



# Annual accounts of the European Union Agency for Law Enforcement Training

Financial year 2019

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## **CERTIFICATION OF THE ACCOUNTS**

I acknowledge my responsibility for the preparation and presentation of the annual accounts of CEPOL, the European Union Agency for Law Enforcement Training in accordance with Article 102 of the Framework Financial Regulation ('FFR')<sup>1</sup> and I hereby certify that the annual accounts of the CEPOL for the year 2019 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the CEPOL's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the CEPOL.

Rosa ALDEA BUSQUETS

**Accounting Officer of the  
European Union Agency for Law  
Enforcement Training**

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<sup>1</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

## **BACKGROUND INFORMATION ON CEPOL**

CEPOL was initially founded by Council Decision 200/820/JHA of 22 December 2000 as a body financed directly by the Member States of the European Union and functioned as a network, by bringing together the national training institutes in the Member States, whose tasks include the training of senior police officers. CEPOL was later established as an agency of the European Union by Council Regulation No. 2005/681/JHA of 20 September, 2005 (OJ L 256/63 of 1 October, 2005).

On 16 April 2014 the European Parliament adopted a legislative resolution to amend Council Decision 2005/681/JHA whereby the seat of the Agency was relocated from Bramshill, UK to Budapest, Hungary.

On 1 July 2016 the European Parliament adopted CEPOL's new regulation (Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015, hereinafter the 'Regulation'). The European Police College was renamed to the European Union Agency for Law Enforcement Training.

CEPOL is headed by an Executive Director, who is accountable to a Management Board (MB). The MB is made up of representatives from EU Member States and the Commission. The Chair of the MB 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 MB 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.

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. Moreover, CEPOL assesses training needs to address EU security priorities.

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.

### **Sources of financing**

CEPOL is financed as follows:

- Annual balancing subsidy from the Commission (DG HOME),
- European Union assigned revenues deriving from previous years' surpluses,
- Grant/Delegation/Contribution agreement with different services of the Commission.

### **Annual accounts**

Following article 97 of the Framework Financial regulation (FFR)<sup>2</sup>, the Management Board of the agency appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts, which are consolidated in those of the EU.

Following article 51 of the FFR, the annual accounts are prepared in accordance with the rules adopted by the accounting officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS). The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are based on principles of accrual accounting adapted to the specific environment of the European Union, the budget implementation reports are primarily based on movements of cash.

Following the decision of the CEPOL Management Board of 28 February 2017, the Accounting Officer of the Commission shall, as of 1 September 2019, act as the Accounting Officer of CEPOL.

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<sup>2</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council

## Highlights of the year

2019 is the third year during which the agency has been operating fully under the new extended mandate. CEPOL has effectively delivered the expected products and services in accordance with the 2019 Work Programme while conducting its operations in compliance with applicable rules and regulations, working in an open and transparent manner, and meeting the expected high level of professional and ethical standards.

In 2019, in line with a thorough analysis of training needs and the agency's mandate, CEPOL offered thematic training portfolios in a wide range of law enforcement topics such as the EU policy cycle crime priorities, counterterrorism, public order, Common Security and Defence Policy (CSDP) Missions, information exchange, international law enforcement cooperation, training, management & leadership, law enforcement techniques, fundamental rights, crime prevention and research.

Regarding the core activities (including Residential activities, Webinars, Online courses, Online modules, CEPOL Exchange Programme (CEP), European Joint Master Programme (EJMP) and Study visits (in case of Capacity Building Projects) 327 activities were implemented in 2019 and were attended by 34 723 law enforcement officials.

Two pilot CEPOL Knowledge Centres (CKC) on Counterterrorism and on CSDP Missions on the basis of the mechanism of Framework Partnership with Multiple Beneficiaries were finalised in 2019. Following an evaluation of the results of both pilots, the CKC on Counterterrorism will be continued on the basis of a new business model whereas the CKC on CSDP missions has been terminated.

At the end of 2018, CEPOL received an additional subsidy of kEUR 1 200 to strengthen in ICT capabilities. This amount was successfully implemented by establishing CEPOL Digitalisation Strategy; the CEPOL Cybercrime Academy; Virtual Simulation platforms; a new e-Learning platform and strengthening our headquarter's ICT infrastructure. CEPOL Digitalisation Strategy has been developed in 2019:

- A new framework for learning and training in the digital age, formulating the future outlook of CEPOL learning services;
- An update of the current IT Strategy, defining the target state of IT environment (services, landscape and capabilities), as well as the elaboration of an action plan to support the digital transformation;
- A new approach and strategic roadmap to transform the Agency's core business environment to realize efficiency gains.

CEPOL Cybercrime Academy (CCA) has been officially opened on 13 June 2019 and provides the opportunity to train 35 to 100 students in 1 to 4 classrooms simultaneously. Due to capacity challenges in the CEPOL's HQ, the CCA is hosted at the premises of the International Training Center of the Hungarian police; our partners in Hungary.

In 2019, CEPOL launched a project focusing on the integration of Virtual Simulation Platforms into CEPOL's training portfolio, in the perspective of digitalisation of learning and training of law enforcement officers. The Platforms are implemented in the residential activities in the area of cyber-crime and cyber-enabled crimes, which are the fastest developing areas where new generation learning tools are the most required. The objective of the project is to provide up-to-date, efficient and relevant education to law enforcement officials using innovative, and advanced web-based tools. The project included the development of cyber-scenarios and the emulation of virtual learning environments, where the simulation exercises are delivered, providing a safe practice opportunity for the learners in an interactive format. The use of the platform improves the investigative response, allowing prosecutors and law enforcement officials to acquire practical skills to fulfil their roles relating to intelligence collection and securing of evidence.

A new e-learning platform Law Enforcement Education platform - LEED) was implemented for CEPOL's online learners which will go on production in 2020.

CEPOL has successfully completed its second edition of the European Joint Master Programme (EJMP). 28 students from across Europe have completed their Master Degree in "Policing in Europe" and defended their Master Theses during the summer of 2019.

Furthermore, a joint CEPOL/Frontex Exchange Programme was implemented for the second time targeting exchanges related to border and coast guarding.

With regards to implementing activities through a grant/delegation/contribution agreement two capacity-building actions' implementation were continued in 2019:

- Financial Investigation In-Service Training Programme, Western Balkans 2017-2020 (hereafter: CEPOL WB);
- EU/MENA Counter-Terrorism Training Partnership 2018-2020 (hereafter: CEPOL CT 2).

The CEPOL CT2 action operates with beneficiaries in the Middle East and North Africa, notably Algeria, Jordan, Lebanon, Morocco, Tunisia and Turkey, aiming to contribute to the international prevention of and fight against terrorism in the Middle East and North Africa.

The CEPOL WB action is being implemented with beneficiaries from the Western Balkans, namely Albania, Bosnia & Herzegovina, the Republic of North Macedonia, Kosovo\*, Montenegro and Serbia. The project aims at developing and sustaining the institutional capacity of the law enforcement agencies of the beneficiary countries in order to prevent, investigate and prosecute transnational organised crime and financing of terrorism.

In addition, a new contribution agreement was signed between CEPOL and DG DEVCO (International Cooperation and Development) for Interregional project -Enhancing Information Exchange and Criminal Justice Response to Terrorism in the Middle East and North Africa (hereafter: CT INFLOW) - funded by Instrument for Stability and Peace. The project duration is 48 months (2020-2024) and the first installment has been received in December 2019.

In 2019 CEPOL established a Liaison Office in Brussels as a pilot project for two years with the aim to facilitate the dialogue and exchange of information with the EU institutions and on subject matters relevant to CEPOL's mandate and responsibilities. The Liaison Office would strengthen Agency's visibility and role in the context of the European Agendas on Migration and Internal Security as well as dedicated Communications addressed to alleviate migration pressure, fight against terrorism and promoting a better use of the existing Agencies in the respective fields.

Based on the positive results of the surveillance audit implemented in 2019, CEPOL maintained its certification in accordance with Quality Management System Standard ISO 9001:2015. This demonstrates CEPOL's continuous high commitment to quality and stakeholder satisfaction. In addition to the ISO9001 certification, CEPOL was successful in acquiring certification in accordance with ISO29993:2017 Learning services outside formal education standards. As this was a pilot, the following residential activities have successfully been certified:

- Child trafficking
- Drug crime and markets – strategic analysis
- Open source intelligence and IT solutions
- False Identity documents – crime facilitator

The achievements during the year are detailed in the 2019 Consolidated Annual Activity Report.

The regular budget of the agency amounted to kEUR 9 308 in 2019. The budget implementation in terms of commitments was 99.9 %, for payments implementation reached 89.32 % and 10.58 % payment appropriations were carried over to 2020. The carry overs from 2018 contains the additional EU top-up fund (kEUR 1 200), received in December 2018 for reinforcement the IT system investment. Further details can be found in the budgetary implementations report below.

In the financial statements the growing number of activities, namely relating to projects CEPOL WB, CEPOL CT2, to establishing CEPOL Digitalisation Strategy, the CEPOL Cybercrime Academy; Virtual Simulation platforms and a new e-Learning platform, translated into an increase in the operational costs of kEUR 2 138. To support these additional activities there was also a substantial increase the operating subsidy received from the Commission, which resulted both in the increase of funds available on the treasury liaison account (an increase of kEUR 2 519) and in the pre-financing liability linked to the unused part of this subsidy (an increase of kEUR 4 084).

