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Committee on Budgetary Control

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DRAFT REPORT

on discharge in respect of the implementation of the budget of the European
Police College for the financial year 2013
(2014/2112(DEC))

Committee on Budgetary Control

Rapporteur: Ryszard Czarnecki

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Police College for the financial year 2013 (2014/2112(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Police College for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2013, together with the College's replies¹,
- having regard to the statement of assurance² 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the College in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities³,
- 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 1605/2002⁴, 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/JHA⁵, and in particular Article 16 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁶,

¹ OJ C 442, 10.12.2014, p. 51.

² OJ C 442, 10.12.2014, p. 51.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 256, 1.10.2005, p. 63.

⁶ OJ L 357, 31.12.2002, p. 72.

- 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 of the Council¹, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex V 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 (A8-0000/2015),
1. Grants the Director of the European Police College discharge in respect of the implementation of the College's budget for the financial year 2013 / Postpones its decision on granting the Director of the European Police College discharge in respect of the implementation of the College's budget for the financial year 2013;
 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 Director of the European Police College, 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).

¹ OJ L 328, 7.12.2013, p. 42.

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the European Police College for the financial year 2013 (2014/2112(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Police College for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the European Police College for the financial year 2013, together with the College's replies¹,
- having regard to the statement of assurance² 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 2013, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of ... on discharge to be given to the College in respect of the implementation of the budget for the financial year 2013 (00000/2015 – C8-0000/2015),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities³,
- 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 1605/2002⁴, 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/JHA⁵, and in particular Article 16 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁶,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of

¹ OJ C 442, 10.12.2014, p. 51.

² OJ C 442, 10.12.2014, p. 51.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 256, 1.10.2005, p. 63.

⁶ OJ L 357, 31.12.2002, p. 72.

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 of the Council¹, and in particular Article 108 thereof,

- having regard to Rule 94 of and Annex V 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 (A8-0000/2015),
1. Notes that the final annual accounts of the European Police College are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the European Police College for the financial year 2013 / Postpones the closure of the accounts of the European Police College for the financial year 2013;
 3. Instructs its President to forward this decision to the Director of the European Police College, 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).

¹ 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 Police College for the financial year 2013 (2014/2112(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Police College for the financial year 2013,
 - having regard to Rule 94 of and Annex V 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 (A8-0000/2015),
- A. whereas, according to its financial statements, the final budget of the European Police College (“the College”) for the financial year 2013 was EUR 8 450 640; whereas the entire budget of the College derives from the Union budget,
- B. whereas the Court of Auditors, in its report on the annual accounts of the European Police College for the financial year 2013 (“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,

Follow-up of 2012 discharge

1. Notes from the Court’s report that regarding three comments made in the Court’s 2011 report and marked as "Outstanding" in the Court's 2012 report, as well as regarding one comment marked as "Ongoing", one corrective action has been taken and is marked in the Court's 2013 report as "Completed", two were marked as "Ongoing" and one as "Not Applicable"; notes furthermore that for the six comments made in the Court’s 2012 report, one corrective action was taken in response to the previous year's comments and is now marked as "Completed", two are marked as "Not Applicable", two as "Ongoing" and one as "Outstanding";
2. Acknowledges from the College that:
 - the availability of the information on its activities' impact on Union citizens is provided on the College's website through the yearly publication of strategic documents including the Annual Report, as well as through other communication tools such as videos and dedicated website sections;
 - a decision was taken by its Governing Board to outsource a part of its accounting services to the Commission starting from April 2014; notes the efforts undertaken by the College to decrease its administrative expenses;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2013 resulted in a budget

implementation rate of 94,89 % and that the payment appropriations execution rate was 92,46 %; acknowledges the College's efforts to significantly increase the payment execution level from 76 % as observed in the year 2012;

Commitments and carryovers

4. Notes with concern that the level of committed appropriations carried over to 2014 was high at 30,46 % for Title II (administrative expenditure); takes note that for Title III (operating expenditure) the level of committed appropriations carried over amounted to 17,91 %; acknowledges from the Court's report that the Title II carry-overs resulted mainly from events beyond the College's control, such as payments due in 2014 for services and goods ordered and received as planned in 2013;
5. Acknowledges furthermore that the College's carry-over levels decreased from 20 % for the 2012 to 2013 operations to 11% for the 2013 to 2014 operations; takes note of the measures put in place by the College but calls on the College to further improve the carry-over levels in order to increase its compliance to the budgetary principle of annuality;
6. Is concerned that out of committed appropriations carried over from 2012 amounting to EUR 1 669 930, cancelled commitments in 2013 equalled EUR 303 740 or 18,19 %; ascertains that the cancelled commitments resulted mainly from lower-than-estimated costs to be reimbursed under 2012 grant agreements; observes that the amount of cancellations indicates the need to obtain more accurate information from beneficiaries at year-end on the actual costs incurred; calls on the College to inform the discharge authority on measures taken to address this deficiency as a matter of urgency;

Transfers

7. Ascertains from the College that it has put in place a new procedure for budget transfers, which improved the budget structure together with increased supervision on budget implementation;
8. Takes note that in 2013, the College made nine budgetary transfers amounting to EUR 500 000 within their respective titles; acknowledges that all transfers were processed in conformity with the Financial Regulation and the implementing rules; observes furthermore that the improvements to the budgetary procedures have put the amounts of budget transfers on a decreasing trend;

Procurement and recruitment procedures

9. Notes with concern from the Court's report that the College's recruitment procedures are still not fully transparent as certain procedural elements are still incomplete, insufficiently clear or non-compliant; takes note of the College's actions towards revising the recruitment process by redesigning and improving the related work instructions, templates and checklists; calls on the College to inform the discharge authority about the impact the redesigned process has on the recruitments launched in 2014 and looks forward to the results of the Courts' future audits regarding recruitment processes;

Prevention and management of conflicts of interests and transparency

10. Takes note that the College has scheduled a review of the arrangements in place aiming to develop a specific conflicts of interest policy applicable to its staff as well as to other stakeholders directly collaborating with the College but not employed by it; acknowledges that the College's Governing Board adopted its policy on prevention and management of conflicts of interest in November 2014;
11. Notes the publication of the declarations of interest of the Director, Deputy Director and Head of Corporate Services on the College's website; acknowledges that following the adoption of the conflicts of interest policy in November 2014, the College launched a request to the members of its Governing Board to publish their declarations of interest and curriculum vitae on the College's website;

Internal audit

12. Notes that the Commission's Internal Audit Service (IAS) carried out an audit with an objective to assess the adequacy of design and effective application of the internal control system related to the human resources sub-processes managed by the College; acknowledges that the IAS found the internal control system in place as providing reasonable assurance regarding the achievement of the business objectives for relevant human resources processes;
13. Acknowledges that the IAS followed up the implementation of its earlier recommendations through a desk review and that it found no critical or very important recommendations open as at year-end;

Other comments

14. Acknowledges from the College that it officially resumed business at its new headquarters in Budapest in October 2014; takes note that the College is making efforts for the move to the new seat to be carried out in accordance with sound financial management principles; acknowledges furthermore that in this regard a budget amendment for the financial year 2014 was initiated and approved by its Governing Board;

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15. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of ... 2015¹ on the performance, financial management and control of the agencies.

¹ Texts adopted of that date, P8_TA-PROV(2015)0000