

REPORT**on the annual accounts of the European Police College for the financial year 2009, together with the College's replies**

(2010/C 338/24)

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INTRODUCTION

1. The European Police College (hereinafter 'the College'), located in Bramshill, was established by Council Decision 2000/820/JHA, as repealed in 2005 and replaced by Council Decision 2005/681/JHA ⁽¹⁾. The College's task is to function as a network and bring together the national police training institutes in the Member States to provide training sessions, based on common standards, for senior police officers ⁽²⁾.

2. The College's 2009 budget amounted to 8,8 million euro, compared with 8,7 million euro the previous year. The number of staff employed by the College at the end of the year was 28, as compared to 27 in the previous year.

STATEMENT OF ASSURANCE

3. Pursuant to the provisions of Article 287(1), second subparagraph, of the Treaty on the Functioning of the European Union, the Court has audited the annual accounts ⁽³⁾ of the College, which comprise the 'financial statements' ⁽⁴⁾ and the 'reports on implementation of the budget' ⁽⁵⁾ for the financial year ended 31 December 2009 and the legality and regularity of the transactions underlying those accounts.

4. This Statement of Assurance is addressed to the European Parliament and the Council in accordance with Article 185(2) of Council Regulation (EC, Euratom) No 1605/2002 ⁽⁶⁾.

The Director's responsibility

5. As authorising officer, the Director implements the revenue and expenditure of the budget in accordance with the financial rules of the College under his own responsibility and within the limits of the authorised appropriations ⁽⁷⁾.

The Director is responsible for putting in place ⁽⁸⁾ the organisational structure and the internal management and control systems and procedures relevant for drawing up final accounts ⁽⁹⁾ that are free from material misstatement, whether due to fraud or error, and for ensuring that the transactions underlying those accounts are legal and regular.

The Court's responsibility

6. The Court's responsibility is to provide, on the basis of its audit, a statement of assurance as to the reliability of the College's annual accounts and the legality and regularity of the transactions underlying them.

7. The Court conducted its audit in accordance with the IFAC and ISSAI ⁽¹⁰⁾ International Auditing Standards and Codes of Ethics. Those standards require that the Court complies with ethical requirements and plans and performs the audit to obtain reasonable assurance about whether the accounts are free from material misstatement and whether the underlying transactions are legal and regular.

8. The Court's audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and about the legality and the regularity of the transactions underlying them. The procedures selected depend on its audit judgement including the assessment of the risks of material misstatement of the accounts or of illegal or irregular transactions, whether due to fraud or error. In making those risk assessments internal control relevant to the entity's preparation and presentation of accounts is considered in order to design audit procedures that are appropriate in the circumstances. The Court's audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the accounts.

9. The Court believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinions set out below.

⁽¹⁾ OJ L 256, 1.10.2005, p. 63.

⁽²⁾ The Table summarises the College's competences and activities. It is presented for information purposes.

⁽³⁾ These accounts are accompanied by a report on the budgetary and financial management during the year which gives, inter alia, an account of the rate of implementation of the appropriations with summary information on the transfers of appropriations among the various budget items.

⁽⁴⁾ The financial statements include the balance sheet and the economic outturn account, the cash-flow table, the statement of changes in capital and the annex to the financial statements which includes the description of the significant accounting policies and other explanatory information.

⁽⁵⁾ The budget implementation reports comprise the budget outturn account and its annex.

⁽⁶⁾ OJ L 248, 16.9.2002, p. 1.

⁽⁷⁾ Article 33 of Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 (OJ L 357, 31.12.2002, p. 72).

⁽⁸⁾ Article 38 of Regulation (EC, Euratom) No 2343/2002.

⁽⁹⁾ The rules concerning the presentation of the accounts and accounting by the Agencies are laid down in Chapter 1 of Title VII of Regulation (EC, Euratom) No 2343/2002 as last amended by Regulation (EC, Euratom) No 652/2008 of 9 July 2008 (OJ L 181, 10.7.2008, p. 23) and are integrated as such in the Financial Regulation of the College.

⁽¹⁰⁾ International Federation of Accountants (IFAC) and International Standards of Supreme Audit Institutions (ISSAI).