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\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

# **FINANCIAL STATEMENTS AND EXPLANATORY NOTES**

*It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.*

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## BALANCE SHEET

EUR '000

	Note	31.12.2019	31.12.2018
<b>NON-CURRENT ASSETS</b>			
<i>Property, plant and equipment</i>	2.1	365	152
<i>Exchange receivables and non-exchange recoverables</i>	2.2	18	18
		<b>383</b>	<b>170</b>
<b>CURRENT ASSETS</b>			
<i>Pre-financing</i>		–	25
<i>Exchange receivables and non-exchange recoverables</i>	2.2	7 460	4 902
		<b>7 460</b>	<b>4 926</b>
<b>TOTAL ASSETS</b>		<b>7 843</b>	<b>5 096</b>
<b>CURRENT LIABILITIES</b>			
<i>Payables</i>	2.3	(5 825)	(2 045)
<i>Accrued charges and deferred revenue</i>	2.4	(591)	(698)
		<b>(6 416)</b>	<b>(2 743)</b>
<b>TOTAL LIABILITIES</b>		<b>(6 416)</b>	<b>(2 743)</b>
<b>NET ASSETS</b>		<b>1 427</b>	<b>2 352</b>
<i>Accumulated deficit</i>		2 352	1 562
<i>Economic result of the year</i>		(925)	791
<b>NET ASSETS</b>		<b>1 427</b>	<b>2 352</b>
<b>NET ASSETS</b>		<b>1 427</b>	<b>2 352</b>
<i>Accumulated surplus</i>		2 352	1 562
<i>Economic result of the year</i>		(925)	791
<b>NET ASSETS</b>		<b>1 427</b>	<b>2 352</b>

## STATEMENT OF FINANCIAL PERFORMANCE

		EUR '000	
	Note	2019	2018
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>	<b>3.1</b>		
<i>Recovery of expenses</i>		0	1
<i>Subsidy from the Commission</i>		12 391	11 831
		<b>12 391</b>	<b>11 831</b>
<b>Revenue from exchange transactions</b>	<b>3.2</b>		
<i>Foreign exchange gains</i>		45	87
<i>Other</i>		1	7
		<b>46</b>	<b>95</b>
		<b>12 437</b>	<b>11 926</b>
<b>EXPENSES</b>			
<i>Operating costs</i>	3.3	(8 584)	(6 446)
<i>Staff costs</i>	3.4	(3 904)	(3 386)
<i>Other expenses</i>	3.5	(875)	(1 304)
		<b>(13 363)</b>	<b>(11 135)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(925)</b>	<b>791</b>

**CASHFLOW STATEMENT<sup>3</sup>**

	EUR '000	
	2019	2018
<i>Economic result of the year</i>	(925)	791
<b>Operating activities</b>		
<i>Depreciation and amortization</i>	154	202
<i>(Increase)/decrease in pre-financing</i>	25	2
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(2 559)	(1 012)
<i>Increase/(decrease) in payables</i>	3 780	(92)
<i>Increase/(decrease) in accrued charges and deferred revenue</i>	(107)	165
<b>Investing activities</b>		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(367)	(57)
<b>NET CASHFLOW</b>	<b>0</b>	<b>(0)</b>
<i>Net increase/(decrease) in cash and cash equivalents</i>	–	–
<i>Cash and cash equivalents at the beginning of the year</i>	–	–
<i>Cash and cash equivalents at year-end</i>	–	–

<sup>3</sup> Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of CEPOL, the treasury of CEPOL was integrated into the Commission's treasury system. Because of this, CEPOL does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.

## STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus/ (Deficit)	Economic result of the year	EUR '000 Net Assets
<b>BALANCE AS AT 31.12.2017</b>	<b>1 876</b>	<b>(315)</b>	<b>1 562</b>
<i>Allocation of the 2017 economic result</i>	<i>(315)</i>	<i>315</i>	<i>–</i>
<i>Economic result of the year</i>	<i>–</i>	<i>791</i>	<i>791</i>
<b>BALANCE AS AT 31.12.2018</b>	<b>1 562</b>	<b>791</b>	<b>2 352</b>
<i>Allocation of the 2018 economic result</i>	<i>791</i>	<i>(791)</i>	<i>–</i>
<i>Economic result of the year</i>	<i>–</i>	<i>(925)</i>	<i>(925)</i>
<b>BALANCE AS AT 31.12.2019</b>	<b>2 352</b>	<b>(925)</b>	<b>1 427</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

# 1. SIGNIFICANT ACCOUNTING POLICIES

## 1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

## 1.2. BASIS OF PREPARATION

### 1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

### 1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

#### Euro exchange rates

Currency	31.12.2019	31.12.2018	Currency	31.12.2019	31.12.2018
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.2568</b>	4.3014
<b>CZK</b>	<b>25.4080</b>	25.7240	<b>RON</b>	<b>4.783</b>	4.6635
<b>DKK</b>	<b>7.4715</b>	7.4673	<b>SEK</b>	<b>10.4468</b>	10.2548
<b>GBP</b>	<b>0.8508</b>	0.8945	<b>CHF</b>	<b>1.0854</b>	1.1269
<b>HRK</b>	<b>7.4395</b>	7.4125	<b>JPY</b>	<b>121.9400</b>	125.8500
<b>HUF</b>	<b>330.5300</b>	320.9800	<b>USD</b>	<b>1.1234</b>	1.145

### 1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision

of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

## 1.3. BALANCE SHEET

### 1.3.1. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations).

Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

Intangible assets residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year.

### 1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land is not depreciated as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

Property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year.

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

## Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents shall be charged as expenses in the period in which they are incurred.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither a leased asset nor a leasing liability presented in the statement of financial position.

### 1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

### 1.3.4. Financial assets

Financial assets are classified in the following categories: 'financial assets at fair value through surplus or deficit', 'loans and receivables', 'held-to-maturity investments' and 'available for sale financial assets'. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

#### *(i) Financial assets at fair value through surplus or deficit*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also presented in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

#### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

#### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.



(iv) *Available for sale financial assets*

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date. During this financial year, the entity did not hold any investments in this category.

### **Initial recognition and measurement**

Purchases and sales of financial assets at fair value through surplus or deficit, held-to-maturity and available for sale are recognised on their trade date, i.e. the date on which the entity commits to purchase or sell the asset. Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit, transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

### **Subsequent measurement**

Financial assets at fair value through surplus or deficit are subsequently carried at fair value, with gains and losses arising from changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial assets, calculated using the effective interest method, is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

#### **1.3.5. Pre-financing amounts**

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is presented as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

#### **1.3.6. Receivables and recoverables**

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly (see 1.3.4 above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

### 1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

### 1.3.8. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

### 1.3.9. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding.

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

### 1.3.10. Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

## 1.4. STATEMENT OF FINANCIAL PERFORMANCE

### 1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance it is distinguished between:

#### *(i) Revenue from non-exchange transactions*

Revenue from non-exchange transactions are taxes and transfers because the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability (pre-financing received).

#### *(ii) Revenue from exchange transactions*

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

### 1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at the original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

## **1.5. CONTINGENT ASSETS AND LIABILITIES**

### **1.5.1. Contingent assets**

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

### **1.5.2. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

## **1.6. CONSOLIDATION**

The accounts of this entity are fully consolidated in the EU consolidated annual accounts.

## 2. NOTES TO THE BALANCE SHEET

### 2.1. PROPERTY, PLANT AND EQUIPMENT

EUR '000

	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
Gross carrying amount at 31.12.2018	19	70	597	409	1 095
Additions	–	1	366		367
<b>Gross carrying amount at 31.12.2019</b>	<b>19</b>	<b>71</b>	<b>963</b>	<b>409</b>	<b>1 462</b>
Accumulated depreciation at 31.12.2018	(9)	(43)	(493)	(397)	(943)
Depreciation charge for the year	(2)	(5)	(137)	(10)	(154)
<b>Accumulated depreciation at 31.12.2019</b>	<b>(12)</b>	<b>(49)</b>	<b>(630)</b>	<b>(407)</b>	<b>(1 097)</b>
<b>NET CARRYING AMOUNT AT 31.12.2019</b>	<b>7</b>	<b>23</b>	<b>333</b>	<b>2</b>	<b>365</b>
NET CARRYING AMOUNT AT 31.12.2018	10	27	103	12	152

The category "Other" comprises fixed assets donated to CEPOL by the Hungarian Government in January 2015.

The increase of property, plant and equipment can be largely explained by acquisitions of computer hardware in order to reinforce CEPOL's ICT infrastructure. The purchases of the necessary IT equipment were funded by the operating subsidy received for this purpose at the end of 2018.

### 2.2. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31.12.2019, CEPOL has kEUR 18 of non-current receivables represented by rental guarantee paid for renting extra office space.

Aside from the above, the amounts included under this heading are of a short term nature and can be broken down as follows:

EUR '000

	31.12.2019	31.12.2018
<b>Recoverables from non-exchange transactions</b>		
Member States	171	113
Other	0	1
<b>Total</b>	<b>172</b>	<b>114</b>
<b>Receivables from exchange transactions</b>		
Central treasury liaison accounts	6 926	4 397
Deferred charges relating to exchange transactions	359	380
Other	3	10
<b>Total</b>	<b>7 289</b>	<b>4 788</b>
<b>Total</b>	<b>7 460</b>	<b>4 902</b>

The recoverables from Member States comprise mainly VAT amounts to be received from Hungary.

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of CEPOL, the treasury of CEPOL was integrated into the Commission's treasury system. Because of this, CEPOL does not have any bank accounts of its own. All payments and receipts are processed via the

Commission's treasury and registered on central treasury liaison (intercompany) accounts which are presented under receivables from exchange transactions.

The large increase of receivables from exchanged transactions is explained by the higher balance of funds available on the central treasury liaison account due to a new contribution agreement signed with DG DEVCO. It relates to an interregional project "Enhancing Information Exchange and Criminal Justice Response to Terrorism in the Middle East and North Africa" (CT INFLOW), funded by the Instrument for Stability and Peace. The project duration is 48 months (2020-2024) and the first instalment of kEUR 3 750 was received in December 2019.

Included in deferred charges are pre-paid school fees of kEUR 325 relating to the period January to June 2020.

## LIABILITIES

### 2.3. PAYABLES

	EUR '000	
	31.12.2019	31.12.2018
<i>Suppliers</i>	2	174
<i>Member States</i>	35	16
<i>Pre-financing received from EC - balancing subsidy</i>	213	339
<i>Pre-financing received from EC - operating subsidy</i>	5 570	1 486
<i>Other</i>	5	29
<b>Total</b>	<b>5 825</b>	<b>2 045</b>

The pre-financing liability related to balancing subsidy comprises the unused amounts of balancing subsidy received by CEPOL in 2019. The amounts will be returned to the Commission in 2020.

The amounts under the prefinancing liability related to the operating subsidy comprise the unspent prefinancing related to delegated projects CEPOL CT2 (kEUR 1 209), CEPOL WB (kEUR 610) and CT INFLOW (kEUR 3 750). The outstanding amount will be consumed in the future. The significant increase under this heading is mainly due to project CT INFLOW, for which the first instalment (kEUR 3 750) was received in December (see also note 2.2 above).

The sub-heading other relates to payables to public bodies.

### 2.4. ACCRUED CHARGES AND DEFERRED REVENUE

	EUR '000	
	31.12.2019	31.12.2018
<i>Accrued charges</i>	591	698

Accrued charges are the amounts estimated by the authorising officer of costs incurred for services and goods delivered in year 2019 but not yet invoiced or processed by the end of the year. They include estimated operating expenses of kEUR 444 for activities, that took place in 2019 but for which no invoice has been validated by 31 December 2019. The portion of the estimated accrued charges which relates to pre-financing amounts paid has been recorded as a reduction of the pre-financing amounts.

Included under this heading are also accrued charges for administrative expenses, namely services provided by third parties (kEUR 36), IT services (kEUR 8), training and mission costs (kEUR 5), accrued office related costs (kEUR 5) and accrued charges for untaken leave of kEUR 93.

