision 2000/820/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.

Since 1 July 2016, the entry into force of its current legal mandate¹, CEPOL's official name is 'The European Union Agency for Law Enforcement Training'.

CEPOL is headed by an Executive Director, who is accountable to a Management Board. The Management Board is made up of representatives from EU Member States² and the EU Commission. The Chair of the Management Board is a representative of one of the three Member States that have jointly prepared the Council of the European Union's 18-month programme. The Management Board meets at least two times per year. In addition, CEPOL has dedicated National Units (CNUs) in every Member State to provide information and assistance to law enforcement officials who wish to participate in CEPOL's activities. CNUs also support CEPOL's operations.

The agency's annual work programme is built with input from its network and other stakeholders, resulting in topical and focused activities designed to meet the needs of Member States in the priority areas of the EU internal security strategy. Moreover, CEPOL assesses training needs to address EU security priorities.

CEPOL contributes to a safer Europe by facilitating cooperation and knowledge sharing among law enforcement officials of the EU Member States and to some extent, from third countries, on issues stemming from EU priorities in the field of security; in particular, from the EU Policy Cycle on serious and organised crime.

CEPOL constantly strives to offer innovative and advanced training activities by integrating relevant developments in knowledge, research & technology, and by creating synergies through strengthened cooperation.

Mission

Making Europe a safer place through law enforcement training and learning.

Vision

To be the centre of European law enforcement training and learning, focusing on innovation and quality.

¹ Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015

² Denmark and the United Kingdom are not considered Member States in relation to CEPOL in accordance with Protocol 22 on the position of Denmark and Protocol 21 on the position of the United Kingdom in respect of the area of freedom, security and justice, annexed to the TEU and to the TFEU.

Core values

- Human rights and fundamental freedoms
- European cooperation
- Quality
- Innovation
- Reliability

Core competencies

CEPOL brings together law enforcement professionals to:

- Offer them opportunities to grow personally and professionally through training;
- Contribute by learning to solve issues related to European security;
- Establish networks of training institutes and professionals.

Core promise

With CEPOL, professionals can grow both their knowledge and networks.

Motto

CEPOL - Educate, Innovate, Motivate

CEPOL'S Quality Statement

The Agency is committed to implement internationally recognised management standards, such as ISO 9001:2015.

CEPOL intends to demonstrate the ability to consistently provide products and services that meet stakeholder expectations and applicable regulatory requirements, to contribute to European law enforcement cooperation through learning to the benefit of European citizens.

The Agency aims at enhancing services through effective application of the CEPOL's Management System, by continually improving its processes, addressing risks and opportunities, and ensuring the Management System is fit for purpose.

CEPOL focuses on customers, stakeholders and other interested parties, provides leadership, engages and involves people, uses a process approach, encourages improvement, uses evidence based decision-making, and manages effective stakeholder relationships.

The Agency intends to ensure compliance with the applicable ISO 9001:2015 requirements, and the Internal Control Standards.

Executive Summary

The Year in Brief

2017 has been the first full year when the agency has been operating fully under its new, extended mandate under Regulation (EU) 2015/2219, the CEPOL Regulation. **CEPOL's Change Management Plan** implementation is close to full completion (83% achievement rate). The areas of training needs assessment, training coordination, and qualitative delivery attest to a successful new beginning for the agency. CEPOL has been extremely effective in the redeployment and use of its lean resources, and yet again was able to deliver more training to more law enforcement officials- outperforming itself in the number of officials trained when compared to previous years.

While operating with similar resources as in earlier years, CEPOL has been able to deliver more training in 2017, implementing **208** activities (vs. 174 in 2016). CEPOL trainings were attended by **23 767** law enforcement officials, representing a steep increase of 32% when compared to 2016, when CEPOL trained 18 009 officials. CEPOL's training kept being responsive to the needs of the law enforcement community in key EU security threat areas such as terrorism, serious and organised crime, cybercrime and cybersecurity, as well as migrant smuggling.

In 2017 CEPOL launched the first pilot **EU-Strategic Training Needs Assessment (EU-STNA)** applying and adjusting a methodology provided to the agency by a study financed by the European Commission. The EU-STNA looks into capability gaps that can be addressed by training on the basis of identified threats and a sound process of analysis and prioritisation that sees the Member States and their experts front and centre of needs identification. The pilot will be completed in 2018 and will provide sound evidence on strategic training needs for prioritisation by the Member States themselves, in line with EU policy priorities.

Furthermore, in 2017 CEPOL **expanded its Online Course portfolio from 1 to 8 courses**, thereby adding more colours to the palette of its learning portfolio.

Training coordination efforts among JHA agencies continue to be supported through dedicated coordination meetings and the JHA Training Matrix managed by CEPOL.

The **1st CEPOL European Joint Master Programme** was successfully completed. 26 students graduated and received their Master Diploma in October 2017. In parallel, 30 new students were enrolled in the 2nd edition of the Master Programme.

Two pilot **CEPOL Knowledge Centres (CKCs)** were established in the priority areas of Counterterrorism and Common Security and Defence Policy mission training respectively. The CKCs are tasked to develop and implement comprehensive training and learning portfolios ensuring high quality of education in a multi-annual, sustainable horizon that aims at retaining and further developing know-how and expertise.

CEPOL also successfully concluded the implementation of the '**EU/MENA Counter Terrorism Training Partnership project**' financed by the European Commission – Instrument Contributing to Stability and Peace (IcSP) in November 2017. The evaluation of the IcSP programme on Countering Violent Extremism in the Middle East and North Africa region (of which the CEPOL project was part) shows the relevance of CEPOL as a key player in addressing the internal/external security nexus, and calls for continued, adequate political backing and funding.

In 2017, following an external audit, CEPOL was certified as meeting the **ISO 9001:2015 Management System Standard** by Lloyd's Register Quality Assurance in the areas of Law Enforcement Residential Activities and the CEPOL Exchange Programme. This proud achievement testifies to CEPOL's high commitment to quality and stakeholder satisfaction.

Key Performance Indicators

Goals and objectives reflected in the CEPOL's short-term strategy 2014-2017 are subject to regular monitoring, analysis and reporting, both internally (management) and externally (Management Board). The Agency's Key Performance Indicators (KPIs) and Performance Indicators (PIs), linked to the achievement of three Strategic Goals, demonstrate sustainable progress achieved in 2017 (see below table). More details are provided in Annex II.

Summary of the Agency's performance in 2017 – KPIs

Key Performance Indicators	Target	Performance 2015	Performance 2016	Performance 2017
Satisfaction of training provided by CEPOL	90%	94%	95%	93%
Overall rate of implemented working agreements	80%	100%	100%	100%
Implementation of the CEPOL strategy	80%	70%	87%	92%

The slight decrease in satisfaction rate when compared to the previous year, is due primarily to the expansion of new learning products that still need maturing (notably, online courses), nevertheless performance still exceeded the set target.

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

In 2017, in line with a thorough analysis of training needs and the agency's mandate, CEPOL offered thematic training portfolios in 8 priority categories. The training offer comprised residential activities, online learning (i.e. webinars, online modules, online courses, etc.), exchange programmes, as well as research and science initiatives. The use of differentiated training tools ensures complementarity and the opportunity to best match the needs of the Member States.

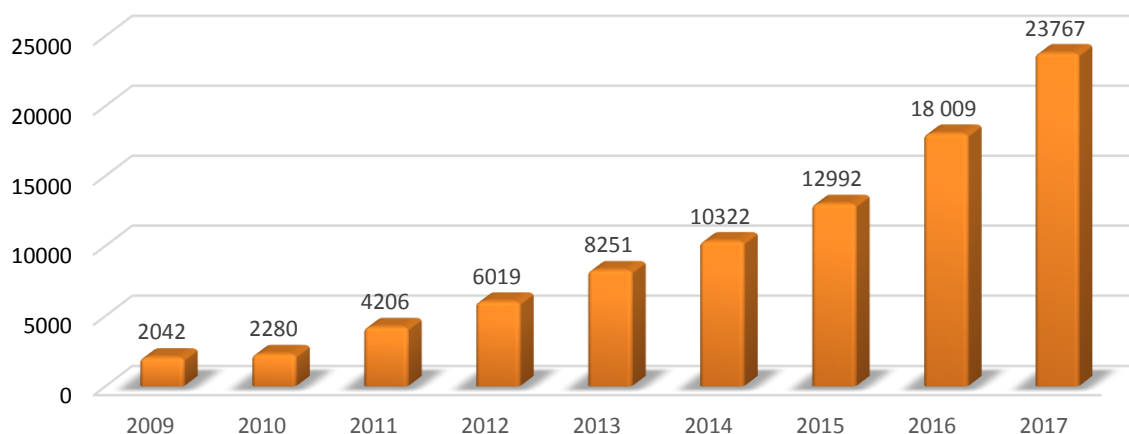
More than 89% of the CEPOL training and learning activities aimed at closing performance gaps for law enforcement officials tasked to tackle critical security threats stemming from the European Agenda on Security, such as:

- Serious and organised crime, including cybercrime and migration - 30% of activities;
- Counterterrorism - 26% of activities;
- Horizontal aspects, such as law enforcement cooperation tools, professional networks information exchange etc. - 33%.

In the last years, the outreach of the agency has consistently increased in spite of a budget which remained essentially stable, as no significant increase of financial or human resources was granted to the agency to implement fully its enhanced mandate: the number of officials taking part in CEPOL training activities³ has grown to **23 767** compared to **18 009** in 2016.

As training demand is consistently and considerably greater than the available resources, the agency had to apply negative priorities. Hence, 23% of the residential activities identified in the 2017 needs assessment process could not be implemented, and 34% of applications for CEPOL Exchange Programme could not be satisfied due to budget constraints.

³ Including the number of participants in CT-MENA project

Participation in CEPOL activities 2009-2017***Number of participants 2017**

* Participation includes seminars, courses, conferences, e-learning modules, online courses, webinars, the CEPOL Exchange Programme and CT-MENA Programme

Overview of number of activities per objective

Objective	Residential courses	Online training activities	Exchanges	CT MENA	Total
Objective 1A: The EU Policy Cycle to tackle Serious and Organised Crime 2014-2017	36	43	191	0	270
Objective 1B: Counterterrorism	9	4	37	0	50
Objective 1C: Information exchange, law enforcement cooperation, investigation techniques, public order	44	44	294	0	382
Objective 2B: European Leadership Development Programme	5	1	40	0	46
Objective 2C: Law Enforcement Research, education and language development	5	10	33	0	48
Objective 3.A: CSDP Mission training	6	1	3	0	10
Objective 3.B: CT MENA	0	0	0	49	49
Total	105	103	598	49	855
Total training hours	2 628	375	n/a	1 063	4 066

Overview of number of participants per objective, for each category of training fostered by CEPOL

Objective	Residential courses	Online training activities	Exchanges	CT MENA	Total
Objective 1A: The EU Policy Cycle to tackle Serious and Organised Crime 2014-2017	1 148	8 975	191	0	10 314
Objective 1B: Counterterrorism	328	733	37	0	1 098
Objective 1C: Information exchange, law enforcement cooperation, investigation techniques, public order	1 309	7 018	294	0	8 621
Objective 2B: European Leadership Development Programme	136	127	40	0	303
Objective 2C: Law Enforcement Research, education and language development	305	2 341	33	0	2 679
Objective 3.A: CSDP Mission training	157	85	3	0	245
Objective 3.B: CT MENA	0	0	0	507	507
Total	3 383	19 279	598	507	23 767

In 2017, the content of CEPOL's training successfully met the operational expectations of its key target group among the law enforcement community in Europe and beyond. In fact, the overall satisfaction rate of CEPOL activities remained very high - 93% of participants stating that they were very satisfied or satisfied with the activities (95% in 2016).

External relations have always been an important part of CEPOL's activities, nevertheless, they have gained further relevance under the new legal mandate. CEPOL aims at entering the "global market" of law enforcement training, while ensuring the continuous high-level implementation of its statutory tasks, and giving priority to the immediate partners of the EU among third countries. This approach is facilitated by the provisions of the new regulation enabling CEPOL to manage dedicated Union External Assistance funds (art. 4 paragraph 4 d).

2017 was the final year of implementation of the **EU/MENA Counter-Terrorism Training Partnership project** which started on 19 November 2015 and finished on 19 November 2017, targeting four partner countries benefiting from the action, notably Jordan, Lebanon, Tunisia and Turkey. CEPOL paid special attention to ensure project activities were in line with country-specific needs (hence guaranteeing buy-in and ownership on the side of the beneficiaries), and that any duplications with other ongoing donor funded programmes and projects was avoided. Special attention was paid to relations with EU delegations on the ground as well as the European Commission and the EEAS.

In the context of the aforementioned project, and in close cooperation with law enforcement services in the beneficiary countries, **15** residential activities (including 8 thematic courses) were carried out in 2017, benefiting **273** participants, and achieving a 96% satisfaction rate. The "centre of gravity" of those training activities was the cyber arena seen through the lenses of counter terrorism. Besides that, topics such as international cooperation, critical infrastructure protection, counter terrorism financing, counter radicalisation, law enforcement training development, planning methods of counter-terrorism operations and first response were also addressed by CEPOL.

The vast majority of the study visits and exchanges (**34** activities for **234** participants with 99% satisfaction rate) were organised in 2017, in close cooperation with 15 European Union Member States' law enforcement services and training institutions. Participants had the opportunity to see

first-hand and familiarise themselves with CEPOL, other EU Agencies (Europol, Eurojust) and/or other International Organisations and relevant EU National services.

A total of **507** participants were trained in 2017, while during the full project implementation period, **788** participants were involved in **66** programme activities or exchanges. **95%** general satisfaction was reached, attesting to a very highly positive feedback from participants.

Key conclusions on management of human resources

In line with the budget as adopted by the Budgetary Authority and the Management Board, CEPOL's establishment plan 2017 contains 31 Temporary Agents (TA) and 20 Contract Agents (CA)⁴. In addition to statutory staff positions, CEPOL had, 4 SNE allocated positions.

By the end of 2017⁵, the agency had in post 30 Temporary Agents (including one on unpaid leave) and 17 Contract Agents; in addition 6 SNE were in post (of which 2 covering for Temporary Agents absence following resignation and maternity leave), as well as 3 trainees.

In 2017 CEPOL run 19 recruitment campaigns which attracted 476 applications.

Staff fluctuation continues to be significant, due to the low country coefficient factor combined with relatively low grades of staff; the same factors do not assist CEPOL in attracting the best talent from the broadest possible geographical basis from among nations of Member States. In fact, Host Member State nationals continue to be overrepresented in total number of staff. At the end of 2017, there were 19 Hungarian citizens (34%) working for the agency, from a total of 55 staff (TA, CA & SNE), of which 2 SNEs.

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

Key conclusions on management of financial resources

At the end of December 2017, the total 2016 budget execution, including carried forward funds from 2016-2017, has reached 93.76 %.

CEPOL's regular budget for 2017 was €9 280 000. The regular budget is consumed over three budget headings (titles). Title 1 covers staffing; Title 2 covers expenditure related to infrastructure and running costs; and Title 3 covers operational costs.

By the end of December 2017, 97.09% of the budget has been committed, out of which 86.57% has been paid (84.02% of the total budget).

A total of €1 213 257 has been carried over to 2018, amounting to 13.07% of the overall 2017 budget. These credits cover mainly grants signed during the 4th quarter of 2017, travel expenditure by default invoiced in 2 months posterior and other contracts signed or renewed end of 2017.

After relocation, some staff members initiated a Court case, 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. The amicable settlement case is considered to be closed. With regard to the remaining legal case concerning the CEPOL relocation the hearing at the Court has been further postponed to early 2018.

⁴ includes 4 positions for the EU/MENA Counter-terrorism project, separately financed from the grant agreement signed in November 2015

⁵ Including job offers sent before 31 December 2017

In 2015, a budget of €2.49 M has been granted to CEPOL via a grant agreement signed with the European Commission on EU/MENA Counter-terrorism Training Partnership (MENA). The project implementation ended in November 2017, however some incurred expenditure will be invoiced after the implementation period. It is expected that the project will be closed by the end of March 2018. The budget implementation of the project compared to the total granted budget reached 77%% (€1 835 094) at the end of 2017. Payment execution reached 76% of the available credits by the end of 2017.

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 Financial Regulation, the Executive 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 five years. Moreover, no major non-conformities were identified by the quality external auditor during the 1st surveillance audit with regards to implementation of ISO 9001:2015 Management System Standard.

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

Part I. Achievements of the year

General overview

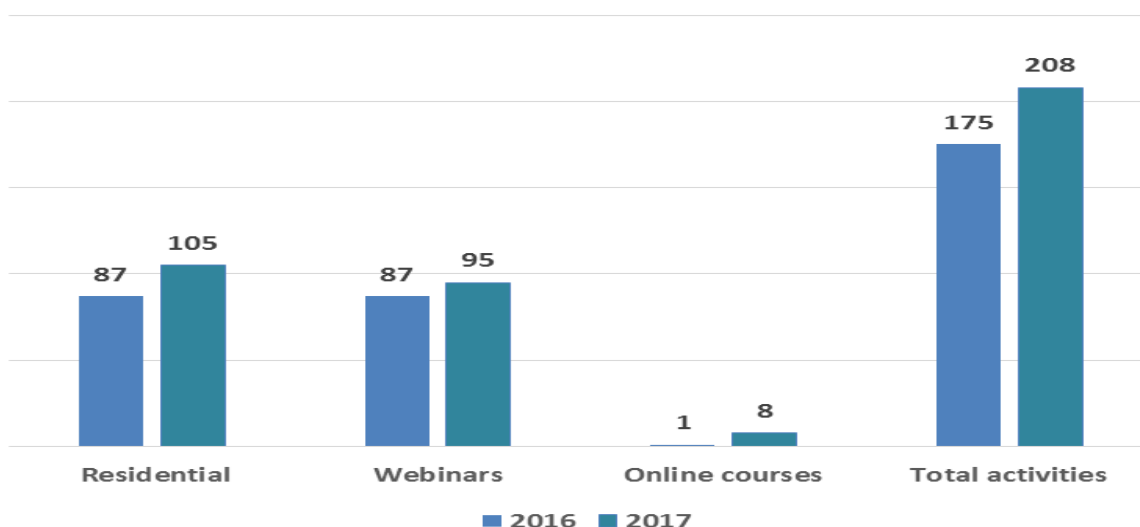
Based on the outcomes of the annual TNA consultations with the MS and stakeholders, CEPOL develops its response to the EU level training needs deriving from the EU security threats and CEPOL mandate.

A thematic based approach in line with the LETS principles is applied when preparing a selection of training interventions. As a principle online solutions are used for awareness raising or where large audiences need to be reached, while high level specialist training needs are met by tailor made residential activities and CEPOL exchange programme (details on various tools can be found in Annex I). CEPOL training approach is based on circular training cycle:



In 2017 CEPOL planned to implement **201 activities** (**103** residential, **10** online courses and **88** webinars), but catering to emerging needs, CEPOL delivered **208 activities** (**105** residential, **8** online courses and **95** webinars).

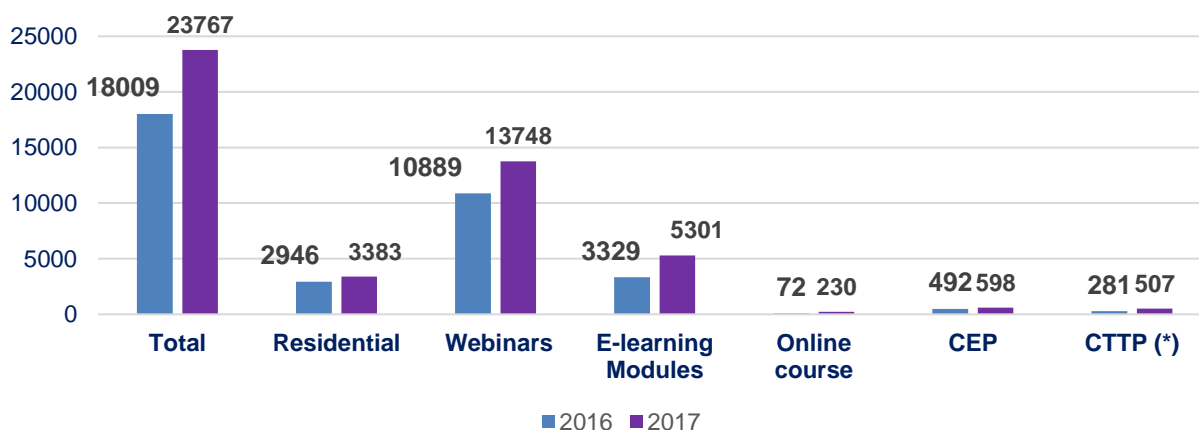
Number of activities implemented: 2016 and 2017



Beyond that, CEPOL also developed and implemented **598** exchanges, and maintained **34 online modules** (27 CEPOL modules and 7 modules where content was developed by CEPOL partners).

In total, **23 767** law enforcement officials took part in CEPOL training activities on issues vital to the security of the EU and its citizens, which represents a remarkable (32%) increase compared to 2016. In addition, the implementation phase of **EU/MENA Counter-Terrorism Training Partnership project** programme started in 2016 with **507** law enforcement officials taking part in CEPOL training activities on counter terrorism in 2017.

Number of participants in 2017 vs 2016



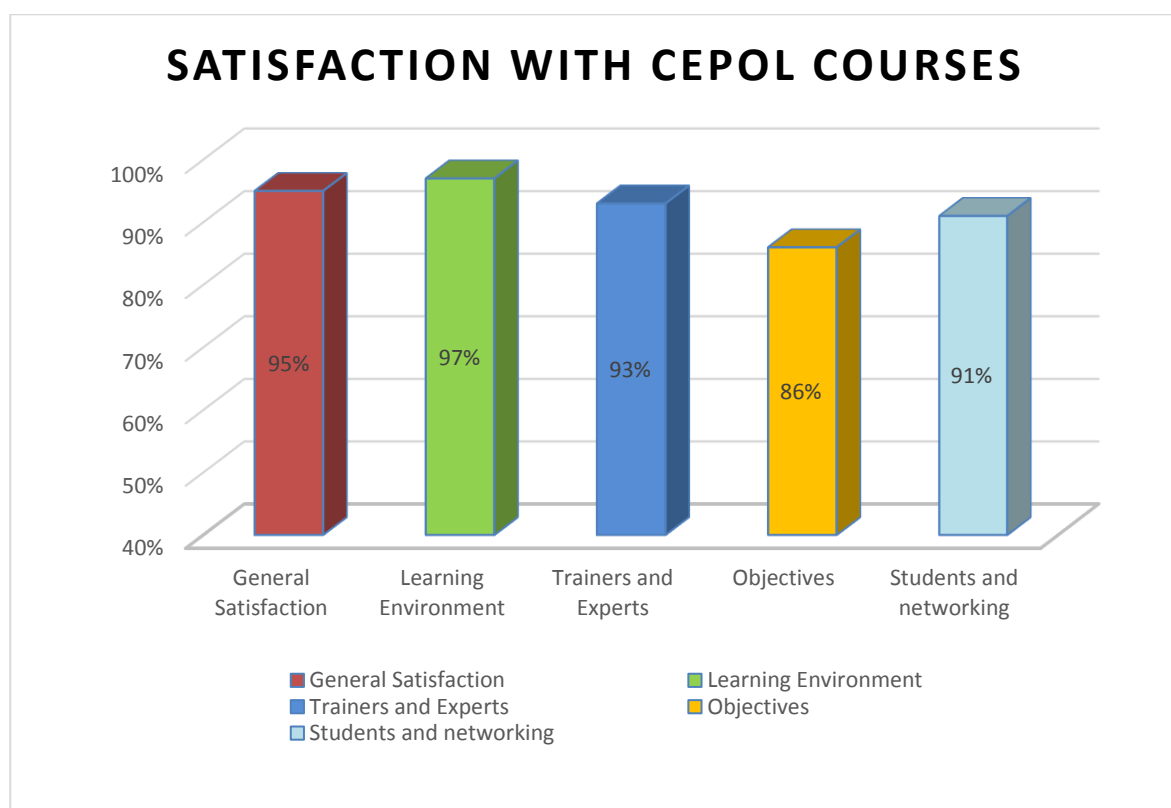
(*) Counter-Terrorism Training Partnership project (CT MENA)

Quality assurance of learning – education and training

CEPOL develops an evaluation system based on Kirkpatrick's model, which effectively serves the quality improvement of training and learning products, guarantees the relevance of the implemented activities and remains proportionate, concentrating on the assessment of the key aspects of trainings, bearing in mind the direct and indirect costs of such assessment.