Opinion on the reliability of the accounts

10. In the Court's opinion, the College's Annual Accounts⁽¹¹⁾ present fairly, in all material respects, its financial position as of 31 December 2009 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

Basis for qualified opinion on the legality and the regularity of the transactions underlying the accounts

11. With regard to procurement procedures, in four cases⁽¹²⁾ the College purchased goods and services in the absence of a contract or a tendering procedure. In another case⁽¹³⁾ the procedure was handled by a member of staff not qualified in procurement and as a result no terms of reference were specified, no financial offer was requested or received and no financial evaluation was carried out.

12. As already noted by the Court in its report concerning the 2008 financial year⁽¹⁴⁾, expenditure for the organisation of courses and seminars represents a significant part of the College's budget. For 2009, the audit of such expenditure also revealed severe shortcomings. In particular, the provisions in the College's Financial Regulation⁽¹⁵⁾ which, according to the College, represented the legal basis for the engagement contracts of 'module advisers' and 'educational experts' in the field of the Common Curricula Policy, were not submitted to the Commission with a view to obtaining its prior consent or communicated to the budgetary authority⁽¹⁶⁾. Thus, the College's revised Financial Regulation never entered into force and, as a result, all engagement contracts with 'module advisers' and 'educational experts' signed since the beginning of the Common Curricula project were illegal⁽¹⁷⁾.

Qualified opinion on the legality and the regularity of the transactions underlying the accounts

13. In the Court's opinion, except for the matters presented in paragraphs 11 and 12, the transactions underlying the College's annual accounts for the financial year ended 31 December 2009 are, in all material respects, legal and regular.

⁽¹¹⁾ The Final Annual Accounts were drawn up on 5 July 2010 and received by the Court on 13 July 2010. The Final Annual Accounts, consolidated with those of the Commission are published in the *Official Journal of the European Union* by 15 November of the following year. These can be found on the following website <http://eca.europa.eu> or <https://www.cepol.europa.eu/index.php?id=final-accounts>

⁽¹²⁾ Interim staff services (292 000 euro), mobile communications services (11 111 euro), stationery supplies (12 000 euro) and taxi services (29 000 euro).

⁽¹³⁾ Procurement procedure for courier services, 11 000 euro.

⁽¹⁴⁾ Paragraph 14 (OJ C 304, 15.12.2009, p. 124).

⁽¹⁵⁾ Revised Financial regulation of 2008.

⁽¹⁶⁾ This was required by Article 1 of the framework Financial Regulation, since these provisions were anti-competitive for they allowed for a significant departure from the ordinary procurement rules and the underlying principle of 'genuine competition'.

⁽¹⁷⁾ The overall amount, since the beginning of the project, is estimated at 200 000 euro, of which 34 800 euro for 2009.

COMMENTS ON THE BUDGETARY AND FINANCIAL MANAGEMENT

14. More than 3,8 million euro of the 2009 payment appropriations (C1), equivalent to 43 % of the total budget, were carried forward to 2010. In addition, 46 % of the appropriations carried over from 2008 (C8) had to be cancelled. This situation, as in the financial year 2008⁽¹⁸⁾, indicated severe and recurrent weaknesses in the programming and the monitoring of the implementation of the budget and was at odds with the principle of annuality.

15. Significant delays and errors in the preparation of the 2009 provisional accounts were observed. There was a backlog of unprocessed invoices totalling 900 000 euro at the end of 2009. This situation was due to an unsatisfactory distribution of financial responsibilities, weak internal control procedures and difficulties in recruiting and retaining staff qualified and experienced in financial and accounting matters.

OTHER MATTERS

16. At the end of the year, the College had not yet implemented a procedure for the recording of exceptions in all fields of activity, as requested on several occasions by the Internal Audit Service of the European Commission⁽¹⁹⁾.

17. With regard to staff selection procedures, neither the thresholds that candidates had to meet in order to be invited to interview nor those necessary to be put on the reserve list were fixed in advance, but were set by the selection boards after the evaluation and ranking of the candidates. The documentation of the procedures was inadequate, and questions for the interview were often prepared after the examination of applications. These practices, put at risk the transparency of the recruitment procedures.