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### REVENUE

##### 3.1. NON-EXCHANGE REVENUE

	EUR '000	
	2019	2018
<i>Funds from the Commission</i>	12 391	11 831

The heading funds from the Commission corresponds to the amounts of the balancing subsidy of kEUR 9 095 (kEUR 10 077 in 2018) used on the core activities of CEPOL in 2019. It also includes revenue from the operating subsidy of kEUR 3 296 (kEUR 1 753 in 2018) related to programs delegated to CEPOL via grant and delegation agreements.

Unused amounts are recorded as pre-financing liabilities under accounts payable (see note **2.3** above). The corresponding accrued expenses will be recorded in the financial statements of the Commission.

##### 3.2. EXCHANGE REVENUE

	EUR '000	
	2019	2018
<i>Foreign exchange gains</i>	45	87
<i>Other</i>	1	7
<b>Total</b>	<b>46</b>	<b>95</b>

The foreign exchange gains include both amounts related to realised and unrealised exchange gains. The corresponding exchange losses are included under other expenses (see note **3.5** below).

#### EXPENSES

##### 3.3. OPERATING COSTS

	EUR '000	
	2019	2018
<i>Operating costs</i>	8 584	6 446

Included under this heading are operating costs incurred in respect to the core, namely residential activities, webinars, online courses, online modules, CEPOL Exchange Programme (CEP), European Joint Master Programme (EJMP) and study visits for capacity building projects.

The operating costs incurred in respect of delegated projects (CEPOL WB and CEPOL CT2) and activities related to establishing CEPOL Digitalisation Strategy; the CEPOL Cybercrime Academy; Virtual Simulation platforms and a new e-Learning platform can explain the large increase of amounts under this heading compared to last year.

### 3.4. STAFF COSTS

EUR '000

	2019	2018
<i>Staff costs</i>	3 904	3 386

Included under this heading are salary expenses and other employment-related allowances and benefits. Calculations related to staff costs are, based on the service level agreement, entrusted to the European Commission's Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO).

The pensions of the CEPOL's staff members are covered by the Pensions Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement, depends on factors such as age and years of service. Both the CEPOL's staff and the Commission contribute to the pension scheme and the contribution percentage is revised yearly to reflect the changes in the Staff Regulation. The cost to the Commission is not reflected in the CEPOL's accounts. Similarly, the future benefits payable to the CEPOL's staff are accounted for in the liabilities of the Commission, as it is the Commission who will pay out these benefits. No provisions related to the future pensions are made in these accounts.

The increase of staff costs in 2019 relates namely to: (1) the yearly salary increase (including the positive coefficient change), (2) lower number of vacant positions compared to 2018 and (3) new Seconded National Experts (SNEs) hired in 2019.

### 3.5. OTHER EXPENSES

EUR '000

	2019	2018
<i>Administrative expenses with other consolidated entities</i>	209	211
<i>Property, plant and equipment related expenses</i>	158	208
<i>External IT services</i>	139	155
<i>External non IT services</i>	130	431
<i>Office Supplies &amp; maintenance</i>	76	56
<i>Foreign exchange losses</i>	46	79
<i>Recruitment costs</i>	35	87
<i>Missions</i>	26	30
<i>Training costs</i>	19	18
<i>Operating leasing expenses</i>	13	17
<i>Experts expenses</i>	16	2
<i>Communications &amp; publications</i>	8	6
<i>Other</i>	1	3
<b>Total</b>	<b>875</b>	<b>1 304</b>

The foreign exchange losses include both amounts related to realised and unrealised exchange losses. The corresponding exchange gains are included under exchange revenue (see note 3.2).

The operating lease expenses relate to the rental of parking places in Budapest.

The decrease of this heading is mostly due to decrease of expenses related to interim staff as the positions were filled by statutory staff.



## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

At 31.12.2019 the Outstanding commitments not yet expensed amounted to kEUR 1 313. The amount comprises the budgetary RAL ("Reste à Liquider") less related amounts that have been included as expenses in the 2019 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

### 4.2. SERVICES IN KIND

Based on the contract between CEPOL and Hungary that entered in force on 17 October 2014 the headquarters building in Budapest and the related services (utilities, maintenance, security services, etc.) are provided to CEPOL free of charge. The contract is valid for 10 years and its yearly value is estimated to be kEUR 609.

### 4.3. RELATED PARTIES

The related parties of CEPOL are the other EU consolidated entities and the key CEPOL management personnel. Transactions between these parties take place within normal CEPOL operations and therefore, no specific disclosure requirements are necessary for these transactions, in accordance with the EU accounting rules.

### 4.4. KEY MANAGEMENT ENTITLMENTS

The highest ranked civil servant of CEPOL is the Executive Director, who executes the role of the Authorising Officer.

	31.12.2019	31.12.2018
<i>Executive Director</i>	<i>AD 14</i>	<i>AD 14</i>

The Executive Director is remunerated in accordance with the Staff Regulations of the European Union that is published on the Europa website which is the official document describing the rights and the obligations of all officials of the EU.

### 4.5. EVENTS AFTER REPORTING DATE

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. TYPES OF RISK

**Market risk** is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (CEPOL has no significant other price risk).

(1) Currency risk is the risk that the CEPOL operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

(2) Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. CEPOL does not have any securities thus it is not exposed to the interest rate risk.

**Credit risk** is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

**Liquidity risk** is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

### 5.2. CURRENCY RISKS

#### Exposure to currency risk at year-end

At 31.12.2019 the financial assets are composed of exchange receivables and non-exchange recoverables. Their ending balances are mainly quoted in EUR (kEUR 7 423), other EUR equivalent currencies (kEUR 37).

At 31.12.2019 financial liabilities are entirely composed of accounts payable. Their ending balances are mainly quoted in EUR (kEUR 5 825). The impact of other currencies (kEUR 20) is individually immaterial.

### 5.3. CREDIT RISK

#### Financial assets that are neither past due nor impaired

At 31.12.2019 financial assets comprise exchange receivables and non-exchange recoverables that are neither past due nor impaired of kEUR 7 460. The past due not impaired recoverables relate to third parties and all are past due for less than 1 year.

#### Financial assets by risk category

At 31 December 2019 the financial assets are entirely composed of receivables and recoverables against entities without an external credit rating. The entire amount relates to entities which never defaulted in the past.

### 5.4. LIQUIDITY RISK

#### Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are composed of accounts payable to third parties (kEUR 43) and to consolidated entities (kEUR 5 782). All the accounts payable have remaining contractual maturity of less than 1 year.

# **THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES**

*It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.*

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# **1. BUDGETARY PRINCIPLES, STRUCTURE AND HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION**

## **1.1. BUDGETARY PRINCIPLES**

The establishment and implementation of the budget of CEPOL is governed by the following basic principles set out in the Title II of the Financial Regulation of CEPOL:

### **Principles of unity and budget accuracy**

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of CEPOL. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

### **Principle of annuality**

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December.

### **Principle of equilibrium**

Revenue and payment appropriations shall be in balance.

### **Principle of unit of account**

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

### **Principle of universality**

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

### **Principle of specification**

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

### **Principle of sound financial management**

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

### **Principle of transparency**

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published in the Official Journal of the European Union within three months of their adoption.

## 1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

For each financial year, the budget of CEPOL shall forecast and authorise all revenue and expenditure considered necessary. CEPOL makes use of non-differentiated appropriations for its administrative and operational expenditure.

The statement of expenditure must be set out on the basis of a nomenclature with a classification by purpose. The budget of CEPOL is structured by Title and Chapter. The Chapters are further detailed in articles and items. The budget is planned at item level; however, it is presented to the Management Board and the Budgetary Authorities at Chapter level. The budget structure is divided into five Titles.

**Title 1** budget lines is dedicated to staff expenditure such as salaries and allowances for personnel working with CEPOL. It also includes recruitment expenses, staff trainings and missions, expenses for the socio-medical infrastructure and representation costs.

**Title 2** budget lines refer to administrative expenditure such as building related costs, IT systems, furniture, office equipment, telecommunication, legal expenses, translation, and correspondence.

**Title 3** budget lines provide for the implementation of the operational activities and tasks assigned to CEPOL in accordance with (Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November and detailed in the Single Programming Document (SPD 2018-2020).

**Title 4 (assigned revenue<sup>4</sup>)** budget lines has been exclusively created for the implementation of the EU-MENA Counter Terrorism Training Partnership Programme, which was closed in 2018.

**Title 5 (assigned revenue)** is for implementing other activities through grant/delegation/contribution agreement.

## 1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

The regular budget of CEPOL (Title 1–3) is financed from the General Budget of the European Union in a form of subsidy. This budget amounted to kEUR 9 308 in 2019. In the last years, the budget remained essentially stable (except 2018, when CEPOL received an additional kEUR 1 200 in December for reinforcement for IT system investment), no significant increase in financial or human resources was granted to the agency to implement fully its enhanced mandate.

The budget implementation in terms of commitments was 99.90 %, the payments reached 89.32 % and 10.58 % of the payment appropriations were carried over to 2020. In comparison, CEPOL executed 97.97 % of the commitment appropriations in 2018, 76.51 % were paid and the carry-over was 21.46 %.

Item	EUR '000			
	2019		2018	
EU subsidy	9 308		10 417	
Committed	9 299	99.90 %	10 206	97.97 %
Paid	8 314	89.32 %	7 970	76.51 %
Carried over	984	10.58 %	2 235	21.46 %

It excludes the assigned revenue, the carry-over from 2018 and the payment appropriations foreseen as unused.

Under Title 3 – as assigned revenue – a joint CEPOL/Frontex Exchange Programme was implemented for the second time (first in 2018), allowing applicants who wished to apply under the categories of border and coast guarding. Frontex (The European Border and Coast Guard Agency) financed of 92 exchanges (kEUR 83) in 2019.

<sup>4</sup> Assigned revenue budget lines relate to financing of specific items of expenditure. They can be externally or internally assigned.

Under Title 5 – as assigned revenue – two capacity-building action implementations were continued in 2019:

- Financial Investigation In-Service Training Programme, Western Balkans 2017-2020 (CEPOL WB);
- EU/MENA Counter-Terrorism Training Partnership 2018-2020 (CEPOL CT2).

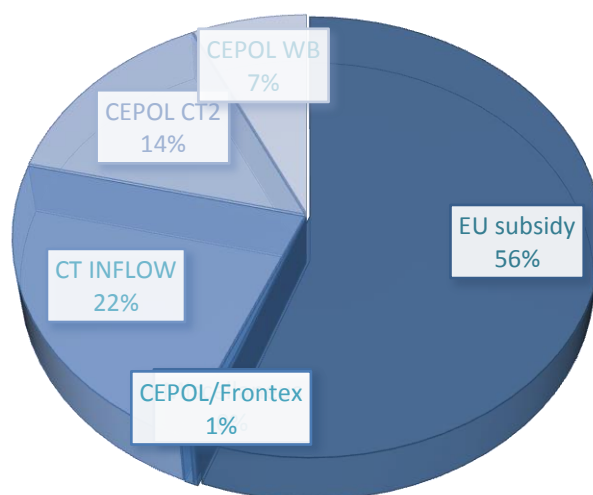
The available budget / total payment appropriation for these projects in 2019 was kEUR 5 210, kEUR 3 350 were paid (64.3 %) and kEUR 1 859 appropriations were carried over to 2020.

