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

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The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications (BEREC) for the financial year 2016.

The committee called on the European Parliament to grant the Management Committee of the Office of the Body of European Regulators for Electronic Communications discharge in respect of the implementation of the Body's budget for the financial year 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Office for the financial year 2016 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Office's accounts.

They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Office's financial statements**: the final budget of the Office for the financial year 2016 was EUR 4 246 000, representing an increase of 5.69 % compared to 2016.
- **Legality and regularity of transactions**: Members 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. They observed that the framework contract for EUR 400 000, which was signed in July 2016, was based on contradicting concepts, causing legal uncertainty to the Office and the schools. It was stated that a framework contract was unnecessary. Members welcomed the Office's reply stating that in future it will use **direct service agreements** with the schools without procurement.
- **Budget and financial management**: budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 96.20 %, representing an increase of 0.55 % compared to the year 2015. Members noted with concern that the Office signed a EUR 60 000 contract for the provision of human resources related professional support and consultancy services in March 2016 which was exclusively based on price. The Office terminated the FWC and to put in place a different strategy to obtain the necessary services.
- **Commitments and carry-overs**: the total carryover of commitment and payment appropriations to 2016 amounted EUR 615 957.25 and EUR 44 896.19 (7.29 %) of the carried-forward appropriations were cancelled.

Members also made a series of observations regarding transfers, procurement, staff policy, the prevention and management of conflicts of interests and internal audits.

Lastly, Members noted that the average employment period in the Office was 2.58 years and **staff turnover was high** with 25 %. This situation affects the Office's efficiency and poses risks to the implementation of its work programmes. The possible reason for this is the salary correction coefficient applied for the host state (73 % as at 1 July 2016). The Office is called on to take actions to mitigate the risk and to properly tackle the issue of the retention of staff.