

DECISION 02/2012/GB

OF THE GOVERNING BOARD OF THE EUROPEAN POLICE COLLEGE

**APPROVING THE 5TH PROGRESS REPORT ON THE IMPLEMENTATION OF CEPOL'S
MULTI-ANNUAL PLAN 2010-2014**

Adopted by the Governing Board
by written procedure
on 4 January 2012

THE GOVERNING BOARD,

Having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL)¹, and in particular Articles 10 and 25 thereof;

Having regard to the proposal of the Director;

Whereas:

The European Parliament requested the Governing Board to adopt an action plan to meet the objectives set out in its resolution²;

The Governing Board adopted the requested action plan as the CEPOL Multi-Annual Action Plan (MAP)³;

The European Parliament has requested that CEPOL submit a Progress Report on the Implementation of the MAP regularly⁴;

The European Parliament has requested that the report should be approved by the Governing Board prior to submitting the report;

HAS APPROVED the 5th Progress Report as set out in the Annex to this Decision.

Done in Copenhagen, 4 January 2012

For the Governing Board

*Mogens Hendriksen
Chair of the Governing Board*

1 OJ L 256, 1.10.2005, p. 63

2 European Parliament resolution of 5 May 2010 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Police College for the financial year 2008 (C7-0198/2009 – 2009/2127(DEC))

3 Governing Board Decision 21/2010/GB adopted on 25 May 2010.

4 European Parliament resolution of 25 October 2011 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Police College for the financial year 2009 (C7-0241/2010 – 2010/2181(DEC))



5th Progress Report on the Implementation of CEPOL's Multi-annual Plan 2010 – 2014
Updated: 4 January 2012

Introduction

It is the objective of the CEPOL management to ensure that the agency is operational, legal and regular. This objective is embodied by the Multi-annual Plan. The CEPOL management considers that the improvements already implemented establish the agency as being operational, regular and legal. Recent audits conducted by the Internal Audit Service and the Court of Auditors are expected to confirm this.

It is important to note that CEPOL is developing a mature strategic framework of which this Multi-annual Plan is a part. The wider CEPOL Strategy that addresses the operational future of the agency, has been developed, distributed and well received across the spectrum of European law enforcement bodies. It should be noted that expert bodies, including the European Commission, Law Enforcement Working Party and Commission Article 36 Committee (CATS) have welcomed the strategy. All parties consulted agree on the need for CEPOL - an agency dedicated to the provision of training and learning that:

- Creates a human rights based European law enforcement system;
- Contributes to the joint European security culture;
- Is a significant element of the internal security strategy;
- Evolves and promotes a modern European Training Scheme;
- Is competitive on the global security market.

Background

CEPOL's Multi-annual Plan 2010-2014 was developed in recognition of the need to improve the administration of the agency, as well as in response to the request of the European Parliamentary Committee on Budgetary Control (CONT) following the postponement of CEPOL's 2008 discharge. It was adopted by the CEPOL Governing Board at the 20th Governing Board meeting in May 2010 (reference 21/2010/GB).

The 1st Progress Report on the Implementation of CEPOL's Multi-annual Plan 2010 – 2014 highlighted the progress made against the milestones set out in the Multi-annual Plan 2010-2014 and was submitted to the European Parliament Committee on Budgetary Control (CONT) in July 2010 as well as shared with the European Commission, Internal Audit Service and Court of Auditors.

The 2nd Progress Report on the Implementation of CEPOL's Multi-annual Plan 2010 - 2014 outlined further progress made in the interim period since the 1st report was submitted to the CONT. In addition, the report was endorsed by the Strategy Committee at their 20th meeting on 3 September 2010 who have recommended that the Governing Board take note of the significant progress achieved at CEPOL to date at the 21st Governing Board meeting (taking place 29-30 September 2010).

The Commission Internal Audit Service audited the implementation of the Multi-annual Plan during 4 -8 October 2010. Their assessment corroborated the development and status of miles stones as reported in CEPOL's 2nd progress report on plan implementation issued in

September 2010. Nevertheless auditors found that the description of some of the items in the Multi-annual Plan lack clarity. The respective descriptions were justified with the Internal Audit Service so that no further actions are required in this regard.

The 3rd Progress Report was approved by the Governing Board on 8 December and submitted to the EP CONT on 17 December 2010.

The 4th Progress Report on the Implementation of CEPOL's Multi-annual Plan 2010 – 2014, outlined the progress achieved by CEPOL at 30 June 2011.

The European Court of Auditors audited the implementation of the 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 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, and has been sent to the Governing Board on 19th of December 2011 that approved it by written procedure on 4 January 2012.

Programming and Planning

| Ref | Objective | |
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| MAP_01 | <i>Application of corporate leadership and management by the Governing Board</i> | |
| | <p>Milestone 1: The Governing Board approves a Multi-annual Plan presented by the Director by 31 May</p> <p>Status: The CEPOL Multi-annual Plan was adopted at the 20th CEPOL Governing Board meeting in May 2010 (Ref: 21/2010/GB on CEPOL's public website). Welcomed by DGJLS and Internal Audit Service. In addition, the Progress Report on the Implementation of CEPOL's Multi-annual Plan 2010 – 2014 was endorsed by the Strategy Committee at their 20th meeting in September 2010 who recommended the Governing Board to take note of the significant progress achieved to date.</p> | <p>Q2 2010</p> <p>Completed 25 May 2010</p> |
| | <p>Milestone 2: The Governing Board assesses the efficiency, effectiveness and achievements of CEPOL with a 5 year evaluation report</p> <p>Status: The 5 year external evaluation, complemented by the Governing Board analysis and recommendations, have been submitted to the EP, EU Commission and Council of Europe</p> | <p>Q1 2011 Completed</p> |
| | <p>Milestone 3: The Governing Board develops and adapts the Strategic Plan (CEPOL Strategy) and Balanced Scorecard System for the years 2011/2014</p> <p>Status: The CEPOL Strategy was adopted by the Governing Board at the 21st Governing Board meeting on 26 September 2010.</p> <p>The Balanced Scorecard System is strongly supported by Governing Board. Solid progress has been achieved in the elaboration of performance indicators and is tabled for adoption at the 22nd Governing Board meeting in December 2010.</p> <p><u>Updated stage 31.12.2011</u></p> <p>Taking into account Art. 3 of the Governing Board (GB) Decision 24/2011/GB ('Rationalising CEPOL activities') dated 15/06/2011, an updated Multi-Annual Strategy Plan 2012-2014 with deadlines and assigned responsibilities has been presented by the Director for adoption by the GB. The plan reflects the European Training Needs derived from the Internal Security Strategy 2011–2014, relate to strategic internal security documents and is supported by a Multi-Annual Budget Framework and the Multi-Annual Staff Policy Plan.</p> | |

