



Annual Activity Report 2011

European Police College (CEPOL)

Table of Contents

PART 1 POLICY ACHIEVEMENTS	3
PART 2 MANAGEMENT AND INTERNAL CONTROL SYSTEMS	19
2.1 INTRODUCTION TO CEPOL	19
A. Budgetary execution.....	20
B. Management of human resources.....	24
C. Staff Committee.....	25
D. Procurement	25
2.2 THE FUNCTIONING OF THE ENTIRE INTERNAL CONTROL SYSTEM.....	26
PART 3 BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE (AND POSSIBLE RESERVATIONS TO IT)	29
3.1 BUILDING BLOCKS TOWARDS REASONABLE ASSURANCE.....	29
3.1.1 – Building block 1: Assessment by management	29
3.1.2 – Building block 2: Results from audits during the reporting year.....	30
3.1.3 – Building block 3: Follow-up of previous years' reservations and action plans for audits from previous years.....	31
PART 4 DECLARATION OF ASSURANCE.....	32
STATEMENT OF INTERNAL CONTROL OFFICER AND QUALITY MANAGEMENT OFFICER	33
ANNEX 1 BUDGET 2011 EXECUTION STATUS AS OF 31 DECEMBER 2011	34
ANNEX 2 PAYMENT TIME LIMITS	35
ANNEX 3 PROCUREMENT STATUS REPORT	36
ANNEX 4 PROVISIONAL FINANCIAL STATEMENTS	41
CEPOL BALANCE SHEET 2011 – ASSETS.....	42
CEPOL Balance Sheet 2011 – Liabilities.....	43
CEPOL Economic Outturn Account 2011.....	44

PART 1 POLICY ACHIEVEMENTS

In 2011, CEPOL dedicated its resources to fulfilling its Annual Work Programme, as adopted by the Governing Board. In implementing a broad range of activities aimed at deepening the knowledge of European police officers, both individually and at organizational level, CEPOL strived to further establish itself as a centre of excellence dedicated to strengthening police cooperation through learning.

In 2011, major milestones for CEPOL, as an Agency, included:

- The publication of an independent evaluation of CEPOL's first five years as an Agency of the European Union.

The report, fully endorsed by the European Commission, Council of Ministers of Justice and Home Affairs identified seven recommendations, all of which have been adopted. One recommendation concerned streamlining CEPOL's governance structures and, during 2011, CEPOL took steps to disband its committees. In addition, the Governing Board's rules of procedure were revised to reduce the number of Governing Board meetings per year. From 2012, there will be only one ordinary meeting of the Governing Board per six-month presidency. Overall, the aim is for the Governing Board to focus on policy and decision-making at the strategic, longer-term level.

- The European Training Scheme mapping exercise

The Stockholm Programme defines the need to foster a genuine European judicial and law enforcement culture by means of offering European Training Schemes (ETS) and invites the Commission to examine what could be defined as an ETS.

In 2011, the European Commission requested CEPOL to conduct a mapping exercise of law enforcement training in the Member States, provided by EU Agencies and international organisations. A comprehensive survey was developed and launched and it is envisaged to complete the study in 2012. CEPOL co-chaired workshops on the ETS with the Commission's expert. In parallel, CEPOL carried out a strategic training needs assessment, using the findings from the mapping exercise to identify training gaps. This was an additional task undertaken by the Agency, given its experience and importance in shaping the future strategic approach to training of law enforcement professionals. To implement this task effectively, a re-evaluation of resource allocation was required.

- CEPOL's ten year anniversary

In October 2011, CEPOL celebrated ten years delivering learning activities to police officers. A conference was organised in Bramshill as an opportunity to further elaborate on the future of CEPOL, the ETS and inter-agency cooperation. Participants acknowledged CEPOL as a key player among the law enforcement community and a key provider of training for law enforcement officials.

A Member of the European Parliament, senior representatives of the EU Commission, the European External Action Service (EEAS) and partner agencies reflected on the change management achievements in transforming the Agency into an organisation dedicated to excellence in all areas of activity.

Goal 1: The CEPOL network functions as a European law enforcement education platform on the highest level of international excellence	
Strategic Objective 1.1 Strategic Objective 1.2	To deliver quality training courses on specific subjects To deliver training for senior leaders
Performance in 2011	Implementation of planned activities (training sessions) Target 2011: 95% Situation at year end 2010:92% Situation at year end 2011:112% ¹ Customer satisfaction (with activities) Situation at year end 2010:95% Situation at year end 2011:93%

Main activities and achievements in 2011

CEPOL continues to play a key role in delivering courses, seminars and organising conferences for law enforcement professionals contributing to the implementation of EU policies, in particular the Internal Security Strategy and the Stockholm Programme. The 2011 Work Programme identified 87 training activities.

The Programme was reassessed during the year taking into consideration further requests from stakeholders including the Council and in response to immediate and acute law enforcement training needs. To enable a wider access to CEPOL's knowledge and facilitate the Agency's ability to respond swiftly to emerging law enforcement training needs in 2011 CEPOL introduced new cutting-edge technology in the area of **online training applications (online seminars)**. This provides an online environment that combines interactive virtual classroom learning, meeting and online seminar capabilities with CEPOL's training products and services.

As a result **106 training activities were implemented**; 88 traditional activities (2043 participants) and 18 online seminars (398 participants), e-learning modules (1765 participants) reaching a total of **4206 participants** from the EU, Candidate and Associate countries. The activities engaged 795 trainers from all EU countries ensuring a European Dimension to all CEPOL training activities.

ACTIVITIES (Courses, seminars and conferences)	2010	2011
Implemented	91	106
ATTENDANCE		
Actual Attendance	2198	4206
TRAINERS		
No. of Trainers	841	795

¹At the beginning of the year, 87 activities were planned and by the end of the year 106 implemented as a result of introduction of e-learning modules and online seminars.

Average attendance of traditional activities rose to 80 % which was an improvement on previous years (77% in 2010; 72% in 2009). Attendance levels can depend on different factors; for example not all subjects are equally engaging to all Member States (MS) and in 2011, in particular, financial constraints impacted attendance. In order to alleviate this, CEPOL increased a funded Flight Scheme available for EU MS and Candidate Countries from 10 to 15 flights per country per year paid by the Agency.

Training contributed to building competences in the priority areas identified in EU policies and the organised crime threat assessment. These priorities are counter-terrorism and extremism, white collar and environmental crime, illegal immigration and border management, trafficking in human beings, drug trafficking, other serious and organised crime, crime prevention and public order.

Police cooperation - within the EU and outside - remains one of the key areas addressed by CEPOL's training portfolio, while language development training facilitates cross-border cooperation. CEPOL serves the purpose of harmonising training, setting training standards, as well as sharing modern training methods through its signature training activities, in particular Q13 (the CEPOL training standard), Train the Trainers and Common Curricula Implementation seminars and the European Police Exchange Programme.

CEPOL also supports requests for development of **harmonised training material** especially in the area of EU law enforcement cooperation. To this end, CEPOL accepted an additional task to develop a Training Manual for SIRENE officers responsible for information exchange on Schengen Information System. In cooperation with SIRENE, CEPOL experts drafted and presented the **SIRENE Trainers' Manual** including a general section on training design and delivery as well as a section each on basic training, advanced training and a 'Train the Trainer' course.

CEPOL has been invited to develop training packages **on the EU Policy Cycle** for law enforcement personnel involved in the planning of the policy cycle and **on EMPACT project** management for drivers and group members, which will be developed in 2012.

CEPOL has received an important new task in the development of a law enforcement culture with shared common values, which is one of a prerequisite in strengthening internal security. To this end, the Agency provides a set of training activities, one of the most significant being **TOPSPOC (Top Senior Police Officers: The Stockholm Programme)** – **one of the CEPOL's flagship activities** specifically designed for the top level law enforcement officials. In this activity, top senior police officers attend a four-step activity, designed to ensure a sustainable impact. In 2011, this course brought together 26 participants from 17 EU countries to deal with effective measures in crime prevention on a European level; the role of police leaders in promoting ethical standards; how training

improves police leadership and common professional standards in the future; and the challenges of legal and illegal migration in Europe. Similarly, SPOPCOP (Senior Police Officer Planning and Command Course for Crisis Management Missions) increases the EU's ability to respond in civilian crisis management.

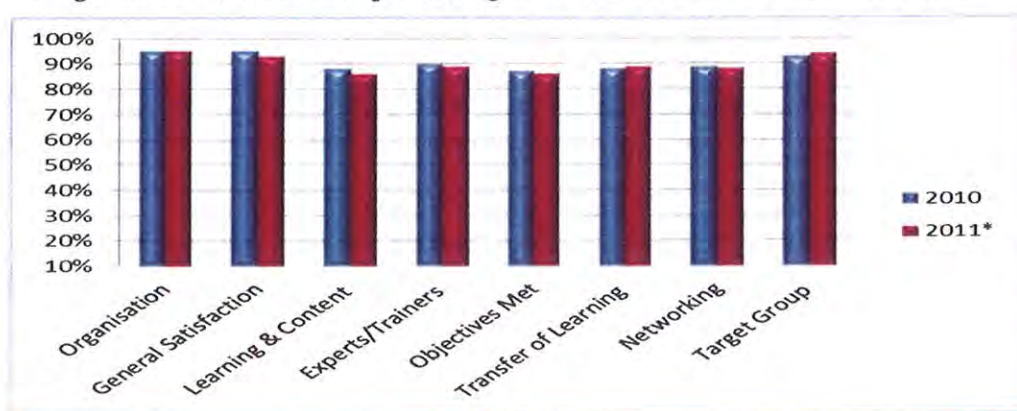
The implementation of **accredited training** activities is one of CEPOL's goals. In 2011, a new three-module CEPOL activity "**Policing in Europe**" was successfully implemented with 24 participants completing the course. Designed for senior police officers in management and specialist positions to improve their expertise in the field of international police cooperation, the course is worth 15 credits in the European Credit Transfer and Accumulation System (ECTS), representing 420 hours of study. The credits can be transferred to other academic institutions towards a master's level qualification. In 2013 this course will be further developed into fully-fledged Master's Course.