A new contribution agreement between CEPOL and DG DEVCO for *Interregional project – Enhancing Information Exchange and Criminal Justice Response to Terrorism in the Middle East and North Africa (CEPOL INFLOW)* was signed, with a total estimated cost of the action (48 months) of kEUR 7 500. The project implementation will start in April 2020.

### Revenue implementation

CEPOL in 2019 collected as revenue:

- **kEUR 9 308** as EU subsidy;
- **kEUR 39** as assigned revenue, originated from unused pre-financing, reimbursement of costs (repayments) and besides kEUR 3 should be collected in 2020;
- **kEUR 83** as assigned revenue is related to the joint CEPOL/Frontex Exchange Programme;
- CEPOL received the second instalments for the implementation of two ongoing project activities as external assigned revenue (**kEUR 2 381** for CEPOL CT 2 and **kEUR 1 165** for CEPOL WB);
- **kEUR 3 750** as first instalment for the new activity (CT INFLOW).



56 % of the cashed revenue is for the Regular Budget (EU subsidy), 44 % as assigned revenue for implementing other CEPOL activities.

## Evolution of the available commitment appropriations

EUR '000

Item	Revenue as subsidy (final adopted budget)	Assigned revenue	Carry-over of commit. appropri. from 2018	Total commit. appropri. available	Commitments made	Carry forward of commitment appropriat. to 2020	Cancelled commit. appropri.
	1	2	3	4=1+2+3	5	6	7
Title 1 Staff expenditure	4 265	0	7	4 273	4 269	0	3
Title 2 Admin. expenditure	423	0	0	423	423	0	0
Title 3 Operational expenditure	4 620	122	21	4 763	4 717	39	6
<b>Total Title 1-3 (regular budget)</b>	<b>9 308</b>	<b>122</b>	<b>28</b>	<b>9 458</b>	<b>9 410</b>	<b>39</b>	<b>9</b>
Title 5 CEPOL CT2	0	2 381	282	2 663	1 898	764	0
Title 5 CEPOL WB	0	1 165	32	1 197	971	226	0
Title 5 CT INFLOW	0	3 750	0	3 750	0	3 750	0
<b>Total Title 5 (other activities)</b>	<b>0</b>	<b>7 296</b>	<b>314</b>	<b>7 610</b>	<b>2 869</b>	<b>4 741</b>	<b>0</b>
<b>Grand Total</b>	<b>9 308</b>	<b>7 418</b>	<b>342</b>	<b>17 068</b>	<b>12 279</b>	<b>4 780</b>	<b>9</b>

Besides the collected revenues, CEPOL carried over as unused assigned revenue from 2018:

- kEUR 28 originated from unused pre-financing, reimbursement of costs (repayments)
- kEUR 66 for CEPOL CT2
- kEUR 32 for CEPOL WB

The total commitment appropriations amounted to kEUR 17 068, kEUR 12 279 were made, kEUR 4 780 were carried forward to 2020, and only kEUR 9 were cancelled.

## Evolution of the available payment appropriations

EUR '000

Item	Carry-over of payment appropriations from 2018	Total available appropriations	Payments made	Carry forward payment appropriations to 2020	Cancelled carried over payment appropriations from 2018
Title 1 – Staff expenditure	62	4 335	4 235	90	10
Title 2 – Administrative expenditure	359	782	659	116	7
Title 3 – Operational activities	1 814	6 577	5 563	817	197
<b>Total Title 1-3 (regular budget)</b>	<b>2 235</b>	<b>11 693</b>	<b>10 457</b>	<b>1 023</b>	<b>214</b>
Title 5 – CEPOL CT2	980	3 427	2 156	1 272	0
Title 5 – CEPOL WB	586	1 782	1 195	587	0
Title 5 – CT INFLOW	0	3 750	0	3 750	0
<b>Total Title 5 (other activities)</b>	<b>1 566</b>	<b>8 960</b>	<b>3 350</b>	<b>5 609</b>	<b>0</b>
<b>Grand Total</b>	<b>3 801</b>	<b>20 653</b>	<b>13 807</b>	<b>6 633</b>	<b>214</b>

CEPOL carried over from 2018 the following payment appropriations:

- kEUR 2 235 for the general budget (Title 1-3). The relatively high carry-over in 2018 was due to additional EU top-up fund (kEUR 1 200) reinforcement for IT system investment.

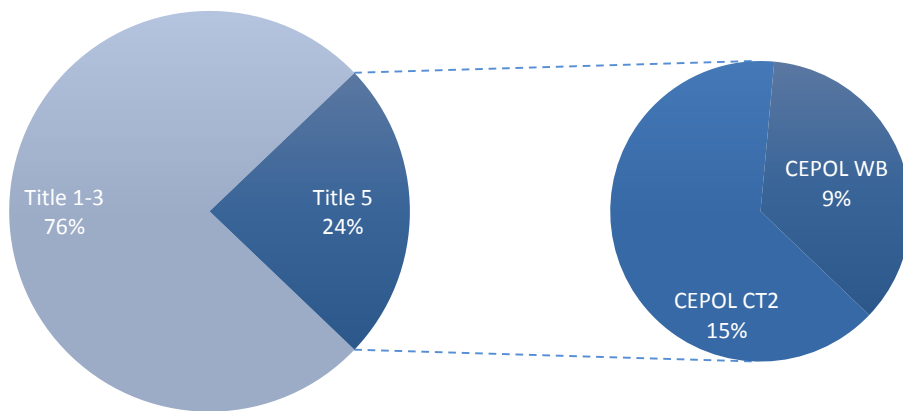
CEPOL carried forward to 2020 the following payment appropriations:

- kEUR 1 024 for Titles 1-3;
- kEUR 1 272 for the CEPOL CT 2;
- kEUR 587 for CEPOL WB;
- kEUR 3 750 for CT Inflow.



The total payment appropriations amounted to kEUR 20 653, kEUR 13 807 were made, kEUR 6 632 were carried forward to 2020 (including kEUR 39 assigned revenue on Title 3 and 5 609 for Title 5). Besides the kEUR 9 commitment appropriations, kEUR 204 payment appropriations were cancelled.

### Payments made in 2019



76 % of the payments were financed from the Regular Budget (EU subsidy) and 24 % from assigned revenue implementing other CEPOL activities.

Item	EUR '000		
	Cancelled carried over payment appropriations from 2018	Cancelled commitment/payment appropriations	Total cancelled appropriations
Title 1 – Staff expenditure	7	3	10
Title 2 – Administrative expenditure	7	0	7
Title 3 – Operational activities	190	6	197
<b>Total Title 1-3 (regular budget)</b>	<b>204</b>	<b>9</b>	<b>214</b>
Title 5 – CEPOL CT2	0	0	0
Title 5 – CEPOL WB	0	0	0
Title 5 – CT INFLOW	0	0	0
<b>Total Title 5 (other activities)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>204</b>	<b>9</b>	<b>214</b>

## 2. BUDGET RESULT

		EUR '000	
	Title	2019	2018
<b>Revenue</b>		<b>16 711</b>	<b>13 678</b>
of which:			
European Union subsidy	1	9 332	10 460
Assigned revenue - Main operational expenditure	3	83	55
Assigned revenue - other projects	5	7 296	3 163
<b>Expenditure</b>		<b>(11 776)</b>	<b>(9 616)</b>
of which:			
Staff expenditure	1	(4 180)	(3 873)
Administrative expenditure	2	(307)	(213)
Operational expenditure	3	(3 939)	(4 015)
CT MENA project	4	-	(14)
Other project expenditure	5	(3 350)	(1 500)
<b>Payment appropriat. carried over to the following year</b>		<b>(984)</b>	<b>(2 235)</b>
of which:			
Staff expenditure	1	(90)	(62)
Administrative expenditure	2	(116)	(359)
Operational expenditure	3	(779)	(1 814)
<b>Cancellation of unused appropri. carried over from year n-1</b>		<b>204</b>	<b>117</b>
<b>Evolution of assigned revenue (B)-(A)</b>		<b>(3 957)</b>	<b>(1 597)</b>
Unused appropriations at the end of current year (A)		5 648	2 028
Unused appropriations at the end of previous year (B)		1 691	430
<b>Exchange rate differences</b>		<b>(1)</b>	<b>9</b>
<b>Budget result</b>		<b>198</b>	<b>355</b>

### Notes:

- Upon the completion of the MENA Project, of the kEUR 2 028 payment appropriations unused at the end of 2018, kEUR 337 were not carried over to 2019.
- The 2019 budget result is including a negative kEUR 15 income related to the 2016 budget result. Taking out this amount, the budget result for 2019 is kEUR 213.

### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2019	2018
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(925)</b>	<b>791</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>6 446</b>	<b>3 602</b>
<i>In-kind contributions validated in the year</i>		
<i>Adjustments for accrual cut-off (net)</i>	(376)	436
<i>Unpaid invoices at year end but booked in expenses</i>	–	9
<i>Depreciation of intangible and tangible assets</i>	154	203
<i>Recovery orders issued in the year and not yet cashed</i>	(4)	(2)
<i>Correction of recovery orders issued last year</i>		
<i>Pre-financing given in previous year and cleared in the year</i>	566	360
<i>Pre-financing received in previous year but included in the budgetary result in the year</i>	4 084	1 217
<i>Payments made from carry-over of payment appropriations</i>	2 059	1 378
<i>Other individually immaterial</i>	(37)	1
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>(5 308)</b>	<b>(4 054)</b>
<i>Asset acquisitions (less unpaid amounts)</i>	(367)	(57)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(419)	(566)
<i>Entitlements established in previous year and cashed in the year</i>	2	5
<i>Entitlements established on balance sheet accounts and cashed in the year</i>	34	11
<i>Guarantees</i>	–	(18)
<i>Payment appropriations carried over to next year</i>	(6 633)	(3 899)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	204	117
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>	1 691	340
<i>Income related to 2016 budget</i>	–	15
<i>Other individually immaterial</i>	180	13
<b>BUDGET RESULT OF THE YEAR</b>	<b>213</b>	<b>355</b>

## Notes:

- Note on budget result 2019: The budget result is not including a negative kEUR 15 income related to the 2016 budget result. Taking in this amount, the budget result for 2019 is in line with the amount disclosed in the previous section.
- Note on budget result 2018: The budget result is including kEUR 15 income related to the 2016 budget result. Taking out this amount, the budget result for 2018 is kEUR 339.