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| | <p>The plan complements CEPOL Strategy 2010-2014 by making operational the activities for 2012-2014. CEPOL's mission, vision, values, guiding principles, strategic goals and strategic objectives remain unchanged. The updated Multi-Annual Strategy Plan 2012-2014 has been adopted by GB Decision 31/25.10.2011.</p> <p>Taking into account the experience gained on the Balanced Scorecard (BSC) implementation in CEPOL and having regards to the recommendations received from the Court of Auditors and the Internal Audit Service of the European Commission, the current set of Key Performance Indicators (KPIs) have been simplified.</p> <p>The new set is derived from the CEPOL Strategy 2010-2014 and drafted in consultation with National Contact Points, CEPOL staff members and management. It consists of 28 indicators: four KPIs (for four Strategic Goals) and 24 PIs (for 24 Strategic Objectives). The indicators are designed for 2012 measurements and shall be reviewed annually. The new set of KPI has been adopted by GB Decision 34/26.10.2011.</p> | |
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Financial and Budgetary Management

| Ref | Objective | |
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| MAP_02 | <i>In order to ensure functional and organisational discipline; an effective Internal Control System is to be developed and maintained</i> | |
| | <p>Milestone 1: Introduction of regular internal management meetings</p> <p>Status: Since March 2010, regular internal management meetings have been introduced. Two specific meetings, targeted at coordination and financial management, are held on a weekly basis. Monthly staff meetings also take place.</p> <p><u>Updated stage 31.12.2011</u></p> <p>The regularity of meetings has been reduced, currently there are organised regular meetings for financial management as well as quarterly coordination meetings; the meetings are formalised through minutes of the meetings which are filed on the CEPOL's public drive and are accessible to all staff.</p> | <p>Q1 2010</p> <p>Completed Introduced Q1 2010 and ongoing</p> |
| | <p>Milestone 2: Introduction of CEPOL Monthly Newsletter in order to enhance transparency</p> <p>Status: The first issue of 'Inside CEPOL Secretariat' was published on 15 April 2010. Issues are published every month. In addition to being posted on CEPOL's restricted website, the newsletter is distributed to 170 members of the network, including members of the Governing Board, Committees, Working Groups, CEPOL National Contact Points and Secretariat staff.</p> | <p>Q1 2010</p> <p>Completed Q2 2010 and ongoing</p> |

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| | <p><u>Updated stage 31.12.2011</u> So far CEPOL has published 19 issues 'Inside CEPOL Secretariat'</p> <p>Milestone 3: Implementation of Internal Control Standards function and assessment of compliance(*)</p> <p>Status: The following recruitment procedures have been completed on target to implement the required Internal Control Standards function:</p> <ul style="list-style-type: none"> • Internal Control Standards Coordinator - selected takes up duties Summer 2011 • Quality Management Officer - in office since 1 December 2010 • Management Support Officer - in office since 1 January 2011 <p>In addition, the Internal Audit Panel was appointed at the 21st Governing Board meeting. Three national experts from Germany, Italy and Poland comprise the panel. The Audit Panel Work Programme was presented at the 22nd Governing Board meeting in December 2010.</p> <p><u>Updated stage 31.12.2011</u> The Internal Control Officer took up duty in August 2011 and is currently performing a compliance assessment review regarding the degree of implementation of the 16 internal control standards within CEPOL.</p> <p>During 2011 two <i>ex-post</i> verifications have been performed by the internal control capability within CEPOL, at the premises of the Sweden and UK course organisers. Additionally, ex post verifications based on a desk review, have been implemented in relation with the budget planning and implementation of three courses financed by CEPOL. The <i>ex-post</i> control activities will continue to be implemented in 2012 based on the Internal Control Plan that will be approved by the CEPOL management.</p> <p>Based on the Work Programme, the Internal Audit Panel has undertaken two audit missions in CEPOL, one in May 2011, in relation with the CEPOL Final Accounts of 2010 and one in November 2011 in relation with the functioning of the internal control system within CEPOL and budget planning procedures applied for the Draft Budget 2012.</p> | <p>Q3 2010</p> <p>Significant progress achieved by Q3 2010; completion postponed to Q1 2011</p> <p>Completed Q3 2010</p> <p>On going</p> |
| | <p>Milestone 4: Review of the current financial management system and structure to increase effectiveness</p> <p>Status: A review of the current financial management system was completed by end July 2010. The review was implemented calling upon expert financial consultancy, as well as Commission services to ensure the implementation of best practice. As a result, structural changes have been completed. Early analysis already</p> | <p>Q4 2010</p> <p>Completed Q3 2010</p> |

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| | <p>shows significant improvements to the effectiveness and efficiency of the financial management system. Specific deliverables as a result of this process include:</p> <ul style="list-style-type: none"> • A new improved budget structure 2012 has been defined which was endorsed at the 20th Strategy Committee meeting and recommended to the Governing Board; • A proposal to rationalise, and therefore improve, the implementation of the budget 2011 has been defined which was endorsed at the 20th Strategy Committee meeting on 3 September 2010 and recommended to the Governing Board; • Staff allocations and duties have been reviewed resulting in the improved deployment of financial personnel. <p><u>Updated stage 31.12.2011</u></p> <p>The reliance upon interim staff has been reduced, currently all the key positions within the financial area are staffed by contract/temporary agents.</p> <p>In accordance with the CEPOL Multi-annual Staff Policy Plan 2012-2014 two new posts (AD9) have been approved by the budgetary authority and will be introduced to strengthen the management capacity within CEPOL. One post will be established as a Finance Head of Unit and the second new post will be established as Project Management Head of Unit. Due to financial restriction, it is envisaged that the recruitment procedure for the two posts will be launched during the second quarter 2012 – estimated deadline for completing the recruitment procedure - December 2012</p> <p>During 2011 the Accounting Officer has validated the accounting system and the checklist to be used for the operational and financial verification. The new checklists increase the effectiveness and efficiency of the ex-ante control within CEPOL, ensuring for a better audit trail of the controls performed by the financial and operational verifiers. The new checklists were applied on 16th of December 2011, following the in house training provided by the Budget and Finance Officer to the CEPOL staff.</p> | |
| | <p>Milestone 5: All existing IAS recommendations closed</p> <p>Status: The ten remaining IAS recommendations have been progressed and were the subject of a scheduled IAS audit 4-8 October 2010. Following the Audit, all the information and documentation relating to the implementation of the recommendations has been uploaded into the IAS system for final review and closure. Owing to the entry into operation of a new IAS system, this final confirmation is still awaited. Regardless, the IAS have confirmed that CEPOL has no findings that warrant external reporting in future.</p> | <p>Q4 2010</p> <p>Completed Q4 2010</p> <p>Pending IAS final confirmation</p> |

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| <p>Milestone 6: Secretariat Annual Activity Plan introduced</p> <p>Status: Planning activities started on 15 July 2010 with a staff training session which was also attended by Internal Audit Service, European Commission and Belgian Presidency. Director's decision 008/2010 'CEPOL Planning for 2011 and 2012: Guiding Principles for CEPOL Secretariat' followed, entering into force on 1 August 2010.</p> <p>The CEPOL planning framework has been reviewed taking into consideration multi-annual strategic objectives, as well as annual activity plans. In this context, the Work Programme 2011 was elaborated. Following this progress, the Secretariat Annual Activity Plan will be introduced on target.</p> <p><u>Updated stage 31.12.2011</u> The Secretariat Annual Activity Plan 2011 has been introduced starting with March 2011 and has been used as a management tool.</p> <p>During December 2011 the 'CEPOL Planning for 2011 and 2012: Guiding Principles for CEPOL Secretariat' have been updated, approved by the Director on 6th of December and disseminated to staff to be implemented for the 2012 planning process. Accordingly, the Secretariat Annual Activity Plan will be redenominated starting with 2012 as Management Plan and has to be issued by the end of January 2012</p> | <p>Q1 2011</p> <p>Completed Q1 2011</p> |
| <p>Milestone 7: CEPOL Internal Control Standards approved by Governing Board</p> <p>Status: The Internal Control Standards adopted by CEPOL's Governing Board in 2007 (ref: 36/2007/GB) will be reviewed and strengthened in light of the functional improvements described in Milestones 3 and 4 of this objective.</p> <p>The former internal control standards have been replaced with the recently established 16 Internal Control Standards of the European Commission; this is in accordance with advice received from the Internal Audit Service. The revised Internal Control Standards were approved and adopted by the 24th Meeting of the CEPOL Governing Board March 2011, thereby repealing GB Decision 36/2007/GB in Q1 2011.</p> <p>Implementation of the 16 ICS will be completed during Q2 2011 as scheduled. The Internal Control Standards Coordinator will be responsible for monitoring and reporting the on-going adherence to the Internal Control Standards.</p> <p><u>Updated stage 31.12.2011</u></p> | <p>Q2 2011</p> <p>Q2 2011</p> <p>Completed Q1 2011</p> <p>COMPLETED</p> <p>On going</p> |

