Basic information

2018/2206(DEC) DEC - Discharge procedure	Procedure completed
2017 discharge: Office of the Body of European Regulators for Electronic Communications (BEREC Office) **Subject** 8.70.03.02 2017 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SARVAMAA Petri (PPE)	25/07/2018
	Shadow rapporteur KADENBACH Karin (S&D) CZARNECKI Ryszard (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) STAES Bart (Verts/ALE) 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
		COM(2018)0521	Summary

28/06/2018	Non-legislative basic document published		
11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		
28/02/2019	Committee report tabled for plenary	A8-0114/2019	Summary
26/03/2019	Decision by Parliament	T8-0256/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2206(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14332

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.784	10/12/2018	
Amendments tabled in committee		PE634.459	01/02/2019	
Committee report tabled for plenary, single reading		A8-0114/2019	28/02/2019	Summary
Text adopted by Parliament, single reading		T8-0256/2019	26/03/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05825/2019	31/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521	28/06/2018	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0012/2019 OJ C 434 30.11.2018, p. 0001	18/09/2018	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act
Budget 2019/1440 OJ L 294 27.09.2019, p. 0153

2017 discharge: Office of the Body of European Regulators for Electronic Communications (BEREC Office)

2018/2206(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 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 2017** 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 with a view to granting discharge.

Discharge procedure: **the final step of a budget lifecycle is the discharge**. It is the decision by which the European Parliament '**releases**' the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of 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.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

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 2017:

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.

2017 discharge: Office of the Body of European Regulators for Electronic Communications (BEREC Office)

2018/2206(DEC) - 26/03/2019 - 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 (BEREC) for the financial year 2017 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 Office's annual accounts for the financial year 2017 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 507 votes to 124 with 5 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 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 2017 was EUR 4 246 000, the same amount as in 2016.

Budget and financial management

Budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99.94 %, representing an increase of 3.74 % compared to 2016. Payment appropriations execution rate was at 86.92 %, representing a notable increase of 9.73 % compared to 2016. The cancellations of carryovers from 2016 to 2017 amounted to EUR 20 412, representing 2.53 % of the total amount carried forward, showing a decrease of 4.76 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement, conflicts of interest and internal controls.

In particular, they noted that:

- on 31 December 2017, the establishment plan was 100 % fulfilled, with 14 temporary agents appointed out of 14 temporary agents authorised under the Union budget;

- the Office was negatively affected with the highest possible rate of cut of 12.5%, according to the ECA report on the implementation of the 5% reduction of staff posts, published on 21 December 2017;

- in 2017 the average employment period in the Office was only 2.7 years which is reflected in a high staff turnover. This is due to the low salary correction coefficient of the host country (74.9 %);

- the Office should take into account the importance of ensuring gender balance when presenting their nominations for members of the Board;

- the Office did not have internal rules on whistleblowing in place on 31 December 2017. However, the Office plans to adopt these by the end of 2018;

- unlike most other Agencies, the Office did not carry out a comprehensive analysis of the likely impact of the United Kingdom's decision to withdraw from the European Union on its organisation, operations and accounts. Such an analysis should be undertaken.

2017 discharge: Office of the Body of European Regulators for Electronic Communications (BEREC Office)

2018/2206(DEC) - 28/02/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) 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 2017.

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 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Office for the financial year 2017 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 2017 was EUR 4 246 000, the same amount as in 2016.

Budget and financial management

Budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99.94 %, representing an increase of 3.74 % compared to 2016. Payment appropriations execution rate was at 86.92 %, representing a notable increase of 9.73 % compared to 2016.

The cancellations of carryovers from 2016 to 2017 amounted to EUR 20 412, representing 2.53 % of the total amount carried forward, showing a decrease of 4.76 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement, conflicts of interest and internal controls.

In particular, they noted that:

- on 31 December 2017, the establishment plan was 100 % fulfilled, with 14 temporary agents appointed out of 14 temporary agents authorised under the Union budget;

- the Office was negatively affected with the highest possible rate of cut of 12.5%, according to the ECA report on the implementation of the 5% reduction of staff posts, published on 21 December 2017;

- in 2017 the average employment period in the Office was only 2.7 years which is reflected in a high staff turnover. This is due to the low salary correction coefficient of the host country (74.9 %);

- the Office did not have internal rules on whistleblowing in place on 31 December 2017. However, the Office plans to adopt these by the end of 2018;

- unlike most other Agencies, the Office did not carry out a comprehensive analysis of the likely impact of the United Kingdom's decision to withdraw from the European Union on its organisation, operations and accounts. Such an analysis should be undertaken.