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1. Implementation of budget revenue – Title 1

EUR '000

Item		Income appropriations		Entitlements established			Revenue			Out-standing	
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total		%
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
1000	European Union subsidy	9 308	9 308	9 332	3	9 335	9 329	3	9 332	100 %	3
Total Chapter 10		9 308	9 308	9 332	3	9 335	9 329	3	9 332	100 %	3
Total Title 1		9 308	9 308	9 332	3	9 335	9 329	3	9 332	100 %	3

### 4.2. Implementation of budget revenue – Title 3

EUR '000

		Income appropriations		Entitlements established			Revenue			Out-standing	
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total		%
Item		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
3000	Assigned revenue main operational projects	–	–	83	–	83	83	–	83	-	–
Total Chapter 30		–	–	83	–	83	83	–	83	-	–
Total Title 3		–	–	83	–	83	83	–	83	-	–

### 4.3. Implementation of budget revenue – Title 5

EUR '000

Item	Income appropriations		Entitlements established			Revenue			%	Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total		
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
5100 CPOL CT2	-	-	2 381	-	2 381	2 381	-	2 381	-	-
Total Chapter 51	-	-	2 381	-	2 381	2 381	-	2 381	-	-
5200 CPOL WB	-	-	1 165	-	1 165	1 165	-	1 165	-	0
Total Chapter 52	-	-	1 165	-	1 165	1 165	-	1 165	-	0
5300 CT inflow	-	-	3 750	-	3 750	3 750	-	3 750	-	-
Total Chapter 53	-	-	3 750	-	3 750	3 750	-	3 750	-	-
<b>Total Title 5</b>	-	-	<b>7 297</b>	-	<b>7 297</b>	<b>7 296</b>	-	<b>7 296</b>	-	<b>0</b>
<b>GRAND TOTAL</b>	<b>9 308</b>	<b>9 308</b>	<b>16 712</b>	<b>3</b>	<b>16 715</b>	<b>16 709</b>	<b>3</b>	<b>16 711</b>	<b>180 %</b>	<b>4</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1. Breakdown & changes in commitment appropriations

#### 5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri. available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100 Salaries and allowances	3 491	–	65	3 556	–	–	–	3 556
Total Chapter 11	3 491	–	65	3 556	–	–	–	3 556
1200 Expenditure on recruitment	18	–	20	38	–	–	–	38
Total Chapter 12	18	–	20	38	–	–	–	38
1300 Mission expenses & travel expenses & incidental expenditure for administrative missions	35	–	(6)	29	–	–	–	29
Total Chapter 13	35	–	(6)	29	–	–	–	29
1410 Medical expenses	13	–	(1)	12	–	0	0	13
1420 Staff Committee	1	–	(1)	–	–	–	–	–
1430 Schooling and nursery	462	–	(42)	420	–	2	2	422
Total Chapter 14	476	–	(44)	432	–	2	2	435
1500 Further training & language courses & retraining for staff	40	–	(19)	21	–	5	5	26
Total Chapter 15	40	–	(19)	21	–	5	5	26
1601 Payment for admin assistance from Community institutions	131	–	(34)	97	–	–	–	97
1602 Other services and work to be contracted out	35	–	48	83	–	–	–	83
Total Chapter 16	166	–	14	179	–	–	–	179
1700 Entertainment and representation expenses	3	–	(1)	2	–	–	–	2
Total Chapter 17	3	–	(1)	2	–	–	–	2
1810 Social contacts between staff	4	–	3	7	–	–	–	7
Total Chapter 18	4	–	3	7	–	–	–	7
<b>Total Title 1</b>	<b>4 233</b>	<b>–</b>	<b>32</b>	<b>4 265</b>	<b>–</b>	<b>7</b>	<b>7</b>	<b>4 273</b>

## 5.1.2. Breakdown &amp; changes in commitment appropriations – Title 2

		EUR '000						
Item	Initial adopted budget	Budget appropriations			Additional appropriations			Total approp. available
		Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2003 Cost of renting office space (parkings)	35	–	(22)	13	–	–	–	13
2010 Insurance	3	–	(1)	2	–	–	–	2
2040 Fitting-out of premises	9	–	(6)	3	–	–	–	3
<b>Total Chapter 20</b>	<b>47</b>	<b>–</b>	<b>(29)</b>	<b>18</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>18</b>
2100 Acquisition of equipment and software	95	–	32	127	–	–	–	127
2102 ICT maintenance of equipment and software, technical support and assistance	98	–	(3)	95	–	–	–	95
2104 Telecommunications	62	–	7	69	–	–	–	69
2105 Commission IT systems	55	–	(0)	55	–	–	–	55
<b>Total Chapter 21</b>	<b>310</b>	<b>–</b>	<b>36</b>	<b>346</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>346</b>
2200 Purchase and replacement of office machinery	3	–	1	4	–	–	–	4
2210 Purchase and replacement of furniture	6	–	(1)	5	–	–	–	5
2250 Purchase of books & other works in hard copy & in electronic form	1	–	(1)	1	–	–	–	1
<b>Total Chapter 22</b>	<b>11</b>	<b>–</b>	<b>(0)</b>	<b>10</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10</b>
2300 Stationery	15	–	(6)	9	–	–	–	9
2350 Miscellaneous insurance	1	–	(0)	1	–	–	–	1
2354 Consultancy services	7	–	6	12	–	–	–	12
2355 Translations	8	–	10	18	–	–	–	18
<b>Total Chapter 23</b>	<b>31</b>	<b>–</b>	<b>10</b>	<b>41</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>41</b>
2400 Postal and delivery charges	5	–	3	8	–	–	–	8
<b>Total Chapter 24</b>	<b>5</b>	<b>–</b>	<b>3</b>	<b>8</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8</b>
<b>Total Title 2</b>	<b>403</b>	<b>–</b>	<b>20</b>	<b>423</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>423</b>

## 5.1.3. Breakdown &amp; changes in commitment appropriations – Title 3

EUR '000

		Budget appropriations			Additional appropriations			Total	Total appropri. available
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue		
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3000	Governance meetings	80	–	(11)	69	–	1	1	70
3020	Network meetings	100	–	(48)	52	–	–	–	52
Total Chapter 30		180	–	(59)	121	–	1	1	121
3100	Training activities	2 413	–	(291)	2 122	–	50	50	2 172
3111	Reimbursement of travel expenses - participants	978	–	9	987	–	7	7	994
3130	E-Learning modules	200	–	(14)	186	–	–	–	186
Total Chapter 31		3 590	–	(296)	3 295	–	57	57	3 351
3210	Research and science events	86	–	41	127	–	–	–	127
3220	Equipment, operating expenses and services relating to the electronic network	59	–	65	124	–	–	–	124
3240	Exchanges	334	–	37	371	–	85	85	456
3250	Co-operation with non-member states	10	–	(8)	2	–	–	–	2
3270	Implementation of Strategic Training Needs Assessment (STNA) and Training Needs Assessment (TNA)	30	–	29	59	–	–	–	59
Total Chapter 32		519	–	164	683	–	85	85	768
3510	Network related missions	150	–	75	225	–	0	0	225
Total Chapter 35		150	–	75	225	–	0	0	225
3700	Communications	91	–	(3)	88	–	–	–	88
3701	Other outsourced services	142	–	67	209	–	–	–	209
Total Chapter 37		233	–	64	297	–	–	–	297
<b>Total Title 3</b>		<b>4 672</b>	<b>–</b>	<b>(52)</b>	<b>4 620</b>	<b>–</b>	<b>143</b>	<b>143</b>	<b>4 763</b>



## 5.1.4. Breakdown &amp; changes in commitment appropriations – Title 5

EUR '000								
Item	Initial adopted	Budget appropriations			Additional appropriations			Total appropriations available
		Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
5100 CPOL CT2	–	–	–	–	–	2 663	2 663	2 663
Total Chapter 51	–	–	–	–	–	2 663	2 663	2 663
5200 CPOL WB	–	–	–	–	–	1 197	1 197	1 197
Total Chapter 52	–	–	–	–	–	1 197	1 197	1 197
5300 CT inflow	–	–	–	–	–	3 750	3 750	3 750
Total Chapter 53	–	–	–	–	–	3 750	3 750	3 750
<b>Total Title 5</b>	–	–	–	–	–	<b>7 610</b>	<b>7 610</b>	<b>7 610</b>
<b>GRAND TOTAL</b>	<b>9 308</b>	–	<b>(0)</b>	<b>9 308</b>	–	<b>7 760</b>	<b>7 760</b>	<b>17 068</b>

## 5.2. Breakdown & changes in payment appropriations

### 5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
	Initial budget adopted	Amending budgets	Transfers		Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100 Salaries and allowances	3 491	–	65	3 556	–	–	–	3 556
Total Chapter 11	3 491	–	65	3 556	–	–	–	3 556
1200 Expenditure on recruitment	18	–	20	38	5	–	5	43
Total Chapter 12	18	–	20	38	5	–	5	43
1300 Mission expenses & travel expenses & incidental expenditure for administrative missions	35	–	(6)	29	3	–	3	32
Total Chapter 13	35	–	(6)	29	3	–	3	32
1410 Medical expenses	13	–	(1)	12	0	0	1	13
1420 Staff Committee	1	–	(1)	–	–	–	–	–
1430 Schooling and nursery	462	–	(42)	420	8	2	10	430
Total Chapter 14	476	–	(44)	432	8	2	10	443
1500 Further training & language courses & retraining for staff	40	–	(19)	21	4	5	9	29
Total Chapter 15	40	–	(19)	21	4	5	9	29
1601 Payment for admin assistance from Community institutions	131	–	(34)	97	19	–	19	115
1602 Other services and work to be contracted out	35	–	48	83	24	–	24	107
Total Chapter 16	166	–	14	179	43	–	43	222
1700 Entertainment and representation expenses	3	–	(1)	2	0	–	0	3
Total Chapter 17	3	–	(1)	2	0	–	0	3
1810 Social contacts between staff	4	–	3	7	–	–	–	7
Total Chapter 18	4	–	3	7	–	–	–	7
Total Title 1	4 233	–	32	4 265	62	7	70	4 335