18. In two cases⁽²⁰⁾, it was impossible to establish whether the successful candidates met the requirements in terms of the length of professional experience required. In one of these cases⁽²¹⁾ the selection board took its decisions solely on the basis of the curriculum vitae. In the other case⁽²²⁾, the successful candidate did not meet the minimum requirements in terms of professional experience. In another case⁽²³⁾, a staff member with management responsibilities was authorised to be based outside the United Kingdom, but to work on the College's premises in Bramshill for a limited number of days per year. The College reimbursed the travel expenses. Furthermore, the staff member concerned did not undergo any probationary period. These practices are not allowed under the Staff Regulations and were illegal.

⁽¹⁸⁾ Paragraph 16.

⁽¹⁹⁾ The Internal Audit Service of the Commission is also the Internal Auditor of the College.

⁽²⁰⁾ Vacancy notice CEPOL/2008/TA/001 and CEPOL/2008/TA/007.

⁽²¹⁾ Vacancy notice CEPOL/2008/TA/001.

⁽²²⁾ Vacancy notice CEPOL/2008/TA/005.

⁽²³⁾ Employment contract for the Euromed/Meda II Project Manager.

19. In its reports concerning the financial years 2007 and 2008 ⁽²⁴⁾, the Court noted cases where appropriations were used to finance private expenditure. The College replied on

several occasions that an ex-post check would be carried out by an external company. As at the end of June 2010 no such action had been taken.

This Report was adopted by Chamber IV, headed by Mr Igors LUDBORŽS, Member of the Court of Auditors, in Luxembourg at its meeting of 14 and 16 September 2010.

For the Court of Auditors

Vitor Manuel da SILVA CALDEIRA

President

⁽²⁴⁾ OJ C 311, 5.12.2008, p. 136 (paragraph 15) and OJ C 304, 15.12.2009, p. 124 (paragraph 21).

Table

European Police College (Bramshill)

Areas of Union competence deriving from the Treaty	Competences of the College as defined in Council Decision 2005/681/JHA		Governance	Resources made available to the College in 2009	Products and services in 2009
<p>Approximation of laws</p> <p>1. The Union shall establish police cooperation involving all the Member States' competent authorities, including police, customs and other specialised law enforcement services in relation to the prevention, detection and investigation of criminal offences.</p> <p>2. For the purposes of paragraph 1, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, may establish measures concerning:</p> <p>...</p> <p>(b) support for the training of staff, and cooperation on the exchange of staff, on equipment and on research into crime-detection;</p> <p>(Article 87 of the TFEU)</p>	<p>Objectives</p> <p>The aim of College shall be to help train senior police officers in the Member States by optimising cooperation between 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.</p>	<p>Tasks</p> <p>— To increase knowledge of the national police systems and structures of other Member States and of cross-border police cooperation within the European Union.</p> <p>— To improve knowledge of international and European Union instruments, particularly in the following sectors:</p> <p>(a) the institutions of the European Union, their functioning and role, as well as the decision-making mechanisms and legal instruments of the European Union, in particular as regards their implications for law-enforcement cooperation;</p> <p>(b) Europol's objectives, structure and functioning, as well as ways to maximise cooperation between Europol and relevant law-enforcement services in the Member States in the fight against organised crime;</p> <p>(c) Eurojust's objectives, structure and functioning;</p> <p>— To provide appropriate training with regard to respect for democratic safeguards, with particular reference to the rights of defence.</p>	<p>1 — Governing Board</p> <p><i>Composition</i></p> <p>— One delegation from each Member State.</p> <p>Each delegation shall have one vote. Representatives of the European Commission and of the General Secretariat of the Council of the European Union and Europol shall be invited to attend meetings as non-voting observers.</p> <p>2 — Director</p> <p>Manages the College, is appointed and removed by the Governing Board.</p> <p>3 — External audit</p> <p>Court of Auditors.</p> <p>4 — Internal Audit</p> <p>Internal Audit Service of the Commission.</p> <p>5 — Discharge authority</p> <p>Parliament, acting on a recommendation from the Council.</p>	<p>Budget</p> <p>8,8 million euro</p> <p>Staff</p> <p>At the beginning of 2009, College had 26 staff posts and 2 Seconded National Experts.</p>	<p>Courses and Seminars</p> <p>College organised 88 courses, seminars and conferences. Early indications show that the general satisfaction with College activities increased as compared with the previous year. The number of trainers increased (to 841). 1997 participants took part in College activities. The College Secretariat organised seven activities in support of the network and launched a new Course Managers' Tool to aid the network when implementing College activities.</p> <p>External Relations</p> <p><i>College signed a Cooperation Agreement with Frontex in June 2009 and instigated a Memorandum of Understanding with Eurojust and ENFSI (European Network of Forensic Science Institutes). A conference with Russia took place in June 2009.</i></p> <p>Common Curricula</p> <p>Four Common Curricula were launched for implementation within the Member States: Europol, Police Ethics and Prevention of Corruption, Domestic Violence (I & II) and Trafficking in Human Beings.</p> <p>Evaluation</p> <p>A project on Post-course Evaluation was piloted and, for the first time, College used an online survey environment (LimeSurvey).</p>

