

DECISION 36/2007/GB
OF THE GOVERNING BOARD OF THE EUROPEAN POLICE COLLEGE
ADOPTING INTERNAL CONTROL STANDARDS

Adopted by the Governing Board
on 28 November 2007

THE GOVERNING BOARD,

Having regard to Decision 22/2006/GB of the Governing Board of the European Police College adopting the Financial Regulation ⁽¹⁾, and in particular Article 38(4) thereof;

Having regard to the proposal from the Director;

Having regard to the opinions of the Budget and Administration Committee ⁽²⁾ and the Strategy Committee ⁽³⁾;

Whereas:

- (1) It is for the Governing Board to adopt minimum standards on the basis of equivalent standards laid down by the Commission for its own departments.
- (2) The need for additional functions within the CEPOL Secretariat for carrying out tasks related to the Internal Control Standards should be examined on the basis of a report of the actual staff situation of the CEPOL Secretariat and should be decided separately.

HAS ADOPTED the Internal Control Standards as detailed in the Annex.

Done at Loures, 28 November 2007

For the Governing Board
Carla Falua
Chair of the Governing Board

⁽¹⁾ Adopted by the Governing Board in a written procedure on 31.8.2006.

⁽²⁾ Draft outcome of proceedings of the 8th meeting of the Budget and Administration Committee, item 4.

⁽³⁾ Draft outcome of proceedings of the 8th meeting of the Strategy Committee, item 8.

**EUROPEAN POLICE COLLEGE
INTERNAL CONTROL STANDARDS**

A) CONTROL ENVIRONMENT

Standard 1: Ethics and Integrity

CEPOL shall ensure that staff is fully aware of the rules governing staff conduct and prevention and reporting of fraud and irregularities.

Standard 2: Mission, Role and Tasks

CEPOL shall communicate to all staff on an up-to-date and written basis:

- a) The mission statement of their service (Unit, Section, Project or other Centre of Activity);
- b) Their role in their service (job description) and
- c) Their tasks assignment (individual objective) and expected results.

Standard 3: Staff Competence (Recruitment and Training)

CEPOL shall ensure on a permanent basis the adequacy between staff competence and their tasks by:

- a) Defining the knowledge and skills required for each post;
- b) Conducting recruitment interviews on the basis of an appropriate evaluation sheet, defined by the competent services in the Human Resources Section;
- c) Keeping a record of all interviews to identify potential future candidates in accordance to CEPOL Recruitment Policy and Staff Policy Plan;
- d) Identifying during the recruitment process the basic immediate training plan to be followed by the new staff member, so that he or she may be integrated into the work processes of CEPOL;
- e) Reviewing training needs in the context of the annual staff appraisal;
- f) Ensuring that identified training needs are met as soon as possible.

Standard 4: Staff Performance

CEPOL shall review the performance of its entire staff at least annually. All staff shall have the opportunity to discuss their individual performance with their reporting officer at least once a year. Where specific performance issues are identified these shall be addressed by managers as soon as possible.

Standard 5: Sensitive Functions

CEPOL shall draw up an inventory of sensitive functions in its service and reinforce controls where necessary according to the risks involved and identified in those functions.

Standard 6: Delegation

Responsibilities and authority limits shall be clearly defined, assigned and communicated in writing. Delegation shall be appropriate to the importance of the decisions to be taken and the risks involved.

B) PERFORMANCE AND RISK MANAGEMENT

Standard 7: Objective Setting

CEPOL shall communicate to its staff the overall objectives and expected results established by the Management for each policy area and activity.

CEPOL shall translate general objectives into specific objectives and expected results for each activity and shall clearly communicate such specific objectives to its staff. Specific objectives shall be verifiable and include meaningful and practical measurement criteria, including achievement indicators.

Objectives may be of different types: general objectives, specific objectives and operational objectives:

- a) The general objectives are the goals set for a policy area or activity, expressed in terms of its long-term effect (impact). They are mid/long-term objectives related to the basic tasks of CEPOL as laid down in Council Decision 2005/681/JHA establishing the European Police College (CEPOL) ⁽¹⁾.
- b) The specific objectives are the intermediate objectives of an activity, which need to be reached if the general objectives are to be achieved. They are expressed in terms of results to be achieved in each annual Work Programme.
- c) The operational objectives refer to the deliverables, which each CEPOL activity is expected to produce for its beneficiaries and they are expressed in terms of outputs.

This standard concerns all the objectives. The political priorities are external variables imposed on the Director that have to be incorporated in the systems used by CEPOL.

Objectives should be "S.M.A.R.T.":

- Specific (detailed and precise);
- Measurable and verifiable (where appropriate indicators should be assigned to them);
- Appropriate (part of the core-business);
- Realistic (ambitious but meaningful);
- Time-dependent (given deadlines).

Standard 8: Annual and Multi-annual Planning

At the time of the adoption of a decision or legal base establishing an activity and its annual or multi-annual financial planning, CEPOL shall establish a "road-map" of measures to be set in order to ensure that such financial planning is followed.

⁽¹⁾ OJ L 256, 1.10.2005, p. 63.

The “road-map” should set out a critical path for the actions that need to be taken before the budget appropriations can be implemented and should seek to highlight the critical dates (e.g. publication of tender, bids assessments, etc.) which, if not respected, would result in deviations in the implementation from one financial year to the next.