Although the majority of CEPOL activities are organised by CEPOL's network of national training institutes (the network), the Agency organised 26 courses and webinars (online seminars) in 2011 in some cases in close cooperation with training institutes of the Member States.

Evaluation of CEPOL activities is an essential task to monitor the quality of training and its impact. CEPOL's evaluation system is based on Kirkpatrick's model level 1-3, in terms of elements and stages to be evaluated, adopting a methodology suited to CEPOL's structure and environment. The enhanced tools measure an assessment of improvements in knowledge and skills, and how these improvements are transferred to the workplace, including networking and sharing of good practices, as well as changes in behaviour.

CEPOL measures the impact of its training with a post-course evaluation survey that is completed approximately six months after the activity has ended. The evaluation processes is supported by the Learning Management System (LMS) and LimeSurvey available through CEPOL's e-Net. Further streamlining of the evaluation is planned to improve the efficiency of the process.

Courses are evaluated on different elements from organisation to reaching the objectives. The figures below show the percentages of satisfaction for 2010 and 2011.



*Provisional data

Strategic objective 1.3	Exchange programmes as an essential element of learning promotes, facilitates and develops cooperation
Performance in 2011	Target 2011: approx. 200 participants Situation at year end 2011: 292 participants

Main activities and achievements in 2011

The Stockholm Programme and Council Conclusions of 26 April 2010 invite CEPOL to develop and conduct pilot exchange programmes for police officials. CEPOL is currently implementing the European Police Exchange Programme inspired by Erasmus for an initial four-year period, applying learning and experience from the implementation of similar programmes in previous years. Initially, a budget of €1 million was to be allocated to finance the Exchange Programme in 2011. However, when these funds were not made available, CEPOL re-prioritised its activities and re-allocated resources so that it could continue to implement exchange programme, in recognition of the important role the European Police Exchange Programme plays in building a common law enforcement culture and harmonised practices. However, this solution is not sustainable in a longer run.

In 2011, the European Police Exchange Programme applied a new approach by combining study, classic and specialist exchange visits, including:

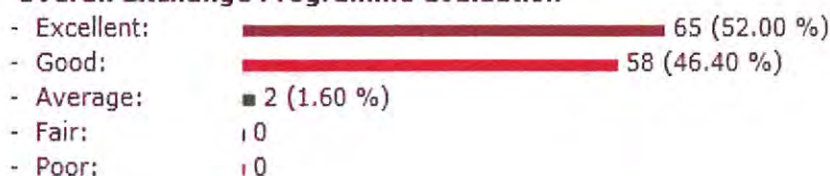
- Traditional one-to-one exchange visits;
- Exchange of commanders;
- Specialist exchange for cybercrime experts.
- Study visits to Europol and Olaf.

In total, **292 police officers, trainers and experts participated** in the European Police Exchange Programme and its study visits. This is a considerable increase in comparison with the previous years (236 exchanges in total from 2007 to 2010), thus clearly demonstrating the strong need for this type of learning activity in the MS.

At the end of the year, the 2011 European Police Exchange Programme was officially evaluated by MS representatives, the European Commission, the Council, OLAF, Europol and Frontex.

Satisfaction with the 2011 Programme is high.

Overall Exchange Programme evaluation



Strategic objective 1.4	Common Curricula contribute to the preparation of harmonised training programmes in accordance with EU standards
Performance in 2011	Target 2011: update of four Common Curricula Situation at year end 2011: one Common Curricula updated

Main activities and achievements in 2011

Development of Common Curricula (CCa) was postponed following the recommendation of the Court of Auditors in 2009. In 2011, the Commission granted a derogation from procurement in line with the Financial Regulation in relation to training experts from the Member States. However, it was decided not to apply this derogation, but to develop and update CCa through grant agreements.

The Common Curriculum on Europol was updated by the Agency with the support of Europol and cooperation is on-going to update the training material (presentations; videos; brochures) and make them available for trainers by April 2012.

The Agency pays significant attention to **support Member States** in their efforts to apply the CCa nationally. Documents on the integration of Common Curricula, quality assurance and marketing were developed in cooperation with Common Curricula Working Group.

Strategic objective 1.5	Developing further and easier access to e-Learning systems
Performance in 2011	Target 2011: 2 e-modules developed Situation at year end 2011: 6 e-Modules developed and 2 other modules started for completion in 2012.

Main activities and achievements in 2011

2011 saw considerable progress from CEPOL in the provision of online learning and training products. **Six online learning modules** were launched. One of them is a Police English Language Learning module, which will be composed of several dedicated sub-modules on specialist subjects: the first sub-module - **Virtual Tour of a Police Station** dealing with specific police professional terminology in an interactive manner was launched in 2011. All these modules are available on CEPOL's e-Net for registered users.

New technology in the area of **online training applications (online seminars)** enabled a wider access to CEPOL's knowledge and facilitated the Agency's ability to respond swiftly to emerging law enforcement training needs. This cutting-edge technology provides an online environment that combines interactive virtual classroom learning. The College implemented **18 online seminars** of which nine were on specialist law enforcement topics and nine in the domains of learning and training.

Total participation in online learning products (e-learning modules and online seminars) alone reached **2163 participants** in 2011, as shown in the table below. This achievement evidenced that online learning activities have the potential to reach wide audiences in the law enforcement community, contributing to professional development and competence building required for effective cross-border cooperation and strengthening internal security. At the same time it should be considered as complementarity to residential training.

Online learning products	Participants 2011
Europol – launched in June 2011	385
CoPPRa (Community Policing Prevention of Radicalisation and Terrorism) – launched in November 2011	106
Schengen – launched in November 2011	238
Cyber Crime – launched in December 2011	49
Gender Based Violence – launched in December 2011	87
Police English Language: Virtual Tour of a Police Station	900
18 Webinars (online seminars)	398
Total participation for modules	2163

CEPOL will continue to develop more online learning modules. They will focus on the Lisbon Treaty and Joint Investigation Teams, which will be completed and launched in 2012.

In addition, CEPOL aims at supporting law enforcement, educational and training professionals with online tools for the exchange of knowledge and experience through online platforms. The **Open Platform for Educators** grew from 180 participants in 2010 to 550 at the end of 2011. The platform's objective is to collect, set out, share and build onto an existing CEPOL knowledge landscape hosted on CEPOL's e-Net, and in doing so, facilitate a life-long professional learning.

A **platform for the Exchange Programme** focused on experiences and lessons learned in 17 topics shared by 292 law enforcements and training professionals who participated in the programme.

CEPOL activities are continuously supported by the use of the electronic online Learning Management System (LMS). The use of the system by the course organizers for the support of activities increased in 2011 to 81% in comparison to 62 % in 2010.

Satisfaction with various components of CEPOL online-learning products is high and varies from 80% to 93%.

Goal 2: CEPOL will be developed into a European law enforcement knowledge base	
Strategic Objectives	2.1 Broadening the knowledge base by continued development of the e-library 2.2 Orientation and facilitation of research, support to researchers and scientists 2.3 Ensuring forums for debate, sharing of research findings and moderating interaction between senior practitioners and researchers
Performance in 2011	Target 2011: To increase the number of e-library users Situation at year end 2011: +32%, +34,759 logins Target 2011: To increase the size of e-library Situation at year end 2011: +7%, +89 items

Main activities and achievements in 2011

A Police Knowledge Base was established at the beginning of 2011 and by the end of the year hosted **4000 users**. The **Knowledge Base** provides content support to CEPOL activities, contributing to the life-long professional learning of law enforcement officers. Participants from all CEPOL learning activities can continue to share experiences and best practices from their field. Topics, such as bio-terrorism, domestic violence, violence against police and other public officials, Joint Investigation Teams, Prüm Decisions, money laundering & assets recovery and English language are available on the Police Knowledge Base.

CEPOL 2011 European Police Research and Science Conference: The Stockholm Programme underlines the importance of the research in tailoring the priorities of the Internal Security Strategy to meet the real needs of users. CEPOL plays an important role organising expertise for police training and education in this particular field. One of the most important research and science events is the Annual CEPOL Research & Science Conference, which, in 2011, took place in Madrid, Spain. Cyber Security, Cybercrime and Social Networks – highly specialist issues and a priority of the EU Policy Cycle – was chosen as the conference theme for 2011. The event brought together expert practitioners, researchers and scientists to discuss the current cyber situation from different perspectives, future trends and possible solutions helping to find a common approach towards new challenges. The event was attended by 70 participants from EU Member States and experts from the USA, Switzerland, the European Network of Forensic Institutes (ENFSI), the European Cybercrime Training and Education Group (ECTEG), Europol and the European Network and Information Security Agency (ENISA). Experts from private companies such as Symantec, Telefónica and IBM also participated in the conference thus ensuring that the conference encompassed and addressed a wide range of cybercrime and cyber security related issues.

The Research and Science Correspondents of CEPOL is a network of professionals, who facilitate building CEPOL's knowledge on research projects and research findings in their

home country throughout the year as well as engaging experts into various training and learning activities of CEPOL. The Annual Meeting in September allowed the transfer of experiences and best practices and a fresh approach was taken to the development and actioning of “National Implementation Plans” detailing how Correspondents contribute to achieving CEPOL’s goal to become Europe’s prime law enforcement knowledge base.

In a unique effort to facilitate networking and cooperation between police researchers and scientists in Europe, in 2011 CEPOL launched a **webmap of police-related research institutions** (universities, academies, ministerial units etc.). The map is available on the CEPOL website and can be used to identify expertise in different fields and topics. It will be updated and extended as a single source of oversight of the institutional infrastructure to support policing from a scientific research perspective. In cooperation with the European Network of Forensic Scientific Institutes, an extension regarding forensic institutes is foreseen.