In line with the Governing Board decision (12/2016/GB) on the CEPOL training Evaluation Methodology the new feedback templates had been introduced from the beginning of 2017.

The new simplified evaluation templates collect information on the quality of the content, students, trainers and learning environment in comprehensive but economical way. As a new element, the feedback forms assess individually the contributing trainers' performance. In addition to these factors post course evaluation carried out 4-12 months after the activity, collects relevant information on the level of cascading, learning continuity, development in individual job performance and organisational impact. The planned measure on testing needs to be further reinforced.



The detailed evaluation results confirmed that CEPOL trainings had positively changed the job performance of participating officers and had remarkably developed the working practice of the sending organisations. 91% of former participants established the relevance of CEPOL courses and more than three quarters stated that they applied what they have learnt.

63% of former course participants and their line managers stipulated that the general competence of the staff of their agency improved, half of them stated that their law enforcement agencies engaged more in cross-border cooperation and a two fifth of them declared that internal working methods in their unit had been improved as a consequence of the training activities. Only 4% of

the participants declared that the participation in courses had no impact on their national organisation.

Cascading is critical to guarantee that the knowledge obtained during CEPOL activities is spread in the EU enforcement community and contributes to the construction of a more secure Europe. Last year overwhelming majority of the course attendants declared that they had shared their acquired skills and knowledge in their national environment.

Almost all participating officers (97%) underlined the fact that CEPOL trainings stimulated them to continue to develop themselves. In addition to that, close to 60% of them stated that they retained their newly acquired professional contacts after one year, proving the fact that CEPOL activities strongly contribute to build a common law enforcement community in Europe. In view of these encouraging results, it can be concluded that CEPOL has a tangible impact on Member States law enforcement operative capacity.

CEPOL evaluates the quality and efficiency of learning and training products in a coherent and comprehensive way, applying the same logic throughout the assessment, while acknowledging the differences of the various training and learning options.

2017 was the year when following the external audit completed in January 2017, CEPOL has been certified to the Management System Standard ISO 9001:2015 by Lloyd's Register Quality Assurance for residential activities and CEPOL exchange programme. ISO certification confirms that quality development is integrated into CEPOL's programming.

Multiannual objective 1: "An enhanced independent CEPOL capability that delivers efficient training and education services"		
Activity 1: Support, develop, implement and coordinate training for law enforcement officials in the areas of terrorism, serious crime and public order		
Specific objectives		Performance indicator
1.1	Objective 1.A Provide training and learning options for all 11 EU Policy Cycle 2014-2017 priorities and support preparations for the next cycle 2018-2021. These actions shall support and complement the implementation of the Operational Action Plans (OAPs).	Number of activities implemented vs planned Target: 95%; Progress: 96% (79 vs 82) Number of participants trained Target: 3 400; Progress: 10 314 Participant satisfaction with CEPOL training Target: 90%; Progress: 94%
1.2	Objective 1.B Support Member States' capacity to deal with the challenges arising from terrorism, radicalisation and foreign fighters in line with fundamental rights safeguards by providing a platform for exchange of knowledge and skills across the Union, capturing and disseminating good practices, and strengthening professional networks.	Number of activities implemented vs planned Target: 95%; Progress: 100% (13 vs 13) Number of participants trained Target: 400; Progress: 1 098 Participant satisfaction with CEPOL training Target: 90%; Progress: 95%
1.3	Objective 1.C CEPOL will strengthen the Member States' capacity to cooperate across borders and investigate crime effectively and efficiently, whilst guaranteeing the respect of fundamental rights. Learning options will focus on the following areas: 1. Effective use of European Union instruments for information exchange and law enforcement cooperation :	Number of activities implemented vs planned Target: 95%; Progress: 97% (88 vs 91) Number of participants trained Target: 4 600; Progress: 8 621 Participant satisfaction with CEPOL training Target: 90%; Progress: 92%

	2. Application and improvement of investigative techniques that have significant impact on cross border investigations 3. Exchanging good practices and approaches on major events policing 4. Incorporating Fundamental Rights in training curricula and delivering specialist actions	
Activity 2: Prepare multi-annual strategic training needs analyses and multi annual learning programmes		
Specific objectives		Performance indicator
2.1	Objective 2.A CEPOL will conduct the analysis of European training needs addressing strategic and operational aspects of law enforcement education in line with LETS principles.	Number of analytical products Target: 2; Progress: 1 Number of stakeholders involved Target: 35 (TBC by methodology); Progress: 40 (28 MS, Council of the EU, EP, EC, ESDC, EEAS and 7 JHA agencies)
2.2	Objective 2.B The strategic vision of European law enforcement development is supported by a multi-annual European Leadership Development Programme delivered by CEPOL.	Increase of participants in leadership activities in comparison with 2014 Target: 10%; Progress: 36% (222 in 2014; 303 in 2017) Exam/test pass rate in comparison with number of participants taking exam/test Target: 70%; Progress: 96% (EJMP: 27 qualified for dissertation, 26 submitted and passed) Participant satisfaction rate with CEPOL training Target: 90%; Progress: 93%
2.3	Objective 2.C CEPOL supports and contributes to law enforcement research , development of education and learning approaches and techniques .	Number of new entries in LTRdb Target: 150; Progress: 52 (due to lower response rate from Member States) Number of language development actions implemented vs planned (%) Target: 90%; Progress: 136% (15 vs 11) Number of participants taking part in online learning Target: 12 000; Progress: 19 279

Activity 1: Support, develop, implement and coordinate training for law enforcement officials in the areas of terrorism, serious crime and public order

Objective 1.A: EU Policy Cycle 2014-2017

CEPOL has further intensified its efforts to provide a comprehensive training portfolio on all areas of Policy Cycle. Countering illegal immigration, cybercrime and the integration of specific organised crime and financial investigations remained priority areas.

In total in 2017 30% of the entire CEPOL training offering was dedicated to the Policy Cycle priorities and horizontal matters. Concretely, CEPOL delivered **79** training activities and provided 8 online modules with total number of participants **10 314**:

- 36 residential activities attended by 1 148 participants
- 43 online activities (38 webinars, 5 online courses) and 8 online modules with total of 8 975 participants
- 191 exchanges.

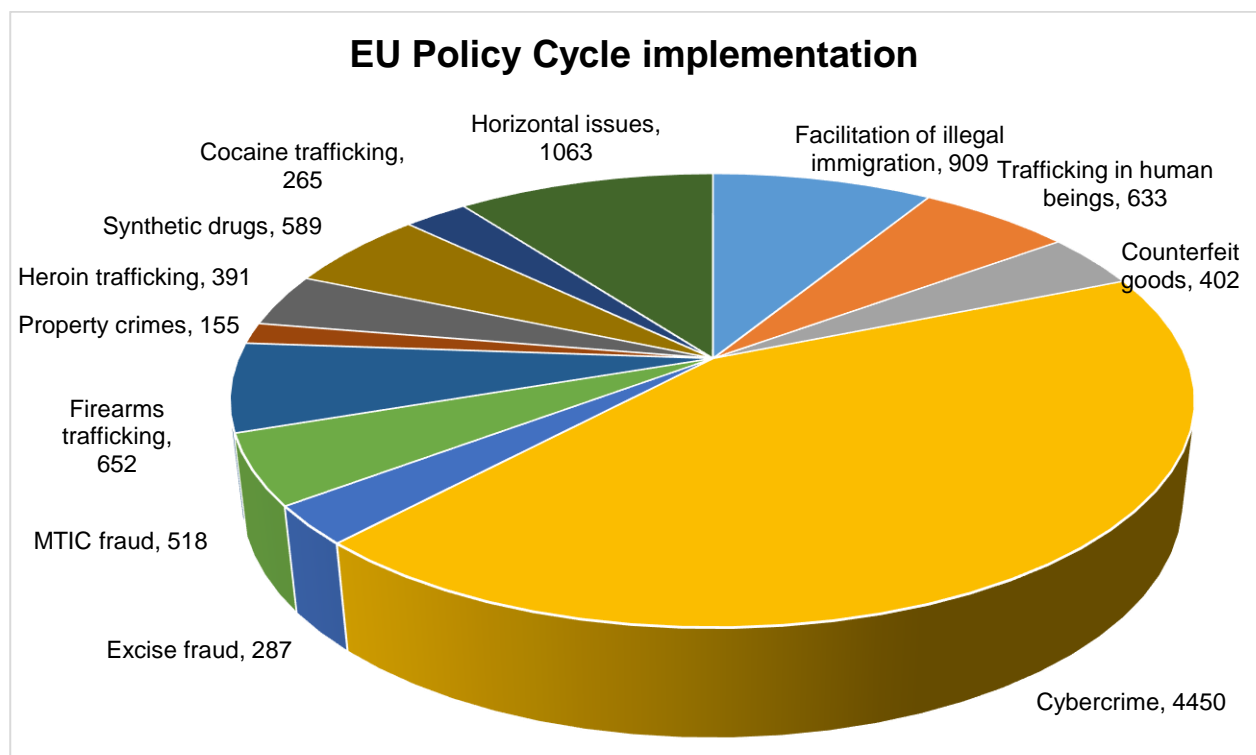
This demonstrates continuous and increasing commitment of CEPOL's investment (in comparison with 55 activities attended by 5 661 participants in 2016).

The training has become an integral component in operational actions of EMPACT ensuring that investment into training and exchange of best practices delivers benefits in terms of improving data gathering and intelligence sharing or in better operational cross-border cooperation.

The agency actively contributed to the preparatory process of the new EU Policy Cycle 2018-2021 by introducing the Multi- Annual Strategic Plan (MASP) methodology training in all strategic planning meetings of the EMPACT groups and organising a dedicated workshop for EMPACT Drivers and Co-Drivers in 04-05 September at CEPOL HQ.

EU Policy Cycle categories were handled as a matter of priority in the CEPOL Exchange Programme 2017.

Training was part of all 13 EMPACT Operational Action Plans. Division of trained officials per Policy Cycle priority is shown in the chart below:



Migration (as one of the EU Policy Cycle areas)

CEPOL in close partnership with EU bodies continued to address the challenges stemming from the unprecedented migration flows reflecting on the fact that the growth in illegal migration puts extraordinary pressure on EU law enforcement structures. CEPOL training remained closely aligned with the requirements voiced by the EU Policy Cycle EMPACT group on illegal immigration, with focus on increasing the knowledge and competences on combating organised crime groups (OCGs) facilitating illegal immigration and effective management of transnational investigations including the application of financial investigative and asset recovery techniques.

Curricula of the trainings were developed in close cooperation with experts from Member States, Western Balkan countries, Europol, Eurojust, Frontex, EASO, FRA, guaranteeing the coverage of important aspects concerning secure border management, exchange of information and cooperation between the EU agencies and national law enforcement institutions operating at the frontline, both in transit and destination countries.

Training activities were designed to address the issues of the misuse of migration flows for terrorism, foreign fighters and returnees and radicalisation as well.

Having in mind the permanently evolving nature of the threat, CEPOL developed and launched a detailed Training Needs Analysis on cross-border cooperation to counter migrant smuggling in order to better identify specific training needs of the EU law enforcement community in terms of skills and competencies required for tackling the complexities of this social and criminal phenomenon.

In total **11 training activities** and 1 online module attended by **909** participants were dedicated to the thematic priority of migration:

- 8 residential activities were attended by 290 participants, representing a development in comparison with the six residential activity in 2016 with 195 participants trained.
- 3 webinars and 1 online module with total participants of 600;
- 19 exchanges.

Cybercrime (as one of the EU Policy Cycle areas)

Cybercrime is one of the fastest evolving and expanding criminal area in serious organised and transnational crime.

To address the strategic challenges in the area, CEPOL supported the "Combating Cybercrime - Training Governance Model" that will provide the framework to establish a global training coordination mechanism at the EU Level, in order to effectively and efficiently address the acute operational and strategic needs in order to develop high quality training.

The training need is significant due to limited availability of training on national level in some Member States, limited access to trainers, and high turnover of staff among other reasons. Understanding ever growing training needs in the area, CEPOL made a further step to reinforce its cyber training portfolio in order to ensure that the knowledge related cyber capability challenges are met in European law enforcement.

In cooperation with EC3/Europol, ECTEG, Member States and private sector experts, the agency covered awareness level needs such as first responders, as well as specialist training needs among those building skills in the areas of investigating child sexual exploitation online, TORs, darknet and digital forensics.

In 2017 CEPOL delivered **25 training activities**, **2 online modules** attended by **4 450** participants:

- 11 residential activities attended by 317 participants;
- 14 webinars and 2 online modules attended by 4 091 participants;
- 42 exchanges.

Combating child sexual exploitation with particular focus on victims' needs, the various aspects of cybersecurity, cyber forensics and digital evidence, investigation in TOR and darknet were areas that CEPOL trainings concentrated. It is important to underline that digital crime has not been addressed only in special cybercrime courses. Due to the fact that crime has an increasingly digital nature, course on serious organised crime, law enforcement techniques (such as criminal analysis) include more and more frequently sessions on online intelligence and investigations techniques and tools.

CEPOL support to the EMPACT priorities Payment Card Fraud, Child Sexual Exploitation and Cyber-attacks had been recognised, cooperation with key EU stakeholders European Cybercrime Centre at Europol (EC3), Interpol, Council of Europe, ECTEG remain a priority.

Objective 1B: Counterterrorism

CEPOL responded to the challenges related to terrorism by implementing a portfolio of training activities focusing on improving operational cooperation and increase the capabilities on countering the terrorist threats.

CEPOL delivered **13** activities and provided access to two online modules developed by partners hosted on CEPOL Learning Management System. Training activities were attended by **1 098** participants, divided as follows:

- 9 residential activities were implemented and attended by 328 participants;
- 4 webinars and 2 modules attended by 733 participants;
- 37 exchanges.

CEPOL activities integrated fundamental rights values and concentrated on all major elements of the security challenge such as roots and prevention of radicalisation, tackling the threats of foreign fighters, soft target protection, terrorism financing, and protection of critical infrastructure, explosive disposal and cooperation with third countries. The effective use of information exchange tools, the Radicalisation Awareness Network, the use of special tactics (ATLAS) and coordinated emergency response were also discussed during counterterrorism courses. Close cooperation with Commission, Europol, Eurojust, and the Genocide Network further strengthened the responsiveness of activities in the field.

Target group for these courses was identified as law enforcement officials, first line law enforcement officers, senior and chief specialists, and investigators from EU law enforcement institutions responsible for public security (police, dignitaries, protection, etc.) or dealing on a regular basis with counterterrorism issues.

To further increase the impact of training in this key area, the CEPOL Knowledge Centre on Counter-terrorism had been established in late 2017, with the direct engagement of 10 national training institutes from the Member States.

Objective 1C: Strengthening the capacity to cooperate across borders and investigate crime effectively and efficiently, whilst guaranteeing the respect of fundamental rights.

In this field CEPOL implemented **88** training activities and provided access to 15 online modules with the total number of participants **8 621**:

- 44 residential activities attended by 1 309 participants
- 44 online activities (43 webinars, 1 online course) and 15 online modules with total of 7 018 participants
- 294 exchanges.

Information exchange and law enforcement cooperation

In 2017 CEPOL delivered in the area of Information exchange and law enforcement cooperation:

- 12 residential activities attended by 333 participants;
- 14 webinars and 12 modules attended by 3 054 participants;
- 109 exchanges.

In the domain of information exchange, specialised courses had been developed in close cooperation with European Commission and eu-LISA for national operators of the Schengen Information System II, Visa Information System and Eurodac.

Enhanced portfolio had been developed for the staff of the SIRENE bureaus in order to maintain and update knowledge on SIRENE Manual and the effective functioning of SIRENE cooperation. The evaluators and leading experts of the Schengen evaluation mission process and the Single Point of Contacts had also been targeted by relevant CEPOL trainings.

In terms of major cooperation instruments, the agency continued to provide multidisciplinary trainings – involving judicial officers - in relation to the management and leadership of Joint Investigation Teams sharing good practices on the planning, setting up, funding, operation and evaluation of JITs.

In view of the distinct importance of the region, a dedicated course had been delivered to support the implementation of JITs in the Western Balkan relation.

Moreover, CEPOL continued to address the training needs of specialised European law enforcement networks such as European Network on Fugitive Active Search Teams (ENFAST), European Network of Forensic Science Institutes (ENFSI). Passenger Name Recording practice and standards on disaster victim identification had also been the subject of particular courses.

Investigation techniques

Concerning investigation techniques CEPOL implemented:

- 25 residential activities attended by 765 participants;
- 14 webinars and 1 online course and 3 modules attended by 2 683 participants;
- 135 exchanges

CEPOL training activities supported the correct application and improvement of investigative techniques that have significant impact on cross border investigations. The use of modern criminal analysis techniques and tools on strategic, tactical and operational level including open sources

intelligence and the concept of intelligence-led policing had been fields that activities concentrated on.

Special attention was paid on strengthening the use of financial investigative techniques and enhancing the capacity of the European law enforcement community on financial forensics, money laundering investigations and asset recovery. In this regard the use of international cooperation instruments such as Europol, Eurojust, OLAF, the exploitation of networks like FIU, CARIN, Egmont Group, ALEFA had been widely discussed as well as the integration of financial investigations into serious organised crime cases and financial intelligence practices. In order to enhance the ability to identification, seizure, freeze and confiscation of criminal proceeds asset recovery had been handled also as a horizontal issue addressed in majority of CEPOL activities.

In partnership with Europol, dedicated courses had been delivered in order to exchange good practices on the use of covert human intelligence sources and witness protection with a focus on the issues of international relocation. The challenges concerning detection of false documents, the possibilities and the risks of undercover operations and the use of social media in the context of law enforcement had been reinforced via trainings.

Public order: policing major events

With regard to the area of public order CEPOL delivered:

- 5 residential activities attended by 154 participants;
- 2 webinars attended by 189 participants;
- 40 exchanges.

CEPOL trainings increased the competences on the level of security requirements for large scale events by deepening the knowledge of risk assessment, tactical planning, deployment strategies, operational implementation and evaluation of major mass events public assemblies and international summits.

In cooperation with EU Think Tank on Football Security and UEFA, a course had addressed the safe and secure policing of international football matches, critically evaluating and learning from the latest research results and operational practices on safety oriented public order management.

The agency contributed to improve the threat assessment and management of the public violent attacks carried out by amok runners, lone wolves with a particular attention on prevention. In relation to emergency situations the central issues of risk assessment, the coordinated response of relevant agencies, cross-border support and operative management and civil protection received particular consideration.

Fundamental rights

The respect of fundamental freedoms, full compliance with fundamental rights are principles that are embraced all around the CEPOL training portfolio and remained reflected in all training curricula and activity programmes.

In addition to that, CEPOL organised dedicated activities:

- 2 residential activities attended by 57 participants;
- 13 webinars attended by 1 092 participants;
- 10 exchanges.

The residential activities and webinars shared good practices on increasing the level of integrity, ethics and fundamental rights in day to day police operations. Distinct human rights protection

aspects concerning vulnerable groups, law enforcement management of diverse societies and police forces, structures and procedures reinforcing ethical behaviour were subjects that these dedicated activities focused.

The e-learning module continued to provide up to date and practical knowledge on addressing issues of hate crime from multidisciplinary and international perspective.

Activity 2: Prepare multi-annual strategic training needs analyses and multi annual learning programmes

Objective 2.A: Training needs

CEPOL by its Regulation is tasked to prepare multiannual strategic training needs assessment, in light of the agency's core mandate to support, develop, implement and coordinate training for law enforcement officials.

EU Strategic Training Needs Assessment (EU-STNA)

The EU Strategic Training Needs Assessment (EU-STNA)⁶ is a detailed examination and identification among EU priorities in the area of internal security, of those priorities with a training dimension, and that should be tackled by training activities at the EU level.

Main questions the EU-STNA is aiming to answer are:

- What are the capability challenges to be addressed by training at the EU level;
- What training needs should be given priority.

In 2017, with the financial support of the European Commission, and in close cooperation with the Member States, and Europol and Frontex, a "Methodological Study to Develop Strategic Training Needs Analyses in the Framework of the LETS Implementation" has been performed by an external contractor to enable CEPOL implement the crucial part of its mandate. The study was completed earlier in 2017, and a draft Methodology was delivered to CEPOL in July 2017 for its further adjustment.

It has to be noted that the Methodology has not been tested before its actual implementation, hence the first EU-STNA constitutes a pilot exercise.

The CEPOL Acting Executive Director, supported by a brief introduction by the Director of the Directorate D "Security" of DG HOME, presented the approach to EU-STNA to the Standing Committee on Operational Cooperation on Internal Security (COSI) on 25 September 2017, which marks the official launch of the pilot EU-STNA, covering the period of 2018-2021.

In October, following the methodology, CEPOL initiated Step 1 of the pilot project (Desk research) which was supported by 7 JHA agencies, European Commission, Council of the EU, LIBE Secretariat at the European Parliament, the EEAS, and the ESDC providing policy and strategic documents for analysis. The desk research was concluded by the end of December 2017 extracting information on security threats, sub-threats, horizontal aspects and law enforcement capability challenges, which will serve as a basis for further more detailed discussions in the expert groups.

In parallel, CEPOL started preparations for Steps 2-3 (Expert consultations). In the end of 2017, with the support of Europol, 14 meetings have been scheduled in Jan-Feb 2018 when the existing EMPACT groups will be consulted. The aim of the consultations is to identify EU training needs

⁶ EU-STNA <https://www.youtube.com/watch?v=j6xBZMrQibc&t=12s>

through the discussion with operational representatives from the MS and EU experts. This information will be consolidated and presented to the strategic level of the MS for training needs' prioritisation in summer 2018.

It can be anticipated to finalise the first EU-STNA cycle in September/October 2018, when the EU-STNA report will be presented to the Council and the European Parliament.

Operational Training Needs Analysis (OTNA)

While it is envisaged that the EU-STNA having assessed security threats and challenges will give strategic guidance where the Union shall dedicate its resources in law enforcement training, it is necessary for CEPOL to:

- identify the detailed training needs at operational level for specific target groups, required competencies and mastery levels in the EU-STNA priority areas, including the volume of law enforcement officials that require such training;
- design comprehensive tailored thematic training portfolios.

