2016 discharge: Office of the Body of European Regulators for Electronic Communications (BEREC Office)

2017/2175(DEC) - 19/09/2017 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications (BEREC) for the year 2016, together with the Office's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit focused on the annual accounts of the Body of European Regulators for Electronic Communications (**BEREC**). The Office's main task is to provide professional and administrative support services to the Body of European Regulators for Electronic Communications (BEREC) and, under the guidance of the Board of Regulators, to collect and analyse information on electronic communications and to disseminate among National Regulatory Authorities regulatory best practices such as common approaches, methodologies or guidelines on the implementation of the EU regulatory framework.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2016, and
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Office's annual accounts present fairly, in all material respects, its financial position as at 31 December 2016 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2016 are legal and regular in all material respects.

The Court's observations: the Court noted that, in March 2016, the Office launched a procurement procedure with the aim to sign one framework contract (FWC) with the two existing international schools in Riga for the children of its staff. While the technical specifications of the tender state that the Office would establish one multiple framework contract in cascade with two economic operators, the award criteria state that the choice of the school is with the parents. Consequently, the EUR 400 000 framework contract signed in July 2016 is based on contradicting concepts, causing **legal uncertainty** to the Office and the schools. Moreover, in this specific case a FWC was unnecessary.

The Office's reply: the host Member State Latvia does not have an accredited European School. The establishment of a new accredited European School is a long process, and in the meantime the BEREC

Office has established direct contracts with schools providing education in English, French and German as a main language of instruction as an interim measure to ensure international schooling for the pupils of the staff in line with the Commission guidelines on staff policy in the European Regulatory Agencies. The BEREC Office agrees with the findings of the auditors that the use of framework service contracts is not appropriate for the BEREC Office's schooling situation and in future will use direct service agreements with the schools without procurement. The BEREC Office would appreciate updated Commission guidelines to take into account the specificities of schooling services.

Lastly, the Court of Auditors' report contained a summary of the **Office's key figures in 2016**:

- **Budget**: EUR 4.2 million.
- **Staff**: 27 including officials, temporary and contract staff and seconded national experts.