## 5.2.2. Breakdown &amp; changes in payment appropriations – Title 2

EUR '000

Item		Budget appropriations				Additional appropriations			Total appropriable
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2003	Cost of renting office space (parkings)	35	–	(22)	13	–	–	–	13
2010	Insurance	3	–	(1)	2	–	–	–	2
2040	Fitting-out of premises	9	–	(6)	3	0	–	0	3
Total Chapter 20		47	–	(29)	18	0	–	0	18
2100	Acquisition of equipment and software	95	–	32	127	310	–	310	436
2102	ICT maintenance of equipment and software, technical support and assistance	98	–	(3)	95	25	–	25	120
2104	Telecommunications	62	–	7	69	14	–	14	84
2105	Commission IT systems	55	–	(0)	55	–	–	–	55
Total Chapter 21		310	–	36	346	349	–	349	695
2200	Purchase and replacement of office machinery	3	–	1	4	0	–	0	5
2210	Purchase and replacement of furniture	6	–	(1)	5	–	–	–	5
2250	Purchase of books & other works in hard copy & in electronic form	1	–	(1)	1	0	–	0	1
Total Chapter 22		11	–	(0)	10	1	–	1	11
2300	Stationery	15	–	(6)	9	2	–	2	12
2350	Miscellaneous insurance	1	–	(0)	1	–	–	–	1
2354	Consultancy services	7	–	6	12	6	–	6	18
2355	Translations	8	–	10	18	–	–	–	18
Total Chapter 23		31	–	10	41	8	–	8	49
2400	Postal and delivery charges	5	–	3	8	1	–	1	9
Total Chapter 24		5	–	3	8	1	–	1	9
<b>Total Title 2</b>		<b>403</b>	<b>–</b>	<b>20</b>	<b>423</b>	<b>359</b>	<b>–</b>	<b>359</b>	<b>782</b>

## 5.2.3. Breakdown &amp; changes in payment appropriations – Title 3

EUR '000

Item	Budget appropriations			Additional appropriations			Total	Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3000 Governance meetings	80	–	(11)	69	17	1	18	87
3020 Network meetings	100	–	(48)	52	–	–	–	52
<b>Total Chapter 30</b>	<b>180</b>	<b>–</b>	<b>(59)</b>	<b>121</b>	<b>17</b>	<b>1</b>	<b>18</b>	<b>139</b>
3100 Training activities	2 413	–	(291)	2 122	516	50	566	2 687
3105 Equipment and support services	–	–	–	–	390	–	390	390
3111 Reimbursement of travel expenses - participants	978	–	9	987	41	7	48	1 035
3130 E-Learning modules	200	–	(14)	186	125	–	125	311
<b>Total Chapter 31</b>	<b>3 590</b>	<b>–</b>	<b>(296)</b>	<b>3 295</b>	<b>1 072</b>	<b>57</b>	<b>1 129</b>	<b>4 424</b>
3210 Research and science events	86	–	41	127	8	–	8	135
3220 Equipment, operating expenses and services relating to the electronic network	59	–	65	124	432	–	432	556
3240 Exchanges	334	–	37	371	30	85	115	486
3250 Co-operation with non-member states	10	–	(8)	2	0	–	0	2
3270 Implementation of Strategic Training Needs Assessment (STNA) and Training Needs Assessment (TNA)	30	–	29	59	20	–	20	80
<b>Total Chapter 32</b>	<b>519</b>	<b>–</b>	<b>164</b>	<b>683</b>	<b>490</b>	<b>85</b>	<b>575</b>	<b>1 258</b>
3510 Network related missions	150	–	75	225	27	0	28	253
<b>Total Chapter 35</b>	<b>150</b>	<b>–</b>	<b>75</b>	<b>225</b>	<b>27</b>	<b>0</b>	<b>28</b>	<b>253</b>
3700 Communications	91	–	(3)	88	51	–	51	139
3701 Other outsourced services	142	–	67	209	155	–	155	364
<b>Total Chapter 37</b>	<b>233</b>	<b>–</b>	<b>64</b>	<b>297</b>	<b>207</b>	<b>–</b>	<b>207</b>	<b>503</b>
<b>Total Title 3</b>	<b>4 672</b>	<b>–</b>	<b>(52)</b>	<b>4 620</b>	<b>1 814</b>	<b>143</b>	<b>1 957</b>	<b>6 577</b>

## 5.2.4. Breakdown &amp; changes in payment appropriations – Title 5

EUR '000

	Budget appropriations				Additional appropriations			Total appropri. available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
5100 CPOL CT2	–	–	–	–	–	3 427	3 427	3 427
Total Chapter 51	–	–	–	–	–	3 427	3 427	3 427
5200 CPOL WB	–	–	–	–	–	1 782	1 782	1 782
Total Chapter 52	–	–	–	–	–	1 782	1 782	1 782
5300 CT inflow	–	–	–	–	–	3 750	3 750	3 750
Total Chapter 53	–	–	–	–	–	3 750	3 750	3 750
<b>Total Title 5</b>	–	–	–	–	–	<b>8 960</b>	<b>8 960</b>	<b>8 960</b>
<b>GRAND TOTAL</b>	<b>9 308</b>	<b>–</b>	<b>(0)</b>	<b>9 308</b>	<b>2 235</b>	<b>9 110</b>	<b>11 345</b>	<b>20 653</b>

## 5.3. Implementation of commitment appropriations

### 5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. available	Commitments made			Total	%	Appropriations carried over to 2020			Appropriations lapsing			Total
		from final adopt. budget	from carry-overs	from assign. revenue			Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1100 Salaries and allowances	3 556	3 556	–	–	3 556	100 %	–	–	–	–	–	–	–
<b>Total Chapter 11</b>	<b>3 556</b>	<b>3 556</b>	<b>–</b>	<b>–</b>	<b>3 556</b>	<b>100 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
1200 Expenditure on recruitment	38	38	–	–	38	100 %	–	–	–	0	–	–	0
<b>Total Chapter 12</b>	<b>38</b>	<b>38</b>	<b>–</b>	<b>–</b>	<b>38</b>	<b>100 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>–</b>	<b>–</b>	<b>0</b>
1300 Mission expenses & travel expenses & incidental expenditure for administrative missions	29	26	–	–	26	90 %	–	–	–	3	–	–	3
<b>Total Chapter 13</b>	<b>29</b>	<b>26</b>	<b>–</b>	<b>–</b>	<b>26</b>	<b>90 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>3</b>
1410 Medical expenses	13	12	–	–	12	98 %	0	–	0	–	–	–	–
1430 Schooling and nursery	422	420	–	2	422	100 %	–	–	–	–	–	–	–
<b>Total Chapter 14</b>	<b>435</b>	<b>432</b>	<b>–</b>	<b>2</b>	<b>434</b>	<b>100 %</b>	<b>0</b>	<b>–</b>	<b>0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
1500 Further training & language courses & retraining for staff	26	21	–	5	26	100 %	–	–	–	–	–	–	–
<b>Total Chapter 15</b>	<b>26</b>	<b>21</b>	<b>–</b>	<b>5</b>	<b>26</b>	<b>100 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
1601 Payment for admin assistance from Community institutions	97	97	–	–	97	100 %	–	–	–	–	–	–	–
1602 Other services and work to be contracted out	83	83	–	–	83	100 %	–	–	–	–	–	–	–
<b>Total Chapter 16</b>	<b>179</b>	<b>179</b>	<b>–</b>	<b>–</b>	<b>179</b>	<b>100 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
1700 Entertainment and representation expenses	2	2	–	–	2	100 %	–	–	–	–	–	–	–
<b>Total Chapter 17</b>	<b>2</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>100 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
1810 Social contacts between staff	7	7	–	–	7	100 %	–	–	–	–	–	–	–
<b>Total Chapter 18</b>	<b>7</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>100 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Title 1</b>	<b>4 273</b>	<b>4 262</b>	<b>–</b>	<b>7</b>	<b>4 269</b>	<b>100 %</b>	<b>0</b>	<b>–</b>	<b>0</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>3</b>

## Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	from final adopt. budget	Commitments made		Total	%	Appropriations carried over to 2020			Appropriations lapsing			
			from carry-overs	from assign. revenue			Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2003 Cost of renting office space (parkings)	13	13	-	-	13	100 %	-	-	-	-	-	-	-
2010 Insurance	2	2	-	-	2	100 %	-	-	-	-	-	-	-
2040 Fitting-out of premises	3	3	-	-	3	100 %	-	-	-	-	-	-	-
<b>Total Chapter 20</b>	<b>18</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2100 Acquisition of equipment and software	127	127	-	-	127	100 %	-	-	-	-	-	-	-
2102 ICT maintenance of equipment and software, technical support and assistance	95	95	-	-	95	100 %	-	-	-	-	-	-	-
2104 Telecommunications	69	69	-	-	69	100 %	-	-	-	-	-	-	-
2105 Commission IT systems	55	55	-	-	55	100 %	-	-	-	-	-	-	-
<b>Total Chapter 21</b>	<b>346</b>	<b>346</b>	<b>-</b>	<b>-</b>	<b>346</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2200 Purchase and replacement of office machinery	4	4	-	-	4	100 %	-	-	-	-	-	-	-
2210 Purchase and replacement of furniture	5	5	-	-	5	100 %	-	-	-	-	-	-	-
2250 Purchase of books & other works in hard copy & in electronic form	1	1	-	-	1	100 %	-	-	-	-	-	-	-
<b>Total Chapter 22</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2300 Stationery	9	9	-	-	9	100 %	-	-	-	-	-	-	-
2350 Miscellaneous insurance	1	1	-	-	1	100 %	-	-	-	-	-	-	-
2354 Consultancy services	12	12	-	-	12	100 %	-	-	-	-	-	-	-
2355 Translations	18	18	-	-	18	100 %	-	-	-	-	-	-	-
<b>Total Chapter 23</b>	<b>41</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2400 Postal and delivery charges	8	8	-	-	8	100 %	-	-	-	-	-	-	-
<b>Total Chapter 24</b>	<b>8</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Title 2</b>	<b>423</b>	<b>423</b>	<b>-</b>	<b>-</b>	<b>423</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5.3.2. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
3000 Governance meetings	70	69	-	-	69	99 %	1	-	1	-	-	-	-
3020 Network meetings	52	52	-	-	52	100 %	-	-	-	-	-	-	-
<b>Total Chapter 30</b>	<b>121</b>	<b>121</b>	<b>-</b>	<b>-</b>	<b>121</b>	<b>99 %</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3100 Training activities	2 172	2 122	-	16	2 138	98 %	34	-	34	-	-	-	-
3111 Reimbursement of travel expenses - participants	994	986	-	4	990	100 %	3	-	3	0	-	-	0
3130 E-Learning modules	186	186	-	-	186	100 %	-	-	-	-	-	-	-
<b>Total Chapter 31</b>	<b>3 351</b>	<b>3 294</b>	<b>-</b>	<b>20</b>	<b>3 314</b>	<b>99 %</b>	<b>37</b>	<b>-</b>	<b>37</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>
3210 Research and science events	127	127	-	-	127	100 %	-	-	-	-	-	-	-
3220 Equipment, operating expenses and services relating to the electronic network	124	124	-	-	124	100 %	-	-	-	-	-	-	-
3240 Exchanges	456	371	-	84	455	100 %	1	-	1	-	-	-	-
3250 Co-operation with non-member states	2	2	-	-	2	100 %	-	-	-	-	-	-	-
3270 Implementation of Strategic Training Needs Assessment (STNA) and Training Needs Assessment (TNA)	59	59	-	-	59	100 %	-	-	-	0	-	-	0
<b>Total Chapter 32</b>	<b>768</b>	<b>683</b>	<b>-</b>	<b>84</b>	<b>767</b>	<b>100 %</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>
3510 Network related missions	225	219	-	-	219	97 %	0	-	0	6	-	-	6
<b>Total Chapter 35</b>	<b>225</b>	<b>219</b>	<b>-</b>	<b>-</b>	<b>219</b>	<b>97 %</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>
3700 Communications	88	88	-	-	88	100 %	-	-	-	-	-	-	-
3701 Other outsourced services	209	209	-	-	209	100 %	-	-	-	-	-	-	-
<b>Total Chapter 37</b>	<b>297</b>	<b>297</b>	<b>-</b>	<b>-</b>	<b>297</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Title 3</b>	<b>4 763</b>	<b>4 614</b>	<b>-</b>	<b>104</b>	<b>4 717</b>	<b>99 %</b>	<b>39</b>	<b>-</b>	<b>39</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>



