



EUROPEAN PARLIAMENT

2014 - 2019

Plenary sitting

A8-0081/2015

30.3.2015

REPORT

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 2013
(2014/2124(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 Office of the Body of European Regulators for Electronic Communications for the financial year 2013 (2014/2124(DEC))

The European Parliament,

- having regard to the final annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2013, together with the Office'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 17 February 2015 on discharge to be given to the Office of the Body in respect of the implementation of the budget for the financial year 2013 (05304/2015 – C8-0054/2015),
- 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 Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office⁵, and in particular Article 13 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

¹ OJ C 442, 10.12.2014, p. 28.

² OJ C 442, 10.12.2014, p. 28.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 337, 18.12.2009, p. 1.

Regulation applicable to the general budget of the European Communities¹,

- 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 Council², 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 (A8-0081/2015),
1. Grants 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 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 Management Committee of the Office of the Body of European Regulators for Electronic Communications, 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 357, 31.12.2002, p. 72.

² OJ L 328, 7.12.2013, p. 42.

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2013 (2014/2124(DEC))

The European Parliament,

- having regard to the final annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2013,
- having regard to the Court of Auditors' report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2013, together with the Office'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 17 February 2015 on discharge to be given to the Office of the Body in respect of the implementation of the budget for the financial year 2013 (05304/2015 – C8-0054/2015),
- 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 Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office⁵, and in particular Article 13 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

¹ OJ C 442, 10.12.2014, p. 28.

² OJ C 442, 10.12.2014, p. 28.

³ OJ L 248, 16.9.2002, p. 1.

⁴ OJ L 298, 26.10.2012, p. 1.

⁵ OJ L 337, 18.12.2009, p. 1.

Regulation applicable to the general budget of the European Communities¹,

- 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 Council², 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 (A8-0081/2015),
1. Notes that the final annual accounts of the Office of the Body of European Regulators for Electronic Communications are as annexed to the Court of Auditors' report;
 2. Approves the closure of the accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2013;
 3. Instructs its President to forward this decision to the Management Committee of the Office of the Body of European Regulators for Electronic Communications, 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 357, 31.12.2002, p. 72.

² 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 Office of the Body of European Regulators for Electronic Communications for the financial year 2013 (2014/2124(DEC))

The European Parliament,

- having regard to its decision 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 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 (A8-0081/2015),
- A. whereas, according to its financial statements, the final budget of the Office of the Body of European Regulators for Electronic Communications (“the Office”) for the financial year 2013 was EUR 3 557 219, representing an increase of 11,51 % compared to 2012, due to the Body’s recently established nature,
- B. whereas, according to its financial statements, the overall contribution of the Union to the budget of the Office for 2013 amounted to EUR 3 556 000, representing an increase of 11,47 % compared to 2012,
- C. whereas the Court of Auditors, in its report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2013 (“the Court’s report”), has stated that it has obtained reasonable assurances that the annual accounts of the Office are reliable and that the underlying transactions are legal and regular,

Follow-up of 2012 discharge

1. Notes with satisfaction from the Court’s report that regarding three comments made in the Court’s 2011 report and marked as ‘Ongoing’ in the Court’s 2012 report, corrective actions were taken and all recommendations are marked in the Court’s 2013 report as ‘Completed’; notes furthermore that for the 10 comments made in the Court’s 2012 report, corrective actions were taken and eight comments are now marked as ‘Completed’ and two as ‘Ongoing’;
2. Acknowledges from the Office that it took actions to mitigate the budget implementation and monitoring issues in the form of monthly budget meetings of the Office’s managers, as well as detailed overviews of the budget implementation progress, which is presented to the Management Committee for comments quarterly;

Budget and financial management

3. Notes that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 89,55 % and that the payment appropriations execution rate was 76,58 %;
4. Acknowledges from the Court's report that the Office's budget implementation rates improved considerably in comparison to 2012, indicating better planning and a more timely implementation of activities; notes, however, that there is still room for further improvement;
5. Welcomes the Office's efforts to improve its budgetary planning accuracy and to reduce to the minimum the cancellation of commitment appropriations; calls on the Office to inform the discharge authority about the results of those actions;