The European Police Science and Research Bulletin disseminates the latest scientific information about on-going and completed police research in Europe thus facilitating widest distribution of selected projects across the EU. In 2011, three issues (two in 2010) of the Bulletin were published as planned. In total, all three bulletins were downloaded from the CEPOL website 3,490 times.

CEPOL also **supports and facilitates comparative joint scientific research projects** between Member States and European institutions and agencies. In 2011, CEPOL dealt with several individual requests from EU Member States, EU institutions and individual researchers. CEPOL also supported the continuing work of the EU – GODIAC project aimed at establishing a European approach for policing manifestations through dialogue, communication and transparency.

Limited progress has been achieved in further development of **e-Library**, which aims at serving as a knowledge repository. In 2011 34,759 users accessed the library and 89 new items were uploaded. In total the e-library covers 1,332 items by the end of 2011.

Goal 3. External relations will be considered and dealt with as the corner stone of partnerships	
Strategic Objectives	1.1 Cooperation with EU Agencies and Bodies remains the priority 1.2 Associated States are Considered as the Closest Partners 3.4 Cooperation with globally significant partners
Performance in 2011	Target 2011: Implement JHA Scorecard (100%) Situation at year end 2011: 8 out of 9 activities have been implemented (89%) (5 with Europol, 3 with Eurojust) Target 2011: Offer seats to participants from non-EU countries Situation at year end 2011: 88 out of 2,043 seats were filled by participants from Candidate, Accession and Neighbourhood Countries (4%)

Main activities and achievements in 2011

Policy Developments

A revised policy paper presented by the External Relations Working Group (ERWG) was adopted (decision 23/2011/GB of the Governing Board of the European Police College adopted by the Governing Board on 15 June 2011). The policy paper addresses the approach towards the Agency's external relations, as set up in the Stockholm Programme, the methodology for the identification and conclusion of cooperation agreements. The document also regulates financial aspects of Third Party participation into CEPOL activities.

General Progress/Considerations on Cooperation Agreements

Generally, progress on cooperation agreement dialogues has progressed to a satisfactory extent, with the noticeable exception of the Russian Federation which has lagged behind due to extensive reforms taking place there, in spite of numerous initiatives from CEPOL's side.

Progress on Specific Cooperation Agreements by Area - Main Highlights

Cooperation with Associate and EEA Countries

Switzerland - The Board of Governors of the Swiss Police Training Institute has approved the text of the revised Cooperation Agreement with CEPOL.

Cooperation with Candidate and Potential Candidate Countries

Montenegro - A Cooperation Agreement was signed in December 2011.

Former Yugoslav Republic of Macedonia - Negotiations have advanced and it is expected to conclude this Agreement by 2012.

Cooperation with European Neighbourhood Policy Countries

Georgia - A cooperation agreement was signed in December 2011.

Armenia - A request for formal cooperation has been received from Armenia. Further

contacts will take place in 2012, with a view to the possible signature of a Cooperation Agreement in 2013.

Cooperation with other Strategic Partners

CEPOL contributes to the EU-China Police Training Project as an Associate; in addition, preliminary contacts are underway with the United States.

Inter-Agency Coordination and Cooperation

JHA Agencies Coordination Mechanism

CEPOL continues to be an active contributor to the Inter-Agency Scorecard. Close contacts take place with the key partners, Europol, FRONTEX and Eurojust to which the Fundamental Rights Agency (FRA), European Anti-Fraud Office (OLAF) and European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) have just been added. The final version of the updated 2011 scorecard has been presented to COSI. CEPOL systematically shares and coordinates its comprehensive list of courses, target groups and training objectives with a proposal to make it a standard matrix for all training provided by the relevant Agencies. All the CEPOL related activities with Europol and Eurojust have been implemented, except one activity regarding Eurojust Common Curriculum that was postponed.

5th EU Anti-trafficking day: CEPOL co-organised a workshop with FRONTEX, an occasion to stress the fruitful cooperation between partner agencies and to showcase CEPOL products and services, notably in the field of anti-trafficking. A Joint Statement was coordinated by the Anti-Trafficking Coordinator and signed by the Heads of JHA Agencies that can facilitate greater synergies and better cooperation on this specific field.

EUROPOL and CEPOL Roadshows

In 2011, six Awareness Seminars were conducted in cooperation with EUROPOL; these were useful events in terms of raising the awareness of the different yet complementary activities that both agencies put in place to support European law enforcement cooperation.

Cooperation with the European External Action Service (EEAS)

CEPOL is actively pursuing closer ties with this new European Entity especially with regard to the possibility of carving a greater role in the provision of Civilian Crisis Management training for pre-deployment purposes. Efforts undertaken in early 2011 have proven to be particularly useful, as CEPOL is now featured as one of the key actors and service providers identified by the Council in setting up a reinforced External Relations framework which included training issues. In particular, CEPOL's role is expressly mentioned in a working paper circulated recently by the Presidency on lines of action to strengthen the ties between Common Security and Defence Policy (CSDP) and Justice and Home Affairs (JHA)/ Freedom, Security and Justice (FSJ) actors, in which the Agency is

clearly identified as one of the key providers of training and is expressly featured as Task Leader or Participating Entity (Objective 5, Human Resources and Training).

Cooperation with the European Institutions

European Commission- Coordination and cooperation with the Commission, notably DG HOME, remain excellent; as far as External Relations are concerned, CEPOL constantly avails itself of the expert advice of its line DG when evaluating courses of action related to the implementation of its external relations strategy.

Progress on Cooperation with other Organizations

Police Cooperation Convention for South Eastern Europe (PCC-SEE) - Cooperation with the PCC-SEE has been judged not suitable by the Legal Service for reasons similar to those identified in the case of the OSCE. Nevertheless, periodical liaison is maintained and cooperation on concrete projects remains high on the agenda. The PCC is a significant partner for CEPOL in establishing closer ties with a region of strategic interest for the EU.

Other projects

European Union Police Services Training (EUPST) 2011-2013

The Commission has awarded the European Union Police Services Training project 2011-2013 to a consortium led by Arma dei Carabinieri (IT Carabinieri Corps), Italy. CEPOL is an associate in the consortium and offers its expertise in developing training curricula, offering tools for learning activities. The project activities are to be started in 2012.

Continued cooperation with Interpol was mentioned. The College contributed to the development of curriculum, hosted and facilitated **Interpol's** online seminar on Bio-terrorism. Additionally Interpol experts delivered presentations at CEPOL training.

Improving Security by Democratic Participation project (ISDEP)

The Association of Chief Police Officers (Terrorism and Allied Matters) invited CEPOL to participate, as an associate, in the Improving Security by Democratic Participation project (ISDEP), funded through ISEC 2011 Action Grants 2011. The project proposal is currently under evaluation process.

Non EU Member States participation in CEPOL courses

As far as regards the Non EU Member States participation in CEPOL courses, seminars and conferences for 2011, at the end of year a total of 88 (4%) out of 2,043 seats were filled as follows: Turkey (22), Switzerland (17), Norway (16), Former Yugoslav Republic of Macedonia (11), Iceland (12), Croatia (6), Montenegro (3), Japan (1).

Goal 4. CEPOL will be lead and managed as a top-ranking innovative EU agency	
Strategic Objectives	<p>4.1 Application of corporate leadership and management by the Governing Board</p> <p>4.2 Application of devolved leadership and management between Director and CEPOL staff</p> <p>4.3 In order to ensure functional discipline; creation and maintenance of an effective Internal Control System including an Audit Panel</p> <p>4.4 Managing human resources as CEPOL's greatest asset</p> <p>4.5 Budget management ensures implementation of Annual Work Program and contributes to CEPOL's future innovation</p> <p>4.6 Agency provides appropriate administrative support for the proper function of all CEPOL components</p> <p>4.7 Stakeholder Relations and Internal Communication</p>
Performance in 2011	<p>Target 2011: Reinforcement of the Secretariat (Multi-Annual Plan) (100%) Situation at year end 2011: 40 out of 43 milestones with deadlines until 11/2011 have been implemented (93%)</p> <p>Target 2011: Implementation of Recruitment Plan (95%) Situation at year end 2011: 36 posts foreseen were held by 31 staff members (86%) (23 TAs, 8 CAs)</p>

Main activities and achievements in 2011

Visualising CEPOL's future by adaptation and timely adjustment of a Strategic Plan - Updated Multi-Annual Strategy Plan 2012-2014

During 2011, CEPOL updated its Multi-Annual Strategy Plan 2012 – 2014, to reflect the EU Internal Security Strategy, in particular future European training needs. The updated Multi-Annual Strategy Plan, which was adopted by the Governing Board on 25 October 2011, includes deadlines and assigned responsibilities and is supported by a Multi-Annual Budget Framework and the Multi-Annual Staff Policy Plan.

Rationalising CEPOL activities

The comprehensive rationalisation of the governance resulted in reductions of the Governing Board budget, thus from 2009 to 2012 the budget went from € 228,000 to € 100,000. Also the disbanding of the four committees allowed the reallocation of their budget (€ 163,000 in 2011) to operational purposes.

Strengthen the CEPOL Secretariat

CEPOL's Multi-annual Plan 2010 – 2014 (MAP) aiming to put CEPOL on a firm administrative footing remains in action and is on schedule. More details with regard to the progress report on the implementation of the MAP is provided under Part 3 "Building blocks towards the Declaration of Assurance", point 3.1.2 "Building block 2: Results from audits during the reporting year".

Two additional temporary agent posts for 2012 have been approved by the budgetary authority and the Agency hopes that this will allow further reinforcement of CEPOL. Comprehensive information with regard to the implementation of the recruitment plan

2011 is presented under Part 2 “Management and Internal Control Systems”, point B “Management of Human Resources”.

Quality Management

The Balanced Scorecard (BSC) introduced in December 2010 remains an important management tool for the Agency’s governance structure in monitoring the achievement of its four strategic goals. The BSC progress reports have been regularly published for internal management decision-making and the Governing Board for notification.