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| | Currently the Internal Control Officer is performing a compliance assessment review regarding the degree of implementation of the 16 internal control standards within CEPOL. | |
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* Based on the decision of the Governing Board an Internal Audit Panel will be set up as soon as possible (20th Governing Board Meeting on 25-26 May 2010)

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| MAP_03 | <i>Reorganisation and reinforcement of the CEPOL Secretariat in order to ensure effective handling of the complexities of the EU's financial and staff regulations</i> | |
| | <p>Milestone 1: Review of existing workflow, division of responsibilities and labour and development of a new organisational chart and its approval by the Governing Board 31 May 2010 as part of Multi-annual Plan</p> <p>Status: The Multi-annual Plan includes a new organisational structure, as well as improved descriptions of the roles and responsibilities of the functions within CEPOL. This was approved at the 20th Governing Board meeting in May 2010 and sent to the Commission.</p> | <p>Q2 2010</p> <p>Completed Q2 2010</p> |
| | <p>Milestone 2: Realisation of the new organisation and corresponding division of responsibility and labour: phase I</p> <p>Status: Completed ahead of schedule through Director's decision 011/2010 on the Implementation of the Multi-annual Plan (MAP 03; Milestone 2 and 3) approved by the Governing Board in May 2010 (ref: 21/2010/GB).</p> | <p>Q4 2010/11</p> <p>Completed Q3 2010</p> |
| | <p>Milestone 3: Realisation of the new organisation and corresponding division of responsibility and labour: phase II</p> <p>Status: Related to Milestones 1 and 2.</p> <p>The Multi-Annual Staff Policy Plan and associated Establishment Plan 2012 have been elaborated and are supported by the Commission. This detailed planning establishes the sound foundation for the final phase of the implementation of the new organisational structure.</p> <p><u>Updated stage 31.12.2011</u></p> <p>In accordance with the CEPOL Multi-annual Staff Policy Plan 2012-2014 two new posts (AD9) will be introduced to strengthen the management capacity within CEPOL. One post will be established as Project</p> | <p>Q1 2012/13</p> <p>Initiated Q1 2011</p> |

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| | Management Head of Unit and the second new post will be established as Finance Head of Unit. | |
| | <p>Milestone 4: Evaluation of efficiency, effectiveness of the Secretariat performance and its leadership and management</p> <p>Status: In accordance with the Staff Regulations, the probation period of the Director was assessed by the Governing Board. The final positive evaluation was submitted and approved at the 21st Governing Board meeting in September 2010.</p> <p>The Management Probation of the Director was similarly assessed by the Governing Board and was successfully concluded in Q1 2011.</p> <p>Preparation of ground for individual apprise of other members of the management has been established: Deputy Director and Head of Corporate Services Department submit their monthly activity report. Their individual activity plan for the year 2011 has been developed.</p> <p>The tools and mechanisms for the evaluation of performance are being implemented. Includes Multi-annual Plan (see Milestone 1), Staff Policy Plan, Balanced Scorecard System, annual staff appraisals and organisational Key Performance Indicators.</p> <p>The Balanced Scorecard system has been formally adopted by the Governing Board during 2010 and entered into operation at the beginning of 2011. The regular collection of data and measurement against the defined performance indicators began in January 2010 and continues on an on-going basis.</p> <p>The development of annual staff appraisals and associated planning activities commenced in Q4 2010. Individual Annual Activity Plans, establishing clear objectives for all staff were completed by the end of February 2011.</p> <p>The performance of the CEPOL Secretariat was also assessed as part of the Five Year Evaluation of the agency conducted by an external expert consultancy was found to be performing well.</p> | <p>Q1 2011/Q1 2012/Q1 2013/ Q1 201 On schedule</p> <p>Completed Q3 2010</p> <p>Completed Q1 2011</p> <p>Completed Q1 2011</p> <p>Completed Q1 2011</p> <p>Completed Q1 2011</p> <p>Completed Q1 2011</p> <p>Completed Q1 2011</p> |

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| MAP_04 | <p><i>Validation of the financial procedures and the accounting system, in accordance with Article 43 of the framework Financial Regulation</i></p> |
| <p>Milestone 1: Review of the financial and accounting circuits, including all policies and processes to ensure that the financial management system is reliable, consistent and completely aligned with the Commission Financial Regulation</p> <p>Status: A review of the CEPOL financial circuits was completed in July 2010 by external consultancy contracted under a DG BUDG framework contract. Implementation of the recommendations following the review is on schedule. Actions include:</p> <p>The development and implementation of new processes for the recording, monitoring and reporting of budgetary transfers, improving management and Governing Board visibility</p> <p>Following the successful implementation of a new procedure for the recording and management of exceptions, analysis of the exceptions logged and management reporting is implemented. This ensures that policies and procedure meet operational requirements.</p> <p>The revision of verification checklists to improve ex-ante controls on expenditure was completed on schedule.</p> <p>The revision of financial planning/ monitoring processes and deliverables was completed on schedule to ensure the continued improvements to budgetary consumption</p> | <p>Q2 2010</p> <p>Completed Q3 2010</p> <p>Completed Q4 2010</p> <p>Completed Q1 2011</p> <p>Completed Q1 2011</p> <p>Completed Q1 2011</p> |
| <p>Milestone 2: Validation of the financial procedures and the accounting system</p> <p>Status: The Validation of the Financial System, including the processes and procedures was completed in April 2011.</p> | <p>Q2 2010</p> <p>Completed April 2011</p> |
| <p>Milestone 3: Implementation of validation review procedures to ensure continuous compliance</p> <p>Status: The successful recruitment of the Internal Control Standards function will constitute a significant step in the achievement of this milestone. In line with all established best practice, regular review procedures will be established and implemented.</p> | <p>Q2 2011</p> <p>On target for Q2 2011</p> |

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| | <p>The establishment of the Internal Audit Panel will enable the verification of the results achieved.</p> <p><u>Updated stage 31.12.2011</u> The Internal Control Officer has taken up duty starting from August 2011 and is currently performing a compliance assessment review regarding the degree of implementation of the 16 internal control standards within CEPOL.</p> | <p>On going</p> |
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| MAP_05 | <i>Improve the environment of financial verification</i> | |
| | <p>Milestone 1: Adopt a check list ensuring that payment requests comply with the applicable administrative and financial rules.</p> <p>Status: Completed during 2009.</p> <p><u>Updated stage 31.12.2011</u> During 2011 the Accounting Officer has validated the accounting system and the checklist to be used for the operational and financial verification. The new checklists increase the effectiveness and efficiency of the ex-ante control within CEPOL, ensuring for a better audit trail of the controls performed by the financial and operational verifiers. The new checklists are applied starting from 16th of December 2011, following the in house training provided by the Budget and Finance Officer to the CEPOL staff.</p> | <p>Q2 2009</p> <p>Completed during 2009</p> |
| | <p>Milestone 2: Enhanced ex-ante and ex-post verification capacity</p> <p>Status: Ex-ante verification capacity has been increased through reallocation of resources, improved coordination and training.</p> | <p>Q3 2010</p> <p>Completed Q3 2010</p> |