Standard 9: Annual Management Plan

CEPOL shall prepare an Annual Management Plan, which incorporates appropriate objectives and indicators and the resources (financial and human) necessary to achieve them.

Standard 10: Monitoring Performance against Objectives and Indicators

Key performance indicators, including indicators for economy, efficiency and effectiveness, shall be established and monitored for each policy area and activity.

The Director should regularly receive reports on each activity, which compare the output and impact achieved with the objectives set.

Standard 11: Risk Analysis

CEPOL shall systematically analyse risks in relation to its main activities at least once a year, develop appropriate action plans to address them and assign staff responsible for implementing those plans.

An Internal Control System can be considered as being effective to the extent that it provides reasonable assurance that the objectives set up will be achieved. In order to set up a sound internal control, CEPOL will identify the main risks faced in the following five categories, define the acceptable level of exposure to those risks and assess the impact and likelihood of the risks materialising:

- 1) Effectiveness and efficiency of operations.
- 2) Compliance with existing rules and regulations.
- 3) Reliability of internal and external financial and management information.
- 4) Safeguarding of assets and prevention and detection of fraud.
- 5) Set up the required controls to manage the risk exposure to an acceptable level on a cost efficient basis.

C) INFORMATION AND COMMUNICATION

Standard 12: Adequate Management Information

CEPOL shall develop, implement, maintain and run adequate systems in order to make available at all times regular, reliable and easily accessible management information on budget execution, use of resources and progress of its management plan.

Regularly monitoring financial management, established a “tableau-de-bord”, will include information on such items as the level of implementation of budget appropriations, average payments duration, outstanding commitment and payment appropriations and other budget and financial management information necessary for the sound financial management of CEPOL.

Standard 13: Mail Registration and Filing Systems

CEPOL shall systematically register incoming and outgoing mail to enable efficient monitoring of deadlines and maintain a comprehensive and up to date filing system, which is accessible to all appropriate staff.

CEPOL shall establish an appropriate document management system in order to achieve an effective and efficient management of the knowledge basis of its activities.

Standard 14: Reporting Improprieties

Appropriate procedures, in addition to reporting to the direct superior, shall be established and communicated to staff covering the reporting of suspected improprieties. Persons complying with the above obligations must not suffer inequitable or discriminatory treatment as a result of communicating such information.

D) CONTROL ACTIVITIES

Standard 15: Documentation of Procedures

The procedures used in CEPOL, for its main work processes, workflows and general management, shall be fully documented, kept up to date and available to all relevant staff and shall be compliant with all European Union laws, rules and regulations and in particular with CEPOL's Financial Regulation, the Staff Regulations, as well as with all relevant CEPOL Decisions.

All financial procedures (e.g. calls for tender, award of contracts, selection of beneficiaries and implementing partners, authorization for commitments, payments, recoveries, credit operations etc.) shall be fully documented, registered and kept in files accessible to all staff concerned and in full observation of data protection rules and regulations.

Standard 16: Segregation of Duties

The operational and financial aspects of each transaction shall be checked and verified by two staff who are independent of each other (i.e. not subordinate to each other). The functions of initiation and verification of each transaction shall be kept separate.

Standard 17: Supervision

CEPOL shall establish appropriate supervision arrangements including, where appropriate, ex-post control of a sample of transactions to ensure that the procedures set up by Management are carried out effectively.

Standard 18: Recording of Exceptions

CEPOL shall establish appropriate arrangements to ensure that all instances of overriding of controls or deviations from established policies and procedures under exceptional circumstances are documented, justified and approved at an appropriate level before action is taken.

Standard 19: Continuity of Operations

CEPOL shall establish appropriate arrangements to ensure the continuity of operations at any moment (i.e. absence of an official, end of service of an official, migration to new information systems, change of procedures, systems malfunction, natural or man-made disasters etc.).

Continuity of operations requires clear rules for organising sub-delegations and deputising.

E) AUDIT AND EVALUATION

Standard 20: Recording and Correction of Internal Control Weaknesses

A clearly defined procedure shall be established for the proper reporting and subsequent correction of internal control weaknesses and for any related updating of procedures.

Standard 21: Audit Reports

CEPOL shall annually review the recommendations made and action taken in response to audit reports by the Internal Audit Service, its own Internal Audit Capability and the European Court of Auditors and to define appropriate action plans to remedy weaknesses and monitor the implementation of those plans.

Standard 22: Internal Audit Capability

CEPOL shall establish or have access to a competent and properly staffed internal audit capability with an annual Work Programme based on risk assessment.

Referring to Article 71(2) of Decision 22/2006/GB of the Governing Board of the European Police College adopting the Financial Regulation, the European Commission's internal auditor shall exercise the same powers with respect to CEPOL as with respect to Commission departments.

Standard 23: Evaluation

CEPOL shall establish, have access or out-source the carrying out or commissioning of ex-ante and ex-post evaluation of all its activities. It shall prepare an Evaluation Plan, which sets out the timing of the planned evaluations and against which progress is regularly reviewed. It shall ensure the systematic follow-up of the conclusions of evaluation reports and implement recommendations for improvements on its activities.

Standard 24: Annual Review of Internal Controls

CEPOL shall conduct an annual review of its internal control arrangements to act as a basis for the Director's Statement of Assurance on Internal Controls included in the Annual Activity Report.