CEPOL started implementing the Balanced Scorecard (BSC) in January with 69 indicators adopted by the GB in September 2010. Taking into account the BSC experience, the indicators were made more measurable and reduced to 24 Performance Indicators (PIs) and 4 Key Performance Indicators (KPIs) for 2012. KPIs and PIs are now also reflected in CEPOL’s Multi-Annual Strategy and Annual Work Programme.

CEPOL took measures to streamline its internal control by adopting the new set of 16 Internal Control Standards and recruiting the Internal Control Officer in August 2011. Detailed information regarding management and internal control systems is provided in Part 2 of this report.

Innovative planning and programming to support CEPOL’s evolution

In order to streamline the planning process within CEPOL, the Director updated the guiding principles for planning contained in the Director’s Decision ‘CEPOL Planning for 2011 and 2012: Guiding Principles for CEPOL Secretariat’ of 29 July 2010. The updated principles were disseminated to CEPOL staff in December 2011 to be implemented for the 2012 planning process.

Starting in 2011, CEPOL implemented individual activity plans/ probation period objectives for each staff member, setting annual objectives and activities which are linked to CEPOL’s strategic objectives.

The Agency’s 2011 Annual Activity Plan was introduced in March 2011 and has been used as a management tool.

Measure results and impact

The Balance Scorecard, course evaluation, post course evaluation and evaluation of the Exchange Programme constitute a comprehensive monitoring framework implemented by CEPOL in line with recommendation no 7 of the Five Year Evaluation Report. Additionally, the Commission ordered an impact assessment on CEPOL; this exercise is currently on going.

Communications - raising the awareness of CEPOL

CEPOL carried out a number of actions both as a means of maintaining effective stakeholder relations and as a means of raising awareness of CEPOL with wider audiences.

Taking advantage of the 10 year anniversary, CEPOL launched three publications: Anniversary reflections and Vision to VISION which celebrate CEPOL's past achievements, while "New philosophy, new possibilities" summarises the five-year evaluation report. In addition, CEPOL published 77 news releases in 2011. CEPOL also continued to publish its Newsletter during 2011, which is distributed to members of the CEPOL network.

The website and e-Net continue to be the primary communications channels for CEPOL. At the end of 2011, there were **9,283 participants**, an increase of approximately **49%** on the previous year. There is often an increase in e-Net registrations following occasions where e-Net is presented, for example, the Europol – CEPOL roadshows.

The European Ombudsman reviewed CEPOL's web page and gave a positive opinion. The Management considered and implemented the Ombudsman's proposals to include information for the public on access to data and on making key documents available in all official languages. The Ombudsman's recommendation to employ a legal advisor was partly implemented with the selection of Seconded National Expert.

PART 2 MANAGEMENT AND INTERNAL CONTROL SYSTEMS

2.1 Introduction to CEPOL

CEPOL, as a community financed European Union Agency, was established by Council Decision 2005/681/JHA of 20 September 2005, which took effect on 1 January 2006.

According to Article 1(2) of the Council Decision, CEPOL shall function as a network, by bringing together the national training institutes in the Member States. Its task is to implement the programmes and initiatives decided upon by the Governing Board pursuant to Article 1(3) of the Council Decision.

The aim of the College is to help train senior police officers in the Member States by optimising cooperation between the College's various components. It shall support and develop a European approach to the main problems facing Member States in the fight against crime, crime prevention and the maintenance of law and order and public security, in particular the cross-border dimensions of those problems.

CEPOL has been implementing a transformation programme of leadership and management, marked by the appointment of new leadership in early 2010. The European Police College became an organisation dedicated to excellence in all areas of activity. During 2010-2011 CEPOL enforced significant measures in order to improve its control environment and procedures in view of securing the better achievement of its objectives.

In order to streamline internal control in CEPOL, and in accordance with the Internal Audit Service recommendation, CEPOL adopted a new set of 16 Internal Control Standards (ICS) (Governing Board Decision no. 08 dated 10 March 2011). These internal control standards lay down the basis for the development of the necessary procedures and controls providing management with reasonable assurance that the objectives are met.

The European Police College relies on an internal audit capability provided by the Internal Audit Service (IAS) of the European Commission. The IAS provides independent, objective assurance and consulting services designed to add value and improve the operations of CEPOL. As stated in the Financial Regulation of CEPOL, the internal auditor of CEPOL is mandated to assess the suitability and effectiveness of the management and control systems in accordance with the applicable regulations.

By Decision 24/2010 of the CEPOL Governing Board (GB), an Internal Audit Panel has been established in order to deal with matters related to audit process, the system of internal control and the financial reporting process, being a GB advisory organ for decisions regarding the financial management of CEPOL. The Internal Audit Panel started to be functional in 2011 and based on its Work Programme has undertaken two audit missions in CEPOL.

A. Budgetary execution

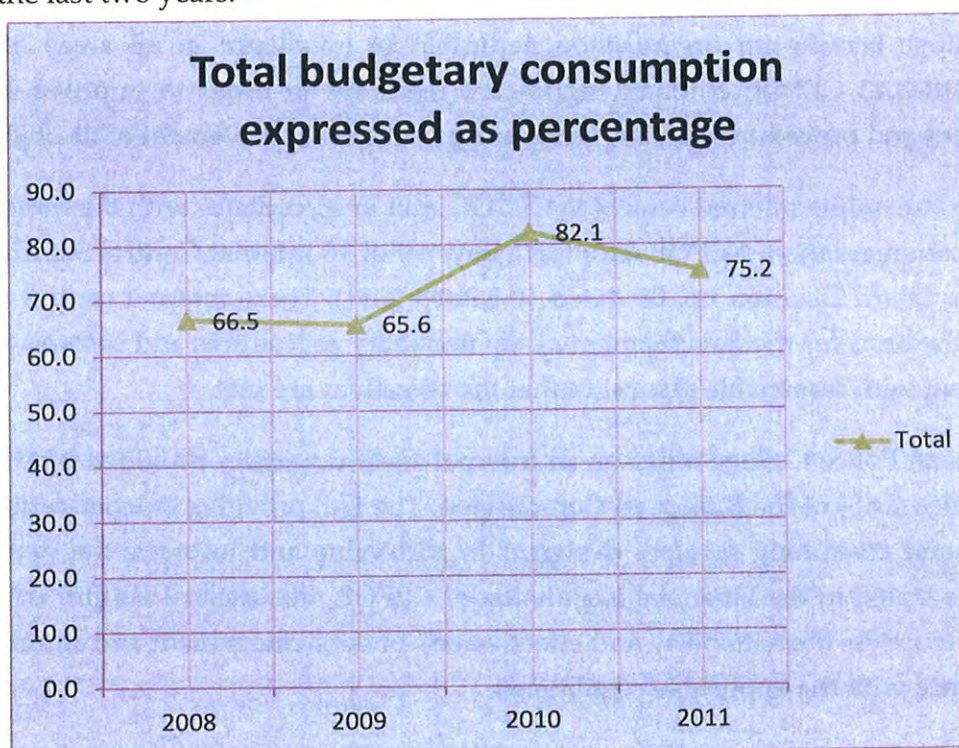
CEPOL maintained its emphasis on ensuring the continuation of improvements to the execution of the budget and as a result CEPOL's budget for 2011 was implemented with success.

The 2011 Budget of € 8,341,000 was committed at a level of 96.74% for an amount of € 8,068,749. The consumption of the payment appropriations of the 2011 budget reached € 6,273,389 at the 31/12/2011 corresponding to 75.21% of the budget. It is foreseen that by the end of 2012 the overall budget consumption will demonstrate further improvement.

Concerning the budgetary appropriations carried forward from 2010 to 2011 out of € 2,469,984.20 a total amount of € 1,790,983 was consumed corresponding to a 72.50% consumption rate. The overall consumption of the 2010 budget was 82.1% (65.6% in 2009).

All of these sets of figures show a marked improvement upon the results of previous years, showing the accrued impact of the controls implemented since the beginning of 2010.

The graphic below showing the total budgetary consumption during 2008-2011 expressed as percentage, substantiate the improvements in the budget consumption encountered in the last two years.



*The percentage for 2011 is based on the provisional data as per 31.12.2011; this percentage is expected to gradually increase following spending the carry-forward money by the end of 2012, when the final consumption rate will be available.

The regular reporting of budget consumption has been maintained and further developed so that the Operational Unit and the management can follow the transactions and the consumption rate through the provision of timely and accurate financial reports and analyses.

Annex 1 shows the Budget 2011 execution status as of 31 December 2011, per budgetary title. As the data shows, there is a difference between the commitment of funds and the payments executed. The reasons for this is mainly attributed to the invoices / cost claims not received or processed by the end of December 2011, to be paid in 2012 within the time limits laid down in the financial rules and regulations.

An important fact that does not appear by comparing merely the consumption percentage in the overall budget of CEPOL, is the fact that the budget has increased from € 7,800,000 in 2010 to € 8,341,000 in 2011 (6.93% of growth), therefore underlying even further the progress accomplished by CEPOL in its financial management.

Title 1

Commitment appropriations were committed at the level of nearly 100 % in Title I, while the payment appropriations were consumed to the level of 93.98%.

An improved reporting capability and regular analysis of the budget consumption in 2011 resulted in a reduced under spending in 2011. The minor variance between commitments and payments shows an improved financial management and forecasting throughout Title 1.

All salary related lines were 100% consumed in terms of both Commitment and in Payment appropriations. The only noteworthy exception to this was encountered on the insurance related lines and installation / resettlement allowances lines where actual expenditure was slightly less than budgeted.

The high rate of consumption of commitment and payment appropriations underline the increased demands faced by the Agency on Title 1 due to the limited availability of funds.

