Basic information

2017/2175(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: Office of the Body of European Regulators for Electronic Communications (BEREC Office) **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STAES Bart (Verts/ALE)	14/09/2017
	Shadow rapporteur SARVAMAA Petri (PPE) LIBERADZKI Bogusław (S&D) MARIAS Notis (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary

26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary
13/09/2017	Committee referral announced in Parliament		
20/03/2018	Vote in committee		
22/03/2018	Committee report tabled for plenary	A8-0069/2018	Summary
18/04/2018	Decision by Parliament	T8-0135/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2175(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10832

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE613.456	24/01/2018	
Amendments tabled in committee		PE618.233	02/03/2018	
Committee report tabled for plenary, single reading		A8-0069/2018	22/03/2018	Summary
Text adopted by Parliament, single reading		T8-0135/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05941/2018	09/02/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0365	26/06/2017	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N8-0011/2018 OJ C 417 06.12.2017, p. 0031	19/09/2017	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2018/1343 OJ L 248 03.10.2018, p. 0167	Summary

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

2017/2175(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 of the Office of the Body of European Regulators for Electronic Communications (BEREC), as well as the Court of Auditors' report on the annual accounts of the Office for the financial year 2016, accompanied by the Office's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Management Committee of the Office in respect of the implementation of the budget for the financial year 2016.

The Council welcomed the Court's opinion that, in all material respects, the Office's annual accounts present fairly 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 the Office's Financial Regulation, and that the underlying transactions for 2016 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- **procurement**: despite some progress made by the Office, the Council regretted the deficiencies still found by the Court in the Office's procurement procedures. It urged the Office to further improve its procurement procedures in order to ensure the effectiveness of the process, as well as competition in its procurement procedures;
- **staff**: while acknowledging that the main elements affecting the high staff turnover are outside the control of the Office, the Council called on the Office to further improve the actions already taken or planned to mitigate the risk factor stemming from the high turnover.

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

2017/2175(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

Analysis of the accounts of the **Office of the Body of European Regulators for Electronic Communications (BEREC Office)**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the EU's consolidated accounts for the year 2016 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the Office of the Body of European Regulators for Electronic Communications (BEREC Office), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "**releases**" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the **BEREC office**.

The Office of the Body of European Regulators for Electronic Communications (BEREC Office): the Office, which is located in Riga (LV), was set up by Regulation (EU) No 1211/2009 of the European Parliament and of the Council with a view to developing the single market for electronic communication networks and services, as well as to improving its operation by ensuring the consistent application of the European Union's regulatory framework for electronic communications.

As regards the Office's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2016:

Commitment appropriations:

- available: EUR 4 million;
- made: EUR 4 million.

Payment appropriations:

- available: EUR 5 million;
- paid: EUR 4 million.

For further details on expenditure, please refer to the final accounts of the Body of the European Regulators.

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.

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

2017/2175(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the Office of the Body of European Regulators for Electronic Communications for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1343 of the European Parliament on discharge in respect of the implementation of the budget of the Office of the Body of European Regulators for Electronic Communications for the financial year 2016.

CONTENT: the European Parliament decided 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 Office's budget for the financial year 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (*please refer to the summary dated 18.4.2018*).

In this resolution, Parliament noted that a draft internal whistleblowing policy has been developed. It noted with appreciation that the Office organised an in-house training on ethical values, conflicts of interest, fraud prevention and whistleblowing.

Lastly, Parliament noted that, according to the Court's report, the Office should, together with the Commission, consider commissioning a periodical external performance evaluation at least every five years, as is the case for most of the other agencies. It noted with appreciation that the Office is ready to cooperate with the Commission in future evaluations.

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

2017/2175(DEC) - 22/03/2018 - Committee report tabled for plenary, single reading

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.
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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.

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

2017/2175(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Management Committee of the Office of the Body of European Regulators for Electronic Communications in respect of the implementation of the Office's budget for the financial year 2016, and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the agency's annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 554 votes to 32 with 7 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the 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. They noted with appreciation that the Office organised an in-house training on ethical values, conflicts of interest, fraud prevention and whistleblowing. However, they were concerned about the **gender imbalance** (72% versus 28%) on the management board.

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.