For that reason CEPOL began the development of scientifically sound and reliable Operational Training Needs Analysis methodology. The work, supported by experts from the Member States and EU agencies, was completed and the new OTNA methodology was adopted by the CEPOL Management Board in November 2017. The new methodology, which foresees strong involvement of the CEPOL Knowledge Centres, will be piloted for Counterterrorism and CSDP missions' topics.

Annual TNA

Similarly to the previous years, CEPOL concluded annual training needs analysis exercises for 2018 to enable finalisation of planning for the upcoming year.

- 175 residential activities that were prioritised by Member States, as a result 74 activities (42%) had to be de-prioritised due to shortage of resources;
- 102 webinars;
- 6 online courses;
- 5 new online modules.

Objective 2.B: The strategic vision of European law enforcement development is supported by a multi-annual European Leadership Development Programme delivered by CEPOL

CEPOL implements a fully accredited **European Joint Master 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 with one module dedicated to leadership. The first EJMP was launched in October 2015 and in October 2017 CEPOL finalised the first Cohort of its 2 year programme with 26 students successfully graduating and receiving a Master Diploma. Also in October 2017 CEPOL launched its 2nd cohort in Hungary with 30 students enrolled. These students will attend 7 modules in 7 different countries and will have the opportunity in 2019 to graduate following a successful thesis and dissertation defence.

In 2017 CEPOL continued to support the strategic vision of European law enforcement leadership development by delivering a component of **European Leadership Development Programme:**

- The **Future Leaders** (two modules) - 27 'future' EU executive leadership participants attended the CEPOL training with the view to develop the competencies necessary to manage law enforcement structures in the global environment. The methodology adopted was a blended learning and development mix of event workshops, residential training modules including coaching support. The programme incorporated a variety of relevant subjects delivered by both policy and specialist public and private sector experts including the provision of five day exchange under the Exchange Programme, to help facilitate the research and preparation of the Group Assignment projects.
- **EU CSDP Police Command and Planning Course** attended by 25 participants responds to the training needs defined by the European External Action Service catering for operational needs of the EU missions aiming to develop necessary competencies for deployment on high level positions within the CSDP civilian crisis management missions or to relevant EU bodies dealing with crisis management.

Objective 2.C: CEPOL supports and contributes to law enforcement research, development of education and learning approaches and techniques

Training and learning

Contributing to modern law enforcement education CEPOL disseminated knowledge on the use of contemporary training and learning methods and developed language skills in the context of law enforcement in **15** training activities that received the participation of **2 679** officers:

- 5 residential activities attended by 305 participants;
- 10 webinars and 7 modules attended by 2 341 participants;
- 33 exchanges.

The agency continued to satisfy the needs of the law enforcement training community by enhancing the knowledge on the use of interactive delivery methods and blended learning techniques in diverse, multicultural training environment.

Taking into account the fact that the management and conduct of effective cross-border collaboration requires special language skills, residential and online language courses had been delivered targeting law enforcement officers having key functions in international cooperation.

Research and knowledge management

The annual **CEPOL Research and Science Conference 2017: Innovations in Law Enforcement – Implications for practice, education, and civil society** - was organised again in cooperation with the Hungarian National University of Public Services on 28 – 30 November.

Aiming at bringing together leading practitioners, scholars and educators from law enforcement and academia, the event attracted around 220 participants. Keynotes were presented by representatives of the EU-Commission, Europol, Frontex, the Los Angeles Police Department and the Universities of Toronto and Ghent. The programme offered 77 papers, 13 poster presentations and two sessions demonstrating innovative hard and software. Contributions covered the major law enforcement areas, including police, border-guards' and prosecutors' perspectives.

In 2017 the agency continued to work towards becoming a trusted repository for law enforcement knowledge and best practice by offering various products and services, such as:

- On the basis on agency's proposal CEPOL Management Board approved CEPOL's research agenda for the upcoming years with the following research areas:
 - o From police to law enforcement: best path for an extended training outreach;
 - o Identifying the evidence-base for an optimal blended-learning approach in law enforcement training and education;
 - o Preparing for Civilian Crisis Missions: What training support is needed on the ground?
- online access to **17** European and international titles of e-journals covering multiple access of police science, law enforcement and criminal justice for users holding an e-Net account. In addition, summaries of articles of more than **300** international journals are accessible through a criminal justice abstracts service;
- offering access to a collection of 150 000 academic e-book titles, accessible for research and study;
- CEPOL e-Library, grown to **2 047** items, where users can find research outcomes and studies from the institutions of the Member States as well as articles;
- Scientific and research articles are regularly published in the peer-reviewed European Police Science and Research Bulletin, which has gained increased acknowledgement in the scholarly community. **3** issues of the Bulletin were published in 2017, offering 76 articles overall.
- The CEPOL Lecturers, Trainers and Researchers Database (LTRdb) featured 201 expert profiles, which were regularly consulted by organisers of learning activities in the CEPOL environment.

Further development of e-learning systems

Online courses are further developed

Eight online courses (1 in 2016) were implemented in 2017, four of which by Framework partners. A total of 230 participants were trained through this form of training. The overall satisfaction rate for online courses in 2017 was 87%.

The approach to learning and training in CEPOL online courses has been elaborated by workshops, and coaching of online course managers. Good practices, templates and guidelines have been collected and are shared through a dedicated platform for online courses managers, trainers and e-Net managers.

This not only provides future educators involved in the preparation and implementation of online courses with an essential knowledge base of starting up online courses, but also enables new experiences to be captured – building on to that knowledge base for CEPOL online courses.

Webinars are further developed encompassing new methodologies

95 webinars have been implemented, of which 9 ad hoc, 1 carried over from 2016 and 85 from the annual programme. 13 748 participants took part in these online events with an overall satisfaction level of 94%.

The webinar services and methodologies have been further developed in the year 2017 with the online platform Webinar Resources being the single source for all webinar related activities and products: registration, certification, recorded webinars, notifications, guidelines, templates and good practices. In the course of 2017 the platform grew with 2 189 members to a total of 6 174.

A powerful feature of webinars and making their recordings available, is the ability to create new training curricula. CEPOL, in close cooperation with Europol and RIPE NCC, offered the first of such curricula with the webinar series on 'How to investigate IP addresses for law enforcement officers'. The six webinars in the series were broadcasted in May-June of 2017, after which their recordings, together with tests and the opportunity to obtain a certificate, were made available on e-Net for self-paced individual learners. 333 learners have entered the series of which 77 have completed them with a certificate.

E-Net platform is used for delivery of training, creation of a knowledge repository of training curricula, good practices

2017 has seen CEPOL's e-Net being further developed in order to improve its delivery of the different online learning and training services. With the harmonising of its look and feel and CEPOL's new identity, navigation based on CEPOL products and services, as well as the embedded support for mobile devices, steps have been made to meet needs of contemporary users.

Major investments have been made in online modules. This includes the development of four new modules as well as the update of eight others. On the other hand, more features were made available to module users, allowing them more control over their learning. These features included time-on task and content completion indicators, navigation through tags and downloadable (shareable) certificates.

Opportunities for blending of learning and training have been enhanced for the European Joint Master Programme, CEPOL Exchange Programme and the residential courses, seminars and conferences. These were based on good practices, both from CEPOL and the learning & development domain in general, and have become available for organisers of activities, trainers, moderators and learners themselves.

The e-Net holds fifteen platforms for communities of practice. These communities of like-minded professionals sharing a common goal, had a total of 5 597 members.

Studies have been completed regarding future improvements of e-Net, which involved representatives from different users groups, stakeholders, CEPOL staff and CEPOL management. The outcomes of these studies provide important input to the further development of e-Net. This will include enhancing the subscriptions for e-journals and e-books which have become available in 2017.

In cooperation with the European Union Intellectual Property Office (EUIPO) CEPOL established a new knowledge base on the CEPOL electronic platform on Intellectual Property Rights enforcement after the successful completion of the related project in September 2017. This new knowledge hub called the "Virtual Training Centre on Intellectual Property Rights" gives access to a set of comprehensive training resources covering IP rights, their infringement and enforcement. The e-learning platform with resources ranging from basic training to advanced courses, contains over 50 modules, webinars and other reading material on intellectual property enforcement.

The Virtual Training Centre can be accessed by enforcement authorities including the police, customs officers, prosecutors and other members of the judiciary, market inspectors with law enforcement powers enforcing IP rights at national and local level. The content of the platform is planned to be progressively increased over the coming years by adding new training resources.

External Relations

Multiannual objective 2: “Strengthening the CEPOL network and enhancing the external relations”	
Activity 3: Supporting Union missions, Capacity-building in third countries, and Cooperation with Union bodies and international organisations	
Specific objectives	Performance indicator
3.1 Objective 3.A The objectives of CSDP Missions are supported by CEPOL training by focusing specifically on the law enforcement and judicial cooperation aspects of those missions, thereby enhancing compatibility and uniformity of EU approaches to civilian crisis management areas. The training needs analysis for security experts to be deployed in EU Delegations will be conducted. CEPOL will closely work together with EEAS, Member States, ESDC, EUPST and ENTRi in the design and delivery of training.	Number of activities implemented vs planned Target: 95%; Progress: 116% (7 vs 6) Number of participants trained Target: 160; Progress: 245 Participant satisfaction with CEPOL training Target: 90%; Progress: 96%
3.2 Objective 3.B CEPOL's role in Capacity building in Third Countries shall promote the EU's message contributing to peace and stability, respect for fundamental rights and the harmonisation of law enforcement practices with those observed across the European Union, including the effective use of international law enforcement cooperation instruments developed at Union level. Particular attention shall be paid to thematic assistance in the priority areas covered by the European Agenda on Security and Migration and the renewed Internal Security Strategy of the Union. In doing so, CEPOL shall rely on cooperation with international and regional partners, such as the PCC SEE and DCAF, etc.	Number of activities implemented vs planned (CT MENA) Target: 95%; Progress: 144% (26 residential activities implemented vs 18 planned) Number of participants in residential activities (CT MENA) Target: 450; Progress: 521 (248 in 2016 and 273 in 2017) Participant satisfaction with CEPOL training (CT MENA) Target: 90%; Progress: 96% (92% in 2016) Number of Exchanges implemented vs planned (CT MENA) Target: 90%; Progress: 59%* (exchanges and study visits for 267 participants implemented vs 450 planned) <small>*The partners were not familiar with the exchange programme, as such they showed more trust and preference to study visits. In the latter, small groups of officers participated each time, hence the participants target was not reached, but the number of activities exceeded the planned ones.</small> Participants satisfaction with CEPOL exchanges (CT MENA) Target: 90%; Progress: 99% Working Arrangements effectively being implemented Target 90%; Progress: 100% (currently 18 WAs signed with third countries and non-EU organisation are actually implemented (the one with Russian Federation is on hold)
3.3 Objective 3.C CEPOL's capacity to effectively operate in the wider European Union landscape, populated by a multiplicity of partners, is key to maximise the contribution of European level law enforcement training to the security of EU citizens. It is therefore paramount that CEPOL continues to work closely with the European Commission and at the same time continues to contribute to the work of the relevant Working Parties and Committees at the level of the Council of the European Union. Fruitful exchanges with the European Parliament should also be sought, to ensure the needs of the European law enforcement community are effectively communicated to the superior EU institutional instances.	Number of CEPOL-led JHA Scorecard activities implemented vs planned Target: 95%; Progress: 87% (15 activities, out of which 13 fully implemented, the other 2 (STNA and TM glossary exercise) are ongoing. Timely completion of the JHA Training Matrix Target: JHA Training Matrix for year N+2 is made available by 30 June 2017; Progress: 0% (the Matrix for 2019 is blank for the time being. Justification is the ongoing consideration of its transformation into a planning tool). Attendance to Council Working Parties upon invitation Target: 90%; Progress: 74% (out of 31 meetings held by COSI, COSI SG, LEWP, 23 were attended by CEPOL, as necessary, pending on the agenda topics) CEPOL holds annual Stakeholders' meeting Target: 1; Progress: 100% (event took place on 11 July 2017)

Activity 3: Supporting Union missions, Capacity-building in third countries, and Cooperation with Union bodies and international organisations

Objective 3.A: CSDP Mission training

CEPOL, in close cooperation with Member States, EEAS and ESDC provides specialist training for law enforcement staff to prepare them for deployment in CSDP missions. In 2017 CEPOL delivered **7** training activities (6 residential and 1 webinar) and CEPOL exchange programme that were altogether attended by **245** participants.

In 2017 based on the training needs identified by EEAS, four new course curricula were developed by experts from MS, EEAS and ESDC:

- Tackling organized crime and corruption in the host country of CSDP missions;
- Change management in CSDP missions;
- Management and Leadership in diverse environment (CSDP missions);
- Strengthening human rights in the host country of CSDP missions.

Recognising the need to retain and develop further the available knowledge in this specialist area, a pilot CEPOL Knowledge Centre was established for CSDP Mission training. The CKC will begin its operation in 2018.

Objective 3.B: Capacity building in Third Countries

In 2017, CEPOL continued to expand its network of external partners with a new impetus. A total of 9 working arrangements have been signed (EJTN, Kosovo*, Armenia, OSCE, ESDC, fYROM, Serbia, INTERPOL (renewal), EUIPO). Negotiations are ongoing with UNODC, ENFSI (renewal), Frontex (renewal) and the Ukraine.

As for the Working Arrangements to be concluded with Denmark and the UK having become third countries upon the applicability of the CEPOL Regulation, the Agency has repeatedly contacted these countries in order to start the negotiations. So far, this issue has remained pending.

Relations with the Middle East and North Africa have also intensified, especially in the context of the CT MENA project, which is specifically reported upon elsewhere in this document. There had been preliminary contacts with the Israeli, Lebanese and Tunisian authorities towards the possibility of stipulating a working arrangement, however further reactions are awaited from their side.

CEPOL's External Relations Cooperation*⁷

Overview of CEPOL's cooperation and working agreements		
Country/entity	Type of cooperation	Status
Albania	Working arrangement	In force
Armenia	Working arrangement	In force
Bosnia and Herzegovina	Working arrangement	In force
The former Yugoslav Republic of Macedonia	Working arrangement	In force
Georgia	Cooperation agreement	In force
Iceland	Cooperation agreement	In force

⁷ Some beneficiary countries of the MENA project have not been included in this overview as only very preliminary contacts have been made in terms of formal cooperation.

Kosovo ⁸	Working arrangement	In force
Lebanon	Working arrangement	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	In force
Switzerland	Cooperation agreement	In force
Turkey	Cooperation agreement	In force
Ukraine	Working arrangement	Under negotiation
AEPC	Memorandum of understanding	In force
EJTN	Working arrangement	In force
ENFSI	Memorandum of understanding	In force, amendment under negotiation
ESDC	Working arrangement	In force
eu-LISA	Working arrangement	In force
Eurojust	Cooperation agreement	In force
Europol	Cooperation agreement	In force
Frontex	Cooperation agreement	In force, renewal under negotiation
Interpol	Cooperation agreement	In force
PCC-SEE	Informal cooperation	In force
UNODC	Working arrangement	Under negotiation
EUIPO	Memorandum of understanding	In force
OSCE	Working arrangement	In force

The EU/MENA Counter-Terrorism Training Partnership project

CEPOL started implementing the EU/MENA Counter-Terrorism Training Partnership programme in November 2015, via projects with the beneficiary countries in the region of Middle East and North Africa, notably Jordan, Lebanon, Tunisia and Turkey.

The programme aimed at building the capacity of law enforcement services and other relevant personnel (such as judges, prosecutors and security services personnel whose tasks included a role in judicial investigations) by offering a direct, truly multilateral European approach to good practices in the field of counter-terrorism via tailor-made learning and training activities based on CEPOL's tried-and-tested learning methodologies and training products such as specialist residential training courses and staff exchange programmes.

The programme duration was 24 months commencing with 19 November 2015 and ending with 19 November 2017; the overall budget of the action was € 2 490 504.

To achieve its objectives, the programme was structured along the following main components:

Component 1: Thematic Residential Courses

- Identification of training needs and development of country specific training action plans;
- Thematic, country-specific made courses and seminars on international law enforcement and judicial cooperation instruments, investigative techniques, information sharing and exchange, terrorism financing, and links between organised crime and terrorism;
- Specialist courses on selected topics.

In 2017 CEPOL organised **7** residential activities (courses and workshops) for **124** participants and **8** thematic courses for **149** participants, bringing the total number to **273** participants. The

⁸ 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.

overall satisfaction rate was 96%. The corresponding numbers for 2016 were 11 residential activities for 248 participants.

During the project implementation period, **26** residential activities and thematic courses were carried out for **521** participants from the 4 beneficiary countries.

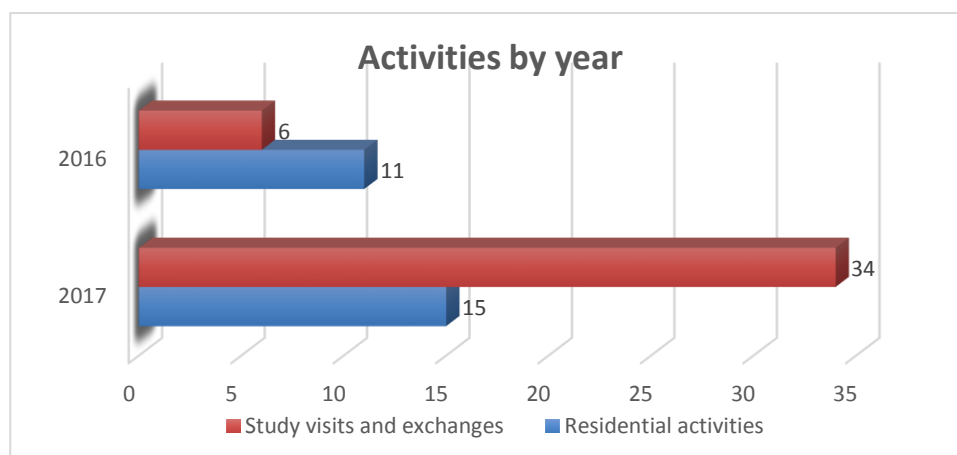
Component 2: Enhanced Law Enforcement Staff Exchanges and reinforced cooperation and networking in the area of training

- Bilateral (as well as unilateral) staff exchange programmes between EU member states law enforcement services and corresponding MENA law enforcement services;
- Bilateral staff exchange programmes between MENA services, on condition that this is mutually accepted by partners;
- Study Visits to European Union agencies (Europol, Eurojust, Frontex) and/or other International Organisations as appropriate
- Study visits to relevant EU National services as well as Brussels-based institutions and/or bodies.
- Thematic courses focusing on learning and training methodologies, curricula development and others, which may include Train-the-Trainers options.

In 2017, CEPOL implemented **34** study visits and exchanges for **234** participants (33 in 2016) in close cooperation with 15 European Union Member States' law enforcement services and training institutions with 99% satisfaction rate.

During the project implementation period, **40** study visits and exchanges were organised for **267** participants from the 4 beneficiary countries.

In total **507** participants were involved in **49** programme activities or exchanges organised during 2017. During the project lifecycle **788** participants took part in **66** programme activities or exchanges.



The EUROMED Police IV

CEPOL, being an associate partner of the Euromed Police IV project, provides support by hosting the Euromed Knowledge Base (EKB) and facilitating exchanges within the Euromed mobility scheme.

With regard to the Mobility Scheme component, it is organised by a Euromed IV project team member embedded into the CEP team in order to use CEPOL tried-and-tested methodology. Recruitment was completed by Euromed IV, however deployment was not completed in 2017 and is foreseen in 2018. Despite this delay, Euromed IV organised already activities under this component.

CEPOL was present at the High Level meeting of Euromed Police IV on 6 September 2017 in the Hague, where the strategy of Euromed was presented.

Objective 3.C: CEPOL's capacity to effectively operate in the wider European Union landscape, populated by a multiplicity of partners

Relations with the EU institutions

CEPOL continues to work in close collaboration with the European Commission and, in particular, with its partner Directorate-General, the DG for Migration and Home Affairs (DG HOME), on all aspects of the agency's activities, be they administrative, financial or operation/policy oriented.

This relation is regulated by the working arrangement for cooperation on external action activities between DG HOME and CEPOL, signed on 14 November 2016 (not covered by the scope of Article 34 of the new regulation).

JHA agencies coordination and cooperation with other EU bodies

Under the EMCDDA chairmanship, CEPOL took part in the JHA agencies meetings (in February, June and September), where representatives of the nine participating agencies, the Commission (DG HOME and DG JUST) and EEAS shared information about the recent activities in their areas of responsibility.

The network keeps various analytical tools up-to-date, such as Scorecard, Index of Analytical Reports, Foreign Terrorist Fighters toolbox, etc.

CEPOL continued to implement better coordination of training activities for law enforcement officials carried out by EU agencies, by providing the online Justice and Home Affairs Agencies' Training Matrix to all JHA Agencies plus ESDC and EJTN.

The Training Matrix is a joint JHA agencies' tool hosted on CEPOL's e-Net. It can be accessed by registered users.

The Training Matrix functions as a mapping tool for existing and planned training activities at EU level. It enhances the understanding of partner agencies' actions and helps in the identification of the training needs and gaps. In the future, in line also with the Internal Audit Service recommendation, this tool should facilitate a more efficient planning, implementation and evaluation of training activities, both at policy and operational level. Reflections are ongoing in this respect.

CEPOL also held a workshop on coordination of law enforcement training with the participation of other Agencies on 4-5 May 2017. Within the JHA Agencies' Network, it was agreed that as of 2018, this meeting will be merged with the meeting of the training subgroup of the network and held at CEPOL in Budapest.

CEPOL's engagement with regional and international organisations has continued, with a number of activities involving the participation of international partners. CEPOL is supporting and advising

the PCC-SEE, organising a JITS activity for their contracting parties and is testing the e-Learning modules developed for them. Until this day, the informal cooperation with the ETJN focuses mainly on JITS activity. CEPOL is considering enhancing this cooperation (with e-Learning products, webinars).

