

ΕΒΡΟΠΕΪΣΚΑ ΣΜΕΤΗΑ ΠΑΛΑΤΑ  
TRIBUNAL DE CUENTAS EUROPEO  
EVROPSKÝ ÚČETNÍ DVŮR  
DEN EUROPÆISKE REVISIONSRET  
EUROPÄISCHER RECHNUNGSHOF  
EUROOPA KONTROLLIKODA  
ΕΥΡΩΠΑΪΚΟ ΕΛΕΓΚΤΙΚΟ ΣΥΝΕΔΡΙΟ  
EUROPEAN COURT OF AUDITORS  
COUR DES COMPTES EUROPÉENNE  
CÚIRT INIÚCHÓIRÍ NA HEORPA



EUROPSKI REVIZORSKI SUD  
CORTE DEI CONTI EUROPEA  
EIROPAS REVĪZIJAS PALĀTA  
EUROPOS AUDITO RŪMAI

EURÓPAI SZÁMVEVŐSZÉK  
IL-QORTI EWROPEA TAL-AWDITURI  
EUROPESE REKENKAMER  
EUROPEJSKI TRYBUNAŁ OBRACHUNKOWY  
TRIBUNAL DE CONTAS EUROPEU  
CURTEA DE CONTURI EUROPEANĂ  
EURÓPSKY DVOR AUDÍTOROV  
EVROPSKO RAČUNSKO SODIŠČE  
EUROOPAN TILINTARKASTUSTUOMIOISTUIN  
EUROPEISKA REVISIONSRÄTTEN

Report on the annual accounts  
of the European Police College  
for the financial year 2012

together with the College's replies

## **INTRODUCTION**

1. The European Police College (hereinafter “the College”, aka “CEPOL”), which is located in Bramshill, was established by Council Decision 2000/820/JHA, as repealed in 2005 and replaced by Council Decision 2005/681/JHA<sup>1</sup>. 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<sup>2</sup>.

## **INFORMATION IN SUPPORT OF THE STATEMENT OF ASSURANCE**

2. The audit approach taken by the Court comprises analytical audit procedures, direct testing of transactions and an assessment of key controls of the College’s supervisory and control systems. This is supplemented by evidence provided by the work of other auditors (where relevant) and an analysis of management representations.

## **STATEMENT OF ASSURANCE**

3. Pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

(a) the annual accounts of the College, which comprise the financial statements<sup>3</sup> and the reports on the implementation of the budget<sup>4</sup> for the financial year ended 31 December 2012, and

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<sup>1</sup> OJ L 256, 1.10.2005, p. 63.

<sup>2</sup> ***Annex II*** summarises the College’s competences and activities. It is presented for information purposes.

<sup>3</sup> These include the balance sheet and the economic outturn account, the cash flow table, the statement of changes in net assets and a summary of the significant accounting policies and other explanatory notes.

(b) the legality and regularity of the transactions underlying those accounts.

*The management's responsibility*

4. In accordance with Articles 33 and 43 of Commission Regulation (EC, Euratom) No 2343/2002<sup>5</sup>, the management is responsible for the preparation and fair presentation of the annual accounts of the College and the legality and regularity of the underlying transactions:

(a) The management's responsibilities in respect of the College's annual accounts include designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies on the basis of the accounting rules adopted by the Commission's accounting officer<sup>6</sup>; making accounting estimates that are reasonable in the circumstances. The Director approves the annual accounts of the College after its accounting officer has prepared them on the basis of all available information and established a note to accompany the accounts in which he declares, *inter alia*, that he has reasonable assurance that they present a true and fair view of the financial position of the College in all material respects.

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<sup>4</sup> These comprise the budgetary outturn account and the annex to the budgetary outturn account.

<sup>5</sup> OJ L 357, 31.12.2002, p. 72.

<sup>6</sup> The accounting rules adopted by the Commission's accounting officer are derived from the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants or, where relevant, the International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

- (b) The management's responsibilities in respect of the legality and regularity of the underlying transactions and compliance with the principle of sound financial management consist of designing, implementing and maintaining an effective and efficient internal control system comprising adequate supervision and appropriate measures to prevent irregularities and fraud and, if necessary, legal proceedings to recover funds wrongly paid or used.