## 5.3.3. Implementation of commitment appropriations - Title 5

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
5100 CPOL CT2	2 663	–	–	1 899	1 899	71 %	764	–	764	–	–	–	–
Total Chapter 51	2 663	–	–	1 899	1 899	71 %	764	–	764	–	–	–	–
5200 CPOL WB	1 197	–	–	971	971	81 %	226	–	226	–	–	–	–
Total Chapter 52	1 197	–	–	971	971	81 %	226	–	226	–	–	–	–
5300 CT inflow	3 750	–	–	–	–	0 %	3 750	–	3 750	–	–	–	–
Total Chapter 53	3 750	–	–	–	–	0 %	3 750	–	3 750	–	–	–	–
<b>Total Title 5</b>	<b>7 610</b>	<b>–</b>	<b>–</b>	<b>2 869</b>	<b>2 869</b>	<b>38 %</b>	<b>4 741</b>	<b>–</b>	<b>4 741</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>GRAND TOTAL</b>	<b>17 068</b>	<b>9 299</b>	<b>–</b>	<b>2 980</b>	<b>12 279</b>	<b>72 %</b>	<b>4 780</b>	<b>–</b>	<b>4 780</b>	<b>9</b>	<b>–</b>	<b>–</b>	<b>9</b>

## 5.4. Implementation of payment appropriations

### 5.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1100 Salaries and allowances	3 556	3 556	–	–	3 556	100 %	–	–	–	–	–	–	–	–
Total Chapter 11	3 556	3 556	–	–	3 556	100 %	–	–	–	–	–	–	–	–
1200 Expenditure on recruitment	43	19	5	–	24	56 %	19	–	–	19	0	–	–	0
Total Chapter 12	43	19	5	–	24	56 %	19	–	–	19	0	–	–	0
1300 Mission expenses & travel expenses & incidental expenditure for administrative missions	32	24	2	–	26	80 %	2	–	–	2	3	1	–	4
Total Chapter 13	32	24	2	–	26	80 %	2	–	–	2	3	1	–	4
1410 Medical expenses	13	12	0	–	13	98 %	–	–	0	0	–	0	–	0
1430 Schooling and nursery	430	417	7	2	427	99 %	3	–	–	3	–	0	–	0
Total Chapter 14	443	429	8	2	439	99 %	3	–	0	3	–	0	–	0
1500 Further training & language courses & retraining for staff	29	12	4	5	20	70 %	9	–	–	9	–	–	–	–
Total Chapter 15	29	12	4	5	20	70 %	9	–	–	9	–	–	–	–
1601 Payment for admin assistance from Community institutions	115	89	13	–	102	89 %	8	–	–	8	–	5	–	5
1602 Other services and work to be contracted out	107	34	24	–	58	54 %	49	–	–	49	–	0	–	0
Total Chapter 16	222	123	37	–	160	72 %	57	–	–	57	–	5	–	5
1700 Entertainment and representation expenses	3	2	0	–	3	94 %	–	–	–	–	–	0	–	0
Total Chapter 17	3	2	0	–	3	94 %	–	–	–	–	–	0	–	0
1810 Social contacts between staff	7	7	–	–	7	100 %	–	–	–	–	–	–	–	–
Total Chapter 18	7	7	–	–	7	100 %	–	–	–	–	–	–	–	–
<b>Total Title 1</b>	<b>4 335</b>	<b>4 172</b>	<b>55</b>	<b>7</b>	<b>4 235</b>	<b>98 %</b>	<b>90</b>	<b>–</b>	<b>0</b>	<b>90</b>	<b>3</b>	<b>7</b>	<b>–</b>	<b>10</b>

## 5.4.2. Implementation of payment appropriations - Title 2

EUR  
'000

Item		Total approp. availab.	from final adopt. budget	Payments made		Total	%	Appropriations carried over to 2020				Appropriations lapsing			
				from carry- overs	from assign. revenue			Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry- overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
2003	Cost of renting office space (parkings)	13	12	-	-	12	93 %	1	-	-	1	-	-	-	-
2010	Insurance	2	2	-	-	2	100 %	-	-	-	-	-	-	-	-
2040	Fitting-out of premises	3	3	-	-	3	79 %	0	-	-	0	-	0	-	0
Total Chapter 20		18	17	-	-	17	91 %	1	-	-	1	-	0	-	0
2100	Acquisition of equipment and software	436	62	305	-	367	84 %	65	-	-	65	-	4	-	4
2102	ICT maintenance of equipment and software, technical support and assistance	120	86	25	-	110	92 %	9	-	-	9	-	1	-	1
2104	Telecommunications	84	38	13	-	52	62 %	31	-	-	31	-	1	-	1
2105	Commission IT systems	55	55	-	-	55	100 %	-	-	-	-	-	-	-	-
Total Chapter 21		695	241	343	-	584	84 %	105	-	-	105	-	6	-	6
2200	Purchase and replacement of office machinery	5	4	0	-	4	82 %	1	-	-	1	-	0	-	0
2210	Purchase and replacement of furniture	5	1	-	-	1	20 %	4	-	-	4	-	-	-	-
2250	Purchase of books & other works in hard copy & in electronic form	1	0	0	-	1	63 %	0	-	-	0	-	0	-	0
Total Chapter 22		11	5	0	-	5	50 %	5	-	-	5	-	0	-	0
2300	Stationery	12	8	2	-	10	88 %	1	-	-	1	-	0	-	0
2350	Miscellaneous insurance	1	1	-	-	1	100 %	-	-	-	-	-	-	-	-
2354	Consultancy services	18	10	6	-	16	87 %	2	-	-	2	-	-	-	-
2355	Translations	18	18	-	-	18	100 %	-	-	-	-	-	-	-	-
Total Chapter 23		49	37	8	-	45	92 %	4	-	-	4	-	0	-	0
2400	Postal and delivery charges	9	7	0	-	7	85 %	1	-	-	1	-	1	-	1
Total Chapter 24		9	7	0	-	7	85 %	1	-	-	1	-	1	-	1
Total Title 2		782	307	352	-	659	84 %	116	-	-	116	-	7	-	7

## 5.4.3. Implementation of payment appropriations - Title 3

EUR '000

		Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
Item		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
3000	Governance meetings	87	51	17	–	68	78 %	18	–	1	19	–	0	–	0
3020	Network meetings	52	52	–	–	52	100 %	–	–	–	–	–	–	–	–
Total Chapter 30		139	103	17	–	120	86 %	18	–	1	19	–	0	–	0
3100	Training activities	2 687	1 805	442	16	2 263	84 %	317	–	34	351	–	74	–	74
3105	Equipment and support services	390	–	387	–	387	99 %	–	–	–	–	–	3	–	3
3111	Reimbursement of travel expenses - participants	1 035	985	25	4	1 014	98 %	1	–	3	4	0	17	–	17
3130	E-Learning modules	311	134	125	–	259	83 %	53	–	–	53	–	–	–	–
Total Chapter 31		4 424	2 924	979	20	3 923	89 %	370	–	37	407	0	93	–	94
3210	Research and science events	135	48	6	–	55	41 %	79	–	–	79	–	1	–	1
3220	Equipment, operating expenses and services relating to the electronic network	556	44	359	–	403	72 %	80	–	–	80	–	73	–	73
3240	Exchanges	486	350	19	84	453	93 %	21	–	1	21	–	11	–	11
3250	Co-operation with non-member states	2	2	0	–	2	99 %	–	–	–	–	–	0	–	0
3270	Implementation of Strategic Training Needs Assessment (STNA) and Training Needs Assessment (TNA)	80	12	18	–	30	37 %	47	–	–	47	0	3	–	3
Total Chapter 32		1 258	456	402	84	942	75 %	227	–	1	228	0	88	–	88
3510	Network related missions	253	208	25	–	233	92 %	12	–	0	12	6	2	–	8
Total Chapter 35		253	208	25	–	233	92 %	12	–	0	12	6	2	–	8
3700	Communications	139	20	50	–	70	50 %	68	–	–	68	–	2	–	2
3701	Other outsourced services	364	125	151	–	276	76 %	84	–	–	84	–	5	–	5
Total Chapter 37		503	145	200	–	345	69 %	151	–	–	151	–	7	–	7
Total Title 3		6 577	3 835	1 624	104	5 563	85 %	779	–	39	817	6	190	–	197

## 5.4.4. Implementation of payment appropriations - Title 5

EUR '000

Item		Total approp. availab.	Payments made				Appropriations carried over to 2020				Appropriations lapsing				
			from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry- overs	from assign. rev.	Total
		1	2	3	4	5=2+3+ 4	6=5/1	7	8	9	10=7+8 +9	11	12	13	14=11+ 12+13
5100	CPOL CT2	3 427	–	–	2 156	2 156	1	–	–	1 272	1 272	–	–	–	–
Total Chapter 51		3 427	–	–	2 156	2 156	63 %	–	–	1 272	1 272	–	–	–	–
5200	CPOL WB	1 782	–	–	1 195	1 195	1	–	–	587	587	–	–	–	–
Total Chapter 52		1 782	–	–	1 195	1 195	67 %	–	–	587	587	–	–	–	–
5300	CT inflow	3 750	–	–	–	–	0 %	–	–	3 750	3 750	–	–	–	–
Total Chapter 53		3 750	–	–	–	–	0 %	–	–	3 750	3 750	–	–	–	–
Total Title 5		8 960	–	–	3 350	3 350	37 %	–	–	5 609	5 609	–	–	–	–
GRAND TOTAL		20 653	8 314	2 031	3 461	13 807	67 %	984	–	5 648	6 633	9	204	–	214