Despite the occurrence of vacant posts in 2011 due to staff turnover, the almost complete consumption of the budget finds its sources in the increases seen on Salary Weightings. In 2010, the Salary Weighting budget line had an impact of € 234,346.86; whereas in 2011, the salary weightings increased to € 625,281.80. Salary weightings are set according to the actual economic conditions within a financial year and can change significantly outside of the budget cycle. CEPOL cannot influence the rates set and changes to the weightings occur within the active financial year and therefore outside of the budget approval cycle.

The high level of consumption of credits on Title 1 is also attributable to the increase of costs for CEPOL of SNE's. In the original budget presented to the Commission, 2.5 SNE's were foreseen for 2011. In December 2011 there were 7 SNE's in service at CEPOL. This increase was largely due to the fact that the Exchange Programme was funded directly from the CEPOL budget without any additional funding or resources being neither available nor allocated. In consultation with the Commission, CEPOL was able to allocate appropriations to support this important initiative defined in the Stockholm Programme.

Finally two other factors must be taken into account:

- a) Additional expenditure concerning three areas of staff related costs:
- the Rappel 2010 was not paid by the Commission in December 2010 as normally scheduled and anticipated by the Agency but was paid in February 2011. The impact of this was a delayed payment amounting to € 170,000.
 - Title I had to support additional expenses linked to operational projects. Despite the closure of the ISEC/MEDA project at the end of 2010, some staff salaries and associated employment costs occurred in 2011 and had to be funded from Title 1. The impact on Title 1 was € 25,000.
 - the budget line available for costs associated with charges arising from the use of Interim Staff budget line on Title 1, supported costs occurring outside the budget cycle, related to the request by the Commission for CEPOL to support the progression of the European Training Scheme (ETS) Mapping Exercise.
- b) A dynamic staff recruitment policy launched in 2010 and continued in 2011 with the result of higher demand on Title 1.

In December 2011, once the final payroll of the year was paid, a transfer within Title 1 from under consumed budget lines into budget line CPOL-B2011-A01175-C1-CPOL "Other service to be contracted out" was completed. The objective of this transfer was to fund the staffing needs for the continuation of the support of the Commission ETS project into 2012. The contract with the Interim Staff Agency (CEPOL framework contract) was amended in 2011 in order to reflect this situation and to ensure the continued availability of the experienced interim staff.

Concerning the consumption of the carry forward of 2010 funds on Title 1, 53.48 % were consumed. This is a total amount of € 142,720.05. The amount carried forward has therefore not been consumed for € 124,157.87. Out of this unconsumed amount 88% (the equivalent of 110.266.70 €) are to be found in 4 budget lines. These lines cover the costs of Interim Staff and Consultants (for € 44,935.53); recruitment costs (for € 41,090.22); missions expenses (for € 14,005.38) and travel expenses (for € 10,235.57). In order to minimise useless carry forward funds, the 2011 carry forward exercise has been done requesting an individual signature of each budget line owners for each commitments to be carried forward.

Title II

Commitment appropriations have been committed to the level of 99.93 %, while the payment appropriations have been consumed up to 88.86%.

Title II like Title I is subject to budgetary tension due to the limited availability of funds. Title II budget was very restricted and allowed only strictly necessary expenditure to be done. No significant IT investments could be covered.

An increased reporting capacity and regular analysis of the budget consumption in 2011 resulted in negligible under spending in 2011.

Concerning the consumption of the 2010 carried forward funds on Title 2, 82.60 % were consumed to a total amount of € 142,774.60.

Title III

For Title III out of a total budget of € 4,063.000, 93.31% of the appropriations were committed compared to 99.56% in 2010. 55.98% of payment appropriations were consumed compared to 45.20% in 2010.

It must be noted that the unspent appropriations at the end of 2011 are provisional, with additional payments anticipated. All these required appropriations have been carried forward from the 2011 budget to 2012 allowing the Agency to implement a policy of planned expenditure in 2012. All carried forward appropriations have been confirmed to be required to costs legitimately incurred during 2011. The carried forward credits will be monitored and managed on an on-going and regular basis.

Concerning the 2010 funds carried forward into 2011, 74.15% have been consumed for an amount of € 1,505,488.63

Transfers

As of the end of December 2011, CEPOL made a total of 45 transfers, all in conformance with the applicable Financial Regulations and on the basis of documented analysis and approval procedures.

One transfer between Titles was completed, from Title 3 to Title 1 for an amount of € 351,000. This transfer was presented to the Governing Board via a written procedure on the 06/10/2011 and was adopted at the Governing Board Meeting, date 25/26 October 2011. The budgetary authorities were informed in compliance with the Financial Regulations.

The remaining transfers where: 17 transfers between chapters and 27 transfers within chapters.

The transfers made by CEPOL in 2011 were within the limits of the CEPOL's Financial Regulation (FR), CEPOL complied with the FR and its implementing rules regarding the transfers.

Funds Carried-Forward From 2011

An analysis of all open commitments was conducted throughout 2011 in order to de-commit unused funds (C1 and C8).

The carry forward procedure itself took place at the end of 2011 and involved the accounting and the finance functions. A schedule of the main tasks to be accomplished by CEPOL in order to have a smooth year end and in order to proceed with an orderly closure of the financial year 2011 was developed and approved by the Director in advance.

The procedure to be followed for the carry forward of commitments was communicated to all staff involved in financial management over the course of two information sessions. The Budget Line Owners (BLO) responsible for their budget lines, were required to analyse their respective lines and commitments and identify those elements to de-commit and / or carry forward from each individual commitment.

A list of all outstanding commitments was distributed in order to facilitate this analysis and each budget line owner had to sign individually for each commitment. For efficiency

purposes, it was agreed to include all commitments having a remaining amount to be liquidated above € 500 euro as at reference date (24/11/2011).

Other budget related activities from 2011

In 2011 the Finance section of CEPOL developed a description of the financial system used in the Agency along with the main workflows and processes applicable to the treatment of financial transactions. This system was formerly adopted by the Accounting Officer as required by the Financial Regulations. A review and redefinition of all the checklists was also completed. These new checklists were also validated by the Accounting Officer. A training session was delivered in December 2011 to all staff to ensure that all actors within the workflow were properly informed. The new checklists are now implemented.

In July 2011 a systematic and rational analysis was developed by the Finance section with the collaboration with the Operational department concerning the actual costs of participants per CEPOL course. This will enable CEPOL to have a better overview of the real costs of training incurred by the course organisers.

A similar analysis was developed by the finance section in September/ October 2011 with the collaboration of the accounting section, concerning the revision of the actual costs of staff employment, taking into consideration increases in salary costs as well as revising the applicable salary weightings based on the increases and changes seen in 2011. This analysis was used as a basis for the development of the 2012 and 2013 budgets.

Statistics on the 2011 activities

During 2011 CEPOL processed a total 1,771 payments (excluding negative transactions) (3,270 transactions in 2010). Out of the 1,771 payments requests processed, 260 payments were processed as late payments (down from 1,121 late payments in 2010), therefore after the 45/30 days threshold and 1,511 were processed on time.

The ratio expressed statistically is as follows (see **Annex 2 Payment Time Limits**):

- 14.68% late payments (34.28% in 2010)
- 85.31% on time (65.72% in 2010).

This ratio can be explained by the following element: Management has focused on paying the backlog that was generated in the previous years. In order to follow the progression, Management implemented regular reporting on the invoices and their priority status.

A better monitoring of carried forward funds has been implemented and information session on the usages of ABAC stops possibilities has been delivered.

Concerning Recovery orders, 31 transactions were created and validated in 2011. Please note that CEPOL does not use the Forecast of Revenue transaction.

B. Management of human resources

In terms of staffing, the five-year evaluation noted that CEPOL has been delivering its core services while experiencing staff shortages. To that end, and in line with the multi-annual staffing policy, in 2011, CEPOL embarked upon a dynamic recruitment drive, aimed at

filling the open positions in the staffing plan. 10 recruitments were completed in 2011. At the end of the year, CEPOL employed 23 of the 26 Temporary Agents foreseen in the Establishment Plan following the departure of one member of staff on 15 December, previously there being only 2 vacant posts. In addition 8 Contract Agents, 7 Seconded National Experts and 2 Interim staff (working on European Training Scheme Mapping Exercise) were deployed to the College during the course of the year.

2011 saw relatively significant changes in the CEPOL staff both in terms of new staff recruited and staff leaving the organisation. As in 2010, CEPOL continued to attract applications from highly qualified and experienced candidates.

Recruitment procedures were successfully concluded for 10 Temporary Agents and Contract Agents all of whom joined the organisation during 2011. The posts of Management Support Officer, Common Curricula Support Officer, Accounting Support Assistant, 2 Finance Assistants, Corporate Services Support Assistant, Internal Control Officer, Programme Officer, Communications and Publicity Officer, Training Coordinator were recruited and joined the organisation during 2011.

6 Temporary Agents and Contract Agents left the organisation, of which two; the Accounting Officer and the Financial Verifier were successful in applications for higher graded posts in other EU agencies. One officer left to enter into retirement.

In the provision of Seconded National Experts, the Agency received valuable support in the areas of Exchange Programme, Project Management, and E-learning as well as Legal Advisor from the following Member States: the Czech Republic, Germany, Hungary, Bulgaria, Greece and Romania.

A CEPOL Data Protection Officer has been appointed to respect the Community regulation on processing personal data. The function is covered part-time by the CEPOL Quality Management Officer.

C. Staff Committee

In 2011, the CEPOL Staff Committee held a general meeting in October, launched an election process for the renewal of the Staff Committee, assisted Human Resources in recruitment processes and took an active part in the preparation of various Implementing Rules and Director's Decisions.

D. Procurement

In 2011 the efforts towards improvement of CEPOL procurement continued. The first CEPOL procurement plan was approved by the Director in April 2011. Overall 40 procurement procedures were completed in 2011 and 1 was on-going as of 31 December 2011.

A detailed overview of the procurement procedures carried out in 2011 is attached as **Annex 3 Procurement Status Report**.