Part II. (a) Management and Governance

Multiannual objective 3: “Maintaining and improving the effectiveness of the current governance structures and processes whilst preparing for future commitments”		
Activity 4: Governance, Administration and ICT		
Specific objectives		Performance indicator
4.1	Objective 4.A (Governance) The Management Board functions effectively as CEPOL's supreme decision making body	Regular Management Board meetings are held, number. Target: 2; Progress: 2 2017 Change Management Plan measures adopted. Target: 100%; Progress: 83%
4.2	Objective 4.B (QM) Quality Management (QM) at CEPOL is aiming to ensure visibility and accountability in relation to the Agency's performance expectations. It ensures that Objectives and their associated Indicators are aligned with CEPOL's multiannual Objectives and Strategy.	CEPOL's Strategy KPI and PI reported in the Agency's Progress Report Target: 3 KPIs; 9 PIs Progress: 100%
4.3	Objective 4.C (Internal Control System) Ensure effectiveness and efficiency of operations and compliance with applicable laws and regulations within the Agency, by implementing an ex post control system for continuous review of operations in the Agency and within the CEPOL network, especially in the area of financial transactions.	Implementation of the annual Internal Control Plan Target: 100% Progress: 100%
4.4	Objective 4.D (Stakeholder relations and communication) CEPOL Communications supports the development of the image of CEPOL and its network of training institutes as a knowledge hub of excellence for European law enforcement training by, inter alia, enhancing the visibility and outreach of its activities.	Agency Progress Reports delivered (timeliness, number) Target: 2, 3 weeks prior to Management Board meetings; Progress: 100% Agency (annual) Activity Report, timeliness Target: MB validation at first regular meeting Progress: 100% Internal newsletter. Target: Weekly; Progress: 100%
4.5	Objective 4.E (Managing human resources) Managing Human Resources includes management of staff planning (allocation) and recruitment, ensuring that CEPOL is fully compliant with all legal requirement stemming from the staff regulations and other relevant documents as well as contribution to the further professionalization of CEPOL by organising internal and/or individual training opportunities.	Ensuring full deployment of CEPOL's HR capacity Target: At least 95%; Progress: 96% (53 staff in post vs 55 allocated) Staff training plan adopted. Target: The staff training plan for 2018 year is adopted by 30 June 2017; Progress: 100% (adopted on 01/01/2018) Staff training plan implemented. Target: Fully implemented staff training plan 2017; Progress: 100%
4.6	Objective 4.F (ICT) CEPOL's Information and Communications Technology (ICT) will focus on establishing a solid ICT infrastructure within CEPOL and delivering support to CEPOL staff members.	Review and update of ICT strategy. Target: ICT Strategy adopted; Progress: 100% (implementation on hold) Review and update of ICT disaster recovery plan. Target: ICT disaster recovery plan reviewed and updated; Progress: 0% (due to limited time capacity of ICT office to draft documentation)

2.1 Agency Governance

The Management Board has issued 16 decisions under the Maltese Presidency (11 adopted by written procedure, while 5 during the 2nd Management Board Meeting, held between 9 and 10 May 2017 in St. Julian's, Malta). During the Estonian Presidency, the Management Board has issued 26 decisions (21 adopted by written procedure, 4 during the 3rd Management Board Meeting of 15-16 November 2017 in Tallinn, Estonia, and 1 during the Extraordinary Management Board Meeting of 19 December 2017 in Budapest, Hungary, called for the selection and appointment of the Executive Director of CEPOL).

In 2017, the Executive Director took 64 decisions regarding grant procedures, working groups, budget implementation, appraisal exercise, and delegation of roles in the financial workflow.

2.2 Major developments

Organisational changes

Starting from 01 September 2017, due to the long term sick absence of the Executive Director, the Deputy Director was appointed as Acting Executive Director, with all prerogatives, rights and obligations entrusted to or incumbent upon the Executive Director of the European Union Agency for Law Enforcement Training (CEPOL)⁹.

Having in view that the mandate of the Executive Director was due to expire on 16th February 2018, CEPOL launched the recruitment of the new CEPOL Executive Director. The vacancy notice for the position of the Executive Director of CEPOL was published in the Official Journal of the European Union on 30 June 2017 with a deadline for applications of 30 July 2017.

The recruitment process was successfully completed by the end of the year with Mr Detlef Schröder being appointed as the new Executive Director, taking mandate on the 16th February 2018, in accordance with Decision of the Management Board 42/2017/MB.

Change management

In the run up to the entry into force of the CEPOL Regulation, the Governing Board has adopted a Change Management Plan¹⁰. The plan outlines the necessary steps to best prepare CEPOL for the implementation of its legal mandate. It comprises 36 measures across three different areas: Governance and Stakeholder Relations (14 measures); Human Resources and Administration (10 measures) and Core Business (12 measures).

Since the approval of the Change Management Plan, CEPOL has been working on the implementation of the measures foreseen. Overall, 30 actions have been completed while 5 actions, referring to a future date, are ongoing, and 1 action was postponed (establishment of a Scientific Committee).

Stakeholder relations

The annual Stakeholders meeting took place on 11 July 2017 in Budapest under the chairmanship of the Chairperson of the CEPOL's Management Board. Current developments at CEPOL were presented with a particular focus on external relations and stakeholder management. An update was given by CEPOL's Training and Research Unit on the Strategic Training Needs Analysis.

⁹ Decision of the Management Board 21/2017/MB from 31 August 2017

¹⁰ Decision 34/2015/GB of the Governing Board of the European Police College adopting the Change Management Plan. Adopted by written procedure on 18 December 2015.

CEPOL gave an update on the progress of the CT MENA project, presented the Programme Planning 2018/2019, framework partners and grants. FRA provided the participants with the developments of the JHA Agencies Network. There was a presentation by EUIPO on the IPR Enforcement Virtual Training Centre.

During the year, a Decision on stakeholder management was adopted by the Executive Director (31/2017/DIR) and against this background, a stakeholder engagement survey was successfully tendered and commissioned, to be delivered in 2018 by an external contractor.

Communication

Communications was used throughout 2017 to promote CEPOL activities and build its reputation as a platform of excellence for learning. In order to raise the profile of the agency, CEPOL communications drafted and implemented a communications action plan derived from the communications sub-strategy that was approved by MB in July 2016.

CEPOL built upon its established communications products (e.g. Annual Report; fact sheets; etc.) to provide information to key decision makers. CEPOL communications produced 22 publications and disseminated over 15 000 copies. In addition, CEPOL continued to provide its network partners with promotional materials targeted to course participants: in 2017, CEPOL communications supported 83 in-house activities and 102 events in EU Member States and distributed over 7 000 course packs, 2 100 promotional gifts for experts/trainers and 850 promotional gifts for guests.

The web continued to be the main communications channel and CEPOL focused on developing communications materials that are web-friendly (for use of public website and e-Net), such as e-books and materials that can be disseminated through handheld devices. CEPOL's website had over 113 169 visitors, amounting to an average of 9 500 visitors monthly. Social media were used to a greater extent to advertise and promote the work of the agency and its Network.

Reaching a wider audience and engaging with the new target audience was part of CEPOL's Communications priorities for 2017. The outsourcing of non-core services was pursued as a matter of priority, to ensure CEPOL's dedicated resources can focus on articulating and communicating the agency's key messages.

Development Projects

E-Net 3.0

Lack of (human and financial) resources and a clear vision of CEPOL management on the strategy for E-Net 3.0 has been the cause in lack of progress in 2017. Towards the end of 2017 more clarity has been provided, but lack of resources means that there will be no major, full overhaul of the E-Net, but a more gradual change from the current functionalities as well as look-and-feel to the desired stage.

Customer Relationship Management tool (CRM)

CRM is a tool for sharing data and monitoring travel arrangements for all CEPOL events (courses, meetings, CEP, missions). CRM shall replace the current way of working based on manually maintained Excel sheets and storage of documents on P drive. Due to failed initial recruitment of an IT system manager in 2016, a new recruitment procedure was started in 2017. As a result, as from 1 December 2017 the IT system manager took up duties. From the moment he started he has been dealing a majority of his time with CRM; testing of the system is on-going and roll out is now expected in Q2 of 2018.

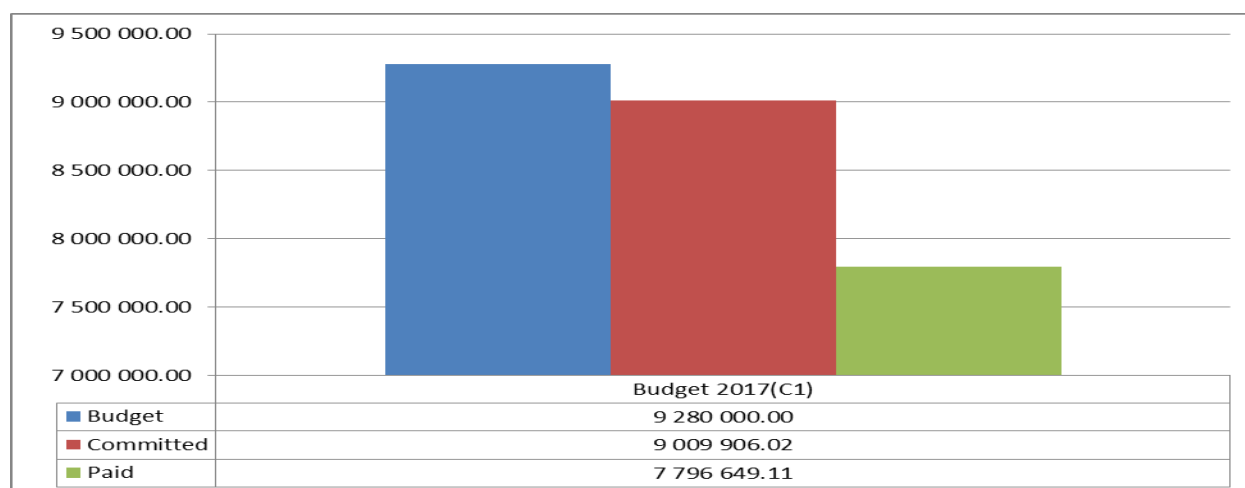
ECM – Enterprise Content Management system

The tool shall provide a digital platform to manage the document flow. Due to lack of (human and financial) resources in 2017 there has been no opportunity to progress this project. CEPOL is now looking into the possibility to use HAN suite of the Commission. This suite contains Hermes (contains the rules for document management and the storage in a central repository of official documents), ARES (the Commission's **A**dvanced **R**ecords **S**ystem; registers official documents in HERMES. It provides security, electronic workflow and full-text search) and NomCom (manages the filing plan and files lists; it gives a single identifier to all official files) from the end of 2018. The possibility to realise this depends – again – on available resources, especially human resources.

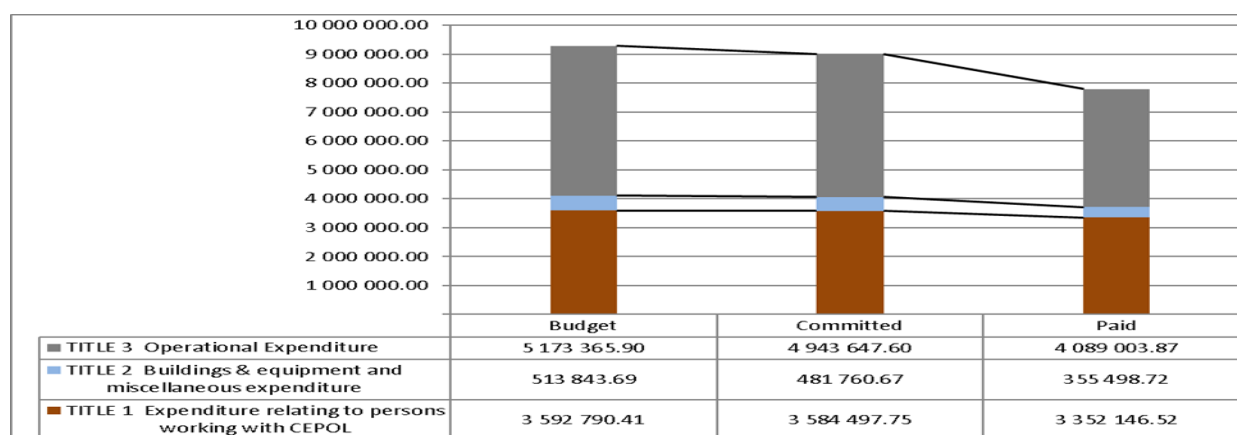
2.3 Budgetary and Financial Management

2.3.1 Budget 2017 execution - overview

Budget 2017 – Implementation at 31.12.17 (overall)



Budget 2017 – Implementation at 31.12.17 (per Titles)



CEPOL's total voted budget for 2017 was € 9 280 000.

By the end of December 2017, 97.09% of the regular (C1) budget has been committed, out of which 87% has been paid (84% of the total budget).

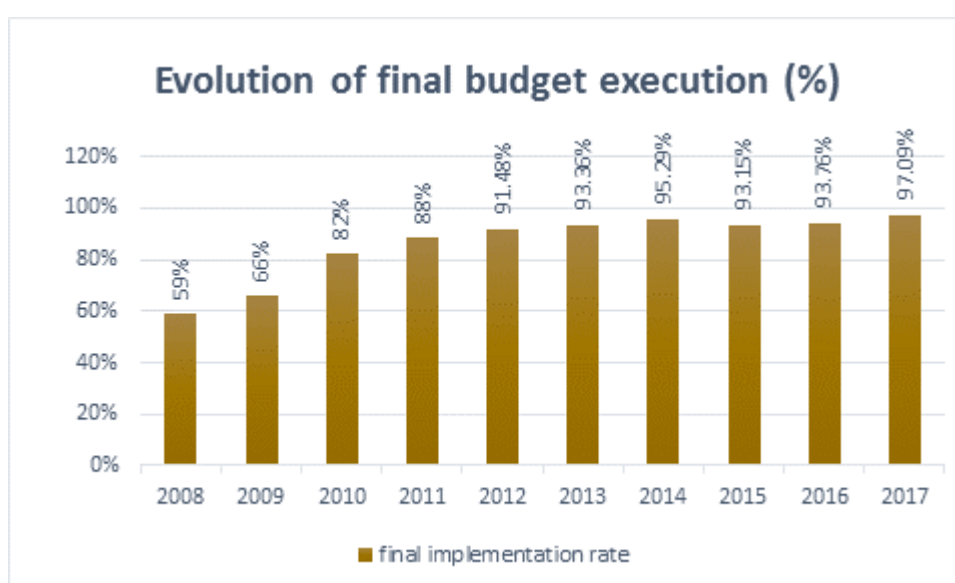
- For Title 1; 100% of the C1 credits available has been committed and 93% has been paid.
- For Title 2; 94% of the C1 credits has been committed and 69% has been paid.
- For Title 3; 96% of the available C1 funds have been committed and 79% has been paid.

A total of € 1 213 257 has been carried over to 2018, amounting to 13.07% of the overall 2017 budget. These credits cover mainly grants signed during the 4th quarter of 2017, travel expenditure by default invoiced in 2 months posterior and other contracts signed or renewed end of 2017.

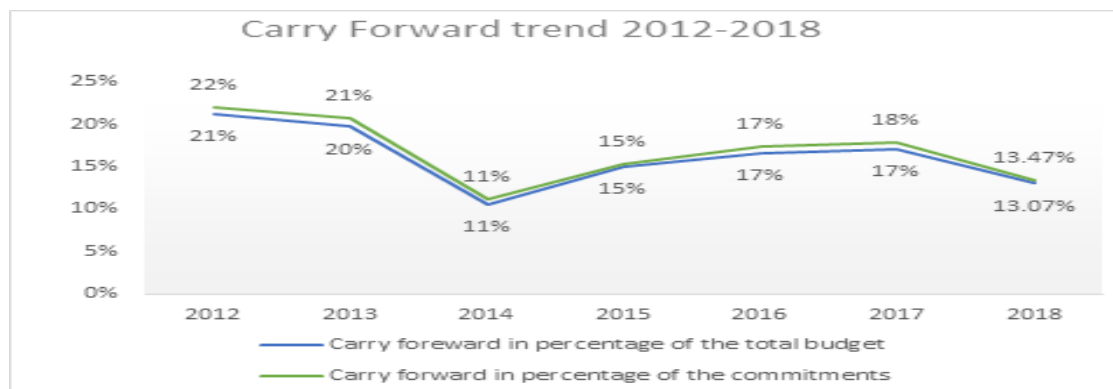
At the end of December 2017, the total 2016 budget implementation, including carried forward funds from 2016-2017, has reached 93.76%.

Overview on Budget 2017 execution, status as of 31 December 2017 is provided in Annex III Table A 3.1)

Budget implementation 2008 – 2017 (amounts in EUR)*



*the 2017 final budget execution will be known only at the end of 2018. The % shown for 2017 is the maximum reachable.

Carry-over of funds 2011-2018**2.3.2 Budget 2017 Implementation per Titles****Title 1: Expenditure relating to persons working with CEPOL - C1: Regular budget 2017**

Regular budget 2017- Staff costs

Budget Implementation/Execution	Initial Budget	Budget Transfers	Final Budget	Committed	Budget implementation %	Paid	Budget execution %	Potential Carry forward for payments in 2018
Regular budget 2017 (C1)								
11 Staff in active employment	3 377 656	-185 880	3 191 776	3 183 589	100%	2 957 834	93%	225 754
13 Missions and duty travel	40 000	0	40 000	40 000	100%	36 136	90%	3 864
14 Socio-Medical Infrastructure	411 000	-61 472	349 528	349 429	100%	347 429	90%	2 000
16 Social welfare	2 000	5 487	7 487	7 480	100%	7 480	100%	0
17 Entertainment and representation expenses	3 000	1 000	4 000	4 000	100%	3 267	82%	733
1 TITLE 1 Expenditure relating to persons working with CEPOL	3 833 656	-240 866	3 592 790	3 584 498	100%	3 352 147	93%	232 351

By the end of December 100% of the final budget for Title 1 has been committed and 93% paid. Due to the lower correction coefficient applied in Hungary, the geographical balance of staff is further shifting and the Agency is employing more and more Hungarian staff members. This has an impact on staff cost, as the estimates prepared two years in advance resulted too high. The original budget has been decreased by € 240 866 accordingly. These credits were transferred to Title 3 (€179 022) allowing additional financing of operational activities and Title 2 (61,844€) to be used for IT and office equipment.

After relocation, some staff members initiated a Court case. An amicable settlement has been reached with 4 ex-staff members in 2015 and a partial payment has been executed (€54 000). The remaining part of the amicable settlement for ex staff members has been paid from the 2016 budget, amounting to almost € 40 000. After the initial decision of the Court, three staff members decided on an appeal. The Hearing at the Court for this legal case originally planned for 2017 has been postponed to January 2018. The Court's decision is expected by the summer 2018.

C8: Amounts carried over from 2016 for payment in 2017

Use of amounts carried over in Title 1

Budget Execution of commitments carried forward from 2016 to 2017 (C8)		Carried Forward from 2016 to 2017	Paid	De-committed (Excess carry forward)	Cancellation rate
11	Staff in active employment	154 191.14	137 451.80	16 739.34	11%
13	Missions and duty travel	5 071.23	3 463.17	1 608.06	32%
14	Socio-Medical Infrastructure	20 685.31	18 414.07	2 271.24	11%
17	Entertainment and representation expenses	795.07	303.91	491.16	62%
1	TITLE 1 Expenditure relating to persons working with CEPOL	180 742.75	159 632.95	21 109.80	12%

The cancellation rate of carried over payment credits (C8) in Title 1 was 12%. This relatively high percentage is justified by the nature of expense the cancelled C8 credits were covering. Recruitment expenses – main item for the carry forward - are in fact easily and arguably over estimated as the potential candidates are unknown at the moment of budget planning.

C4: Internally assigned revenue

Internally assigned revenue is generated where CEPOL recovers overpaid amounts. By the end of December 2017, €53 448 has been made available for re-use; in line with the general priority rules for the use of fund sources, the C4 credits were entirely transferred to 2018.

Title 2: Buildings & equipment and miscellaneous expenditure - C1: Regular budget 2017

Building & equipment and miscellaneous expenditure

Budget Implementation/Execution Regular budget 2017 (C1)		Initial Budget	Budget Transfers	Actual Budget	Committed	Budget implem- entation %	Paid	Budget execution %	Potential Carry forward for payments in 2018
20	Investments in immovable property & rental of buildings	43 000	-4 000	39 000	24 571	63%	24 170	62%	401
21	Information and communication technology expenditure	295 000	99 589	394 589	391 048	99%	284 189	72%	106 859
22	Movable property and associated costs	14 500	21 500	36 000	32 847	91%	19 293	54%	13 553
23	Current administrative expenditure	91 500	-55 046	36 454	29 246	80%	24 316	67%	4 929
24	Postal charges	8 000	-200	7 800	4 050	52%	3 530	45%	520
2	TITLE 2 Buildings & equipment and miscellaneous expenditure	452 000	61 844	513 844	481 761	94%	355 499	69%	126 262

By the end of December 94% of the available budget has been committed and 69% of payment credits have been used. Following budget transfers within and in between titles, the final budget has been increase by 13%. The additional credits were mainly used for IT and office equipment. As the contract for those purchases has been signed during the last weeks of December, the corresponding amounts were carried forward to 2018.

C8: Amounts carried over from 2016 for payment in 2017

Use of amounts carried over in Title 2

Budget Execution of commitments carried forward from 2016 to 2017 (C8)		Carried Forward from 2016 to 2017	Paid	De-committed (Excess carry forward)	Cancellation rate
20	Investments in immovable property & rental of buildings	320.00	0	320.00	100%
21	Information and communication technology expenditure	52 375.38	46 738.94	5 636.44	11%
22	Movable property and associated costs	1 668.30	195.36	1 472.94	88%
23	Current administrative expenditure	82 313.51	77 593.36	4 720.15	6%
24	Postal charges	3 377.82	1 086.78	2 291.04	68%
2	TITLE 2 Buildings & equipment and miscellaneous expenditure	140 055.01	125 614.44	14 440.57	10%

Only 12% of the total funds carried over to 2017 correspond to Title 2. The main reason for the cancellation in Title 2 was out of CEPOL's control. Big part of the cancelled amount refers to a legal case where the court has postponed the hearing to 2018 and Telecommunication services covering 1 year period with start date in the middle of the year.

C4: Internally assigned revenue

By the end of December 2017, €498 has been cashed as internal assigned revenue in Title 2. In line with the general priority rules for the use of fund sources, the C4 credits were entirely transferred to 2018.

Title 3 – Operational expenditure - C1: Regular budget 2017

Title 3 Operational expenditure

Budget Implementation/Execution Regular budget 2017 (C1)	Initial Budget	Budget Transfers	Actual Budget	Committed	Budget implementation %	Paid	Budget execution %	Carry forward
30 Bodies and organs	245 000	-35 000	210 000	164 915	79%	158 253	75%	6 662
31 Courses, Flight Schemes, E-Net	3 720 344	-15 200	3 705 144	3 539 508	96%	2 921 384	79%	618 125
32 Other programme activities	829 000	91 022	920 022	901 024	98%	728 540	79%	172 484
35 Missions	150 000	58 200	208 200	208 200	100%	206 402	99%	1 798
37 Other operational activities	50 000	80 000	130 000	130 000	100%	74 426	57%	55 574
3 TITLE 3 Operational Expenditure	4 994 344	179 022	5 173 366	4 943 648	96%	4 089 004	79%	854 644

By the end of December 96% of the available budget has been committed. Payments represents 79% of the available payment credits.

The original budget has been increased by €179 022 via a transfer from Title 1 allowing the implementation of additional training and supporting activities. A number of activities will be organised in the first few months of year 2018, therefore the necessary funds are carried forward. Invoices from the travel agent are claimed in 1-2 month delay resulting in a high carry forward for the flight scheme and exchanges. Also contract for a value of €50 000 has been signed right before Christmas for a survey to be held in Q3 2018.

C8: Amounts carried over from 2016 for payment in 2017

Use of amounts carried over in Title 3

Budget Execution of commitments carried forward from 2016 to 2017 (C8)	Carried Forward from 2016 to 2017	Paid	De-committed (Excess carry forward)	Cancellation rate
30 Bodies and organs	24 985.86	20 450.83	4 535.03	18%
31 Courses, Flight Schemes, E-Net	878 643.93	744 012.12	134 631.81	15%
32 Other programme activities	223 197.53	209 059.11	14 138.42	6%
35 Missions	11 045.47	11 045.47	0	0%
37 Other operational activities	18 467.87	18 167.87	300.00	2%
3 TITLE 3 Operational Expenditure	1 156 340.66	1 002 735.40	153 605.26	13%

Cancellation of funds for operational activities is not a sign of bad planning, but it's an implicit reality for the type of activity CEPOL carries out.