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| <p>The revision of checklists to improve ex-ante controls on the verification of expenditure is Completed.</p> <p>Ex-post control capacity will be strengthen by the introduction of the Internal Control Functions described previously and the allocation of additional duties to existing, trained staff.</p> <p>Ex-post controls have been strengthened by the implementation of ex-post control audit missions. By the end of Q2 2011, the ex-post audit process and procedures will be defined and the selection of the sample activities to be controlled will be defined. Ex-post control missions were launched on schedule at the beginning of Q2 2011. Ex-post control audits are scheduled to be conducted on an on-going basis.</p> <p>The Internal Audit Panel was approved at the 21st Governing Board meeting in September 2010. Annual WP of the IAP to be approved by the GB in June</p> <p><u>Updated stage 31.12.2011</u></p> <p>During 2011 two <i>ex-post</i> verifications have been performed by the internal control capability within CEPOL, at the premises of the Sweden and UK course organisers. Additionally, ex post verifications based on a desk review, have been implemented in relation with the budget planning and implementation of three courses financed by CEPOL. The <i>ex-post</i> control activities will continue to be implemented in 2012 based on the Internal Control Plan that will be approved by the CEPOL management.</p> <p>Based on the Work Programme, the Internal Audit Panel has undertaken two audit missions in CEPOL, one in May 2011, in relation with the CEPOL Final Accounts of 2010 and one in November 2011 in relation with the functioning of the internal control system within CEPOL and budget planning procedures applied for the Draft Budget 2012.</p> | <p>Completed Q2 2011</p> <p>Completed April Q2 2011</p> |
| <p>Milestone 3: Optimised Financial Workflow</p> <p>Status: A more centralised approach towards financial management has been adopted. This will increase the efficiency and effectiveness of the financial workflow. The financial workflow is under consistent and maintained scrutiny. Support has been sought from the Commission and CEPOL is consulting on best practice with other agencies.</p> | <p>Q4 2010</p> <p>On schedule for Q4 2010</p> |

The implementation of regular Financial Management Meetings has ensured improved oversight and control.

The improvement of financial workflow monitoring and reporting, enabling better analysis of the throughput of the financial workflow has resolved the backlog of payments and ensures the timely processing of financial transactions.

The re-designation and clarification of roles and responsibilities of the various workflow actors has improved the efficiency of the financial workflow. The appointment of a new Finance and Budget Officer has further improved the transversal financial process controls and monitoring.

The results delivered thus far in improving the financial workflow and the ex-ante and ex-post control described in MAP 5 Milestone 2 are being reviewed. A particular area of analysis was the division of verification responsibilities between the operational and administrative functions to ensure optimum efficiency and control. This analysis was completed by the end Q1 2011. This effort has resulted in the centralisation of financial management and contributed directly to the validation of the financial system including the processes and procedure followed.

Completed Q1 2011

Governance

| Ref | Objective | |
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| MAP_06 | <i>Assurance of transparency over on the Governing Board's activity and membership</i> | |
| | <p>Milestone 1: Terms of reference, mandate and quorum of decision making of the Governing Board published on website</p> <p>Status: The Council Decision stipulates the terms of reference, mandate and quorum of the Governing Board. The Council Decision has been publicly available since the launch of CEPOL's new website in 2007. In addition, the 'About CEPOL' section explains the organisational set-up of CEPOL (www.cepol.europa.eu).</p> | <p>Q2 2010</p> <p>Completed during 2007</p> |
| | <p>Milestone 2: The résumés of non classified decisions of the Governing Board are published</p> <p>Status: All CEPOL Governing Board decisions and summaries have been publicly available since the launch of CEPOL's new website in 2007 (www.cepol.europa.eu).</p> <p>The European Ombudsman reviewed the CEPOL web site and came to the following conclusions: "CEPOL's website is user-friendly, easy to navigate and informative." At the same time come up with three proposals. All of them have been published. Report attached.</p> | <p>Q2 2010</p> <p>Completed during 2007 and ongoing</p> <p>Completed</p> |

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| MAP_07 | <i>Based on Council Decision the 5 year evaluation report will be developed reviewing achievements, efficiency and effectiveness of CEPOL</i> | |
| | <p>Milestone 1: Development of tender documents</p> <p>Status: The Terms of Reference for the Five-year evaluation were developed and submitted for approval at the 18th Governing Board meeting in December 2009.</p> | <p>Q4 2009</p> <p>Completed Q4 2009</p> |
| | <p>Milestone 2: Approval of tender documents by the Governing Board and publication of the tender</p> | <p>Q1 2010</p> |

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| <p>Status: The tender documents were approved at the 19th Governing Board meeting in February 2010. The call for tenders was published on 17 March 2010 in OJEU (ref: 2010/S 53-077526) and on CEPOL's public website (ref: CEPOL/001/ADM/2010).</p> | <p>Completed Q1 2010</p> |
| <p>Milestone 3: Beginning of evaluation by the tender winner</p> <p>Status: Achievement of this milestone was confirmed at a formal meeting between the winning consortium, CEPOL Secretariat, Belgian Presidency and incoming Hungarian Presidency on 13 September 2010.</p> | <p>Q3 2010</p> <p>Completed Q3 2010</p> |
| <p>Milestone 4: Presentation of the Five-year evaluation report to the Governing Board and its acceptance</p> <p>Status: 5 year external evaluation complemented by the Governing Board analysis and recommendations have been submitted to the EP, EU Commission and Council of Europe</p> | <p>Q1 2011</p> <p>Completed Q1 2011</p> |
| <p>Milestone 5: CEPOL implements the agreed recommendations</p> <p>Status: The Governing Board adopted the CEPOL Five Year Report at their 24th meeting, March 2011. Further, the Governing Board approved the establishment and composition of the project group to enable the implementation of the agreed recommendations. The report and seven recommendations have been submitted to the EP, Commission and Council for further discussion and consideration. The Law Enforcement Working Party agreed on it on 5 April, the Committee Article 36 will establish its position on 17 May and the Council of Ministers of Home Affairs and Justice on 9 June 2011. In order to foster and enable well founded decision the Commission, in close cooperation with the Hungarian Presidency, have organised a High Level Political Conference on the future of the European law enforcement training scheme and the future of CEPOL on 18 May.</p> <p><u>Updated stage 31.12.2011</u></p> <p>The Council of Ministers took note on the 7 recommendations of the Five Years Evaluation Report that are dealt by the EC and CEPOL in accordance with their mandate. The recommendations are divided in two group short term and long term, as well as in accordance with the competency of the Agency/European Commission/Council.</p> | <p>Q3 2011</p> <p>Initiated Q1 2011</p> <p>On schedule for Q3 2011</p> |

Recommendation 1 Clarify the CEPOL intervention logic is managed by the EC and the Police College with a clearly defined division of labour. Stakeholder meetings and workshops were organised as a part of the mapping exercise. Questionnaires are sent to all stakeholders and the exercise will be completed by the end of **February 2012**. The strategic needs assessment on the European law enforcement training to be completed by the end of **April 2012**.

The Commission will present its communication on the European Training Scheme Policy in the **first half of the year 2012**. In the following step the Commission will present its proposal for the future European law enforcement training content and form.

Recommendations 2 Streamline governance and rationalise structures – based on the proposal of the Project Group for Rationalisation of CEPOL activities, the below presented decisions were taken.

By GB Decision 24/15.06.2011 on Rationalising CEPOL activities, the GB Decision 10/2007 establishing Committees, Working Groups, Project Groups and Sub-groups has been amended to disband the committees by 1 January 2012.

Also by GB Decision 33/25.10.2011 repealing and replacing GB Decision 8/2006, the GB rules of procedure have been revised in accordance with the recommendations in the CEPOL Five Year Report. Also the number of Governing Board meetings has been reduced to one ordinary meeting during each Presidency.

The rationalisation of the governance resulted in reductions of the Governing Board budget, thus from 2010 to 2012 the budget went from 179k to 100k. There is a saving of 48k from 2011 to 2012 GB budget; also the disbanding of the 4 committees allows the reallocation of their budget in value of 163k for the 2011, to other operational purposes. The agreement that the English language will be used as a working language during the meetings is also generating savings with the translation services.

