



**2017/2163(DEC)**

24.1.2018

## **DRAFT REPORT**

on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (before 1 July 2016: European Police College) (CEPOL) for the financial year 2016  
(2017/2163(DEC))

Committee on Budgetary Control

Rapporteur: Bart Staes

## CONTENTS

	<b>Page</b>
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION .....	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION .....	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION .....	7

## 1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (before 1 July 2016: European Police College) (CEPOL) for the financial year 2016 (2017/2163(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2016, together with the Agency's reply<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (00000/2018 – C8-0000/2018),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
- having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) and repealing Decision 2000/820/JHA<sup>4</sup>, and in particular Article 16 thereof,
- having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA<sup>5</sup>, and in particular Article 20 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and

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<sup>1</sup> OJ C 417, 6.12.2017., p. 47.

<sup>2</sup> OJ C 417, 6.12.2017, p. 47.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 256, 1.10.2005, p. 63.

<sup>5</sup> OJ L 319, 4.12.2015, p. 1.

of the Council<sup>1</sup>, and in particular Article 108 thereof,

- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0000/2018),
1. Grants the Executive Director of the European Union Agency for Law Enforcement Training discharge in respect of the implementation of the Agency's budget for the financial year 2016 / Postpones its decision on granting the Executive Director of the European Union Agency for Law Enforcement Training discharge in respect of the implementation of the Agency's budget for the financial year 2016;
  2. Sets out its observations in the resolution below;
  3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Law Enforcement Training, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

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<sup>1</sup> OJ L 328, 7.12.2013, p. 42.

## 2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the closure of the accounts of the European Union Agency for Law Enforcement Training (before 1 July 2016: European Police College) (CEPOL) for the financial year 2016  
(2017/2163(DEC))**

*The European Parliament,*

- having regard to the final annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Union Agency for Law Enforcement Training for the financial year 2016, together with the Agency's reply<sup>1</sup>,
- having regard to the statement of assurance<sup>2</sup> as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... February 2018 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2016 (00000/2018 – C8-0000/2018),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>3</sup>, and in particular Article 208 thereof,
- having regard to Council Decision 2005/681/JHA of 20 September 2005 establishing the European Police College (CEPOL) and repealing Decision 2000/820/JHA<sup>4</sup>, and in particular Article 16 thereof,
- having regard to Regulation (EU) 2015/2219 of the European Parliament and of the Council of 25 November 2015 on the European Union Agency for Law Enforcement Training (CEPOL) and replacing and repealing Council Decision 2005/681/JHA<sup>5</sup>, and in particular Article 20 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and

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<sup>1</sup> OJ C 417, 6.12.2017., p. 47.

<sup>2</sup> OJ C 417, 6.12.2017, p. 47.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

<sup>4</sup> OJ L 256, 1.10.2005, p. 63.

<sup>5</sup> OJ L 319, 4.12.2015, p. 1.

of the Council<sup>1</sup>, and in particular Article 108 thereof,

- having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0000/2018),
1. Approves the closure of the accounts of the European Union Agency for Law Enforcement Training for the financial year 2016 / Postpones the closure of the accounts of the European Union Agency for Law Enforcement Training for the financial year 2016;
  2. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Union Agency for Law Enforcement Training, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

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<sup>1</sup> OJ L 328, 7.12.2013, p. 42.

### 3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training (before 1 July 2016: European Police College) (CEPOL) for the financial year 2016  
(2017/2163(DEC))**

*The European Parliament,*

- having regard to its decision on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Training for the financial year 2016,
  - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Civil Liberties, Justice and Home Affairs (A8-0000/2018),
- A. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
- B. whereas, according to its statement of revenue and expenditure<sup>1</sup>, the final budget of the European Police College (the “College”) for the financial year 2016 was EUR 10291 700 representing an increase of 17,34 % compared to 2015 due to the grant agreement with the Commission on the EU/MENA Counter-Terrorism Training Partnership; whereas the entire budget of the College derives from the Union budget;
- C. whereas the Court of Auditors (the “Court”), in its report on the annual accounts of the European Police College for the financial year 2016 (the “Court’s report”), has stated that it has obtained reasonable assurances that the College’s annual accounts are reliable and that the underlying transactions are legal and regular;