## 6. OUTSTANDING COMMITMENTS

### 6.1. Outstanding commitments – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancel-lations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1100 Salaries and allowances	–	–	–	–	3 556	3 556	–	–	–
Total chapter 11	–	–	–	–	3 556	3 556	–	–	–
1200 Expenditure on recruitment	5	–	5	–	38	19	–	19	19
Total chapter 12	5	–	5	–	38	19	–	19	19
1300 Mission expenses & travel expenses & incidental expenditure for administrative missions	3	(1)	2	–	26	24	–	2	2
Total chapter 13	3	(1)	2	–	26	24	–	2	2
1410 Medical expenses	0	(0)	0	–	12	12	–	–	–
1430 Schooling and nursery	8	(0)	7	–	422	419	–	3	3
Total chapter 14	8	(0)	8	–	434	431	–	3	3
1500 Further training & language courses & retraining for staff	4	–	4	–	26	17	–	9	9
Total chapter 15	4	–	4	–	26	17	–	9	9
1601 Payment for admin assistance from Community institutions	19	(5)	13	–	97	89	–	8	8
1602 Other services and work to be contracted out	24	(0)	24	–	83	34	–	49	49
Total chapter 16	43	(5)	37	–	179	123	–	57	57
1700 Entertainment and representation expenses	0	(0)	0	–	2	2	–	–	–
Total chapter 17	0	(0)	0	–	2	2	–	–	–
1810 Social contacts between staff	–	–	–	–	7	7	–	–	–
Total chapter 18	–	–	–	–	7	7	–	–	–
<b>Total Title 1</b>	<b>62</b>	<b>(7)</b>	<b>55</b>	<b>–</b>	<b>4 269</b>	<b>4 180</b>	<b>–</b>	<b>90</b>	<b>90</b>

## 6.2. Outstanding commitments – Title 2

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
Item		Commitm. carried for- ward from previous year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2003	Cost of renting office space (parkings)	–	–	–	–	13	12	–	1	1
2010	Insurance	–	–	–	–	2	2	–	–	–
2040	Fitting-out of premises	0	(0)	–	–	3	3	–	0	0
Total chapter 20		0	(0)	–	–	18	17	–	1	1
2100	Acquisition of equipment and software	310	(4)	305	–	127	62	–	65	65
2102	ICT maintenance of equipment and software, technical support and assistance	25	(1)	25	–	95	86	–	9	9
2104	Telecommunications	14	(1)	13	–	69	38	–	31	31
2105	Commission IT systems	–	–	–	–	55	55	–	–	–
Total chapter 21		349	(6)	343	–	346	241	–	105	105
2200	Purchase and replacement of office machinery	0	(0)	0	–	4	4	–	1	1
2210	Purchase and replacement of furniture	–	–	–	–	5	1	–	4	4
2250	Purchase of books & other works in hard copy & in electronic form	0	(0)	0	–	1	0	–	0	0
Total chapter 22		1	(0)	0	–	10	5	–	5	5
2300	Stationery	2	(0)	2	–	9	8	–	1	1
2350	Miscellaneous insurance	–	–	–	–	1	1	–	–	–
2354	Consultancy services	6	–	6	–	12	10	–	2	2
2355	Translations	–	–	–	–	18	18	–	–	–
Total chapter 23		8	(0)	8	–	41	37	–	4	4
2400	Postal and delivery charges	1	(1)	0	–	8	7	–	1	1
Total chapter 24		1	(1)	0	–	8	7	–	1	1
<b>Total Title 2</b>		<b>359</b>	<b>(7)</b>	<b>352</b>	<b>–</b>	<b>423</b>	<b>307</b>	<b>–</b>	<b>116</b>	<b>116</b>

### 6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3000 Governance meetings	17	(0)	17	–	69	51	–	18	18
3020 Network meetings	–	–	–	–	52	52	–	–	–
<b>Total chapter 30</b>	<b>17</b>	<b>(0)</b>	<b>17</b>	<b>–</b>	<b>121</b>	<b>103</b>	<b>–</b>	<b>18</b>	<b>18</b>
3100 Training activities	516	(74)	442	–	2 138	1 821	–	317	317
3105 Equipment and support services	390	(3)	387	–	–	–	–	–	–
3111 Reimbursement of travel expenses - participants	41	(17)	25	–	990	989	–	1	1
3130 E-Learning modules	125	–	125	–	186	134	–	53	53
<b>Total chapter 31</b>	<b>1 072</b>	<b>(93)</b>	<b>979</b>	<b>–</b>	<b>3 314</b>	<b>2 944</b>	<b>–</b>	<b>370</b>	<b>370</b>
3210 Research and science events	8	(1)	6	–	127	48	–	79	79
3220 Equipment, operating expenses and services relating to the electronic network	432	(73)	359	–	124	44	–	80	80
3240 Exchanges	30	(11)	19	–	455	434	–	21	21
3250 Co-operation with non-member states	0	(0)	0	–	2	2	–	–	–
3270 Implementation of Strategic Training Needs Assessment (STNA) and Training Needs Assessment (TNA)	20	(3)	18	–	59	12	–	47	47
<b>Total chapter 32</b>	<b>490</b>	<b>(88)</b>	<b>402</b>	<b>–</b>	<b>767</b>	<b>540</b>	<b>–</b>	<b>227</b>	<b>227</b>
3510 Network related missions	27	(2)	25	–	219	208	–	12	12
<b>Total chapter 35</b>	<b>27</b>	<b>(2)</b>	<b>25</b>	<b>–</b>	<b>219</b>	<b>208</b>	<b>–</b>	<b>12</b>	<b>12</b>
3700 Communications	51	(2)	50	–	88	20	–	68	68
3701 Other outsourced services	155	(5)	151	–	209	125	–	84	84
<b>Total chapter 37</b>	<b>207</b>	<b>(7)</b>	<b>200</b>	<b>–</b>	<b>297</b>	<b>145</b>	<b>–</b>	<b>151</b>	<b>151</b>
<b>Total Title 3</b>	<b>1 814</b>	<b>(190)</b>	<b>1 624</b>	<b>–</b>	<b>4 717</b>	<b>3 939</b>	<b>–</b>	<b>779</b>	<b>779</b>



## 6.4. Outstanding commitments – Title 5

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
5100 CPOL CT2	980	(216)	757	8	1 899	1 399	–	500	507
Total chapter 51	980	(216)	757	8	1 899	1 399	–	500	507
5200 CPOL WB	586	(0)	532	54	971	663	–	307	361
Total chapter 52	586	(0)	532	54	971	663	–	307	361
<b>Total Title 5</b>	<b>1 566</b>	<b>(216)</b>	<b>1 288</b>	<b>62</b>	<b>2 869</b>	<b>2 062</b>	<b>–</b>	<b>807</b>	<b>869</b>
<b>GRAND TOTAL</b>	<b>3 801</b>	<b>(420)</b>	<b>3 319</b>	<b>62</b>	<b>12 279</b>	<b>10 488</b>	<b>–</b>	<b>1 791</b>	<b>1 853</b>

## 7. GLOSSARY

### ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

### Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

### Accounting Officer

The role, powers and responsibilities of the accounting officer are set out in the Financial Regulation:

- proper implementation of payments,
- collection of revenue,
- recovery of amounts and offsetting,
- keeping, preparing and presenting the accounts,
- laying down the accounting rules and methods and the chart of accounts,
- laying down and validating the accounting systems and validating systems laid down by the authorising officer to supply or justify accounting information (local systems),
- treasury management,
- designation of the Imprest Administrators,
- opening and closing bank accounts in the name of the Institution.

### Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

### Adjustment

Amending budget or transfer of funds from one budget item to another.

### Adopted budget

Draft budget becomes the adopted budget as soon as approved by the Budgetary Authority.

Cf. Budget

### Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

### Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

### Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

### Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual

programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

#### Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure.

Main sources of external assigned revenue *are financial contributions from third countries to programmes financed by the Union.*

*Main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request, revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.*

The complete list of items constituting assigned revenue is given in the Financial Regulation Art. 21.

#### Authorising Officer by Delegation (AOD)

The AOD is responsible in each entity for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

The AOD is responsible for taking all financial decision concerning actions under his/her responsibility. Particularly, he/she must take decisions to implement the budget based on his/her risk analysis.

#### Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

#### Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences.

For agencies, the resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for agencies.

#### Budget implementation

Consumption of the budget through expenditure and revenue operations.

#### Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature, which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

#### Budgetary authority

Institutions with decisional powers on budgetary matters: for the EU institutions, the European Parliament and the Council of Ministers.

For the agencies and joint undertakings, their board is the budgetary authority.

#### Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

#### Cancellation of appropriations

Unused appropriations that may no longer be used.

#### Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

### Commitment appropriations

Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Financial Regulation Art. 7: *Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.*

### De-commitment

Cancellation of a reservation of appropriations.

### Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Financial Regulation Art. 7: *Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.*

### Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution.

Cf. Assigned revenue

### Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

### Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

### Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.

### Expenditure

Term used to describe spending the budget from all types of funds sources.

### Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union.

For reference, Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

### Funds Source

Type of appropriations

### Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body, which pursues an aim of general European interest or has an objective forming part of an EU policy.

### Implementation

Cf. Budget implementation

### Income

Cf. Revenue

### Joint Undertakings (JUs)

A legal EU-body established under the Treaty on the Functioning of the European Union. The term can be used to describe any collaborative structure proposed for the *"efficient execution of Union research, technological development and demonstration programmes"*.

### Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. *Lapsing* means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities, which is represented by an appropriation.

Only for joint undertakings, as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called "N+3" rule). Hence, lapsing appropriations for JUs could be re-activated until financial year "N+3".

### Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty on the Functioning of the European Union giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain articles from the treaty authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

### Legal commitment

A legal commitment establishes a legal obligation towards third parties.

### Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Financial Regulation Art. 9). In the EU Budget, non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments.

### Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

### Outstanding commitment

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid or legal commitments having not fully given rise to liquidation by payments. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

### Outturn

Cf. Budget result

### Payment

A payment is a disbursement to honour legal obligations.

### Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Financial Regulation Art. 7).

### RAL

Sum of outstanding commitments. Cf. Outstanding commitments

### Recovery

The recovery order is the procedure by which the Authorising officer by Delegation (AOD) registers an entitlement by the Commission in order to retrieve the amount, which is due. The entitlement is the right that the Commission has to claim the sum, which is due by a debtor, usually a beneficiary.

### Result

Cf. Budget result

### Revenue

Term used to describe income from all sources financing the budget.

### Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

### Surplus

Positive difference between revenue and expenditure (Cf. Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

### Transfer

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. However, they are expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The Financial Regulation identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.