Recommendation 3 Strengthen the CEPOL Secretariat

Two additional temporary agent posts for 2012 have been approved by the budgetary authority and the Agency hopes that this consistency will allow further reinforcement of CEPOL.

In relation with the centralisation of the administrative, budgetary and financial procedures to

enable CEPOL to fulfil its complex tasks and responsibilities, CEPOL has made progresses in this respect with regard to the procedures for the Grant Agreements, centralisation purchasing air tickets for participants of training, meetings and the European Police Exchange Programme.

The location of the Agency is the mandate of the Council of Ministers.

Recommendation 4 Merger of the EU capacity building for law enforcement

The mapping exercise and the Strategic Needs Assessment on EU level will serve as a base for elaboration of the Commission proposal for the European Training Scheme Policy beyond 2013. At the same time CEPOL and JHA Agencies developed a joint action plan “Scorecard” in order to create greater synergies and better coordination of their efforts including the area of law enforcement training. The Police College as one of the key service providers delivers the majority of law enforcement training on the EU level.

Recommendation 5 Assess Member State engagement with CEPOL.

The intensified dialogue with the CEPOL network component such as national common curricula coordinators, exchange programme coordinators, research/science correspondence, e-net managers, and national contact points can ensure the stronger engagement with the CEPOL operations.

Recommendation 6 Concentrate capacity building efforts

The CEPOL training portfolio is in line with the EU priorities and MS needs. The Internal Security Strategy or the EU priorities identified by the new policy cycle are considered in the elaboration of the Annual Work Programme.

The Draft Work Programme for 2012 focuses on the thematic areas of EU policy priorities and MS needs and assure their quality level.

The European Police Exchange Programme became a flagship project of the College with the participation of more than 300 law enforcement officials in 2011.

Recommendation 7 Measure results and impact

Balance Scorecard, course evaluation, post course evaluation, evaluation of the Exchange Programme constitutes a comprehensive monitoring framework. Additionally, the Commission ordered an impact assessment on CEPOL; this exercise is currently on going.

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| Ref | Objective | |
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| MAP_08 | <i>Development of the Strategy Plan of CEPOL</i> | |
| | <p>Milestone 1: Governing Board agrees on the need of renewed strategy aiming that CEPOL will function on the highest level of international excellence</p> <p>Status: Agreed at 20th Governing Board meeting in May 2010.</p> <p>Updated stage 31.12.2011 The CEPOL Strategy was adopted by the Governing Board at the 21st Governing Board meeting on 26 September 2010.</p> <p>Taking into account Art. 3 of the Governing Board (GB) Decision 24/2011/GB ('Rationalising CEPOL activities') dated 15/06/2011, an updated Multi-Annual Strategy Plan 2012-2014 with deadlines and assigned responsibilities has been presented by the Director for adoption by the GB. The plan reflects the European Training Needs derived from the Internal Security Strategy 2011-2014, relate to strategic internal security documents and is supported by a Multi-Annual Budget Framework and the Multi-Annual Staff Policy Plan.</p> <p>The plan complements CEPOL Strategy 2010-2014 by making operational the activities for 2012-2014. CEPOL's mission, vision, values, guiding principles, strategic goals and strategic objectives remain unchanged. The updated Multi-Annual Strategy Plan 2012-2014 has been adopted by GB Decision 31/25.10.2011.</p> | <p>Q1 2010</p> <p>Completed Q2 2010</p> |
| | <p>Milestone 2: Governing Board agrees on the road map and working methodology of strategy development</p> <p>Status: Agreed in principle at 20th Governing Board meeting in May 2010.</p> | <p>Q1 2010</p> <p>Completed Q2 2010</p> |
| <p>Milestone 3: Governing Board agrees on the renewed CEPOL's Strategy Plan</p> | <p>Q4 2010</p> | |

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| | <p>Status: Endorsed at the 20th Strategy Committee meeting and adopted at the 21st Governing Board meeting in September 2010.</p> | <p>Completed ahead of schedule Q3 2010</p> |
| | <p>Milestone 4: The Strategic Goals and objectives are to be implemented by Annual Work Programmes 2011-2014 within the provided resources</p> <p>Status: Incorporation into planning processes is completed. In addition, the Annual Individual Activity Plans for all CEPOL staff ensure the implementation of the Strategic goals and objectives.</p> | <p>Q1 2011</p> <p>Completed Q1 2011</p> |

Human Resource Management

| Ref | Objective | |
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| MAP_09 | <i>Adopt and implement annual recruitment plans for the years covered by the multi-annual plan</i> | |
| | Milestone 1: Implementation of a recruitment plan to meet 2010 Establishment Plan Status: The recruitment plan to fulfil the 2010 establishment plan has been successfully executed. | Q1-Q3 2010 Completed Q3 2010 |
| | Milestone 2: Revised Recruitment Guidelines approved and implemented Status: Approved and implemented in June 2010. | Q3 2010 Completed June 2010 |
| | Milestone 3: Multi-annual recruitment plan approved and updated on the yearly base Status: In line with the Multi-annual Plan and the elaboration of the CEPOL Strategy, a multi-annual recruitment plan will be developed and maintained. | Q1 2011/2012/2013/2014 Completed Q1 2011 and on-going on an annual basis |

| Ref | Objective | |
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| MAP_10 | <i>Reduce reliance on interim staff</i> | |
| | Milestone 1: Establish a policy for the use of Interim staff i.e. for specialised, project related skill or to cover temporary staff absence (e.g. maternity leave) Status: The use of Interim staff at CEPOL will in future be limited to exceptional circumstances, such as maternity leave, long-term sickness, etc. On the basis of this policy, a tender procedure has been launched. | Q3 2010 Completed Q3 2010 |
| | A policy governing the Working Time of Interim Staff had been developed, Decision of the Director 04/2011/DIR | Completed April Q2 2011 |
| | A policy governing the use of Interim Staff will be developed. This policy will define the | |

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| | <p>circumstances whereby interim staff services can be used and the controls that will be applicable to the use of interim staff. This policy will be developed in accordance with the terms of reference established during the Interim Staff Services procurement process.</p> | <p>Completed May 2011</p> |
| | <p>Milestone 2: All posts filled by Temporary Agents</p> <p>Status: Interim staff members providing cover for Temporary Agent positions have been replaced. This successful action has contributed to a 60 % reduction in interim staff.</p> <p>Updated stage 31.12.2011</p> <p>Currently only one contract agent post (travel coordinator) is covered by an interim staff member. The overview of the CEPOL staff in active employment at the end of December 2011 is the following: 23 Temporary Agents, 8 Contractual Agents, 7 Seconded National Experts and 3 Interim Staff of which only one holding a contract agent post.</p> | <p>Q4 2010</p> <p>Completed Q4 2010</p> |
| | <p>Milestone 3: Interim staff replaced by Contract Agents based on organisational need</p> <p>Status: Procedures to recruit Contract Agents to replace Interim staff members within the Finance workflow were concluded by end Q1 2011. In this context one new Contract Agent has already taken up duties and a second has been appointed and will take up duties following completion of their notice period with their current employer. The handover of interim staff duties has progressed well. The recruitment of a contract agent to fill the final function performed by an interim staff member will be launched in July 2011 following a redefinition of the role completed in Q1 2011 and the successful implementation of an improved service that the post will support completed in May 2011. To date the overall reliance on interim staff has been reduced by 60% compared to previous years.</p> <p><u>Updated stage 31.12.2011</u></p> <p>The recruitment of the contract agent to fill the function performed by an interim staff member was delayed for 2012 due to the financial restrictions.</p> | <p>Q2 2011</p> <p>Finance Posts completed Q1 2011</p> <p>On schedule for Q3 2011</p> |

| Ref | Objective |
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| MAP_11 | <i>Improve and mature Human Resource Management and associated processes</i> |

Milestone 1: Outstanding Implementing Rules approved and implemented

Q2 2012

Status: Implementing Rules to the Staff Regulations are under development and will be implemented following the appropriate approval cycles. Two implementing rules governing the employment of Temporary and Contract Agents have been prepared following consultation with the CEPOL Staff Committee in accordance with the Regulations. These Implementing Rules have been developed in close cooperation with DG HR and have now been submitted for Commission approval

**On schedule for Q2 2012
Deadline revised.**

The successful recruitment of an experienced Human Resources Officer from within the Commission has accelerated the achievements in this area.