*The auditor's responsibility*

5. The Court's responsibility is, on the basis of its audit, to provide the European Parliament and the Council<sup>7</sup> with a statement of assurance as to the reliability of the annual accounts and the legality and regularity of the underlying transactions. The Court conducts its audit in accordance with the IFAC International Standards on Auditing and Codes of Ethics and the INTOSAI International Standards of Supreme Audit Institutions. These standards require the Court to plan and perform the audit to obtain reasonable assurance as to whether the annual accounts of the College are free from material misstatement and the transactions underlying them are legal and regular.

6. The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and the legality and regularity of the underlying transactions. The procedures selected depend on the auditor's judgement, which is based on an assessment of the risks of material misstatement of the accounts and material non-compliance by the underlying transactions with the requirements in the legal framework of the European Union, whether due to fraud or error. In assessing these risks, the auditor considers any internal controls relevant to the preparation and fair presentation of the accounts, as well as the supervisory and control systems that are

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<sup>7</sup> Article 185(2) of Council Regulation (EC, Euratom) No 1605/2002 (OJ L 248, 16.9.2002, p. 1).

implemented to ensure the legality and regularity of underlying transactions, and designs audit procedures that are appropriate in the circumstances. The audit also entails evaluating the appropriateness of accounting policies, the reasonableness of accounting estimates and the overall presentation of the accounts.

7. The Court considers that the audit evidence obtained is sufficient and appropriate to provide a basis for its statement of assurance.

***Opinion on the reliability of the accounts***

8. In the Court's opinion, the College's annual accounts present fairly, in all material respects, its financial position as at 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

***Opinion on the legality and regularity of the transactions underlying the accounts***

9. In the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2012 are legal and regular in all material respects.

10. The comments which follow do not call the Court's opinions into question.

**COMMENTS ON THE LEGALITY AND REGULARITY OF TRANSACTIONS**

11. The College has carried over to 2013 committed appropriations amounting to 355 500 euro for the 2013 Exchange Programme, which is scheduled to take place between March and November 2013. In the absence of any reference to the 2013 Exchange Programme in the College's 2012 Annual Work

Programme and in view of the fact that no financing decision had been made on the matter in 2012, the carry-over is irregular.

### **COMMENTS ON BUDGETARY MANAGEMENT**

12. Out of the committed appropriations carried over from 2011 amounting to 1,7 million euro, 0,7 million euro (41,2 %) were cancelled in 2012. This was mainly due to lower than estimated costs to be reimbursed under 2011 grant agreements (0,44 million euro or 62 % of cancelled carry-overs).

13. The level of committed 2012 appropriations for the different titles varied between 90 % and 99 % of total appropriations, indicating that legal commitments were made in a timely manner. The level of committed appropriations carried over to 2013 was high for title III (operating expenditure) as it amounted to 1,5 million euro (36 %). This however was not due to delays in implementing the College's 2012 Annual Work Programme, but mainly arose from the carry-over referred to in paragraph 11 and from the fact that costs relating to courses that were organised in the last months of 2012 under 2012 grant agreements were not due for reimbursement until the beginning of 2013 (1 million euro).

14. In 2012, the College made 37 budgetary transfers amounting to 1 million euro, out of which 36 within their respective titles.

15. The facts presented in paragraphs 11, 12 and 14 are at odds with the budgetary principles of annuality and specification.

### **OTHER COMMENTS**

16. Discussions about the College's future that have been ongoing for several years have created a situation of uncertainty which continues to hamper business planning and implementation.

17. The College needs to ensure full compliance with the “Guide to CEPOL recruitment” and to improve further the transparency of recruitment procedures: vacancy notices were not always published at least 6 weeks before applications were due; there was no evidence that assessors checked that the rules for the submission of applications had been respected; the selection criteria that were applied did not always match those that had been specified in the vacancy notices; there were major delays in some cases in the examination of applications.

### **FOLLOW-UP OF PREVIOUS YEAR'S COMMENTS**

18. An overview of the corrective actions taken in response to the Court's previous year's comments is provided in **Annex I**.

This Report was adopted by Chamber IV, headed by Dr Louis GALEA, Member of the Court of Auditors, in Luxembourg at its meeting of 9 July 2013.

