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DRAFT 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 2014
(2015/2192(DEC))

Committee on Budgetary Control

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CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	7

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 2014 (2015/2192(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 2014,
- 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 2014, 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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of xx February 2016 on discharge to be given to Office of the Body in respect of the implementation of the budget for the financial year 2014 (xxx/2016 – C8-xxxx/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 1605/2002³, 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 Office⁴, 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 Regulation applicable to the general budget of the European Communities⁵,
- 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 Council⁶, and in particular Article 108 thereof,

¹ OJ C 409, 9.12.2015, p. 27.

² OJ C 409, 9.12.2015, p. 27.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 337, 18.12.2009, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

- 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 (A8-0000/2016),
1. Grants 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 2014;
 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).

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 2014 (2015/2192(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 2014,
- 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 2014, together with the Body'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 2014, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of xx February 2016 on discharge to be given to the Office of the Body in respect of the implementation of the budget for the financial year 2014 (xxx/2016 – C8-xxxx/2016),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- 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 1605/2002³, 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 Office⁴, 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 Regulation applicable to the general budget of the European Communities⁵,
- 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 Council⁶,

¹ OJ C 409, 9.12.2015, p. 27.

² OJ C 409, 9.12.2015, p. 27.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 337, 18.12.2009, p. 1.

⁵ OJ L 357, 31.12.2002, p. 72.

⁶ OJ L 328, 7.12.2013, p. 42.

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 (A8-0000/2016),
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 2014;
 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).

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 2014 (2015/2192(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 2014,
 - 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 (A8-0000/2016),
- 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 2014 was EUR 4 162 874, representing an increase of 17 % compared to 2013; whereas that increase resulted mainly from the inclusion of the internal assigned revenue from previous years,
- B. whereas, according to its financial statements, the overall contribution of the Union to the budget of the Office for 2014 amounted to EUR 3 617 948, representing an increase of 1,74 % compared to 2013,
- C. whereas the Court of Auditors (“the Court”), in its report on the annual accounts of the Body of European Regulators for Electronic Communications for the financial year 2014 (“the Court’s report”), stated that it had obtained reasonable assurances that the Office’s annual accounts for the financial year 2014 were reliable and that the underlying transactions were legal and regular,

Follow-up of 2013 discharge

1. Acknowledges from the Office that:

- in order to ensure proper implementation of its budget as well as of its annual work programme, the Office introduced a detailed monthly monitoring procedure which resulted in improved budgetary implementation rates;
- further to the follow-up audit of the Internal Control Standards (ICS) implementation made by the Commission’s Internal Audit Service (IAS), the Office amended its Information Security Policy in order to address the identified shortcomings; notes with satisfaction the preparation of a Service Level Agreement (SLA) between the Office and the European Union Agency for Network and Information Security (ENISA), which should mitigate the risks related to the Office’s information security;
- in order to improve the process of reimbursing the experts and mitigate the identified shortcomings related to late payments, the Office has taken multiple actions;

welcomes the introduction of Key Performance Indicators in all steps of the process and the additional training of the actors in the financial circuit and in particular; notes with satisfaction the outsourcing of a part of the process to the Commission's Office for the Administration and Payment of Individual Entitlements (PMO), which accelerated the overall reimbursement procedure;

Budget and financial management

2. Notes with satisfaction that budget monitoring efforts during the financial year 2014 resulted in a budget implementation rate of 97,91 %, representing an increase of 8,36 % compared to the year 2012; notes furthermore that the payment appropriations execution rate was at 75,66 %, representing a decrease of 0,92 % compared to 2013;

Commitments and carryovers

3. Notes with satisfaction from the Court's report that the overall level of committed appropriations improved from 87 % in the year 2013 to 98 % in 2014; notes that the level of committed appropriations carried over increased to EUR 900 000, mainly due to operational activities of the Office, such as ongoing studies on electronic communications;

Transfers

4. Ascertains from the Office that it made a number of budget transfers during the year 2014 in order to finance the additional needs for operational expenditure; notes in particular that those transfers were mainly related to the "Net Neutrality Study" as well as "BEREC net" projects; notes that the finalisation of those projects during the year 2014 was uncertain at the moment of preparation of the budget;

Procurement and recruitment procedures

5. Welcomes the fact that in 2014, for the first time since its establishment, the Office organised a public procurement procedure for the "Net Neutrality Study" on the value of network neutrality to consumers in the Union; notes that the final deliverables of that study are to be used as input to the Office's work programme;
6. Notes with satisfaction that the situation of full staffing was achieved at the end of 2014; notes furthermore that in 2014 the Office organised 11 recruitment procedures and finalised two recruitment procedures launched in the previous year; acknowledges that the secondment opportunities, which had been difficult to fill, were fully covered by the end of 2014;

Prevention and management of conflicts of interests and transparency

7. Notes that the Office has been tasked with managing all the documents created in the course of BEREC activities together with maintaining the public register of documents, due to BEREC's absence of legal personality; notes furthermore that in order to ensure better transparency, the Office established a sub-section in the public register dedicated to its policy on conflicts of interests;
8. Acknowledges the creation of a collaboration tool which serves as an internal platform for

exchanging and sharing information, best practices and expertise, in order to manage the work of the preparatory bodies more efficiently;

9. Notes with satisfaction that the Office is dedicated to improving its website and making it more user-friendly; notes moreover that, according to its Communication Plan, the Office established an official account on Twitter and a YouTube Channel;

Internal controls

10. Acknowledges from the Office that all relevant ICSs have been adopted by its Management Committee; notes, however, that the implementation of the ICS is still not completed; calls on the Office to report to the discharge authority on the progress made in that regard;
11. Notes that the Office developed a detailed guide on risk management in order to establish and implement a systematic risk management process; welcomes the fact that that guide was developed with the support of ENISA;
12. Notes with satisfaction that the Office carried out its first risk self-assessment exercise within the framework of the SLA between the Office and ENISA for sharing the Internal Control Coordinator Assistant function; notes that the management of the Office examined the outcome of the exercise and identified the risks to be included in the risk register;

Internal audit

13. Notes that in 2014 the audit of the Commission's Internal Audit Service (IAS) focused on the follow-up of the 2013 limited review with the aim of assessing the state of compliance with the ICSs; notes that the IAS closed two of the 18 recommendations based on desk research; notes, moreover, that the IAS examined the remaining 16 open recommendations during the follow-up and concluded that 14 recommendations were fully implemented;

Other comments

14. Takes note that the 2014 budget provisions for contributions from the European Free Trade Association's (EFTA) national regulatory authorities having observer status at BEREC did not materialise in the absence of agreements with EFTA countries; acknowledges that the 2015 budget of the Office was corrected accordingly;

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15. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2016]¹ [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P[8_TA(-PROV)(2016)0000].