A plan for the development, approval and adoption of Implementing rules was developed within Q1 2011 and has been reviewed by the Court of Auditors. As well as the 2 Implementing Rules already in the approval cycle, 4 Implementing Rules are in progress for submission for Commission approval.

Updated stage 31.12.2011

CEPOL is working in close collaboration with DG HR on the preparation of Implementing Rules, taking into consideration changes and developments in the general Commission Implementing Rules. These changes have led to a revision of the original planning, The entry into service of a Legal Advisor (Seconded National Expert) has made a positive contribution to this process.

Decision 29/2011/GB was adopted by the Governing Board adopting the general implementing provisions on the procedures governing the engagement and the use of contract staff at CEPOL. The draft Decision governing the engagement and the use of temporary staff is under consultation with the Commission.

Drafting of four additional implementing rules relating to human resources is under way. These rules will, following the agreement by the Commission and subsequent adoption by the Management Board, cover the following areas: staff appraisal (for implementing Article 43 of the Staff Regulations), middle management staff, temporary occupation of management posts and policy on protecting the dignity of the person and preventing psychological harassment and sexual harassment.

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| <p>Milestone 2: Staff Assessment and Appraisal implemented</p> <p>Status: For new staff recruited in 2010 onwards, formal probation periods, assessments and appraisals have been implemented.</p> <p>An assessment and review process has been adopted and successfully implemented for contract renewal decisions.</p> <p>Individual Activity Plans including objectives with regard to the strategic goals have been developed and approved. Monthly individual reports are submitted on achievements. These serve as base for individual appraisals.</p> <p><u>Updated stage 31.12.2011</u></p> <p>Planning of the performance appraisal for the staff has been drafted following to be implemented starting with 2012, based on the appraisal methodology designed in compliance with the recently adopted Commission process.</p> | <p>Q4 2011</p> <p>In progress and on schedule</p> |
| <p>Milestone 3: Competency based planning implemented</p> <p>Competency based planning enables the coordinated evolution of CEPOL posts over time; ensuring the coordination and coherence of human resources management and the overall strategic plan of CEPOL. This guarantees the appropriate skills, experience and capabilities are in place when required through training and development, as well as succession planning. Competency based planning is vital to successful multi-annual HR planning and as such will support the elaboration of Multi-Annual Staff Policy Plans. This enables CEPOL to effectively manage the growth and development of the agency through the efficient deployment of skilled, competent resources.</p> <p>This process was initiated with the development of Job Descriptions for all CEPOL posts, wherein the specific required competencies are defined. Completed Q1 2011.</p> <p>Competency based planning is embedded in the context of wider CEPOL planning initiatives, including the cascading of plans for the Strategic to individual level as in progress during Q1 2011 as described in MAP 3 milestone 4 and in MAP 9.</p> | <p>Q1 2012</p> <p>In progress and on schedule</p> |

Updated stage 31.12.2011

The allocation and recruitment of staff are defined in the Multi-Annual Staff Policy Plan 2012 – 2014 and Establishment Plan 2012 and are based on CEPOL’s objectives and priorities.

Planning of the staff performance appraisal has been drafted and is to be implemented starting with 2012, based on the appraisal methodology designed in compliance with the recently adopted Commission process.

The training needs resulting following the staff appraisal will serve as an input for the preparation of the individual annual training plan in order to enable that the training received is supporting competency based staff development.

Procurement

| Ref | Objective | |
|---|---|---|
| MAP_12 | <i>Improve the procurement control environment</i> | |
| | Milestone 1: Revised Procurement templates and checklists implemented. Status: The CEPOL Procurement Manual, including templates and checklists, was adopted by the Director on 8 June 2010 and entered into force on 1 July 2010 (Director’s Decision 002/2010). | Q2 2010 Completed Q2 2010 |
| | Milestone 2: Full implementation of the CEPOL procurement workflow Status: The CEPOL Procurement manual entered into force 1 July 2010. Training for all CEPOL staff has been completed. The CEPOL procurement workflow is now fully implemented. | Q3 2010 Completed Q3 2010 |
| | Milestone 3: Full integration of procurement planning with organisational planning Status: Planning activities started on 15 July 2010 and are ongoing to ensure full integration of procurement planning with organisational planning. | Q1 2011 Completed Q1 2011 |
| Milestone 4: Full implementation of the system of Framework Partnerships and Grant Agreements for courses, seminars and conferences | Q1 2011 Completed | |

Status: For the 2011 activities, 83 eligible applications for Grant Agreements were received and evaluated on 7 September 2010 by the Annual Programme Committee in its capacity as Evaluation Committee. This resulted in a proposal to the Director to award 56 applicants for 55 activities (one joint activity) and to send a second call for the remaining 25 activities. Following the outcome of the discussion at the 21st Governing Board meeting, the number of activities in the second call increased by six (four activities from the reserve list and two proposals from the stakeholders) to a total of 31 activities.

The second call for applications was submitted on 30 September 2010 (with a deadline of 31 October 2010). 36 eligible applications were received and evaluated on 3 November 2010 by the Committee, resulting in a proposal to the Director to award 24 applicants for 24 activities.

The Framework Partnerships are being signed and was concluded in 2010.

Updated stage 31.12.2011

The introduction of framework partnership agreements in 2010 was a great step ahead in maturing of the administration with regard to sound financial management.

In June 2011 the Internal Audit Service (IAS) conducted an audit of the implementation and management of the framework partnership and grant agreement instrument.

The grant agreement process has been promptly revised following recommendations made by the auditors. 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.

Q1 2011

Miscellaneous

Objective: Bring the matter of appropriations used to finance private expenditure to a close.

Action: Final report to be submitted by an external auditor, setting out the following information:

- Total appropriations used to finance private expenditure;
- Amounts recovered to date;
- The likelihood of recovering the outstanding amounts, and the timetable for their recovery.

Action Implementation

Status: An external audit was commissioned in August and concluded in September 2010. The audit reviewed the information available, including all of the analysis conducted by CEPOL to establish the sums to be reimbursed. It should be noted that the results of the OLAF investigation are not available to the Director and therefore have not been provided to the independent auditor.

Follow-up actions have been implemented, including the issuing of recovery orders to the former Director.

The audit Executive Summary by Paul Stockton, Partner, More Stephens LLP, on 28 October 2010 states:

Context:

A Contract (ref no. CEPOL/2010/001) between ourselves (Moore Stephens LLP) and CEPOL was agreed on the 26 August 2010 to conduct an independent audit of the actions taken by CEPOL to address issues raised by the Court of Auditors during their audit of CEPOL in 2007. In their report, the Court of Auditors identified a number of irregularities including appropriations made to finance personal expenditure for the use of transport costs to airport/stations, CEPOL pool cars, mobile phones and furniture purchased. The estimated total cost of the expenditure identified as private use by CEPOL was £42,800. The total amount recovered to date by CEPOL was £25,558.

Conclusion:

On the basis of the representations made to us by CEPOL management and the documents available to us as report in section 3, the total reported appropriations made to finance personal expenditure for transport costs to airports/station, CEPOL pool cars, mobile phones and furniture purchased relating to private use amounted to £42,800. The recoveries made by CEPOL from the relevant staff amounts to £25,558. We believe the likelihood of further recoveries being made is low.