*For the Court of Auditors*

Vítor Manuel da SILVA CALDEIRA  
*President*

***Follow-up of previous year's comments***

<b>Year</b>	<b>Court's comment</b>	<b>Status of corrective action (Completed / Ongoing / Outstanding / N/A)</b>
<b>2011</b>	The high level of carry-overs as well as the high level of cancellations indicate shortcomings in budget planning and/or implementation and are at odds with the budgetary principle of annuality.	<b>Outstanding</b>
<b>2011</b>	The high level of budget transfers indicates weaknesses in budget planning and is at odds with the principle of specification.	<b>Outstanding</b>
<b>2011</b>	The College is located in Bramshill, using premises of the UK National Policing Improvement Agency (NPIA). NPIA is due to close at the end of 2012 and it is not clear until when the College can continue using its current premises.	<b>Outstanding</b>
<b>2011</b>	The College needs to improve the transparency of recruitment procedures. Vacancy notices made no reference to the possibility of appeal; weightings for selection criteria were not set before the examination of applications and reports summarising screening procedures and decisions on reserve lists were not always prepared.	<b>Ongoing</b>



**European Police College (Bramshill)****Competences and activities**

<p><b>Areas of Union competence deriving from the Treaty</b> <i>(Article 87 TFEU)</i></p>	<p><b>Approximation of laws</b></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>(b) support for the training of staff, and cooperation on the exchange of staff, on equipment and on research into crime-detection;” [...]</p>
<p><b>Competences of the College</b> <i>(Council Decision 2005/681/JHA)</i></p>	<p><b>Objectives</b></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><b>Tasks</b></p> <ul style="list-style-type: none"> <li>– To increase knowledge of the national police systems and structures of other Member States and of cross-border police cooperation within the European Union.</li> <li>– To improve knowledge of international and European Union instruments, particularly in the following sectors: <ul style="list-style-type: none"> <li>(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;</li> <li>(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;</li> <li>(c) Eurojust’s objectives, structure and functioning.</li> </ul> </li> <li>– To provide appropriate training with regard to respect for democratic safeguards, with particular reference to the rights of defence.</li> </ul>
<p><b>Governance</b></p>	<p><b>Governing Board</b></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><b>Director</b></p> <p>Manages the College, is appointed and removed by the Governing Board.</p> <p><b>External audit</b></p> <p>European Court of Auditors.</p> <p><b>Internal audit</b></p> <p>European Commission’s Internal Audit Service (IAS).</p> <p><b>Discharge authority</b></p> <p>European Parliament, acting on a recommendation from the Council.</p>
<p><b>Resources made available to the College in 2012 (2011)</b></p>	<p><b>Budget</b></p> <p>8,4 (8,3) million euro</p> <p><b>Staff</b></p> <p>The Establishment Plan for 2012 provided for 28 (26) Temporary Staff.</p>