For courses organised at the beginning of the year, either by CEPOL or network partners, funds are carried over from the previous year, based on estimation of costs. Most of the activities involve mission and travel, frequently with payments in foreign currencies. The final payment is done on expenditure incurred, therefore the difference, if any, needs to be cancelled.

C4: Internally assigned revenue

Internal assigned revenues under Title 3 amounted to €22 315 in 2017. In line with the general priority rules for the use of fund sources, the C4 credits were entirely transferred to 2018.

Title 4 R0: CT MENA project

In 2015 a new task has been delegated to CEPOL via grant agreement with the European Commission. The project aims at building the capacity of relevant law enforcement services and other relevant personnel in the target countries by offering tailored made learning and training activities in the field of counter-terrorism.

The second instalment of €906 831 has been received in 2017. CEPOL could not make use of the last instalment (10% + the contingency amount) specified in the grant agreement, due to the modality specified in the funding instrument.

The project ended in November 2017 with a final closing expected by the end of March 2018.

By the end of 2017, the budget implementation rate of the project was 77% (€1 835 094), while payment execution reached 76% (€1 802 031), compared to the total granted budget minus contingency reserve (€2 490 504 - €111 184 = €2 379 320).

Overall Budget Implementation/Execution of the CT MENA project (2015-2017)		Revised Agreed Budget of the project (amendment no.1)	Initial Budget appropriations inscribed since 2015 (incl. carry overs)	Budget Transfers over the years	Final Actual Budget appropriations inscribed	Committed	Budget implementation % (compared to the total budget without contingency reserve)	Paid	Budget execution % (compared to the total budget without contingency reserve)	Carry forward
41	Human Resources	1 463 200	1 314 512	35 925	1 350 437	1 161 060	86%	1 130 145	84%	30 915
42	Travel	460 940	477 440	-30 000	447 440	367 296	82%	367 296	82%	0
43	Equipment and supplies	10 500	4 600	4 900	9 500	9 288	98%	8 756	92%	532
44	Local office	16 000	13 200	-1 600	11 600	6 600	57%	5 457	47%	1 143
45	Other costs, services	380 000	252 000	82 000	334 000	290 850	87%	290 376	87%	473
46	Other	0	0	0	0	0	N.A.	0	N.A.	0
47	Indirect costs	48 680	66 225	-66 225	0	0	N.A.	0	N.A.	0
48	Provision for contingency reserve	111 184	25 000	-25 000	0	0	N.A.	0	N.A.	0
49	Taxes	0	0	0	0	0	N.A.	0	N.A.	0
GRAND TOTAL (CT MENA Project full lifecycle)		2 490 504	2 152 977	0	2 152 977	1 835 094	77%	1 802 031	76%	33 063

2.3.3 Other financial and budgetary topics**Budget transfers**

The 2017 CEPOL Internal Transfers of the regular budget (C1 commitment and payment appropriations) were done in line with articles 27§1a, 27§1b, 27§3 and 28§1 of the CEPOL Financial Regulation.

These transfers aimed to align the initial budget distribution planned to the real business needs. 12 transfers have been processed, out of which 2 were transfers between Titles. As a result of

the budget transfers, the Title 1 budget has been decreased by € 0.24 M, Title 2 and Title 3 budget has been increased respectively by € 0.06 M and € 0.18 M.

Budget Implementation/Execution Regular budget 2017 (C1)		Initial Budget	Budget Transfers	Final Budget
1	TITLE 1 Expenditure relating to persons working with CEPOL			
11	Staff in active employment	3 377 656.00	-185 880.44	3 191 775.56
14	Socio-Medical Infrastructure	411 000.00	-61 472.20	349 527.80
16	Social welfare	2 000.00	5 487.05	7 487.05
17	Entertainment and representation expenses	3 000.00	1 000.00	4 000.00
1	TITLE 1 Expenditure relating to persons working with CEPOL	3 833 656.00	-240,865.59	3 592 790.41
2	TITLE 2 Buildings & equipment and miscellaneous expenditure			
20	Investments in immovable property & rental of buildings	43 000.00	-4 000.00	39 000.00
21	Information and communication technology expenditure	295 000.00	99 589.49	394 589.49
22	Movable property and associated costs	14 500.00	21 500.00	36 000.00
23	Current administrative expenditure	91 500.00	-55 045.80	36 454.20
24	Postal charges	8 000.00	-200.00	7 800.00
2	TITLE 2 Buildings & equipment and miscellaneous expenditure	452 000.00	61 843.69	513 843.69
3	TITLE 3 Operational Expenditure			
30	Bodies and organs	245 000.00	-35 000.00	210 000.00
31	Courses, Flight Schemes, E-Net	3 720 344.00	-15 200.00	3 705 144.00
32	Other programme activities	829 000.00	91 021.90	920 021.90
35	Missions	150 000.00	58 200.00	208 200.00
37	Other operational activities	50 000.00	80 000.00	130 000.00
3	TITLE 3 Operational Expenditure	4 994 344.00	179 021.90	5 173 365.90
	GRAND TOTAL	9 280 000.00		9 280 000.00

Recovery orders

At the end of December, there were 5 recovery orders (€ 5k) not cashed or cleared in the accounting system. Two are related to recovery of pre-financing (€ 4k) and the other three are cancelled flight tickets (€1k).

Payment statistics

95% of the payments were completed on time by the end of 2017, which represents a 4% improvement compared to the previous year. Taking into account that the number of payments has considerably increased (1 739 transactions, 13% more than in 2016 and 35% more than in 2015), this can be considered a very positive shift.

One of the late payments led to the payment of interest. This payment related to consultancy fees concerning development requirements and tender documentation for the e-Net 3.0. The original invoice amounted to €34 000 and was paid within 68 days resulting on a payment delay by 38 days. The late payment interest amounted to €283.

More details on payment times per title and fund source are presented in Annex III (Table A3.2 and A3.3).

Procurement

In 2017, 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.

Overall 327 contracts were signed in 2017 (compared to the 240 signed in 2016) 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	2	0.61
Negotiated procurement procedure – contracts with value between €15 000 and €60 000 (Art 137 (1) of RAP)	3	0.92
Negotiated procurement procedure for contracts between €1 000.00 and €15 000 (Article 137 (2) of RAP)	43	13.15
Negotiated procurement procedure for contracts under €135 000 (Art. 136a of RAP)	2	0.61
Specific contracts in execution of framework contracts	229	70.03
Procedure following a call for expression of interest (Art. 136 of RAP)	48	14.68
TOTAL	327	100

2.4 Human Resources (HR) Management

Overall situation

In line with the budget as adopted by the Budgetary Authority and the Management Board, CEPOL's establishment plan 2017 contains 31 Temporary Agents (TA) and 20 Contract Agents (CA). In addition to statutory staff, CEPOL had in 2017, 4 SNE positions.

By the end of 2017, the agency had in post 30 Temporary Agents (including one on unpaid leave) and 17 Contract Agents; in addition 6 SNE¹¹ were in post (4 financed from CEPOL budget and 2 from EU/MENA Counter-terrorism project), as well as 3 trainees.

There were 6 resignations in 2017, (versus 6 in 2016) still on a high trend, therefore interim staff as well as SNEs have 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, ICT, e-Learning, procurement, administrative assistant (please refer for further details to Annex V Table A5.4).

For expert level positions dealing with specialised training in different operational areas, CEPOL used SNEs to ensure business continuity and successful implementation of projects.

Recruitment

In order to increase efficiency of the process workflows and move closer to a more paperless environment, CEPOL introduced an electronic recruitment (e-Recruitment) system; the comprehensive description of the successive stages of the recruitment procedure are reflected in the new e-Recruitment system, as adopted by Decision of the Executive Director 09/2017/DIR.

In 2017 CEPOL published 10 vacancies for regulatory staff (including the position of Executive Director), 3 for SNEs and finalized the recruitments published in the Q4 2016, with 6 recruitment procedures taking place during the first half of 2017, out of which 2 from the reserve list. Out of these 19 recruitments, 1 recruitment was cancelled due to request for reintegration into service after unpaid leave, but the reserve list for the published post was established; 2 recruitments

¹¹ of which 2 SNEs covering for TA temporary replacement (Programme Officer and Cybercrime Portfolio Manager)

failed (in one case no candidate passed the selection day, in the other the successful candidate decline the offer due to receiving a higher graded offer in a different EU Agency).

The 19 recruitment campaigns attracted 476 applications (versus 500 applications for 22 recruitments in 2016), of which 271 received via traditional recruitment system and 205 via e-recruitment.

CEPOL continues to receive a significant number of applications from Hungarian citizens (132 in 2017). From a statistical point of view this means that the likelihood for a job offer made to a Hungarian citizen increases, which leads over time to an over representation of Hungarians. This however does not impact on the quality of applications received and the Agency's ability to recruit suitable candidates.

Benchmarking exercise

The benchmarking exercise indicates that out of 55 positions in total, 37 positions (67%) are directly related to operational activities; administrative support has only 7 positions (13%) with other 11 positions either neutral or related to coordination and communication (20%).

Details of the establishment plan 2017 and the results of the screening exercise compared to last year are available in Annex V (Table A5.1 and A5.2-5.3).

Human Resources allocation

An overview of the actual against the planned allocation of human resources (expressed in Full Time Equivalent (FTE)) and budget, for the activities included in the Work Programme 2017 is provided in Annex VI.

Annex VI also includes the analysis on the actual use of resources allocated per activity, in terms of human resources (FTE) and budget. No significant or unjustified deviations occurred.

Staff Training

The 2017 Training Plan has been adopted by the management team. It has been done based on the Annual Appraisal Exercise 2016 and on corporate level needs.

CEPOL has organised the following horizontal trainings:

- Selection and interviewing – 6 and 7 March 2017
- Ethics and integrity – 22 and 23 March 2017
- Training on grants – 14 and 15 June 2017 (in Brussels)
- Training on Diplomatic protocol – 22 June 2017
- Fire drill – 17 July 2017
- Fire protection training – 12 September 2017
- Writing with impact and clear writing – 18 and 19 September
- Project Management Training (PM2) – 16-18 October 2017 and 13-14 November 2017
- New legal Commitment/LCK – 30 November and 1 December 2017.

Implementing Rules on the Staff Regulations

CEPOL is closely following all developments with regards to the Implementing Rules on the Staff Regulations, in order to be able to prepare MB decisions on the application or the request for deviation or opt out in a timely manner.

In the course of 2017, the following two Decisions on Implementing Rules have been approved by the Management Board:

- Policy on protecting the dignity of the person and preventing psychological harassment and sexual harassment.
- Setting up of a Common Staff Committee.

The afore-mentioned decisions are available on CEPOL's website in line with the standard practice of the Agency. It is noted that the Decision of the Management Board on the selection and the appointment of the Executive Director of CEPOL has also been the outcome of a consultation process with the Commission under the mechanism described in Article 110 of the Staff Regulations.

In the last quarter of 2017, the following sets of Implementing Rules were circulated by the Commission to the Agencies.

- Guide to Missions and Authorised Travel,
- Temporary Occupation of Management Posts (ex ante approval of the Commission of a model decision for the Agencies)
- Rules on Learning and Development (ex ante approval of the Commission of a model decision for the Agencies),
- General Implementing rules on Contract Agents.

CEPOL expressed its intention to opt-out from the application of the rules on Contract Agents, as a model decision for the Agencies will be prepared in the course of 2018. The work for the adoption of the rules on Temporary Occupation of Management Posts, the Guide to Missions and Authorised Travel and the rules on Learning and Development has been planned to be concluded in the first quarter of 2018 via written procedure or at the 3rd Management Board meeting.

Finally, as part of an exercise addressed to all the Agencies, CEPOL provided to DG HR in September 2017, detailed feedback regarding the state of play of the Implementing Rules in the Agency.

Data Protection

CEPOL is committed to collect and use personal data in a responsible way by complying with the applicable data protection legislation.

In the course of 2017, the efforts of the DPO of the Agency focused on monitoring the legislative developments in relation to the entry into force of new data protection rules for the EU institutions, bodies and agencies (as of May 2018). To translate into practice the needs such a transition requires, an exercise was launched for the creation of new templates and targeted awareness raising towards the management took place. The processing in line with the currently applicable legislation continued with two requests for prior-check sent to the European Data Protection Supervisor (EDPS) service and work carried out in relation to certain privacy statements.

2.5 Assessment by Management

This section outlines and assesses the internal sources of assurance that support the management's assessment. At the management level, the Agency relies on a set of mechanisms that allow to monitor the Agency's performance and compliance to established procedures and plans.

In 2011 and with subsequent amendment, the Management Board of CEPOL adopted the 16 internal control standards¹² (ICS) based on the European Commission's model, 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 assessing and reporting on the implementation of internal control standards is implemented every year, the results being reported in the Consolidated Annual Activity Report (please refer to Part III. Assessment of the effectiveness of the internal control systems, point 3.2 Compliance and effectiveness of internal control).

CEPOL is fully compliant with ICS # 9 Management supervision. In accordance with the standard requirements, CEPOL adopted and implements the following documentation and practices: Annual Management Plan and Risk Register (FO.PLAN.001), regular review meetings (e.g. Management Coordination Meetings, Management Board meetings), regular reports (e.g. Core Business/Corporate Services Monthly Reports, Agency's Progress Reports including reporting on performance indicators and audit recommendations, weekly/monthly budget implementation reports) and individual monthly activity reports (FO.HR.029).

In accordance with ISO 9001:2015 quality management systems requirements, a Management Review meeting takes places twice per year to review the organisation's quality management system, at planned intervals, to ensure its continuing suitability, adequacy, effectiveness and alignment with the strategic direction of the organisation.

CEPOL implements delegation of authority via Executive Director's decision on financial workflow, which is amended on continual basis, whenever changes occur in the staff having a role in the financial circuit.

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) covering 100% of the Agency's budget, 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. In addition, they enable the management team to handle exceptional circumstances with a reasonable degree of flexibility and in a transparent and justified way.

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.

At the Management Board meetings, the Executive Director regularly reports about the Agency's achievements and the progress on the activities and planned outputs, results of the evaluations, outcome of the internal and external audits carried out at the Agency and the implementation of the Agency's anti-fraud strategy.

In 2017 no significant control issue emerged during the implementation of the Work programme that needed to be discussed with the Management Board.

¹²GB Decision 10/2014/GB amending the 'GB Decision 8/2011/GB adopting the European Police College's internal control standards'

2.5.1 Transparency, accountability and integrity

This section is developed in accordance with point 10 in the observations and comments made by the Discharge Authority on 28 April 2016 regarding implementation of the budget for the financial year 2014 (2015/2180(DEC)), stating that: *the annual reports of the College could play an important role in compliance regarding transparency, accountability and integrity; calls on the College to include a standard chapter on these components in its annual report;*

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.

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 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.

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.

It has in place measures to ensure legality and regularity of the Agency's underlying transactions, including comprehensive ex-ante verification, targeted ex-post controls and specific measures to prevent and detect fraud and conflict of interest.

In order to support the ethical and organisational values, CEPOL adopted and implements the following documentation: Code of Conduct (Decision of the Director 003/2010), Decision of the Director 019/2011/DIR on Reporting Suspected Improprieties, Policy on Management of Conflict of Interest (Decision 32/2014/GB), Policy on identification and management of sensitive functions (Decision 34/2014/GB), Fraud Response Plan (FO.INCO.004), Staff Induction Plan (FO HR021).

By Decision 33/2014/GB, the Governing Board adopted the first CEPOL Anti-fraud Strategy. The strategy was valid for three years and its implementation was fully achieved. Nevertheless CEPOL has to remain vigilant and continuously implement the expected measures with repetitive nature, to address the risk of fraud; a renewed strategy including an action plan has been elaborated, adopted by the Management Board via Decision 33/2017/GB. The objective on the renewed strategy is 'Maintaining a high level of ethics and fraud awareness within the Agency'.

In this context, CEPOL schedules annual refresher training session on ethics and integrity for all staff. MB members, staff members, SNEs, interims, have all signed a declaration of conflict of interest. Interim staff signed also a declaration of confidentiality.

Every staff member is asked to produce a certificate of good conduct/lack of criminal record before taking up duty. In 2017 CEPOL extended this requirement to the interim staff, having in view there is an increased use of them and in some cases they have access to the same level of information as the statutory staff.

As provided in CEPOL's Financial Regulation (chapter 7, art.82), CEPOL has an internal auditing function which is performed in compliance with the relevant international standards, by the Commissions' internal auditor, represented by the Internal Audit Service (IAS).

By undergoing regular audits, CEPOL ensures ongoing improvement and is transparent to its stakeholders and end users. Annual audits implemented by the external auditor (European Court of Auditors), also allows the Agency to demonstrate that it has an effective internal control and management system.

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 five years.

Moreover in 2017 the Agency successfully completed the ISO 9001:2015 certification of the CEPOL's Management System, bringing additional elements of improvement and helping to demonstrate the Agency's commitment to quality.

During 2017, OLAF did not initiate any cases that concern the Agency's activity, however support was reciprocally asked with regards to 2 cases of external fraud suspicion, which are not yet confirmed but currently under investigation.

2.5.1 Management review of the exceptions' register for 2017

The Executive Director adopted the register of exceptions for 2017 in January 2018. The 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.

None of the exceptions indicate any significant or systematic weakness within the existing controls. The Court of Auditors examined the exceptions during their audits and raised no observations.

By end of 2017, a total of 37 exceptions were raised (versus 43 exceptions in 2016) in value of €154 870 (versus €125 190 in 2016). There was only one exception exceeding the ceiling limit (€25,000) requiring approval by the Authorizing Officer, as following:

- €58 200 a posteriori budgetary commitment for T3 network related missions, due to weaknesses in budget consumption monitoring and reporting tool.

CEPOL's standard quantitative material threshold is set at €25 000. Deviations from this material threshold must be justified in the Consolidated Annual Activity Report. Having in view the non-systematic nature and limited scope of the administrative mistake with a financial impact above the materiality threshold, as well as the proposed solution and corrective actions put in place, this is not deemed as significant; therefore this will not be subject to a formal reservation in the assurance declaration of the Authorising Officer in the context of the Consolidated Annual Activity Report 2017.

In most cases, the exceptions filed during 2017 were necessary due to occurring circumstances and business needs, and are duly justified as exceptional situations.

As in the previous year, the most common occurring non-compliance event, remains the 'a posteriori' budgetary commitment, having the highest financial impact in total value of exceptions raised, namely €118 692 (76%). The deviations are justified by the late reception of invoices connected to services delivered by the service providers in the past years or administrative errors. Nevertheless, no financial loss was involved. Remedial measures to improve the budget consumption monitoring and reporting tools in specific business areas such as ICT and Missions are on track.

One of the other highest value deviation (€17 160) is connected to procurement, referring to not implementing the negotiated procedure with 3 candidates for hotel accommodation in case of CEPOL Exchange Programme. This case was generated by the poor performance of the service provider, having in view the significant price difference in the quotes offered, as well as lack of cooperation in fulfilling contractual obligation by booking accommodation for the best available market price. In order to ensure business continuity for the Exchange Programme, CEPOL took

the decision to bypass the service provider, and instead book and pay the hotel directly, based on the preferential rates offered to Frontex, who hosted the event. The open procurement process for contracting a new service provider has been completed.

2.5.2 Ex post controls

CEPOL implements *ex post* controls in accordance with Article 46 of the CEPOL Financial Regulation, stating that the Authorising Officer may put in place *ex post* controls to verify operations already approved following *ex ante* controls. Such controls are organised on a sample basis according to risk. The *ex post* controls are carried out on the basis of documents and, where appropriate, on the spot.

The *ex post* controls shall verify that operations financed by the budget of CEPOL are correctly implemented and in particular that the criteria referred to in FR Article 45(4) are complied with.

The Internal Control Plan 2017 was approved by the Executive Director in January 2017. In total 8 *ex post* controls were scheduled (7 originally planned, 1 ad hoc requested), of which all were completed resulting in 100% achievement rate.

The areas subject to control were: internal control standards, recruitment, procurement and grant agreements, as following:

1. Self-assessment and reporting on the implementation of internal control standards
2. Ex post control on procurement procedure for interim staff
3. Ad-hoc control on recruitment: Administrative Assistant – Governance team (AST3)
4. Ex post control on recruitment: Senior Project Officer (AD8)
5. On the spot controls at the premises of Grant Beneficiaries (Police Department under the Ministry of Interior of the Republic of Lithuania)
6. On the spot controls at the premises of Grant Beneficiaries (State Police of Latvia)
7. Ex post control on recruitment: Budget and Finance Officer (AD7) (e-recruitment)
8. Follow-up on implementation of recommendations from previous *ex post* controls.

The 2017 *ex post* controls showed no significant weaknesses in the Agency's internal control system, resulting in a positive assurance to the Executive Director with regards to the legality and regularity of transactions. The results of *ex post* controls did not reveal any amounts to be recovered.

Minor remarks were made in respect of some quality documents being obsolete, needing to be revisited (procurement). Recommendations were also made for supporting the Agency to continue its progress in further increasing compliance with the adopted internal control standards.

Moreover, 2 quality audits on 'management of documented information' and 'management of corrective actions' were scheduled to be implemented in accordance with ISO 9001:2015 requirements by the Quality Manager Officer, who went on unpaid leave early 2017. Therefore, the quality audits were implemented with the help of a Special Adviser on Quality Assurance from EMSA¹³, who volunteered to assist CEPOL following a call for assistance launched with the Performance Development Network of the EU Agencies.

¹³ European Maritime Safety Agency

With regards to the 'Follow-up on implementation of recommendations from previous ex post controls' the outstanding action points were included in the '*Central Repository of Improvement Actions*' which is regularly discussed in Management Review meetings.

2.6 Budget implementation tasks entrusted to other services and entities

N/A

2.7 Audit results during the reporting year and follow-up of recommendations and action plans

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 Panel¹⁴ 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.

2.7.1 Internal Audit Service

No audit was conducted in 2017 by the Internal Audit Service. In accordance with the IAS Strategic Audit Plan 2016-2018, the next audit will be carried out in 2018 on 'Training Implementation, Knowledge Sharing and Monitoring of Results'.

With regards to past year audits, in January 2015 the IAS performed a full Risk Assessment at CEPOL. The exercise led to the preparation of the IAS Strategic Audit Plan 2015-2017, in order to establish topics for future audits.

CEPOL has put together an action plan in response to the risk areas identified in the strategic audit plan. Some actions are still on track (IT Security and IT Back-up Policy) re-scheduled to be implemented by end of 2018.

From 28 November to 2 December 2016, IAS audited CEPOL on "*Training Needs Assessment, Planning and Budgeting*" focusing on the core business activities. The objective of the audit was to assess the adequacy of the design and the efficiency and effectiveness of the management and control systems set up by CEPOL for the needs assessment, planning and budgeting of its training activities.

While the audit did not result in the identification of any critical or very important issues, the IAS recommends that, by building on improvements already achieved, CEPOL should further address the following areas: utilisation of the JHA Training Matrix; training needs assessment survey methodology ; formulating objectives and performance indicators; budget planning methodology.