2.2 The functioning of the entire internal control system

2.2.1 – Compliance with the requirements of the control standards

As part of strengthening its internal control capability, CEPOL recruited an Internal Control Officer which is effectively in place since August 2011. The role of the Internal Control Officer is to develop, implement, execute, promote and monitor internal control activities and documentation; consult on process standardisation and identification of best practices; the Internal Control Officer also participates in internal control remediation efforts including monitoring of adherence to the procedures.

In line with the Internal Control Standard no. 15 “Assessment of internal control systems”, the Internal Control Officer conducted a compliance assessment review regarding the degree of implementation of the 16 internal control standards. The results show that overall CEPOL complies with the requirements of the internal control standards; the identified areas of improvement are subject to an action plan based on which CEPOL will further mature the implementation of the 16 internal control standards.

The assessment was based on various sources of information such as staff surveys, results of the five year evaluation report, audit recommendations and other sources (validation of the accounting system, GB/Directors decisions) providing relevant information about the internal control effectiveness.

Globally, CEPOL made much progress in the last two years to improve its control environment and procedures, to support the achievement of its objectives. Nevertheless, further efforts are needed as regards the implementation of some baseline requirements which impact on the full implementation of the following internal control standards: staff allocation and mobility (ICS 3); staff evaluation and development (ICS 4); objective and performance indicators (ICS5); risk management (ICS6); operational structure (ICS7); management supervision (ICS9); business continuity (ICS10); document management (ICS11); information and communication (ICS12); accounting and financial reporting (ICS13); assessment of internal control systems (ICS15).

As regards ICS 8 “Processes and procedures” CEPOL has made progress in documenting specific procedures such as procurement, recruitment, financial transactions (validation of the accounting system), management of Grant Agreements and the European Police Exchange Programme.

In line with the ICS 8 standard requirements, any deviations from CEPOL policies and procedures are recorded and managed by the CEPOL staff in an exception register that was introduced in 2010 by Director’s Decision no. 010/21.06.2010 “Concerning Policy and Procedures on the Recording and Management of Exceptions”.

However, further action is needed to increase compliance with ICS 8 “Processes and procedures”.

A quality document management system was introduced envisaging the progressive centralisation of the administrative, budgetary and financial procedures to enable CEPOL to fulfil its complex tasks and responsibilities.

Processes are now described with flowcharts; records and templates related to process activities are identified. This will enable CEPOL to have centrally accessible working procedures and to introduce a change management procedure.

CEPOL is fully compliant with the requirements of standards ICS 1 “Mission” and ICS 2 “Ethical and organisational values”.

2.2.2 – Effectiveness of implementation of the prioritised control standards

During 2011 CEPOL took measures to increase its compliance with ICS 6 “Risk management process”. In this respect, a risk assessment exercise was conducted by the Quality Management Officer together with CEPOL management and staff in April 2011.

The main risks that were identified were associated with Grant Agreements, accounting, budget management, recruitment, performance appraisal, IT development and management, stakeholder relations management and external communications, and the planning and monitoring of activities. Risks related to CEPOL activities are now mitigated with activities in the CEPOL Risk Register and reflected in the CEPOL Risk Map.

ICS 13: “Accounting and financial reporting” was a priority standard for CEPOL in 2011; the objective was to improve the quality of the financial information that needs to be provided to the Accounting Officer for the fulfilment of correct and reliable financial accounts.

Therefore, during 2011 the Accounting Officer validated the accounting system and the checklist to be used for operational and financial verification. The new checklists increase the effectiveness and efficiency of ex-ante controls within CEPOL, ensuring a better audit trail of the controls performed by the financial and operational verifiers. The new checklists were applied on 16 December 2011, following an in-house training session for CEPOL staff carried out by the Budget and Finance Officer.

Measures for increasing the level of compliance with ICS 7 “Operational structure” and ICS 11 “Document management” were also taken in 2011. CEPOL drafted an ICT Strategy and Information Management Strategy during the second semester of 2011. The ICT Strategy, which will be presented to the Governing Board in May 2012, will set the direction for CEPOL ICT development during the next five years. The Information Management Strategy will establish an agreed approach to the management of information, including clearly defined goals and objectives and an implementation plan.

2.2.3 Conclusion

Given all the measures implemented in 2011 and improvements to existing measures, it can be concluded that CEPOL is better positioned than in previous years to manage its risks and complex tasks and responsibilities. Further, based on all available information and the above analysis, it can be concluded that CEPOL has reasonable assurance that: appropriate controls are in place and are working as intended; risks are mitigated and monitored; improvements and reinforcements are being implemented.

PART 3 BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE (AND POSSIBLE RESERVATIONS TO IT)

3.1 Building blocks towards reasonable assurance

3.1.1 – Building block 1: Assessment by management

During 2011, the Accounting Officer of CEPOL intensified checks that were deemed necessary on payment requests referring to systematic errors with a follow up to continue improvements to the financial work flow.

As a new element of the increased capacity of the internal control system two ex-post verifications were performed by the internal control capability within CEPOL, at the premises of Swedish and UK course organisers.

The scope was to perform *ex post* verification of course payment claims made by the course organisers. The objectives were to ensure that the nature of the courses organised are in compliance with the rules and regulations as well as the respect of the principle of sound financial management.

The CEPOL internal control capability team identified several weaknesses regarding a lack of supporting documents, the eligibility of expenditures, under spending of the budget, unclear roles between the CEPOL operational and verifying agent which resulted in the following recommendations:

- course organisers must use the participant list template provided by CEPOL (implemented by decision of the Authorising Officer);
- CEPOL will not pay for any cultural/sightseeing activities (implemented by decision of the Authorising Officer);
- there should be better fine tuning of/planning of course budgets to better reflect the actual spending, thereby a better picture of overall course spending, which will make it easier for CEPOL to manage its overall course budget (in progress);
- supporting documents submitted for reimbursement should provide a more clear and transparent record of the expenditure financed by CEPOL (in progress)
- clarify the roles of CEPOL operational and financial verifiers to respect the principle of segregation of duties and to ensure a well-functioning internal control system (implemented by the introduction and validation of new checklists that clarify the roles of the verifying agents).

Additionally, ex post verifications based on a desk review, have been implemented in relation to the budget planning and implementation of three courses financed by CEPOL. The overall conclusion was that the course budgets were overestimated and the findings have been shared with the course organisers so that they can be used for more accurate budget planning in the future.

Further, the compliance assessment review performed by the Internal Control Officer showed that, overall, CEPOL is in compliance with the requirements of the internal control

standards; the identified areas of improvement are subject to an action plan based on which CEPOL will achieve greater compliance with the adopted standards.

3.1.2 – Building block 2: Results from audits during the reporting year

During 2011, CEPOL underwent three main audits; two external audits carried out by the European Court of Auditors and one internal audit carried out by the Internal Audit Services (IAS) of the European Commission.

The European Court of Auditors audited the implementation of the Multi Annual Action Plan (MAP) in the first week of May 2011 and their final report concluded that the MAP is a plan for putting CEPOL on a firm administrative footing. Its implementation is progressing according to the milestones established in the MAP.

The MAP remains in action and is on schedule. Every six months CEPOL informs the discharge authority on the stage of implementation of MAP. The 5th Progress Report on the Implementation of CEPOL's Multi-annual Plan 2010 – 2014, outlines the progress achieved by CEPOL up to 31 December 2011. The Governing Board approved this latest report by written procedure on the 4 January, 2012.

The European Court of Auditors report on the annual accounts of the European Police College for the financial year 2010 concluded that, in the Court's opinion, the transactions underlying the annual accounts of the College for the financial year ending 31 December 2010 are, in all material respects, legal and regular.

In June 2011, the Internal Audit Service (IAS) conducted an audit on the implementation and management of the framework partnership and grant agreement instrument. On 14 July, the IAS sent a letter to the Agency detailing critical deficits in the grant agreement process. This resulted in the cancellation of the call for proposals for grants for implementation of 2012 activities. The grant agreement process has since been promptly revised according to recommendations made by the IAS in its advance draft report. The IAS praised this decisive step and prompt adjustment of the procedures. An action plan has been developed in relation with the auditors recommendations and is implemented in accordance with the established deadlines.

Based on the Work Programme, the Internal Audit Panel has undertaken two audit missions in CEPOL, one in May 2011, in relation to the CEPOL Final Accounts of 2010 and one in November 2011 in relation to the functioning of the internal control system within CEPOL and budget planning procedures applied for the Draft Budget 2012.

During the first mission (23 – 24 May 2011), the Audit Panel members performed checks on a limited number of substantive samples of the accounts, accounting records, underlying transaction and procurement procedures. Furthermore the Audit Panel took Audit reports and other reports on the financial management of CEPOL into consideration when given its opinion.

No material mistakes were found. The Audit Panel gave its opinion to the Governing Board that the accounts for the financial year 2010:

- comply with the rules;
- are accurate and comprehensive;
- present a true and fair view of the financial statements, of the assets and liabilities, charges and income, entitlements and obligations not shown as assets or liabilities and cash flow
- reports on budgetary implementation, of revenue and expenditure operations;
- show the charges and income for the financial year, regardless of the date of payment or collection in accordance with the principle of accrual based accounting;
- the amount of cancelled budgetary means of more than € 1.6 Mio Euro, equivalent to 48% of the appropriations carried over from 2009 (C8) should lead to a better programming of the operational tasks of CEPOL by reviewing the decision making procedures.

During the second mission of the Audit Panel (28 – 30 November 2011), the following topics were tackled: budget planning, public procurement, Internal Control System implementation. The Audit Panel's conclusions to the Governing Board were the following:

- budget management and planning in CEPOL lacks operational capacity;
- budget planning in CEPOL requires internal regulation which will stress the responsibilities and ensure all required data and knowledge is used for proper planning;
- the Internal Control Framework requirements should be met in more areas in 2012, following the execution of the Internal Control Officer's plan ;
- the public procurement system is, in general in accordance with the law.

The findings of the Audit Panel are subject to specific action plans that are regularly monitored with regards to their implementation.