2017 discharge: Office of the Body of European Regulators for Electronic Communications (BEREC Office)

2018/2206(DEC) - 18/09/2018

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 2017, together with the Office's reply.

CONTENT: the Court of Auditors carried out the audit on the annual accounts of the Office of the Body of European Regulators for Electronic Communications (BEREC).

In brief, 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 and reliability of the accounts

The Court considered that:

- the Office's annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 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;

- the transactions underlying the annual accounts for the year ended 31 December 2017 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Office, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations

Budgetary management

In December 2017, the Office signed both legal and budgetary commitments of EUR 20 000 for a training planned for the end of March 2018. The financing of 2018 activities from the 2017 budget is in contradiction with the budgetary principle of annuality.

Financial management and performance

In August 2015, the Office launched a call for tender to conclude a four-year multiple framework service contract in cascade with an estimated market volume of EUR 3 million for the organisation and planning of events such as meetings, workshops, conferences, etc. The award criteria did not attach sufficient weight to the price element. Furthermore, the potential event costs were not covered by the competitive procedure, but only the tenderer's management fee. The procurement procedure, therefore, did not ensure adequate competition on price and the contract may not represent the most economically advantageous offer.

Agencies should introduce a single solution for the electronic exchange and storage of information with third parties participating in public procurement procedures (e-procurement). As the same requirement exists for all EU Institutions, the Commission is developing a comprehensive IT solution covering all phases of public procurement procedures. The Commission launched tools for electronic invoicing (e-invoicing), for the electronic publication of documents related to contract notices (e-tendering) and for the electronic submission of tenders (e-submission). By the end of 2017, the Office had introduced e-tendering for certain procedures, but not e-invoicing and e-submission.

On 29 March 2017 the United Kingdom (UK) notified the European Council of its decision to withdraw from the European Union (Brexit). Unlike most of the other agencies, the Office did not carry out a comprehensive analysis of the likely Brexit impact on its organisation, operations and accounts.

The Office's replies

Budgetary management

The choice of a framework contract was made in 2015. At that time a 'cost-plus-fixed-fee contract' was considered as compliant with the Financial Regulation since several cost-plus-fixed-fee contracts were and are still currently used by other EU institutions (e.g. travel agency or banking services).

Due to the specificities of the BEREC operation a large part of the expenses related to BEREC events covered by the BEREC Office are related to reimbursement of experts, mainly to public bodies established in the EU Member States (e.g. national regulatory authorities — NRAs). It should therefore be noted that the contractor has no influence on this type of expenditure. Further to the comments and valuable exchange of views with ECA, in the relaunch of the procurement the BEREC Office will consider also other types of framework contracts, which did not exist under the legal framework in force in 2015.

Financial management and performance

Currently the Agency does not employ UK nationals, who might be affected. The impact on the Agency workload could be assessed only after the final decision on the relations between the EU and the UK. Having in mind the fact that the BEREC Office budgets and staffing were not amended when Croatia joined the EU to address the additional expenditure and workload and considering the small budget of the BEREC Office, similar approach could be expected with the Brexit.

Lastly, the Court of Auditors' report contained a summary of the Office's key figures in 2017:

Budget

EUR 4 million.

Staff

27 including officials, temporary and contract staff and seconded national experts.

2017 discharge: Office of the Body of European Regulators for Electronic Communications (BEREC Office)

2018/2206(DEC) - 31/01/2019 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2017 and the balance sheet as at 31 December 2017 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 2017, 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 2017.

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 2017 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 2017 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- ***procurement***: the Council regretted the weaknesses found by the Court in the Office's procurement procedures and called on the Office to take appropriate actions in order to ensure the effectiveness of the process, competition in its procurement procedures, as well as the full implementation without unjustified delay of electronic public procurement;

- ***carry-overs***: the Council urged the Office to continue improving its financial programming and monitoring of the budget implementation in order to reduce the unjustified level of commitments carried over to the strict minimum, in line with the budgetary principle of annuality;

- ***Brexit***: the Council encourages the Office to take into account any possible financial impact of the withdrawal of the United Kingdom from the EU on its organisation, operations and accounts.