CEPOL elaborated an action plan for addressing the 4 important audit recommendations, of which currently 2 are addressed, awaiting for the auditors review and 2 are ongoing to be fully implemented by end of 2018.

2.7.2 European Court of Auditors (ECA)

ECA Report on the annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2016 concluding the following:

¹⁴ Decision 27/2012/GB of the Governing Board establishing an Audit Panel repealing Decision 37/2010/GB

Opinion on the reliability of the accounts

In our opinion, the accounts of the Agency for the year ended 31 December 2016 present fairly, in all material respects, the financial position of the Agency at 31 December 2016, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer. These are based on internationally accepted accounting standards for the public sector.

Legality and regularity of the transactions underlying the accounts

In our opinion, revenue and payments underlying the accounts for the year ended 31 December 2016 are legal and regular in all material respects.

The final report on the annual accounts of CEPOL for the financial year 2016 provides no critical findings, only two comments:

1. High carry-overs for Title II - justified by the IT consulting services and goods ordered late in the year

CEPOL reply to comment 1:

The Agency has taken note of the Court's comments. The carry-over rate for Title II is justified having in view IT consulting and IT related goods and services ordered late in the year. CEPOL further improved its budget management and commits to maintain compliance with the budgetary principle of annuality provided in the Financial Regulation.

2. High staff turnover connected to salary correction coefficient applied for HU.

CEPOL reply to comment 2:

The Agency has taken note of the Court's comments. As a consequence of the relocation from UK to Hungary, due to significantly lower correction coefficient applied to staff salaries, the number of resignation increased. The number of applications decreased compared to the period before relocation, however, this did not impact on the quality of applications received and the Agency's ability to recruit suitable candidates. The low grading of posts combined with low correction coefficient, does not encourage foreigners (especially from West and Northern Europe) to move to Hungary, therefore the geographical balance cannot be always ensured during the recruitment process. CEPOL will continue to implement staff retention and business continuity measures, however as long as the Agency cannot positively amend the grades, the staff turnover may keep its high trend.

ECA visited CEPOL 25-29 September to audit the legality and regularity of 2017 operations made until end of July. The audit of financial year 2017 continued in 2018 based on a desk review. The results of the audit are awaited, however the preliminary findings do not indicate any issues with regards to legality and regularity of operations. The audit of the 2017 provisional annual accounts done by the private audit firm Ernst & Young has been finalised, with the final report indicating no findings.

2.7.3 Internal Audit Panel

The 2017 audit plan included two Internal Audit Panel visits.

The first visit took place from 8 to 9 March 2017. The checks mainly concerned the following topics: administration of the budget 2016, draft opinion on the provisional annual accounts 2016, and the Consolidated Annual Activity Report 2016.

The report is overall positive with no major critical remarks.

The auditors propose that the result of the implementation of the budget in the annual accounts 2016 should be presented distinctively for CT MENA project, to increase transparency of financial data.

CEPOL has worked to address the Audit Panel recommendations, however the presentation of the accounts is the exclusive right of the Accounting Officer.

The second visit of the Internal Audit Panel took place from 09-11 October 2017 and covered the status of implementation of Work Programme, CT MENA Programme, European Joint Master Programme, Internal Control Standards, audit recommendations, travel agency contract and staff situation.

The report is overall positive with no major findings. The following main remarks and recommendations have been made:

- with the new mandate, CEPOL has been given new tasks not supported by the necessary budgetary and human resources, requiring prioritization of activities;
- The European Joint Master Programme is acknowledged as a successful and very positive initiative;
- the Audit Panel expressed as in the past year, its concern about the contract between CEPOL and private company for auditing services performed on behalf of ECA; it is however acknowledged that this is a horizontal matter to all Agencies;
- the auditors reiterate recommendation regarding developing an internal procedure for budget planning;
- speed up implementation of partially addressed internal control standards via solving the pending action points (especially in the area of ICT security policy and back-up policy);
- staff fluctuation still on a high trend, due to the low correction coefficient factor combined with relatively low grades of staff; for the same reasons it is increasingly difficult for CEPOL to attract candidates from a wider spectrum of Member States, to ensure adequate geographical balance.

During 14-16 March 2018, the IAP implemented the regular audit to provide the Management Board with a draft opinion on the provisional annual accounts 2017, and the Consolidated Annual Activity Report 2017. The report provides positive assurance with no critical remarks.

2.7.4 ISO 9001:2015 quality audit

In February 2017, the Agency's Management System has been assessed by an independent accredited body Lloyd's Register (LRQA), and found in full compliance with the ISO 9001:2015 requirements.

The certificate was issued on 2 February 2017, and is valid for 3 years. It covers the following scope: 'Management of the Law Enforcement Residential Activities and the Exchange Programme: support, develop, implement and coordinate training for law enforcement officials'.

The CEPOL's Management System will continue to be audited each year to ensure that compliance with internationally recognised quality management standard ISO 9001:2015 is being maintained. The 1st surveillance took place in January 2018 resulting in no major non-conformities.

2.8 Follow-up of observations from the Budgetary Authority

With regards to observations and comments made by the Discharge Authority on 28 April 2016 regarding implementation of the budget for the financial year 2014 (2015/2180(DEC)), the majority of points have been addressed. In order to strengthen avoidance of post-employment conflict of interest, CEPOL introduced a declaration of intention to engage in an occupational activity after leaving the EU Agency, to be filled in by staff members upon resignation/retirement (exit form). CEPOL still needs to review and streamline its whistle blowing internal rules around requirements in the Article 22c of the Staff Regulations. In doing so, CEPOL will use the EC model decision for agencies on implementing rules laying down guidelines on whistleblowing.

In the meantime CEPOL received the EP Discharge Decision for Financial Year 2015¹⁵. Status and detailed information on the measures taken by CEPOL in the light of observations and comments made by the European Parliament in decision of 27 April 2017 on discharge in respect of the implementation of the budget of the European Police College (now European Union Agency for Law Enforcement Training) (CEPOL) for the financial year 2015 (2016/2178(DEC)), is provided in Annex VII A.

Part II. (b) External Evaluations

The Five Year External Evaluation of CEPOL (2011-2015) was completed by the external evaluator in January 2016. This assignment provided the Governing Board with conclusions on the relevance, efficiency, effectiveness, coherence, impact, utility and added value of the Agency.

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.

CEPOL's five-year evaluation report was adopted by the 35th Governing Board¹⁶ in The Hague and incorporated 17 recommendations, covering five areas, regarding CEPOL's structure and working practices.

The plan elaborated by the Executive Director identified 31 actions addressing all the MB's 17 recommendations. One additional action has been proposed by Estonia during the 2nd MB and is now incorporated as action 16.2 bringing the total number of actions to 32. The timeline for the implementation of these actions spans over a period of two and a half years between mid-2016 to end of 2018.

Overall, since the adoption of the action plan: 20 activities have been completed, 5 activities are ongoing and 7 activities are scheduled to start at a future date.

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

3.1 Risk Management

CEPOL implements risk assessment as part of the annual programming cycle. For each of the risks identified, mitigating action(s), action owners and deadlines for these actions are agreed and recorded on the risk register. 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.

¹⁵ P8_TA-PROV (2017) 0160 Discharge 2015: European Police College (CEPOL)

¹⁶ Decision 11/2016/GB of the Governing Board of the European Police College adopting the Five-Year External Evaluation of the European Police College. Adopted by the Governing Board on 24 May 2016

In 2017, 13 preventive measures were agreed to mitigate risk areas for core business and support activities. Overall, the action plan has been followed up adequately and none of the risks has materialised in a way that has impacted negatively the Agency's reputation or the achievement of the strategic or operational objectives.

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

1. Discrepancy between enhanced mandate and available resources; insufficient capacity for managing complex projects (as an implementing agency)

On 25 November 2015 the new CEPOL Regulation has been adopted by the legislative authorities; as from 1 July 2016 it is applied. The new Regulation sets ambitious goals for the agency, including new tasks.

This risk has been identified since 2016 but it is considered still active, until the resources are fully aligned with the new mandate expectations. In the meantime, CEPOL applied prioritisation of tasks, management of stakeholder's expectations, providing for support staff (Contract Agents/interim staff) and requested additional resources from the Budgetary Authority.

So far, 4 additional posts were allocated in the establishment plan 2017: Senior Project Coordinator (AD8), Training Needs Assessment Specialist (2 positions AD6-AD7) and Senior Programme Officer (AD 8).

2. Insufficient deployment of CEPOL's HR capacity

CEPOL planned regular monitoring of anticipated HR turnover and timely publication of vacancy announcements. In 2017 the staff turnover kept its high trend, therefore CEPOL continued to implement staff retention and business continuity measures. The Agency used a number of interim staff and SNEs to fill in for staff absence, until recruitment of statutory staff was completed.

3.2 Compliance and effectiveness of internal control

Based on further procedural developments and practices implemented by CEPOL in 2017, the following 3 standards were fully achieved: ICS # 7 Operational structure, ICS # 8 Processes and procedures, ICS # 13 Accounting and financial reporting.

CEPOL is now fully compliant with 13 standards (ICS #1 'Mission', ICS #2 'Ethical and organisational values', ICS # 3 'Staff allocation and mobility', ICS # 4 'Staff evaluation and development', ICS # 5 'Objective and performance indicators', ICS # 6 'Risk management process', ICS # 7 Operational structure, ICS # 8 Processes and procedures, ICS # 9 'Management supervision', ICS # 13 Accounting and financial reporting, ICS # 14 'Evaluation activities', ICS # 15 'Assessment of internal control systems', ICS #16 'Internal Audit').

Achievement of 2 standards is depending on further developments in the ICT area: ICS #10 'Business continuity' (ICT Backup Policy), ICS# 12 'Information and communication' (Information System Security Policy). These standards are re-prioritised to be achieved by end of 2018.

Achievement of ICS # 11 'Document management' is pending on finalising and implementing the Draft Information Management Policy; also the Agency initiated a project aiming to introduce an electronic document management system; both actions are on hold due to limited budget and human resources capacity to manage the project.

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 ¹⁷	X		

Conclusion

In 2017 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.

Moreover, CEPOL is certified in accordance with the Quality Management System Standard ISO 9001:2015 since February 2017. The continuous improvement of processes and procedures is embedded in CEPOL's Quality Management System. The 1st surveillance audit implemented by the external auditor on 24-25 January 2018 resulted in a positive opinion, with no major non-conformities. Therefore CEPOL continues to demonstrate its high commitment to quality and stakeholder satisfaction.

¹⁷ CEPOL relies on the internal audit capability provided by the Internal Audit Service

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 2016 were considered adequately implemented and have been closed
- ECA's preliminary findings on legality and regularity of the transactions 2017 do not refer to any critical issues
- observations from the European Parliament have been considered.

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, Executive Director of the European Union Agency for Law Enforcement Training (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 09/04/2018

<Signature on file>

Detlef Schroeder
CEPOL Executive Director

Statement of the Internal Control Officer & Quality Management Officer

I, the undersigned,

In my capacity as Internal Control Officer and back-up Quality Management Officer

Acting in line with the ICS # 15 '*Assessment of internal control systems*', we have reported our advice and recommendations to the Executive 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 2017 is accurate and exhaustive.

Done at Budapest, on 09/04/2018

<Signature on file>

Luminita Moldovan
Internal Control Officer,
Back-up Quality Management Officer

ANNEXES

Annex I. Details on CEPOL Training tools

In 2017 CEPOL continued selecting its learning and training themes from the relevant EU policy instruments taking into account the Member States opinion on topic prioritisation. All CEPOL activities are designed to facilitate the sharing of knowledge and best practices, and to help developing a common European law enforcement culture.

Thematic portfolios are applying varied training and learning tools, often in a blended manner. :

- Residential activities
- Online activities
- CEPOL Exchange Programme

Below is a short overview of the use of these tools:

Education and training activities (residential)

In 2017 CEPOL planned to implement 103 residential activities, delivered – 105 (87 in 2016).

Residential activities were represented in the following categories:

1. Serious crime and counter terrorism
 - a. EU Policy Cycle – Council's priorities in the fight against serious and organised crime 2014-2017 (36 residential activities)
 - b. Counter terrorism (9 residential activities)
2. Public order – policing of major events (5 residential activities)
3. Planning and command of Union missions (6 residential activities)
4. Leadership, language development, train the trainers (7 residential activities)
5. Law enforcement cooperation and information exchange (12 residential activities);
6. Specific areas and instruments (25 residential activities)
7. Fundamental Rights; (3 activities);
8. Research and prevention (2 activities)

The overall satisfaction with CEPOL activities remains high, for 2017 it was **95%** for residential courses (in 2016 it was also **95%**), whereby there were **3 383** residential participants in 2017 (**2 946** in 2016).

Grants

Residential activities continued to be implemented via grants mechanism, however the trend of a shared responsibility for implementation between CEPOL and the Framework Partners continued – alongside with grants (62 activities), CEPOL implemented 43 activities (in cooperation with Framework Partners through joint procurement - 9 activities, by CEPOL - 34 activities).

As planned, there was one Call for Applications for 2017 activities, and resulted in signature of **51** grant agreements for the implementation of **62** activities. One granted activity had been cancelled due to the insufficient number of nominations. Out of the 60 Framework Partners 40 applied to implement activities via the grant system.

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.

Online training¹⁸

Online training and learning solutions are ideal to cater for larger audiences and it accounts to over 80% of CEPOL training outreach; Online training offers webinars, online modules allowing self-paced learning and online courses. The latter is relatively new tool, which is used to reinforce training availability on specialist topics. 2017 is the first year when online courses were fully integrated into the training portfolios; these courses were built on the content of residential activities thus making the content more accessible.

2017 CEPOL e-Learning overview	N users
95 Webinars	13 748
34 Online modules	5 301
8 Online Courses	230
Total	19 279

Satisfaction with CEPOL online training is high in average 94% of satisfaction with webinars, 87% with online courses.

CEPOL Exchange Programme

The current Erasmus-style CEPOL Exchange Programme (CEP) was established by Council Conclusions in 2010¹⁹. The Council tasked CEPOL to implement the CEP and envisioned additional EUR 5M for its implementation. Although it was a new task, no additional resources were given to the agency; hence CEPOL has been implementing the CEP using its core budget.

The CEP 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.

CEP allows participants to exchange knowledge and good practices, initiating cooperation projects and fostering deep and long-lasting learning and networking. Notably, exchanges successfully promote trust and cooperation between law enforcement staff from different law enforcement services. The programme fulfils one of CEPOL's key objectives in developing a European law enforcement culture; exchanges increase appreciation of different cultures, remove biases and break down barriers.

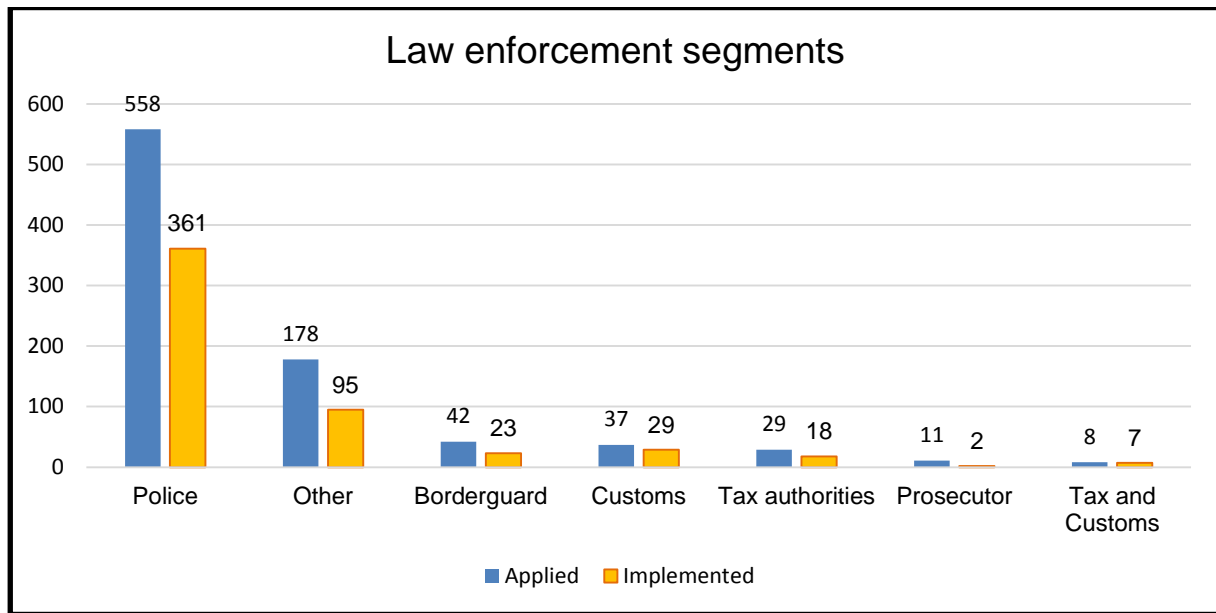
As an increase to the nominations (676) in 2016, in 2017 all partners (EU Member States, EU Candidate Countries, Western Balkan and European Eastern Partnership countries) submitted a record high number of nominations (863). Within the available budget it was possible to implement 598 exchanges comprising:

- 535 exchanges for law enforcement officers
- 24 participants from the Future Leaders course
- 39 participants took part in the study visit to Frontex.

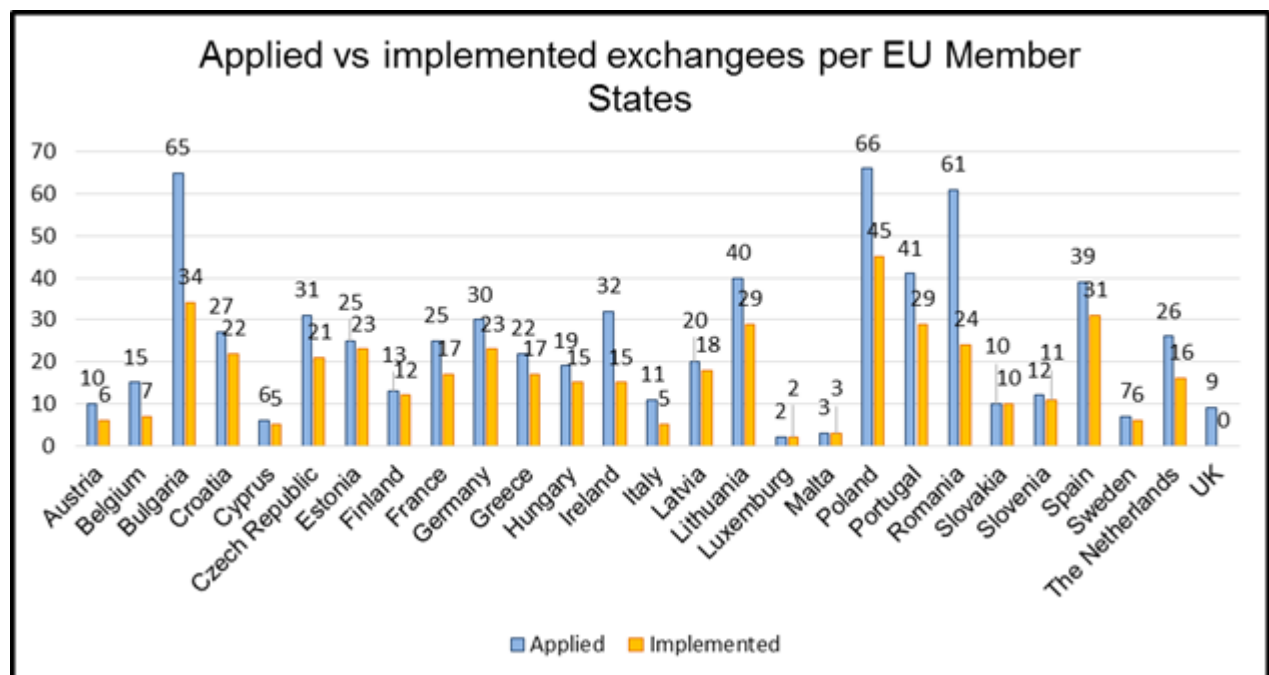
2017 was the first full year when the whole law enforcement community was addressed. The below graph shows the distribution of the nominated and successfully selected participants by law enforcement segments.

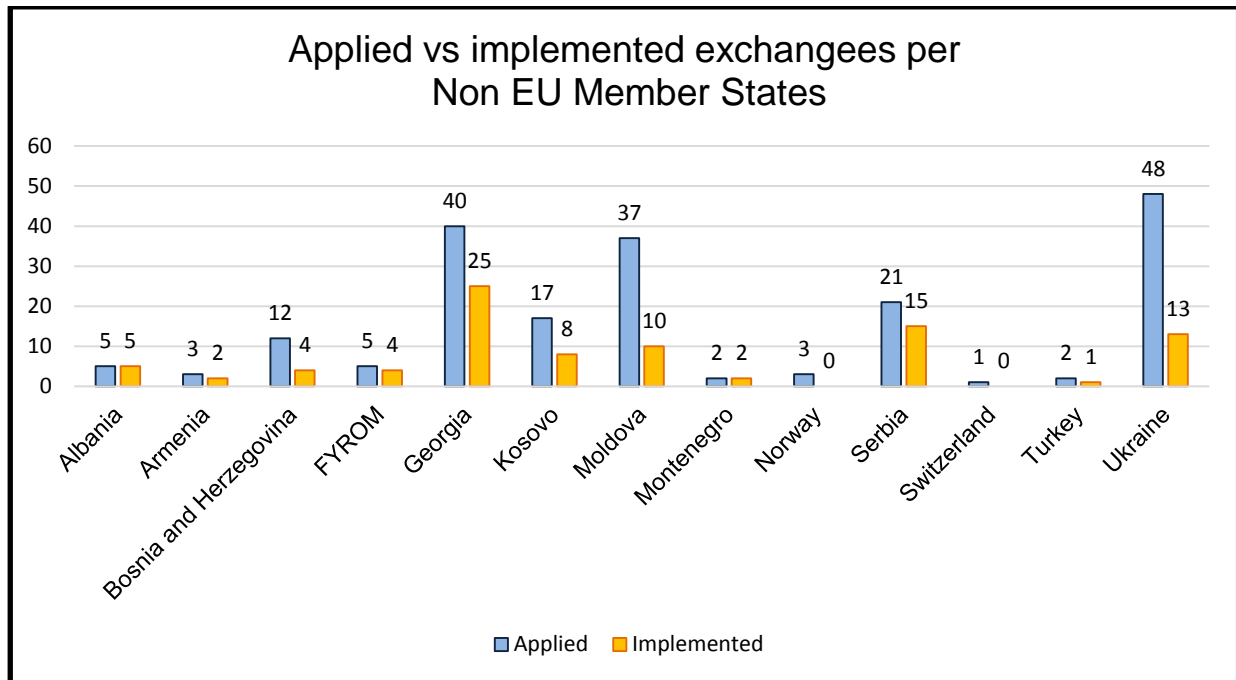
¹⁸ Detailed information can be found under Objective 2.C

¹⁹ 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



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

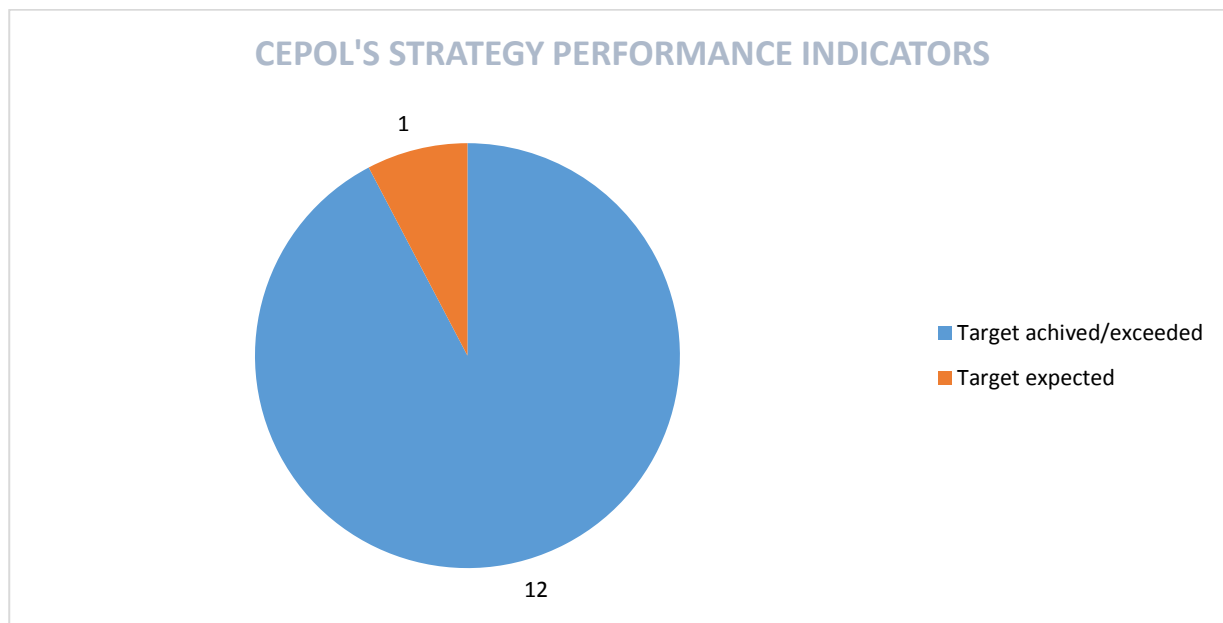




fYROM: the Former Yugoslav Republic of Macedonia.