3.1.3 – Building block 3: Follow-up of previous years' reservations and action plans for audits from previous years

In relation to the audits from the previous years, there is one open recommendation related to "Budgetary management", resulting from the 2008 "Follow-up of audit on Adequacy of Internal control systems". The IAS assessment is currently expected to confirm the effective implementation of the recommendation.

PART 4 DECLARATION OF ASSURANCE

I, the undersigned,

Director of

The European Police College (CEPOL)

In my capacity as authorising officer by delegation

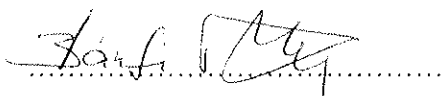
Declare that the information contained in this report gives a true and fair view.

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

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

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

Bramshill, ¹⁴..... March 2011

A handwritten signature in black ink, appearing to read 'Bánfi', is written over a horizontal dotted line.

Dr Ferenc Bánfi

STATEMENT OF INTERNAL CONTROL OFFICER AND QUALITY MANAGEMENT OFFICER

I, the undersigned,

In my capacity as
Internal Control Officer

I, the undersigned,

In my capacity as
Quality Management Officer

Acting in line with the Internal Control Standard no. 15 "Assessment of internal control systems", we have reported our advice and recommendations to the Director on the overall state of internal control system of CEPOL and that the best of our knowledge the information on management and internal control systems provided in the Annual Activity Report is accurate and exhaustive.

Bramshill, 14 March 2012

Luminita Moldovan, Internal Control Officer 

Leelo Kilg, Quality Management Officer 

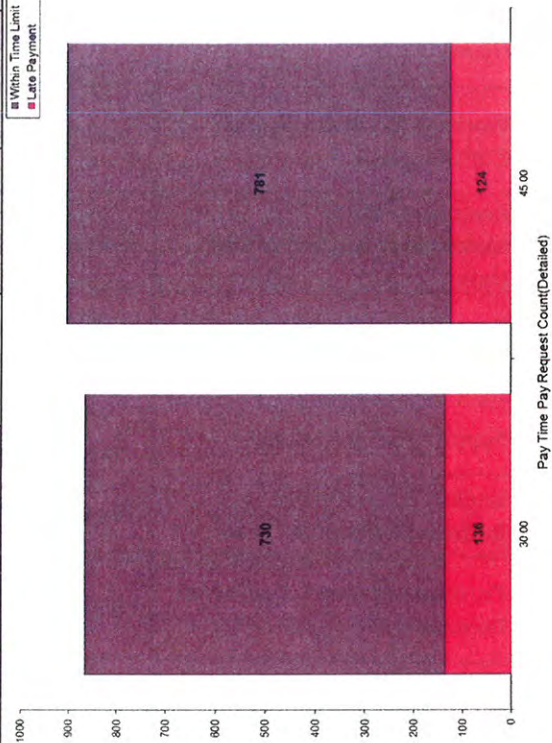
ANNEX 1 Budget 2011 execution status as of 31 December 2011

Chap	Heading	Budget	Commitments	%	Payments	%
11	Staff in Active Employment	3,757,744	3,757,715	100%	3,543,904	94%
13	Missions & Duty Travel	88,000	88,000	100%	73,592	84%
14	Sociomedical Infrastructure	597	596	100%	596	100%
16	Social welfare	2,213	2,212	100%	112	5%
17	Entertainment and representation expenses	2,446	2445	100%	1120	46%
Total Title 1		3,851,000	3,850,968	100%	3,619,324	93.98%
20	Investments in immovable property, rental of buildings and associated expenses	131,269	131,269	100%	117,111	89%
21	Information & Communication	258,400	258,115	99%	229,309	89%
22	Moveable Property & Associated	1,131	1,131	100%	936	83%
23	Current administrative expenditure	27,700	27,700	100%	24,897	90%
24	Postal Charges	8,500	8,500	100%	7,187	85%
Total Title 2		427,000	426,715	99.93%	379,440	88.86%
30	Bodies and Organs	246,217	220,211	89%	195,924	89%
31	Courses and Seminars	2,745,915	2,654,500	97%	1,543,109	58%
32	Other Activity Related Costs	702,316	579,146	82%	305,667	53%
33	Evaluation	4,853	4,853	100%	4,848	100%
35	Missions	190,699	177,699	93%	150,620	85%
37	other operational activities	173,000	154,637	89%	74,456	48%
Total Title 3		4,063,000	3,791,066	93.31%	2,274,624	55.98%
Total BUDGET		8,341,000	8,068,749	96.74%	6,273,388	75.21%

ANNEX 2 Payment Time Limits

Month	Year	01/2011	02/2011	03/2011	04/2011	05/2011	06/2011	07/2011	08/2011	09/2011	10/2011	11/2011	12/2011
Days Authorising Officer	20.79	24.12	20.51	19.97	19.03	21.07	15.97	16.52	26.35	29.79	24.11	18.32	18.15
Days Authorising Officer (w. Susp)	17.55	23.42	18.19	17.29	14.02	18.56	15.62	13.01	20.18	24.11	16.90	16.42	14.75
Days Horizontal Services	4.74	3.81	4.81	4.25	8.05	6.84	4.81	3.20	3.29	2.92	5.77	4.75	4.12
Days Total (without Susp.)	25.52	27.93	25.31	24.22	27.07	27.91	20.78	19.72	29.65	32.71	29.88	23.07	22.26
Days Total (with Susp.)	22.29	27.23	22.99	21.54	22.06	25.40	20.43	16.21	23.48	27.03	22.67	21.17	18.87
Number of PR	1771	154	182	197	108	191	125	140	141	76	125	146	186
Late Payments (FR)	260	43	25	34	13	34	8	6	22	9	27	18	21
Overdue Days (FR)	-15	-11	-15	-17	-17	-12	-18	-22	-14	-10	-14	-17	-17
Late Payments (Target)	392	67	38	42	24	50	15	10	39	17	34	26	30
Overdue Days (Target)	-8	-3	-7	-8	-8	-4	-10	-14	-6	-3	-7	-9	-11

■ Within Time Limit
■ Late Payment



Within Time Limit	30 days deadline	45 days deadline	Total
Late Payment	730	781	1511
Sum:	136	124	260
	866	905	1771

ANNEX 3 Procurement Status Report

CEPOL PROCUREMENT PLAN 2011 - status as of 31.12.2011 (C1 FUNDS)

#	Brief description of the goods and/or services that need to be purchased (include quantities, deliverables, if applicable)	Type of contract	Type of procurement procedure	Status	Total value of the signed contract, EUR
1	Provision of interim staff services	Framework Service Contract	Open	Completed / Contract signed	600,000.00
2	Provision of taxi services	Framework Service Contract	Open	Completed / Contract signed	180,000.00
3	Provision of conference and accommodation facilities	Service contract	Negotiated (low value contracts)	Completed / Contract signed	8,345.00
4	Provision of office supplies and consumables	Framework supply contract	Negotiated (low value contracts)	Completed / Contract signed	60,000.00
5	Mobile voice and data communications services	Framework Service Contract	Negotiated (low value contracts)	Completed / Contract signed	60,000.00
6	Provision of courier services	Framework Service Contract	Negotiated (low value contracts)	Completed / Contract signed	60,000.00
7	Renewal of SSL certificates	Service contract	Negotiated (low value contracts)	Completed / Contract signed	3,565.00
8	Moodle administrator training course	Service contract	Negotiated (low value contracts)	Completed / Contract signed	515.00
9	Works in the Bistro area of CEPOL house	Service contract	Negotiated (low value contracts)	Completed / Contract signed	5,000.00
10	Insurance - office contents/vehicle/accounting team	Service Contract	Negotiated (low value contracts)	Completed / Contract signed	4,522.00
11	Supply of commemorative silver plated coins	Framework Supply Contract	Negotiated (low value contracts)	Completed / Contract signed	60,000.00
12	Supply of corporate gifts	Framework Supply Contract	Open	Completed / Contract signed	160,000.00
13	English Proofreading of Bulletin issues (3 per year)	Service Contract	Negotiated (low value contracts)	Completed / Contract signed	500.00
14	Purchase, renewal of software licences	Service Contract	EC Framework Contract (SACHA II)	Completed/Contract signed	20,217.00

#	Brief description of the goods and/or services that need to be purchased (include quantities, deliverables, if applicable)	Type of contract	Type of procurement procedure	Status	Total value of the signed contract, EUR
15	The Common Assessment Framework (CAF) And the Balance ScoreCard (BSC) training course	Service contract	Negotiated (low value contracts)	Completed / Contract signed	891.00
16	CISCO equipment warranty and maintenance	Service Contract	Negotiated (low value contracts)	Completed / Contract signed	4,400.00
17	Printing of business cards and CEPOL branded stationery	Supply contract	Negotiated (low value contracts)	Completed/Contract signed	1,875.00
18	Purchase of media monitoring services	Service Contract	Negotiated (low value contracts)	Procurement procedure to be launched in 2012	n/a
19	Provision of travel arrangement services - new contract	Framework Service Contract	Open	On-going (tender evaluation)	n/a
20	Provision of travel arrangement services - Increase of the value of the current contract	Framework Service Contract	Negotiated (Art 126 (1) e of the IR)	Completed/contract signed	600,000.00
21	Development of the CEPOL Communications Strategy	Service Contract	Negotiated (low value contracts)		n/a
22	Purchase of mobile phones	Supply contract	EC Framework Contract (DI/06610)	Completed/Contract signed	6,927.72
23	Purchase of firewall	Supply contract	EC Framework Contracts (APPS II + SACHA)	Completed/Contract signed	13,709.99
24	Purchase of Blade Servers	Specific contract/order	EC Framework Contract (APPS II)	Completed/Contract signed	90,597.06
25	Analysis and reporting of outcome update-survey "Police Science & Research in the EU"	Service Contract	Negotiated (low value contracts)		n/a