Areas of Union competence deriving from the Treaty	Competences of the College as defined in Council Decision 2005/681/JHA		Governance	Resources made available to the College in 2009	Products and services in 2009
					<p>Research and Science</p> <p>The first issue of the new College Research and Science Bulletin was launched; the first Research Symposium (Policing Major Events) and the first meeting of the new Research and Science Correspondents took place.</p> <p>Euromed Police II Project</p> <p>Three seminars (two on Drug Trafficking and one on Trafficking in Human Beings), one study visit (Trafficking in Human Beings) and one meeting of the Directors-General of police from MEDA and EU countries took place.</p> <p>Exchange Programme</p> <p>The College Exchange Programme, a one-year project, started in 2009. 21 Member States and one Candidate country are taking part. The priority topics are Community Policing or Organised Crime (senior police officers) and Learning Environment (trainers).</p> <p>Electronic Network (e-Net)</p> <p>College's website had 76 000 unique visitors (an increase of over 74 000 on the previous year) and an increase of 903 registered users. College's Learning Management System, which provides tools for all users of the College network to manage and promote learning in courses and seminars and for self-paced e-learning, went live. College's Document Management System, a tool which allows the network to work together on documents more efficiently, went live.</p>

Source: Information supplied by the College.

THE COLLEGE'S REPLIES

11. In the period since the contracts referenced were established, the College's procurement procedures have been improved and brought into line with the applicable regulations. A Procurement Officer has been appointed and a Procurement Manual, including templates and checklists, was adopted on 8 June 2010 by Decision No 002/2010 of the Director.

12. In March 2010, the College was informed that the Commission considered that the College's Financial Regulation was legally in force except for the provisions covering engagement contracts for 'module advisers' and 'educational experts'. In April 2010 a formal request for derogation from the Financial Regulations was submitted by the College to the Commission. In 2010, no contracts with Member States for the provision of module advisers and educational experts have been signed.

14. Since March 2010, weekly financial management meetings have been introduced to improve budgetary implementation and control. In addition, with the support of the Commission, improvements in budgetary programming are being implemented. Further improvements are scheduled to be introduced in association with the College's Multi-Annual Activity Plan.

15. In order to avoid the problems mentioned by the Court, the financial workflows, processes, procedures as well as roles and responsibilities are the subject of on-going review and improvement. Expert advice has been received from the Commission and consultants. The issue of the backlog of payments is close to resolution. Recruitment procedures have been launched to recruit key financial actors, the selection criteria for these posts having been appropriately revised.

16. In 2010 a new procedure for the recording of exceptions was developed and has been adopted by Decision of the Director No 010/2010 of 21 June 2010.

17. The staff selection procedures have now been reviewed and improved. By Decision of the Director No 004/2010, the College's Recruitment Guide entered into force, bringing the procedures in line with the Staff Regulations and best practice.

18. The new recruitment procedures in place ensure that errors or omissions are avoided in future. In addition, the control of Human Resource information has been improved to ensure that proof of professional experience as well as references are checked prior to appointment and then held on file. All new recruits are now required to undergo a probationary period. The contract of employment enabling a member of staff to be based outside the UK will end in September 2010 and will not be renewed. Since March 2009 no travel expenses have been reimbursed.

19. In 2009, the College implemented a number of measures that resulted in the recovery of GBP 17 612,91; the ex-post check remains outstanding. The tender process for the required audit was launched in July 2010.