#### ***Budget and financial management***

1. Notes that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 95,95 %, representing an increase of 0,44 % compared to 2015; notes that the payment appropriations execution rate was 78,85 %, representing a slight decrease of 0,15 % compared to 2015;
2. Notes that following signature of the grant agreement with the Commission in 2005 on EU/MENA Counter-Terrorism Training Partnership, a budget of EUR 2 490 504 was agreed, out of which a second instalment of EUR 1 243 891 became available for commitments and payments; notes furthermore that 89 % of the available credits have been committed and 48 % of the available credits have been paid; calls on the College to report to the Discharge Authority on the external evaluation of that Partnership via its

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<sup>1</sup> OJ C 113, 30.03.2016, p.107

2017 annual activity report;

3. Acknowledges that, at year-end, the College had paid 91 % of all its financial commitments on time, thereby exceeding the objective of 85 % of all payments being paid within the legally set timeframe; notes that no interest was charged by suppliers for late payments;
4. Notes that a number of staff members brought a legal claim against the College disputing the conditions in which the relocation was carried out and its financial impact on their income; notes that an amicable settlement has been reached with some staff members and the payments were made to this end in 2015 and 2016; notes furthermore that some staff appealed the court judgement, which is expected in 2018; calls on the College to report to the Discharge Authority on the outcome of the appeal;

### ***Commitments and carryovers***

5. Observes that a total of EUR 1 477 288 was carried over to 2017, amounting to 17 % of the overall 2016 budget; notes from the Court's report that the level of carry-overs of committed appropriations was high for Title II (expenditure for support activities) at EUR 140 055, i.e. 30 % (2015: EUR 212 456, i.e. 49 %); acknowledges from the Court that these carry-overs mainly refer to IT consulting and IT related goods and services ordered late in the year;
6. Notes that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes, and do not necessarily indicate weaknesses in budget planning and implementation and are not always at odds with the budgetary principle of annuality, in particular if they are planned in advance and communicated to the Court;
7. Notes that at the end of December 2016, the total 2015 budget implementation, including carried forward funds from 2015-2016, had reached 93 %;

### ***Transfer***

8. Notes that the College carried out 9 budgetary transfers for the standard operational and administrative budget and 2 transfers on the authority of the Executive Director using the flexibility clause according to Article 27.1 (a) of the CEPOL Financial Regulation;
9. Observes that due to the lower correction coefficient applied in Hungary, the geographical balance of staff is shifting and the College is employing more and more Hungarian staff members; notes furthermore that it has an impact on staff cost, which led to the decision to transfer unused funds from Title 1 to Title 3 allowing the implementation of additional operational activities;

### ***Staff policy***

10. Observes from the Establishment plan that 25 posts (out of 28 posts authorised under the Union budget) were occupied on 31 December 2016, compared to 26 in 2015;
11. Notes with satisfaction the gender balance achieved by the posts occupied in 2016,



since the ratio is 50 % female to 50 % male;

12. Observes that, as a consequence of the relocation from the United Kingdom to Hungary, due to the significantly lower correction coefficient applied to staff salaries in the new location, the number of resignations has increased; notes that a number of mitigating actions have been implemented; notes, however, that the low grading of posts combined with low correction coefficient, does not encourage foreigners (especially from West and Northern Europe) to move to Hungary; therefore, the geographical balance is not always ensured; notes from the Court's report that the high staff turnover may impact business continuity and the Agency's ability to implement the activities foreseen in its work programme;
13. Notes that on average CEPOL's staff was on sick leave for 4,3 days in 2016; observes with some concern staff did not spend even one day on well-being activities in 2016 and the only such event was organised after working hours; notes nevertheless that the College has in its answers to the Discharge Authority indicated that they have spent EUR 3 900 on well-being activities; calls on the College to further explain how this amount was spent;
14. Notes with satisfaction that the College has established a network of confidential counsellors, organised their training and also offered training on prevention of harassment to the staff; notes with satisfaction that there have been no harassment cases reported in 2016;
15. Notes that the College doesn't use official vehicles;