For the full report, please refer to Annex II.

Updated stage 31.12.2011

Recovery order Nr. 4440100032 to the former Director; issued on 29 November 2010 of the amount of 2,014.94 GBP – the recovery of the debit note to former Director has been met by voluntary payment made directly to CEPOL's bank account on 07.12.2011.

The payment was received as a consequence of the verdict and determination of the debt as eligible and collectable issued by the Enforcement Service in Sweden on 24.11.2011. The verdict came after CEPOL's application for Enforcement Service in August 2011.

Annex I: CEPOL IAS Action Plan

Final follow-up report on the audit of “missions” and on “the follow-up of the implementation of Internal Control Standards” at CEPOL.

The following Audit Plan was recently audited by the Internal Audit Service and CEPOL is waiting for the final report which should confirm the information reported below.

| Rec. No. | Initial Priority | Revised Priority | Auditee’s Action Plan | Target Date | IAS Comment |
|----------------------------------|------------------|------------------|---|---|-------------|
| Audit on “Missions” /2009 | | | | | |
| 7 | Critical | Very Important | <p>The revision of the contract of employment of the Euromed Police II Project Manager was allocated to the previous Director of CEPOL. No progress was achieved other than to cease the reimbursement of travel costs between the employee’s residence and the CEPOL offices.</p> <p>The regularisation of this situation is a matter of the priority for the new management of CEPOL. Due to the prolonged history of this issue and the relatively short remaining duration of the project, the options to bring this situation into alignment with the regulations are limited. A service supplier contract is only possible following a tender procedure. This is not a practical solution in the timeframe.</p> <p>The only other identified solution, after detailed discussions with the Court of Auditors, is to revise the CEPOL Employment Contract. This will be done to ensure that the place of employment is detailed and that transport to the seat of CEPOL will not be reimbursed. Alignment with the provision on “residence” is not achievable due to previous high-level agreements that should be honoured even if they should not have been established in the first place.</p> <p>Status: An addendum to the contract of employment of the</p> | <p>Revised contract in place 09/04/2010</p> <p>Completed</p> | |

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| | | | <p>Euromed Police II Project Manager has been implemented due to the extension of the project. The addendum, now signed, states that travel costs to and from CEPOL Secretariat will not be paid and requires the provision of regular timesheets for the reporting of the hours worked. The employment contract will end on 30 September 2010 with no extension or renewal planned. No similar contractual arrangements will be allowable in future.</p> | | |
| 4 | Very Important | Very Important | <p>CEPOL has prepared an amendment to Governing Board decision 33/2009/GB of the European Police College laying down the Mission Guidelines to ensure the appropriate delegation of authorisation and verification of the Director's missions.</p> <p>In advance and in anticipation of the approval of the revision, the recommendations of the Internal Audit Service have been implemented. Authorisation of missions of the Director is now delegated to the Head of Administration. Verification is also appropriately delegated.</p> <p>Status: Adopted at the 20th CEPOL Governing Board meeting in May 2010 (Ref: 25/2010/GB on CEPOL's public website).</p> | 31/05/2010 Governing Board Adoption | |
| 5 | Very important | Implemented | No further specific action required. | | |
| 6 | Very important | Important | <p>CEPOL has progressed with all the recommendations of the Internal Audit Service relating to exceptions; the final implementation of the improved procedure is scheduled for early April 2010.</p> <p>A revised procedure on the recording of exceptions has been prepared. This revision encompasses the reporting, recording and monitoring of exceptions.</p> <p>A central register has been established that covers all types of exceptions, not only those relating to missions or procurement. Responsibility for the maintenance of the</p> | 09/04/2010 | |

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| | | <p>exceptions register has been allocated. Completed.</p> <p>A dedicated mailbox for the reporting of exceptions has been set-up. Completed.</p> <p>Staff will be informed of the new procedure and training will be provided. To be completed by 09/04/2010.</p> <p>The exceptions register will be monitored and trends analysed. Follow-up actions to address recurrent exceptions will be identified and actioned.</p> <p>The exceptions register will be reviewed at the weekly management meetings.</p> <p>Status: Implemented by a Decision of the Director 21 June 2010</p> | | |
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Completed

“Follow-up of the implementation of internal control standards” / 2008

| Rec. No. | Initial Priority | Revised Priority | Auditee’s Action Plan | Target Date | IAS Comment |
|-----------------|-------------------------|-------------------------|---|--|--------------------|
| 8 | Critical | Very important | <p>The CEPOL procurement workflow is currently being revised and comprehensive procurement checklists and templates are being developed in order to clearly define the role of each party involved in procurement procedure and to implement control measures - it is foreseen that revised workflows, checklists and templates shall be implemented by end of May 2010. Revised templates and checklists by 31/05/2010</p> <p>Task is completed - the CEPOL Procurement Manual establishing the internal rules concerning the launching, monitoring and conclusion of the most frequently used procurement procedures, defining the roles and responsibilities of each party involved in the procurement</p> | <p>Revised templates and checklists 31/05/2010 Completed</p> <p>Full implementation 31/08/2010</p> | |

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| | | | <p>process and establishing the internal control mechanisms necessary to ensure the legality and regularity of the CEPOL procurement has been developed and was adopted by the Director on 8 June 2010 and shall enter into force on 1 July 2010. After that date, the use of the workflows described in the manual together with the document templates and checklists shall become mandatory for every procurement procedure carried out by CEPOL.</p> <p>The Procurement Support Officer is involved in every step of the procurement process from the initiation of the procurement action until the signature of the contract. Inter alia he is advising the requesting officers of the choice of procurement procedure, reviews the specifications/Terms of Reference administers the publication of tenders, makes contact with tenderers and coordinates the tender evaluation process in order to ensure full compliance with the Financial Regulation and the Implementing Rules</p> <p>Currently, full files of all items related to each procurement procedure are kept by the Procurement Support Officer.</p> <p>Status: Implemented by Decision of the Director 02/2010 concerning the CEPOL Procurement Manual</p> | Completed | |
| 1 | Very important | Very important | <p>Improvements have been made to the management of delegations and the coherence between ABAC and paper delegations is now ensured, reviewed and updated as required.</p> <p>The delegation template has been updated and inconsistencies removed.</p> <p>Further action is required to introduce a Charter for the AODs. This will be completed by 16/04/2010</p> <p>The filing of delegations is improved in terms of the consistency of the filing. However, it is intended to centralise</p> | <p>Charter implemented 16/04/2010</p> <p>Centralised filing implemented 30/04/2010</p> | |

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| | | | <p>the responsibility of filing and the management of delegations. This will be completed by 30/04/2010.</p> <p>Status: All delegations have been revised and reviewed following the appointment of the current Director to ensure delegations are approved by the current Authorising Officer: Completed April 2010. All Delegations are now centrally filed.</p> | Completed | |
| 2 | Very Important | Very Important | <p>A regular review of the budget execution has been in place since the last quarter 2009, which has enabled an improvement in the execution rate for both C1 and C8 funds. At the end of the year, CEPOL had committed 89% of the budget (91% of the operational appropriations) and paid 45% of the C1 credits and 53% of the C8 credits.</p> <p>The commitment process is being improved in order to avoid over commitment. Reports on budgetary execution are produced on a monthly basis.</p> <p>An integrated system of monitoring of operational expenditure has been put in place at the beginning of 2010. Since 2009, all the transactions are recorded in ABAC, which improves the reliability and accuracy of the data provided by the standard Data warehouse reports.</p> <p>The new management of CEPOL will review the financial recording and reporting processes to achieve further improvements. Financial management reporting improvements will be fully implemented by 01/06/2010.</p> <p>CEPOL will implement a number of measures to improve the financial management of the agency.</p> <p>The agency will centralise the financial management of all activities to enable improvements in the consistency and reliability of both financial management and reporting. This</p> | <p>Financial management centralised 31/04/2010</p> <p>Integration funded projects 31/04/2010</p> <p>Management reporting 01/06/2010</p> <p>Review financial circuits 31/07/2010</p> | |