Kosovo: 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

Annex II. Performance statistics



The Agency's Key Performance Indicators (KPIs) and Performance Indicators (PIs), linked to the achievement of the three Strategic Goals in the CEPOL Short-Term Strategy 2014-2017 are demonstrating sustainable performance in 2017 with 92% strategy implementation rate versus 80% target. Out of 13 performance indicators, 12 were achieved or exceeded.

In case of PI9 'Implementation of the annual work programme and the budget' by the end of December 2017, 97% of the regular (C1) budget has been committed, out of which 87% has been paid (84% of the total budget); a total of € 1 213 257 has been carried over to 2018, amounting to 13% of the overall 2017 budget. Therefore the total 2017 budget consumption will be known at the end of 2018.

No.	Performance Indicators	Target	Status 2017	Comments
1	Satisfaction with training provided by CEPOL	90%	93% ²⁰	Target exceeded
2	20% increase in the number of participants in leadership development activities by 2017	20%	36% ²¹	Target exceeded
3	10% increase in the overall participation in the CEPOL residential activities	10%	15% ²²	Target exceeded
4	Implementation of CEPOL-led planned JHA scorecard activities	80%	87% ²³	Target exceeded
5	Overall rate of implemented working agreements	80%	100% ²⁴	Target exceeded

²⁰ 95% residential, 94% webinars, 93% CEP, 87% on line seminars and 98% MENA

²¹ 222 participants in 2014 versus 303 in 2017

²² 2946 participants in 2016 versus 3383 in 2017

²³ 15 activities, out of which 13 fully implemented, the other 2 (STNA and TM glossary exercise) are ongoing

²⁴ currently 18 WAs with third countries and non-EU organisations are signed; all are implemented (except with Russian Federation which is on hold)

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6	Percentage of CEPOL Framework Partners implementing activities under FWP Agreements	90%	100% ²⁵	Target exceeded
7	Percentage of Working Arrangements with third countries effectively being implemented	80%	93% ²⁶	Target exceeded
8	Implementation of CEPOL strategy	80%	92% ²⁷	Target exceeded
9	Implementation of the annual work programme and the budget	95%	84% ²⁸	Target expected
10	Implementation of a new evaluation system for the whole CEPOL training portfolio by 2016	100%	100% ²⁹	Target achieved
11	Grant Agreements implemented vs signed	95%	98% ³⁰	Target exceeded
12	Five-year-evaluation report completed by 2015	100%	100% ³¹	Target achieved
13	Maximum annual turnover of statutory staff	≤10%	10% ³²	Target achieved

²⁵ 40 Framework Partners out of 35 have submitted a grant application; the number of Framework Partners (FPs) increased following the call launched in 2016 extend CEPOL's target group following the new mandate, resulting in 60 FPs; the new target group will subject to PIs in the next strategy 2018-2020

²⁶ 14 signed Working Arrangements with third countries, of which 13 are actively implemented

²⁷ 12 targets achieved/exceeded versus 13 targets; no 9 is expected, pending on the level of implementation of carry overs in 2018

²⁸ By the end of December 2017, 97.09% of the regular (C1) budget has been committed, out of which 87% has been paid (84% of the total budget); a total of €1 213 257 has been carried over to 2018, amounting to 13.07% of the overall 2017 budget.

²⁹ the action was completed in 2016

³⁰ there was one Call for Applications for 2017 activities, and resulted in signature of 51 grant agreements for the implementation of 63 activities; one activity was cancelled (course 51/2017)

³¹ this action was completed in 2016

³² 6 resignations vs 55 posts established

Annex III. Statistics on financial management

Table A3.1: Budget 2017 execution status as of 31 December 2017

Budget Implementation/Execution Regular budget 2017 (C1)		Initial Budget	Budget Transfers	Actual Budget	Committed	Budget implementation %	Paid	Budget execution %	Carry forward
		A	B	C (=A+B)	D	D/C	E	E/C	D-E
11	Staff in active employment	3 377 656.00	- 185 880.44	3 191 775.56	3 183 588.74	100%	2 957 834.44	93%	225 754.30
13	Missions and duty travel	40 000.00		40 000.00	40 000.00	100%	36 136.18	90%	3 863.82
14	Socio-Medical Infrastructure	411 000.00	- 61 472.20	349 527.80	349 428.75	100%	347 428.75	99%	2 000.00
16	Social welfare	2 000.00	5 487.05	7 487.05	7 480.26	100%	7 480.26	100%	
17	Entertainment and representation expenses	3 000.00	1 000.00	4 000.00	4 000.00	100%	3 266.89	82%	733.11
1	TITLE 1 Expenditure relating to persons working with CEPOL	3 833 656.00	- 240 865.59	3 592 790.41	3 584 497.75	100%	3 352 146.52	93%	232 351.23
20	Investments in immovable property & rental of buildings	43 000.00	- 4 000.00	39 000.00	24 571.07	63%	24 170.41	62%	400.66
21	Information and communication technology expenditure	295 000.00	99 589.49	394 589.49	391 047.58	99%	284 188.69	72%	106 858.89
22	Movable property and associated costs	14 500.00	21 500.00	36 000.00	32 846.51	91%	19 293.38	54%	13 553.13
23	Current administrative expenditure	91 500.00	- 55 045.80	36 454.20	29 245.51	80%	24 316.13	67%	4 929.38
24	Postal charges	8 000.00	- 200.00	7 800.00	4 050.00	52%	3 530.11	45%	519.89
2	TITLE 2 Buildings & equipment and miscellaneous expenditure	452 000.00	61 843.69	513 843.69	481 760.67	94%	355 498.72	69%	126 261.95
30	Bodies and organs	245 000.00	- 35 000.00	210 000.00	164 915.03	79%	158 253.34	75%	6 661.69
31	Courses, Flight Schemes, E-Net	3 720 344.00	- 15 200.00	3 705 144.00	3 539 508.36	96%	2 921 383.61	79%	618 124.75
32	Other programme activities	829 000.00	91 021.90	920 021.90	901 024.21	98%	728 539.87	79%	172 484.34
33	Evaluation					N.A.		N.A.	
35	Missions	150 000.00	58 200.00	208 200.00	208 200.00	100%	206 401.54	99%	1 798.46
37	Other operational activities	50 000.00	80 000.00	130 000.00	130 000.00	100%	74 425.51	57%	55 574.49
3	TITLE 3 Operational Expenditure	4 994 344.00	179 021.90	5 173 365.90	4 943 647.60	96%	4 089 003.87	79%	854 643.73
GRAND TOTAL		9 280 000.00		9 280 000.00	9 009 906.02	97.09%	7 796 649.11	84.02%	1 213 256.91

Table A 3.2: Payment times per title and fund source

Payment time monitoring		Number of payments	Amount	Payments in time	
				Number	%
C8	Title 1	36	124 953	31	86%
	Title 2	32	113 245	32	100%
	Title 3	171	961 726	146	85%
	Sub-total	239	1 199 924	209	87%
C1	Title 1	234	871 269	224	96%
	Title 2	189	319 180	177	94%
	Title 3	680	3 961 394	656	96%
	Sub-total	1 103	5 151 844	1 057	96%
C4	Title 1	4	26 338	0	0%
	Title 2	0	0	0	0%
	Title 3	0	0	0	0%
	Sub-total	4	26 338	0	0%
R0	Title 4	354	1 078 981	351	99%
	Sub-total	354	1 078 981	351	99%
HB	Non Budgetary payments	39	851 232	37	95%
	TOTAL	1 739	8 308 318	1 654	95%

In 2017 CEPOL made a total of 1 739 regular payments which is 12% more than in 2016. Thanks to the enhanced invoice/payment reporting and follow-up the "in time" performance has been continuously improved during the last years. In 2017, 95% of the payments were within the legal time limit.

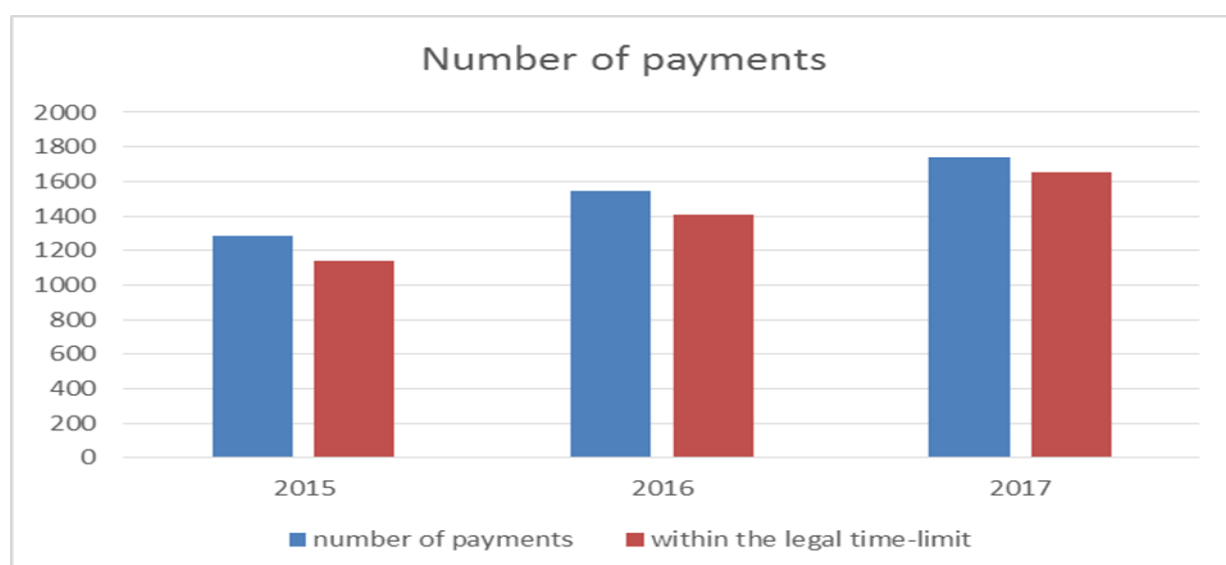
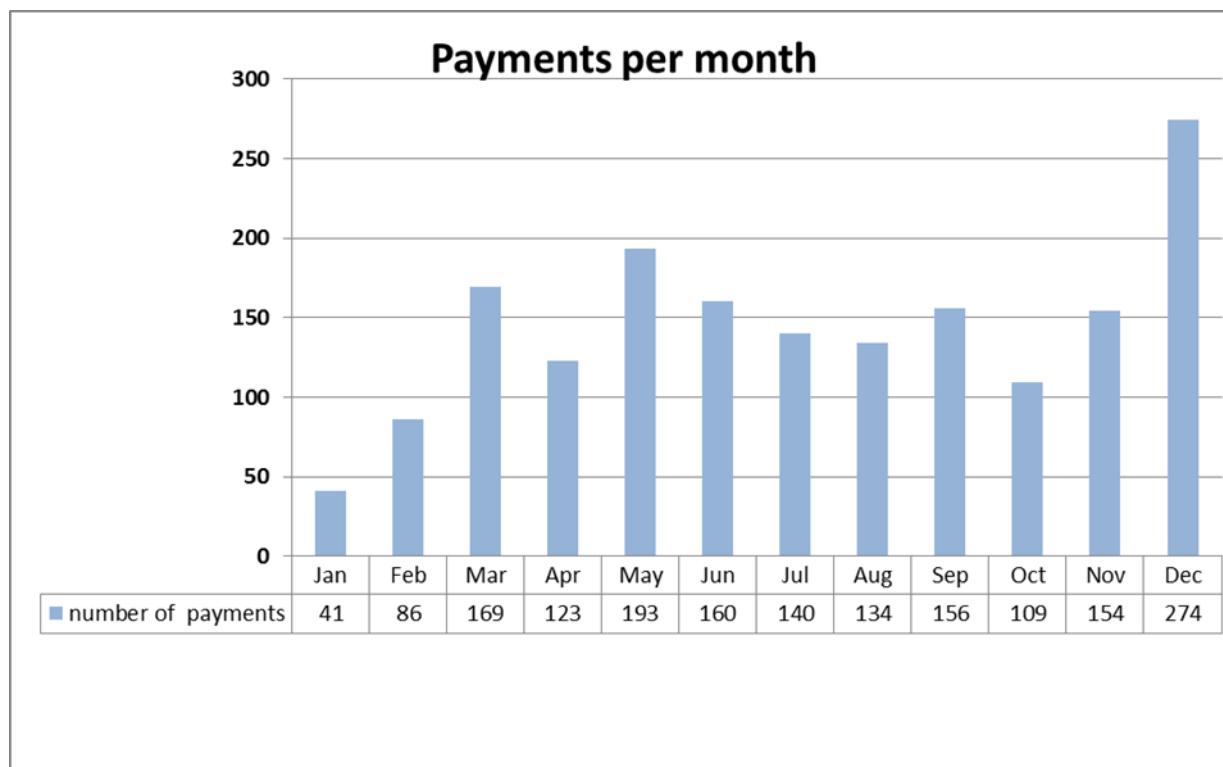
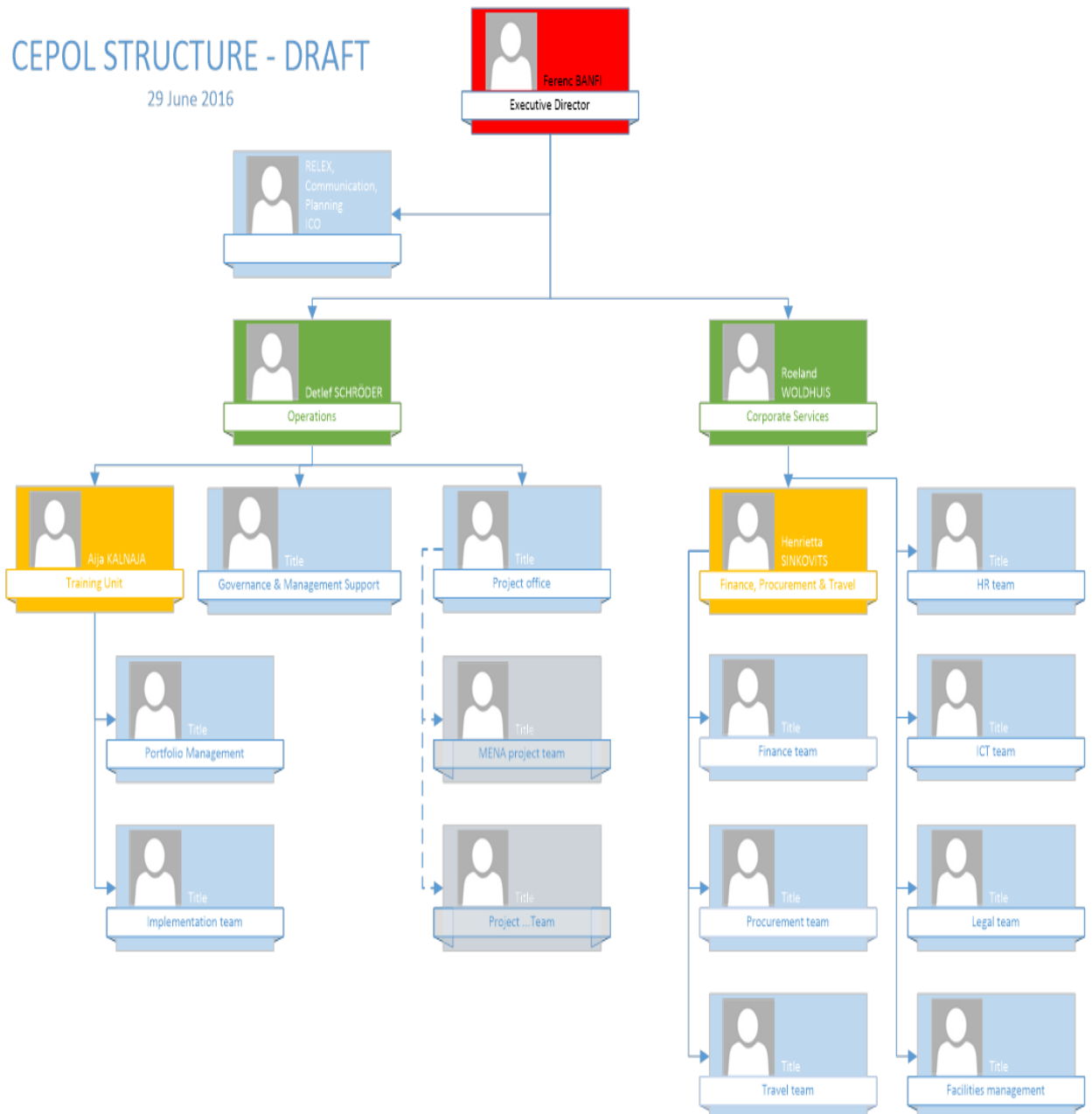
Table A 3.3: Number of payments 2015-2017

Table A 3.4: Number of payments per month in 2017



Annex IV. Organisational chart

Last organisational chart valid by the end of the year.



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

Table A 5.1: Overview of staff at 31 December 2017

Staff population		Staff population in EU budget 31.12.2017	Staff population on 31.12.2017 ³³
Officials	AD		
	AST		
	AST/SC		
TA	AD	20	19
	AST	11	11
	AST/SC		
Total ³⁴		31	30
CA GF IV		5 ³⁵	4
CA GF III		3 ³⁶	3 ³⁷
CA GF II		11	10 ³⁸
CA GF I		1	0
Total CA		20*	17
SNE		4	6³⁹
Structural service providers		-	-
GRAND TOTAL		55	53
External staff for occasional replacement ⁴⁰			12

* As per Single Programming Document 2017-2019 (06/2016/MB including CT MENA project)

³³ Including job offers sent before 31 December 2017

³⁴ Headcounts

³⁵ Including 2 FTE's FGIV for 6 months for CT MENA

³⁶ Including 2 FTE's FGIII for 6 months for CT MENA

³⁷ Including 2 FGIII CT MENA Officers – full year

³⁸ Including job offer sent before 31 December 2017

³⁹ Including 2 FTE – temporary replacement (Programme Officer and Cybercrime Portfolio Manager)

⁴⁰ For instance replacement due to maternity leave or long-term sick leave.