	<p>In addition: 10 (8) Contract Staff posts were budgeted for. Member States also seconded a total of: 5 (7) National Experts during the course of the year.</p>
<p><b>Products and services in 2012 (2011)</b></p>	<p><b>Courses, Seminars and Conferences</b></p> <p>The College implemented a total of 82 (88) residential activities (courses, seminars and conferences). The assessment of the evaluation of the activities shows that general satisfaction with the College activities and its learning outcomes remained outstanding at 93 % (93 %). CEPOL has brought together 2 098 (2 043) law enforcement participants and 772 (784) trainers from 33 (37) countries (EU Member States and Third Countries) and 27 EU and international bodies. Attendance rate (attendance/seats available) has considerably increased reaching 96 % (80 %) demonstrating increasing demand for CEPOL training. The College itself organised 15 (17) activities in support of the network and initiated a Grant Agreement application process for 2013. No activities were postponed to the next calendar year.</p> <p><b>External Relations</b></p> <p>External policy: CEPOL is continuing its fruitful cooperation with strategic partners, partner agencies and EU institutions, including EEAS, and has been clearly identified as one of the key providers of training for police officers taking part in EU police missions. In 2012, CEPOL successfully negotiated two Agreements with Moldova and Albania.</p> <p><b>Development of Training Manuals and (Common) Curricula</b></p> <p>In 2012, the SIRENE Trainers Manual was edited by the Publications Office of the European Union and distributed to the SIRENE Training Committee and the General Secretariat of the Council of the European Union. The SIRENE Trainers Manual was used in the context of a SIRENE Train and Trainers activity.</p> <p>Four Common Curricula were updated and one was completed on the basis of a Grant Agreement: Domestic Violence, Money Laundering, Police Ethics and Prevention of Corruption, Trafficking in Human Beings (updated) and Civilian Crisis Management (completed). The Common Curriculum on Europol was updated by Europol with the support of CEPOL in line with the MoU (1/2007/GB, Article 4). (0 CCa, 1 Training Manual in 2011).</p> <p><b>Research and Science</b></p> <p>After intensive preparation efforts for the 2012 CEPOL European Police Research and Science Conference, the event under the title "Police Science in Europe: Project, Progress and Projections" attracting 120 participants from the Member States and internationally, was considered a success.</p> <p>One new issue of the "European Science and Research Bulletin" was published on the website.</p> <p>A growing e-Library is used as a knowledge repository for registered e-Net users on a regular basis.</p> <p><b>European Police Exchange Programme</b></p> <p>CEPOL European Police Exchange Programme 2012 comprised of the following elements:</p> <ul style="list-style-type: none"> <li>– senior Police Officers and Training Staff;</li> <li>– commanders;</li> <li>– study visits to Europol, Frontex, EMCDDA and OLAF;</li> <li>– a joint study visit to Europol and Eurojust for Eastern ENP, Turkey and WB-countries.</li> </ul> <p>The programme included topics deriving from the Stockholm Programme priorities, the EU Policy Cycle as well as requests from the Member States. The exchange visits are done on bilateral basis, with a maximum of 12 calendar days and a minimum of 5 working days. Study visits were organised for 3-5 days to the abovementioned organisations. The joint study visit was exclusively launched for the countries of the Western Balkans, Turkey, and countries within the Eastern Partnership within the European Neighbourhood Policy. The countries that sent representatives to this study visit were: Albania, Armenia, FYROM, Moldova, Montenegro, Serbia and Turkey. Altogether 293 (292) participants from 25 Member States and the aforementioned countries took part. The programme had a budget of about 800 000 euro financed by CEPOL.</p> <p><b>Electronic Network (e-Net)</b></p> <p>The College's e-Net (Electronic Network) received 263 450 (109 000) unique visitors and had 13 189 (9 283) registered users at the end of 2012 (an increase of 42 % compared to the figure at the end of 2011). A meeting for national e-Net managers took place in December. CEPOL's LMS (Learning Management System) proved to be highly successful both in supporting CEPOL activities and by offering a platform for information sharing within the CEPOL network. Open Platforms have been made also available, where in a networked learning context communities of practice can learn from and with each other easily using online technology.</p> <p><b>E-Learning</b></p> <p>In 2012 the College developed 4 (5) e-Learning Modules on the subjects Joint Investigation Teams, Lisbon Treaty, SIRENE and Trafficking of Human Beings. The modules can be used by law enforcement officers for the professionalisation on an any time/any place basis, to support life-long learning and self-directed individual learning. In the period 1 January 2012 – 6 January 2013 a total of 1 961(1 765) unique users registered for the online learning modules. By 31 December 2012, 21 (18) planned CEPOL</p>

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online seminars (webinars) have been implemented on both policing topics as well as police education and training, attracting 1 310 participants. Another 9 webinars have been implemented based on the ad-hoc needs of CEPOL and the Member States, leading to an additional 357 attendees, bringing the total attendees for CEPOL Webinars in 2012 to 1 667 (398).
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*Source:* Information supplied by the College.

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**THE COLLEGE'S REPLY**

11: The College agrees with the comment of the Court and commits to document similar cases via a formal financing decision. The College would draw attention that although a financing decision was not formalised, the action was implemented in a transparent manner to the Governing Board, which is regularly informed and takes note on the status of budget implementation via the reports provided.

12: The agency has taken note of the Court's comments.

13: The agency has taken note of the Court's comments.

14: During 2012 CEPOL made 37 budgetary transfers of which 23 were within budget chapters, 13 between budget chapters and only 1 between budget titles. These transfers were necessary to maximise the utilisation of the financial resources made available to the agency. All transfers were processed in conformity with the applicable articles in the Financial Regulation and the implementing rules.

15: The College agrees with the comments of the Court. In order to increase supervision on the budgetary principles of annuality and specification, CEPOL has introduced a weekly budget monitoring report. The dynamism of the budget consumption including the carry-overs is closely monitored and the reasons for any significant lagging behind are analysed in view of continuously improving the budget planning and implementation.

16: The agency has taken note of the Court's comments.

17: The College agrees with the comments of the Court. In order to further increase compliance with the rules and principle of transparency, CEPOL continues to improve and strengthen the documentation of the human resources processes through procedures and templates adopted in accordance with the established quality document management system.