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| | | <p>structural change will be implemented by 31/04/2010.</p> <p>Structural changes will be made to ensure that the projects funded from assigned revenue (ISEC and MEDA) are fully integrated into the new CEPOL management structure. Particular emphasis will be paid to ensuring the sound financial management and accurate reporting of these projects. This structural change will be implemented by 31/04/2010.</p> <p>CEPOL will launch a project to review and improve the financial and accounting circuits, including all policies and processes to ensure that the financial management system is reliable, consistent and completely aligned with the Commission Financial Regulations. This review will be conducted in conjunction external experts. It is foreseen that this analytical review will be conducted under the Commission Framework Service Contracts. Subject to a successful procurement exercise, it is the intention that the review will be completed before the end of July 2010.</p> <p>Status: The allocation and designation of staff to the financial workflow has been reviewed. Additional resources have been applied to the financial verification function. A new process for the management of exceptions has been implemented. Consultation with the financial unit of DGJLS has been initiated. Expert consultancy has been contracted using DGBUDGET Framework Contracts to support and accelerate the improvement process.</p> <p>Since March 2010, regular internal management meetings have been introduced. Two specific meetings, targeted at coordination and financial management, are held on a weekly basis.</p> <p>Ex-ante verification has improved through reallocation of resources, improved coordination and training. Ex-post</p> | <p>Improvements Implemented: Continuous review process and improvement cycle implemented</p> | |
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| | | | <p>controls will be strengthened by the introduction of the internal control functions described previously, as well as the formation of the Audit Panel.</p> <p>A more centralised approach towards financial management has been adopted. This will increase the efficiency and effectiveness of the financial workflows. The financial workflow is under consistent and maintained scrutiny. Support has been sought from the Commission and CEPOL is consulting on best practice with other agencies.</p> | | |
| 4 | Very important | Rec. Implemented | No further specific action required. | | |
| 5 | Very Important | Very Important | <p>Most of the inventory items (including the items purchased in 2005 and ICT items) are now registered in ABAC Assets and are bar-coded with unique identification numbers (except a limited number of items, the situation of these items shall be regularised no later than end of April 2010)</p> <p>All the offices/locations are bar-coded with identification numbers; all the bar-coded items were scanned and their physical location recorded in ABAC Assets; every time an item is permanently moved from one location to another, the Procurement Support Officer is informed and updates made to the records in ABAC Assets.</p> <p>The last physical inventory was carried out in February 2010. The Fixed Asset register produced by ABAC Assets is coherent with the fixed assets account in the accounting system.</p> <p>The preparation and display of the inventory reports per each office is ongoing and is pending finalisation upon completion of a series of planned office moves during March - April 2010.</p> <p>Status: All inventory items are now registered in ABAC Assets, are labelled with unique identification numbers (bar-codes) and their actual physical location is recorded in ABAC Assets. The preparation of the inventory reports has been finalised.</p> | <p>Inventory complete 31/04/2010</p> <p>Preparation inventory reports 31/04/2010</p> <p>Completed</p> | |

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| 6 | Very Important | Very Important | <p>A comprehensive and fully resourced recruitment plan is being drawn up and will be finalised by 31/03/2010 to ensure that all currently vacant posts are filled by the end of 2010. This plan already foresees that interim or temporary staff will no longer be used to fill vacant posts. For each post where interim staff is currently employed, job descriptions will be prepared and a handover of activities will be planned.</p> <p>Status: The recruitment plan to fulfil 2010 establishment plan is on target for completion at end Q3 2010.</p> <p>CEPOL is on target to ensure that those Interim staff members providing cover for Temporary Agent positions will be duly replaced. Procedures to recruit Contract Agents to replace Interim staff members will be concluded by the end of 2010.</p> <p>A new policy regarding the use of Interim staff is under development. Once fully developed, the policy will be implemented through a new tender for Interim staff services. Target Date: Q3 2010</p> | <p>Recruitment plan in place 31/03/2010 Transition plan and supporting documentation in place April - October 2010.</p> <p>Completed</p> | |
| 7 | Very Important | Closed | No further action recommended | | |
| 9 | Very Important | Closed | No further action recommended | | |
| 14 | Very Important | Closed | Combined with recommendation 2 | | |
| 7 | Very Important | Implemented | No further action recommended | | |
| New no. 1 | Critical | Implemented | No further action recommended | | |
| New no. 2 | Very Important | Very Important | <p>Numerous improvements have been made to Human Resource Management since the beginning of 2010. Particular attention has been paid to recruitment. The Vacancy Notice is approved by the Appointing Authority and the Selection Committee members are appointed by the</p> | <p>Revision of the CEPOL Recruitment Guidelines 31/05/2010.</p> | |

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| | | <p>Appointing Authority.</p> <p>Members of the Selection Committee covered under the Staff Regulations must be in a function group and grade, at least equal or higher to that of the post to be filled. No Interim staff members are appointed to Selection Committees.</p> <p>All applicants are checked against eligibility criteria by the Human Resource Section. CEPOL now has a representative of the Staff Committee in each recruitment procedure. The Staff Committee member is an equal member of the Selection Committee.</p> <p>A preparatory meeting is now held for each recruitment where the Selection Committee members set the threshold for invitations to the interview, the structure of the written test and points to be awarded, the interview structure, the type of questions suggested for the interview structure and points to be awarded. At this initial meeting a declaration of confidentiality is signed. Only after the above, are the Selection Committee members provided with the applications for appraisal and scoring. The Selection Committee members have a second meeting to agree the shortlist of candidates to be invited for interview. At this meeting the signed absence of conflicts of interest are returned to the Human Resources section monitoring the selection process. Finally, the third meeting of the Selection Committee is concerned with the candidate interviews.</p> <p>The remit of the Selection Committee is to create a Reserve List. The Appointing Authority makes a reasoned decision to appoint one of the candidates on the list.</p> <p>Whilst the process has been improved significantly, the revision of the recruitment guidelines must be completed. This will be completed by 31/05/2010. The revised procedures will then be submitted for formal review and acceptance.</p> | <p>Quality review personal files 31/03/2010</p> | |
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| | | | <p>In the interim period, checklists have been developed, to be completed by the Human Resources Section monitoring each selection process. These checklists are included in the recruitment files with the minutes of each Selection Committee meeting.</p> <p>In addition, a review of all personal files is underway to ensure the completeness and consistency of information stored. This will be completed by 31/03/2010.</p> <p>Status: Decision of the Director 004/2010 CEPOL Recruitment Guide entered into force on 01 July 2009.</p> | <p>Completed Continuous review process and improvement cycle implemented</p> | |
| 3 | Important | Important | <p>CEPOL will launch a review of the financial and accounting circuits, including all policies and processes to ensure that the financial management system is reliable, consistent and completely aligned with the Commission Financial Regulation.</p> <p>This review will culminate in the validation of the financial procedures and the accounting system, in accordance with Article 43 of the framework Financial Regulation. This validation will be completed before the delivery of the Final Statement of Accounts for 2009 to be published by 01/07/2010.</p> <p>Status: Although initiated, this milestone has been adversely affected due to the resignation of two key actors in the financial circuit: Accounting Officer and Finance & Budget Officer. Contingency measures are being introduced in order to limit the impact on the schedule.</p> | <p>Article 43 validation 30/06/2010</p> <p>Completed</p> | |

Annex II: Final Audit Report

[Submitted with a previous Progress Report]