#### ***Prevention and management of conflict of interest, transparency and democracy***

16. Acknowledges that the declarations of interest of the top management and of the Management Board Members have been published on the College's website; acknowledges from the College that its staff members and other individuals directly collaborating with the College were requested to fill in a declaration of interest;
17. Notes that with regards to external remunerated experts, the College publishes on its website, as part of the annual list of contractors, the expert contracts awarded by the College; notes, however, that the declarations on conflicts of interest and confidentiality for the remunerated experts are not published on the website; acknowledges that the College will revisit its arrangements on the publication of such declarations; calls on the College to report to the discharge authority on the measures taken;
18. Notes that the College does not publish minutes of management meetings; calls on the College to make such minutes available on its website;
19. Notes that in 2016 the College received one request for access to documents, in response to which the College granted full access to the requested documents;

#### ***Performance-based budgeting***

20. Welcomes the three main achievements identified by the College in 2016, namely:

- its receipt of ISO 9001 certification for two core business areas: residential activities and CEPOL Exchange Programme;
- its completion of the necessary preparations for the implementation of its new mandate that came into effect on 1 July 2016;
- its successful implementation of the EU/MENA Counter-Terrorism Training Partnership project;

### ***Anti-fraud strategy***

21. Notes with satisfaction that rules on fraud reporting and the protection of whistleblowers are embedded in the College's anti-fraud strategy;
22. Notes that a revised anti-fraud strategy is scheduled to be adopted by the Management Board in November 2017; calls on the College to report to the discharge authority on the revision of this strategy;

### ***Internal Audit***

23. Notes that in November and December 2016 the Internal Audit Service audited the College on 'Training Needs Assessment, Planning and Budgeting' with focus on the core business activities; notes, moreover, that the draft audit report of March 2017 concludes that while the audit did not result in the identification of any critical or very important issues, the Internal Audit Service considers that there is room for improvement in the utilisation of the Justice and Home Affairs Training Matrix to avoid overlap with training courses organised by other justice and home affairs agencies;

### ***Performance***

24. Notes that in 2016 the College's training portfolio encompassed 174 training activities, of which 87 residential activities and 87 webinars, 492 exchanges in the frame of the European Police Exchange Programme, 27 online modules, one online course; notes with satisfaction that for the sixth year in a row the outreach of the College has increased, resulting in the College training 18 009 law enforcement professionals in 2016 compared to 12 992 in 2015, representing an increase of over 38 %;
25. Takes note that the College has a comprehensive assessment system in place to ensure the quality of its training portfolio; notes moreover that the course evaluation aims at assessing training efficiency, but also at measuring participants' satisfaction rates; notes that the overall satisfaction remained high, with 95 % of the participants stating they were very satisfied or satisfied with the College's activities;

### ***Other comments***

26. Notes that the five-year external evaluation of the College (2011-2015) was completed by the external evaluator in January 2016; notes with satisfaction that the external evaluator has assessed the Agency as being efficient and that his conclusion is supported by evidence of an increased number of activities implemented by the College over the evaluation period, against a relatively stable number of resources put at its

disposal for the same period; notes, however, that the College's five-year evaluation report incorporated 17 recommendations; observes that the action plan was elaborated to address those recommendations and identified 31 actions to be implemented between mid-2016 and end-2018; is concerned that, based the five-year evaluation, there is a clear need for a significant reinforcement of the College with both human and financial resources;

27. Notes with satisfaction that the College has motion-sensor operated lights in the corridors to enable some energy saving, disagrees with the College that while in 2016 premises were made available to the College by the Hungarian authorities they were not involved in the running of the building and had no direct possibility to implement cost-effective or environment-friendly measures;
28. Notes from the College's answers that for the time being the College does not have sufficient information to allow a thorough preparation for carrying out future activities after Brexit; notes that Brexit will limit the College's access to the United Kingdom law enforcement expertise and ability to organise training with United Kingdom officials; notes that these aspects might negatively impact the development of common practices, information exchange and ultimately cross-border cooperation on fighting and prevention of crime; calls on the Commission and the College to update the Discharge Authority on the Brexit related risks management;

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29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2018<sup>1</sup> on the performance, financial management and control of the agencies.

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<sup>1</sup> Texts adopted of that date, P8\_TA-PROV(2018)0000.