#	Brief description of the goods and/or services that need to be purchased (include quantities, deliverables, if applicable)	Type of contract	Type of procurement procedure	Status	Total value of the signed contract, EUR
26	Software development service regarding the e-Library functionality of the eNet: (1) providing a usable dataset import interface for D-Space, (2) providing an improved user rights administration interface (3) providing a rating facility for database items -this item depends on maintenance update done by JAM and decisions about the general eNet development	Service Contract	Negotiated (low value contracts)	Procurement procedure to be launched in 2012	n/a
27	Purchase of electronic subscriptions of police science journals	Service Contract	Negotiated (low value contracts)	Procurement procedure to be launched in 2012	n/a
28	Layout, design and template for European Police Science and Research Bulletin	Service Contract	Negotiated (low value contracts)	Procurement procedure to be launched in 2012	n/a
29	Provision of medical services	Framework Service Contract	Negotiated (low value contracts)	Procurement procedure to be launched in 2012	n/a
30	Restaurant Services	Framework Service Contract	Negotiated (low value contracts)	Procurement procedure to be launched in 2012	n/a
31	ICT and IM Strategy development	Specific contract	CEPOL Framework contract	Completed/Contract signed (through interim staff contract)	64,148.00
32	Online Webinars and Meetings	Specific contract/order	EC Framework Contract (SACHA II)	Completed/Contract signed	20,698.00
33	Editorial services for content description of online e-learning modules	Order Form	Through Publications Office SLA	Completed/Order placed	69,500.00
34	Maintenance and breakdown cover for CEPOL access control system	Service contract	Negotiated (low value contracts)	Completed/Contract signed	1,296.00
35	Training Services for FRA_CEPOL seminar 93-2011	Service contract	Negotiated (low value contracts)	Completed/Contract signed	1,800.00

#	Brief description of the goods and/or services that need to be purchased (include quantities, deliverables, if applicable)	Type of contract	Type of procurement procedure	Status	Total value of the signed contract, EUR
36	Photographer Services for CEPOL 10th Anniversary conference	Service contract	Negotiated (low value contracts)	Completed/Contract signed	938.00
37	Video recording of the CEPOL 10th Anniversary Conference	Service contract	Negotiated (low value contracts)	Completed/Contract signed	1,472.00
38	Trust building training services	Service contract	Negotiated (low value contracts)	Completed/Contract signed	3,600.00
39	Interpretation services for CEPOL 10th Anniversary conference	Service contract	Negotiated (low value contracts)	Completed/Contract signed	2,787.00
40	Conference and accommodation facilities for CEPOL Seminar No 98/2011 "European Arrest Warrant"	Service contract	Negotiated (low value contracts)	Completed/Contract signed	16,635.00
41	E-Net Migration	Service contract	Negotiated (Art 126 of IR)	Completed/Contract signed	23,868.00
42	Restaurant Services for the CEPOL Social Event	Service contract	Negotiated (low value contracts)	Completed/Contract signed	1,980.00

CEPOL PROCUREMENT PLAN 2011 - status as of 31.12.2011 (C8 FUNDS)

#	Brief description of the goods and/or services that need to be purchased (include quantities, deliverables, if applicable)	Type of contract	Type of procurement procedure	Status	Total value of the signed contract, EUR
1	Video Intro Europol (Recording Intro Europol module by Director)	Service Contract	Negotiated (low value contracts)	Completed / Contract signed	1,132.00
2	Licences for Cryptocard VPN solution	Service Contract	Negotiated (low value contracts)	Completed / Contract signed	900.00
3	Supply of Wall Plaques for CEPOL network	Supply Contract	Negotiated (low value contracts)	Completed / Contract signed	12,400.00
4	Provision of authoring solutions for web-based e-learning interaction templates	Service Contract	Open	Completed / Contract signed	78,522.00
5	Software Licences renewal/new	Specific contract/order	EC Framework Contract (SACHA II)	Completed / Contract signed	12,575.00
6	Renewal of Microsoft Licences	Specific contract/order	EC Framework Contract	Completed / Contract signed	6,582.00
7	Purchase of printers and multifunctional machines (commitment CPL.3407 - amount left after PCs & Laptops) - POSTPONED TO 2012	Specific contract/order	EC Framework Contract (PRINCESS)	Postponed to 2012 due to delay of signature of the Framework Contract by European Commission	n/a
8	Supply of photos for e-learning modules	Supply Contract	Negotiated (low value contracts)	Completed / Contract signed	21,286.00

ANNEX 4 PROVISIONAL FINANCIAL STATEMENTS

CEPOL BALANCE SHEET 2011 – ASSETS

1	2	3	4	5
Consolidation account		Note	31.12.2011	31.12.2010
ASSETS				
A. NON CURRENT ASSETS				
210000	Intangible assets	1.5.2	106,507.74	3,374.19
200000	Tangible fixed assets		177,317.77	94,452.77
221000	Land and buildings		0.00	0.00
230000	Plant and equipment		0.00	0.00
241000	Computer hardware		159,050.81	74,806.81
240000	Furniture and vehicles		17,077.96	18,271.96
242000	Other fixtures and fittings		1,189.00	1,374.00
250000	Leasing		0.00	0.00
244000	Tangible fixed assets under construction		0.00	0.00
299000	Long-term pre-financing		0.00	0.00
292000	Long-term receivables		0.00	0.00
	range		0.00	0.00
	range		0.00	0.00
	TOTAL NON CURRENT ASSETS		283,825.51	97,826.96
B. CURRENT ASSETS				
310000	Inventories		0.00	0.00
405000	Short-term pre-financing	1.5.3	406,751.86	261,888.80
	range		406,751.86	261,888.80
	range		0.00	0.00
400000	Short-term receivables	1.5.4	3,616,039.48	5,593,213.09
401000	Current receivables		108,405.29	102,647.60
410900	Sundry receivables		3,656.13	16,857.47
490000	Other		3,228,696.47	3,687,255.57
490010	Accrued income		0.00	0.00
490011	Deferred charges		0.00	0.00
490090	Accrued income with consolidated EU entities		0.00	0.00
490091	Deferred charges with consolidated EU entities		3,228,696.47	3,687,255.57
400009	Short-term receivables with consolidated EU entities		0.00	152,406.54
	Short-term receivable for negative budget outturn result		275281.59	1,634,045.91
500000	Cash and cash equivalents	1.5.5	2,205,023.59	1,608,782.50
	TOTAL CURRENT ASSETS		6,227,814.93	7,463,884.39
	TOTAL		6,511,640.44	7,561,711.35

CEPOL Balance Sheet 2011 – Liabilities

1	2	3	4	5
Consolidation account		Note	31.12.2011	31.12.2010
	LIABILITIES			
	A. Net Assets		1,556,382.20	1,703,014.98
140000	Accumulated surplus/deficit		1,703,014.98	-1,128,701.90
141000	Economic outturn for the year - profit-/loss-		-146632.78	2,831,716.88
	C. NON CURRENT LIABILITIES			
161000	Employee benefits		0.00	0.00
163000	Provisions for risks and charges		0.00	0.00
172000	Other long-term liabilities		0.00	0.00
172100	Other long-term liabilities		0.00	0.00
172009	Other LT liabilities with consolidated EU entities		0.00	0.00
172019	Pre-financing received from consolidated EU entities		0.00	0.00
172029	Other LT liabilities from consolidated EU entities		0.00	0.00
	TOTAL A+C		1,556,382.20	68,969.07
	D. CURRENT LIABILITIES			
483000	Provisions for risks and charges	1.5.12	4,955,258.24	5,880,696.37
440000	Accounts payable1	1.5.6	24,391.00	0.00
441000	Current payables		4,930,867.24	5,858,696.37
442000	Long-term liabilities falling due within the year		27,768.82	20,107.11
443000	Sundry payables		0.00	0.00
491000	Other		59,847.48	110,561.10
491010	Accrued charges		1,270,945.09	1,827,883.38
491011	Deferred income		1,270,945.09	1,675,476.84
440009	Accounts payable with consolidated EU entities		0.00	152,406.54
440019	Pre-financing received from consolidated EU entities		3,572,305.85	3,900,144.78
	Other accounts payable against consolidated EU entities		3,551,479.96	3,857,632.32
440029			20,825.89	42,512.26
	TOTAL D. CURRENT LIABILITIES		4,955,258.24	5,858,696.37
	TOTAL		6,551,640.44	7,561,711.35

CEPOL Economic Outturn Account 2011

1	2	3	4	5
Consolidation account		Note	2011	2010
706199	Funds transferred from the Commission to other Institutions		0.00	0.00
740100	Contributions of EFTA countries belonging to the EEA		0.00	0.00
743000	Recovery of expenses		0.00	0.00
744000	Revenues from administrative operations		9,812.34	215,785.68
745000	Other operating revenue		7,311,710.32	10,406,764.40
777777	TOTAL OPERATING REVENUE	1.5.8	7,321,522.66	10,622,550.08
610000	Administrative expenses			
6201,,	All Staff expenses		-4,036,300.29	-3,321,265.03
630100	Fixed asset related expenses		-3,091,691.56	-2,319,130.14
611000	Other administrative expenses		-49,790.69	-62,164.61
600000	Operational expenses		-894,818.04	-939,970.28
606000	Other operational expenses		-3,430,721.37	-4,462,508.51
666666	TOTAL OPERATING EXPENSES	1.5.9	-7,467,021.66	-7,783,773.54
750000	SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		-145,499.00	2,838,776.54
650000	Financial revenues		0.00	0.00
650000	Financial expenses		-1,133.78	-7,059.66
680000	Movement in pensions (- expense, + revenue)			
	SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES		-1,133.78	-7,059.66
790000	SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		-146,632.78	2,831,716.88
690000	Extraordinary gains (+)			
	Extraordinary losses (-)			
	SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS		0.00	0.00
	ECONOMIC OUTTURN FOR THE YEAR		-146,632.78	2,831,716.88