Commitments and carry-overs

6. Notes with concern that the level of cancelled carry-overs from 2012 remained relatively high at 28 % whereas in 2012, it stood at 45 %; acknowledges from the Office that the high level of cancellations will continue to be addressed by a thorough analysis of amounts carried over at the end of the year, which should diminish the overall carry-over levels;
7. Takes note from the Court's report that the level of committed appropriations carried over decreased from 19 %, as noted in 2012, to 13 % in 2013; acknowledges that the carry-overs were mostly related to contracts signed in the second half of 2012 for planned activities in 2013 and 2014;

Procurement and recruitment procedures

8. Notes that for 2013, neither sampled transactions nor other audit findings have led to any comments on the Office's procurement or recruitment procedures in the Court's report;
9. Takes note that at year-end, the Office employed 25 staff and had six vacancies out of authorised 28 positions; acknowledges that in 2013, the Office finalised six recruitment procedures and employed team members for two AST positions, three contractual agent positions and filled one seconded national expert position for a period of two months; acknowledges that two further recruitments were initiated in 2013;

Prevention and management of conflicts of interests and transparency

10. Takes note from the Office's annual activity report that according to Regulation (EC) No 1211/2009, the Office has to carry out its activities, together with the Body of European Regulators for Electronic Communications (BEREC), with a high level of transparency and must ensure that the public and any interested parties are given objective, reliable and easily accessible information in relation to the results of its work;
11. Acknowledges from the Office that it is undertaking the responsibility for managing all

documents created in the course of BEREC's activities and for ensuring the maximum transparency of BEREC's work, in compliance with the legislation in force; acknowledges furthermore that those tasks are carried out by maintaining the public register of BEREC's and Office's documents, as well as its website, and by ensuring the transparency and efficiency of internal procedures of both BEREC and the Office;

Internal audit

12. Notes that in 2013, the Commission's Internal Audit Service (IAS) carried out a limited review on the adequacy of the design and effectiveness of the implementation of internal control standards (ICS), which covered 16 ICS adopted by the Management Committee in May 2011; notes furthermore that as a result of that limited review, and taking into account the recent set-up of the Office and the current status of operations and administration, the IAS made 18 recommendations, of which one rated as "Critical" and four as "Very Important";
13. Acknowledges that two issues remain open, namely the implementation of proper information security controls and the establishment of a systematic risk management process; notes that the Office is currently looking at an appropriate solution to resolve these two issues shortly; calls on the Office to report to the discharge authority on the progress made in this regard;
14. Acknowledges from the Office that following that audit, it prepared an action plan which was considered by the IAS as adequately addressing the identified risks and, if implemented as planned, suitable to mitigate them;

Other comments

15. Deeply regrets that 91 % of reimbursements for experts made in 2013 were late; notes, furthermore, that in the first half of 2013, the late payments were overdue by an average of 78 days, against 33 days in the second half of 2013; acknowledges from the Office that it will explore different methods in order to reduce the payment delays to the set target of 30 days; calls on the Office to resolve this issue as a matter of urgency and to report to the discharge authority on the measures taken to do so and on their results;

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16. 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.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	23.3.2015
Result of final vote	+: 21 -: 5 0: 0
Members present for the final vote	Inés Ayala Sender, Ryszard Czarnecki, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Ingeborg Gräßle, Bernd Kölmel, Bogusław Liberadzki, Verónica Lope Fontagné, Monica Macovei, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Michael Theurer, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Joachim Zeller
Substitutes present for the final vote	Caterina Chinnici, Iris Hoffmann, Monika Hohlmeier, Benedek Jávor, Andrey Novakov, Julia Pitera, Miroslav Poche
Substitutes under Rule 200(2) present for the final vote	Laura Ferrara