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Template



Table A 5.2: Information on the entry level for each type of post and indication whether the function is dedicated to administrative support or operations

NR	JOB TITLE	Department	UNIT	TEAM	Staff Category	Group	Bandwidth		Category Code	Type/Role
							Low	High		
1	Finance & Accounting Correspondent	Corporate Services Department	Finance Unit	Finance	TA	AD	5	6	FIN CONT	Neutral
2	Travel & Logistics coordinator	Corporate Services Department		Travel & Missions	TA	AST	3		LOG	Administrative support (ADM SUP)
3	Communications & Publicity Officer	Director		Communication	TA	AST	4		COMM	Coordination (COORD)
4	Web & Communications Assistant	Director		Communication	CA	FG-II	4		COMM	Coordination (COORD)
5	Head of Department/Deputy Director	Operations Department			TA	AD	10	11	TOP COORD	Operational (OPER)
6	Executive Director	Director			TA	AD	13	14	TOP COORD	Operational (OPER)
7	Head of Unit	Corporate Services Department	Finance Unit		TA	AD	9	10	FIN CONT	Neutral
8	Finance & Budget Officer	Corporate Services Department	Finance Unit	Finance	TA	AD	7	8	FIN CONT	Neutral
9	Finance & Budget Assistant	Corporate Services Department	Finance Unit	Finance	TA	AST	3		FIN CONT	Neutral
10	Administrative Assistant - Finance	Corporate Services Department	Finance Unit	Finance	CA	FG-II	5		FIN CONT	Neutral
11	Head of Department	Corporate Services Department			TA	AD	10	11	RES DIR/HoA	Administrative support (ADM SUP)
12	Administrative Assistant - Finance	Corporate Services Department	Finance Unit	Finance	CA	FG-II	5		FIN CONT	Neutral
13	HR Officer	Corporate Services Department		Human Resources	TA	AST	5		HR	Administrative support (ADM SUP)
14	HR Assistant	Corporate Services Department		Human Resources	CA	FG-II	5		HR	Administrative support (ADM SUP)
15	Internal Control	Director			TA	AD	5	6	IA	Administrative support (ADM SUP)
16	ICT Officer	Corporate Services Department		ICT	TA	AST	5		ICT	Administrative support (ADM SUP)
17	ICT assistant	Corporate Services Department		ICT	TA	AST	3		ICT	Administrative support (ADM SUP)
18	Management Support Assistant	Operations Department		Governance	TA	AST	4		GEN OPER	Operational (OPER)
19	Secretary	Director		Governance	CA	FG-I	1		GEN OPER	Operational (OPER)
20	Procurement Support Officer	Corporate Services Department		Procurement	TA	AST	3	4	FIN CONT	Neutral
21	Procurement Support Assistant	Corporate Services Department		Procurement	CA	FG-III	8	10	FIN CONT	Neutral
22	Planning Officer	Director			TA	AD	5	6	GEN OPER	Operational (OPER)
23	Governance Assistant	Operations Department		Governance	TA	AST	3		GEN OPER	Operational (OPER)
24	Programme Officer	Operations Department	Training Unit	Implementation	TA	AD	5	6	PGM M/IMP	Operational (OPER)
25	E-Learning Administrator	Operations Department	Training Unit	Implementation	CA	FG-IV	13	16	GEN OPER	Operational (OPER)
26	Research & Knowledge Management Officer	Operations Department	Training Unit	Policy	TA	AD	5	6	PGM M/IMP	Operational (OPER)
27	Head of Unit	Operations Department	Training Unit		TA	AD	9	10	GEN OPER	Operational (OPER)
28	Programme Officer	Operations Department	Training Unit	Policy	TA	AD	5	6	PGM M/IMP	Operational (OPER)
29	Programme Officer	Operations Department	Training Unit	Policy	TA	AD	5	6	PGM M/IMP	Operational (OPER)
30	Programme Officer	Operations Department	Training Unit	Implementation	TA	AD	5	6	PGM M/IMP	Operational (OPER)
31	Finance & Budget Support Officer	Operations Department	Training Unit	Implementation	TA	AST	3		GEN OPER	Operational (OPER)
32	Programme Support Officer	Operations Department	Training Unit	Implementation	TA	AST	3		GEN OPER	Operational (OPER)
33	Governance Support Assistant	Operations Department	Strategic Affairs Unit	Governance	CA	FG-II	5		GEN OPER	Operational (OPER)
34	Travel & Mission Assistant	Corporate Services Department		Travel & Missions	CA	FG-II	5		PGM M/IMP	Operational (OPER)
35	Travel & Mission Assistant	Corporate Services Department		Travel & Missions	CA	FG-II	5		PGM M/IMP	Operational (OPER)
36	Quality Management Officer	Operations Department	Training Unit	Policy	TA	AD	5	6	EVAL	Operational (OPER)
37	SNE Training & Evaluation	Operations Department	Training Unit	Training Implementation	SNE	SNE			GEN OPER	Operational (OPER)
38	SNE European Police Exchange Programm	Operations Department	Training Unit	Training Implementation	SNE	SNE			GEN OPER	Operational (OPER)
39	SNE residential activities	Operations Department	Training Unit	Training Implementation	SNE	SNE			GEN OPER	Operational (OPER)
40	Legal Officer	Corporate Services Department		Legal	TA	AD	6	7	LEGAL	Coordination (COORD)
41	Exchange Programme Assistant	Operations Department	Training Unit	Implementation	CA	FG-II	5	6	GEN OPER	Operational (OPER)
42	Residential Events Assistant	Operations Department	Training Unit	Implementation	CA	FG-II	5	6	GEN OPER	Operational (OPER)
43	Residential Events Assistant	Operations Department	Training Unit	Implementation	CA	FG-II	5	6	GEN OPER	Operational (OPER)
44	Travel & Mission Assistant	Corporate Services Department		Travel & Missions	CA	FG-II	5		PGM M/IMP	Operational (OPER)
45	Policy Officer/ External Relations	Director			CA	FG-IV	13	16	GEN OPER	Operational (OPER)
46	Cybercrime Portfolio Manager	Operations Department	Training Unit	Implementation	CA	FG-IV	13	16	PGM M/IMP	Operational (OPER)
47	IT Systems Manager	Corporate Services Department		ICT	CA	FG-IV	13	16	GEN OPER	Operational (OPER)
48	Senior Project Manager/Deputy Head of Unit	Operations Department	Training Unit	Policy	TA	AD	8	9	PGM M/IMP	Operational (OPER)
49	Strategic Training Needs Assessment Officer	Operations Department	Training Unit	Policy	TA	AD	7	8	EVAL	Operational (OPER)
50	Training Needs Assessment Officer	Operations Department	Training Unit	Policy	TA	AD	6	7	EVAL	Operational (OPER)
51	Senior Project Coordinator	Operations Department		Project office	TA	AD	8	9	PGM M/IMP	Operational (OPER)
52	E-learning Support Assistant	Operations Department	Training Unit	Implementation	CA	FG-IV	13	16	GEN OPER	Operational (OPER)
53	Project Officer	Operations Department		MENA Project team	CA	FG-III			GEN OPER	Operational (OPER)
54	Project Officer	Operations Department		MENA Project team	CA	FG-III			GEN OPER	Operational (OPER)
55	SNE MENA Project	Operations Department		MENA Project Team	SNE	SNE			GEN OPER	Operational (OPER)

Table A 5.3: Benchmarking against previous year results

Job type	Year N-1 (%)	Year N (%)
Core functions (operational)	65%	67%
Support functions	14%	13%
Special functions (neutral)	21%	20%

Table A 5.4: Information on interim staff employed by CEPOL in 2017

~	Position	Office	Category	Grade	Start date	End date	Days in 2017
1	Travel and Mission Assistant	CSD/Travel	Group II	4	01/01/2017	31/12/2017	365
2	Administrative Assistant	TRU	Group II	4	16/01/2017	31/12/2017	350
3	e-Learning Assistant	TRU	Group III	9	01/01/2017	31/12/2017	365
4	Administrative Assistant	TRU	Group II	4	01/01/2017	31/12/2017	365
5	ICT	CSD/IT	Group III	8	01/01/2017	31/12/2017	365
6	Travel and Mission Assistant	CSD/Travel	Group II	4	16/09/2017	31/12/2017	107
7	Procurement Support Assistant	CSD/Procurement	Group III	9	01/01/2017	31/12/2017	365
8	Communications assistant	Governance	Group II	4	01/05/2017	31/12/2017	245
9	STNA	TRU	Group IV	14	01/09/2017	31/01/2017	122
10	Webinar administrator	TRU	Group III	9	01/07/2017	31/12/2017	184
11	CEP Assistant	TRU	Group II	4	16/05/2017	31/12/20107	230
12	Secretary to ED/Governance	ED	Group II	4	01/01/2017	31/01/2017	365

Table A5.5: Information on the number of leave days authorised to each grade under the flexitime

Grade	Flexi time (in days) taken
AD8	6
AD7	0
AD6	13
AD5	52
AST5	40
AST4	21
AST3	16.5
FG-IV	6
FG-III	18
FG-II	39.5
FG-I	6
SNE	45
Grand total	263

Annex VI. Human and financial resources by activity

Estimates for resource-allocation per Activity

Activity Based Budget 2017 (ABB) ⁴¹	Allocated human resources (FTE)				Allocated budget resources (EUR) *			
	TA	CA	SNE	Total HR	Indirect cost (T1 & T2)	Direct cost (Title 3)	CT MENA ⁴² (Title 4)	Total budget
1. Support, develop, implement and coordinate training for law enforcement officials in the areas of terrorism, serious crime and public order	8.40	7.10	2.60	18.10	1 410 400 (1 351 456)	3 195 900 (3 286 171)	0	4 606 300 (4 637 626)
2. Prepare multi-annual strategic training needs analyses and multi-annual learning programmes	5.20	0.90	0.40	6.50	506 500 (485 329)	1 092 700 (1 129 259)	0	1 599 200 (1 614 588)
3. Supporting Union missions, Capacity-building in third countries, and Cooperation with Union bodies and international organisations	3.05	4.50 ⁴³	0.90	8.45	580 500 (556 262)	428 244 (499 796)	539 804	1 008 744 (1 056 058) +539 804
4. Governance, Administration and ICT	14.35	7.50	0.10	21.95	1 788 256 (1 713 586)	277 500 (258 140)	0	2 065 756 (1 971 726)
Subtotals / Totals	31	20	4	55	4 285 656 (4 106 633)	4 994 344 (5 173 366)	539 804	9 280 000 +539 804

* the amount between brackets indicate the amended budget following transfers between Titles

Actual consumption or use of resources per Activity

Activity Based Budget 2017 (ABB) Table of actual allocations	Actual allocation of human resources (FTE) ⁴⁴				Actual budget consumed ⁴⁵ (EUR)			
	TA	CA	SNE	Total HR	Indirect cost (T1 & T2)	Direct cost (Title 3)	CT MENA ⁴⁶ (Title 4)	Total budget
1. Support, develop, implement and coordinate training for law enforcement officials in the areas of terrorism, serious crime and public order	6.74	8.78	3.30	18.79	1 341 865	3 168 421	0	4 510 287
2. Prepare multi-annual strategic training needs analyses and multi-annual learning programmes	3.11	3.66	0.8	7.52	528 614	1 081 773	0	1 610 386
3. Supporting Union missions, Capacity-building in third countries, and Cooperation with Union bodies and international organisations	2.20	5.12	1.90	9.25	650 601	480 398	1,239,857	1 131 000 (+1 239 857)
4. Governance, Administration and ICT	12.72	8.72	0	21.44	1 545 178	213 055	0	1 758 233
Subtotals / Totals	24.77	26.28	5.95	57.00	4 066 258	4 943 648	1,239,857	9 009 906 (+1 239 857)

⁴¹ The allocation of indirect costs (Titles 1 and 2) are driven by the FTE allocation per activity area

⁴² The cost of CT MENA project reflects an estimated cost of 12 months for the project (for year 2017 only)

⁴³ This figure included the Contract Agent (CA) posts for the CT MENA project

⁴⁴ For the purpose of this exercise, interim staff have been treated as per the category of the post they have provided cover for.

⁴⁵ Commitment appropriations on 31/12/2017

⁴⁶ The cost of CT MENA project reflects the cost for year 2017 only

Deviations between estimated resource-allocation per Activity and actual use or actual consumption

Activity Based Budget 2017 (ABB)		Deviation in allocation of human resources (FTE)				Deviations in allocated budget resources (estimates vs actual consumption - amounts in EUR)			
Table of differences between estimates and actuals									
Activity area		TA	CA	SNE	Net effect on HR	Indirect cost (T1 & T2)	Direct cost (Title 3)	CT MENA (Title 4)	Subtotals (Net effect)
1. Support, develop, implement and coordinate training for law enforcement officials in the areas of terrorism, serious crime and public order		N/A	N/A	N/A	+0.69 (3.81%)	-9 590 (0.71%)	-117 750 (3.68%)		-127 340
2. Prepare multi-annual strategic training needs analyses and multi-annual learning programmes		N/A	N/A	N/A	+1.02 (15.69%)	+43 284 (8.92%)	-47 486 (4.35%)		-4 202
3. Supporting Union missions, Capacity-building in third countries, and Cooperation with Union bodies and international organisations		N/A	N/A	N/A	+0.80 (9.47%)	+94 339 (16.96%)	-19 398 (4.53%)	+700 053 (130%)	+74 942 (+700 053)
4. Governance, Administration and ICT		N/A	N/A	N/A	-0.51 (2.32%)	-168 408 (9.83%)	-45 085 (16.25%)		-213 493
Subtotals / Totals					+2.00	-40 375	-229 718	+700 053	-270 093 (+700 053)

Analysis on the actual use of resource-allocation per activity

a) Human resources (FTE)

The time CEPOL staff spent to each Activity in 2017 has been captured in an updated ABB matrix for each staff member, including Seconded National Experts and interim staff. For the purpose of this exercise, time allocation of interim staff has been treated as per the category of the post they have provided cover for - i.e. either CA or TA.

For Activity 1, while there is no significant deviation from original planning, it is however noticed that while less TA were used, this was complemented by higher number of CA (including interims) and SNEs used, which ensured the business continuity following staff resignations.

For Activity 2 an increase of 15.69% in used HR resources has been noticed. In absolute terms this is equivalent to +1.02 FTEs. More time than originally planned was dedicated to the work around the first pilot EU-Strategic Training Needs Assessment (EU-STNA), especially by the SNEs and interim staff, until recruitment of the statutory staff was completed.

For Activity 3, it is noticed that once again a higher number of CA and SNEs than TA were used for capacity-building in third countries. For MENA project originally 0.5 FTE was allocated per staff member, while following the amendment extending the project duration by end of year, 1 full FTE was used. During the year, after finalising the recruitment, the external projects team has been strengthened with one TA post (Senior Project Coordinator).

Activity 4 is the only one showing a small decrease of 2.32% in HR resources. While more interims are used for administrative support activities, there was a shift in the time used by the statutory staff in the area of ICT and legal office, in order to give more support to the operational activities.

The net effect of the above was +2.00 FTE for the year.

b) Budget consumption

CEPOL's total voted budget for 2017 was €9 280 000, while by the end of December 2017, €9 009 906 has been committed (97.09%).

A number of transfers took place, as a result the Title 1 budget was decreased by € 240 865 (the unforeseen reason being that less staff costs proved to be necessary due to lower correction coefficient and more Hungarian staff members recruited). Majority of these credits were transferred to Title 3 allowing additional financing of operational activities (€179 021) and to a lesser extent to Title 2, which was increased by €61 843. Therefore, the comparison between the actual consumption was done against the allocated budget updated with transfers made between titles.

In case of budget consumption for Titles 1 and 2 there is no significant deviation from original planning, with an overall total of minus €40 375 budget consumption. The deviations indicate that more financial resources were used for operational activities 2 and 3 and less for activity 4, which is more administrative related.

For Title 3, there is a significant deviation from the original planning, with an overall total of minus €229 718 budget under spending, of which the highest difference in value of minus €117 750 is related to operational activity 1. The spending in areas related to article 310 'External experts – reimbursement of travel and accommodation expenses' and article 311 'Participants' fell short of EUR 114K, respectively 50K than originally planned, representing the highest difference in total. Nevertheless considering that the T3 original budget was increased during the year with salary savings from Title 1, it can be concluded that the 96% budget consumption, in terms of commitments, is a good implementation rate.

Finally, it should be noted that in case of CT MENA project, €1 239 857 has been committed in 2017, representing a positive significant difference versus planned, which is explained by the amendment extending the duration of project implementation with additional activities implemented in 2017.

Annex VII. 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 27 April 2017 regarding implementation of the budget for the financial year 2015⁴⁷ 2016/2178(DEC))

OBSERVATION OF THE DISCHARGE AUTHORITY	RESPONSE AND MEASURES TAKEN BY CEPOL	STATUS/TARGET DATE
Budget and financial management 2. Notes that, following the signature of the grant agreement with the Commission on the EU/MENA Counter-Terrorism Training Partnership, a budget of EUR 2 500 000 was agreed, out of which EUR 300 000 was inscribed in the College's budget as assigned revenue in 2015, with the remaining EUR 2 200 000 being transferred during 2016 and 2017; requests a thorough evaluation of this project and its added value for the security of the Union, and if beneficial, requests the continuation and extension of the project in the coming years;	The external evaluation ⁴⁸ was completed in December 2017. It provides the European Commission, the European External Action Service, implementing partners and other relevant stakeholders with an independent and well informed assessment of the interventions, including key lessons and recommendations to inform future actions in the region. Summarised result of evaluation is included in the Consolidated Annual Activity Report 2017 (section Executive Summary – the Year in Brief).	Complete
Commitments and carry-overs 7. Notes that a number of staff initiated a legal dispute against the College concerning the conditions in which the relocation had been carried out and its financial impact on their income; notes furthermore that the Court has not yet delivered a judgment and that court proceedings remain ongoing; acknowledges that the final amount for the cost of relocation needs to cover the financial obligation arising from the Court's judgement and invites the College to report on the outcome and the final financial figure of the relocation;	<p>As reported in the Consolidated Annual Activity Report 2016, an amicable settlement has been reached with 4 ex-staff members in 2015 and a partial payment has been executed (€54 000). The remaining part of the amicable settlement for ex staff members has been paid from the 2016 budget, amounting to almost € 40 000.</p> <p>This is such a high amount as a result of the difference between the correction coefficients in the UK (on which the amicable settlement is based) and the correction coefficient in Hungary (on which the initial payment was made). The amicable settlement case is considered to be closed.</p> <p>With regard to the remaining legal case, 3 staff members decided on an appeal. The appeal is on-going, expected to be settled by end of 2018. The final outcome of the appeal will be reported as soon as available.</p>	On-going/ December 2018
Prevention and management of conflict of interest and transparency 10. Deplores that, despite the adoption of the College's policy on the prevention and management of conflict of interests in November 2014, the curricula vitae and declarations of interest of its experts are not published on the College's website; reminds the College that it should make them available for the public in order to ensure transparency and uphold Union citizens' trust in the Union institutions;	In accordance with the CEPOL's policy on prevention and management of potential conflict of interest (adopted by Decision 32/2014/GB), and the privacy statement communicated to the data subjects, the declarations of interest are published on CEPOL website only for the top management (Director, Deputy Director and Head of Corporate Services) and the Management Board members.	On-going/ July 2018

⁴⁷ P8_TA-PROV (2017) 0160 Discharge 2015: European Police College (CEPOL)

⁴⁸ Evaluation of Instrument contributing to Stability and Peace (IcSP) actions on Counter-Terrorism and Preventing /Countering Violent Extremism in the Middle East and North Africa (MENA) region - Final Report Summary for External Use (December 2017)

	<p>With regards to external remunerated experts, CEPOL publishes on its website, as part of the annual list of contractors, the expert contracts awarded by CEPOL. The declaration on conflict of interest and confidentiality for the remunerated experts is a standard annex to the contract. For practical reasons these are not published on the website.</p> <p>With regards to network expert groups supporting CEPOL in its work, they function only as advisory bodies, therefore the risk of conflicting interests affecting the formal work of CEPOL is minimal. The standard practice is that the person chairing the expert meetings requests, when relevant, that any conflicting interests are declared at the start of each meeting and documented in the minutes. Where necessary, CEPOL may also impose other preventive measures, such as specific declarations of interest. So far, this was not the case.</p> <p>In the light of the recommendations made by the EP, CEPOL will revisit its arrangements for collecting and publication of experts' declarations of interest, with due consideration to personal data protection requirements.</p>	
<p>Prevention and management of conflict of interest and transparency</p> <p>10. Calls upon the College to adopt a clear and solid whistleblowing strategy and rules against "revolving doors" according to Article 22c of the Union Staff Regulations, which came into force on 1 January 2014;</p>	<p>In order to strengthen avoidance of post-employment conflict of interest, CEPOL introduced a declaration of intention to engage in an occupational activity after leaving the EU Agency, to be filled in by staff members upon resignation/retirement (exit form).</p> <p>CEPOL still needs to review and streamline its whistleblowing internal rules around requirements in the Article 22c of the Staff Regulations. In doing so, CEPOL will use the EC model decision for agencies on implementing rules laying down guidelines on whistleblowing.</p>	On-going/ July 2018
<p>Prevention and management of conflict of interest and transparency</p> <p>11. Notes that the College drafted a communication strategy as part of the overall strategy set out by its governing board in May 2016, which aims to increase its online visibility mainly by driving traffic to it through social media; notes that the College conducted an in-depth audit of its website at the end of 2016 and beginning of 2017; asks the College to report to the discharge authority on the result of this audit;</p>	<p>The technical and content relevance, efficiency, effectiveness and reach of CEPOL website was evaluated beginning 2017 and resulted in two audit documents – a content and technical audit. Following the results of the audit, the website was migrated to a new hosting platform. It is planned to further improve the website in 2018 to make it even more relevant to its stakeholders and to better support CEPOL's work.</p>	On-going/ December 2018
<p>Performance</p> <p>13. Acknowledges that the number residential activities (85) exceeded the target one (80) and that they have brought together 3 073 law enforcement participants, representing a 12 % increase from the originally forecasted number (2 755); encourages, however, the College to better report effects of its activities on the security of the Union;</p>	<p>The relevance, efficiency, effectiveness, coherence, impact, utility and added value of CEPOL was evaluated in the context of the five year external evaluation of CEPOL (2011-2015) as being overall positive.</p> <p>The high standard of the CEPOL quality management system has been evidenced in 2017 by obtaining the ISO 9001:2015 certificate.</p>	Complete

	<p>The results and impact CEPOL's work has on European citizens, is communicated in an accessible way, mainly through the website. Thus, the annual reports, work programmes, training catalogues, five-year evaluation reports and other relevant documents are published on CEPOL website.</p> <p>As reported in the Consolidated Annual Report 2016, more than 80% of the CEPOL training and learning activities, i.e. residential activities, webinars, online courses, online modules, tackle the security threat priorities stemming from the European Security Agenda. Overview of the number of activities and participants per thematic priority is also included.</p> <p>In order to be able to report better on the effect of CEPOL trainings, the agency reformed its training evaluation system in 2016. The new evaluation methodology (adopted by Decision 12-2016-GB) collects detailed information on the operational benefits of CEPOL trainings at individual and organisational level. The results of the new evaluation methodology are reported in the Consolidated Annual Activity Report 2017 (page 16 – quality assurance of learning)</p>	
<p>Performance</p> <p>15. Welcomes that in 2015 the College organised webinars to provide law enforcement officials with up-to-date information and best practice on identifying and investigating hate crimes and different forms of gender-based violence, and offered trainings to raise awareness about the challenges experienced by Roma communities and LGBTI persons (such as over- and under-policing and the lack of trust towards members of the police force), and how these can be addressed at the level of law enforcement; calls for the continuation of the provision of trainings in the field of fundamental rights and the related sensitisation of the police force;</p>	<p>As reported in the Consolidated Annual Report 2017, a total of 1 159 participants (1 788 in 2016) attended residential courses, webinars and exchanges in the area of fundamental rights. CEPOL will continue implementation of training in these areas, considering also the results indicated by the strategic training needs assessment, which is currently under implementation.</p>	Complete

B. Materiality Criteria⁴⁹

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 Consolidated 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 2017, the 2% threshold would define an amount of about € 185 600. Considering potential cases, this amount seems too high. Thus, the (standard) quantitative threshold is set at €25 000⁵⁰.

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 Consolidated 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.

⁴⁹ Reference: Standing Instructions for 2014 Annual Activity Reports - Ref. Ares (2014)3722820 - 10/11/2014

⁵⁰ A deficiency is considered material if the financial impact or risk of loss is equal to or more than €25 000.

Annex VIII. Draft Annual Accounts 2017

BALANCE SHEET

EUR '000

	31.12.2017	31.12.2016
NON-CURRENT ASSETS		
<i>Intangible assets</i>	1	3
<i>Property, plant and equipment</i>	297	433
	298	436
CURRENT ASSETS		
<i>Pre-financing</i>	27	66
<i>Exchange receivables and non-exchange recoverables</i>	3 907	3 307
	3 933	3 373
TOTAL ASSETS	4 231	3 809
CURRENT LIABILITIES		
<i>Payables</i>	(2 137)	(1 300)
<i>Accrued charges and deferred income</i>	(533)	(632)
	(2 670)	(1 933)
TOTAL LIABILITIES	(2 670)	(1 933)
NET ASSETS	1 561	1 876
<i>Accumulated surplus</i>	1 876	1 731
<i>Economic result of the year</i>	-315	146
NET ASSETS	1 561	1 876

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	Note	2017	2016
REVENUE			
Revenue from non-exchange transactions			
<i>Subsidy from the Commission</i>	3.1	9 988	8 715
Total		9 988	8 715
Revenue from exchange transactions			
<i>Other exchange revenue</i>	3.2	63	21
Total		63	21
		10 051	8 736
EXPENSES			
<i>Operating costs</i>	3.3	(5 936)	(4 682)
<i>Staff costs</i>	3.4	(3 183)	(2 812)
<i>Other expenses</i>	3.5	(1 247)	(1 096)
		(10 366)	(8 590)
ECONOMIC RESULT OF THE YEAR		-315	146