

BEREC Office:
Annual Administrative Report 2012
from Authorising Officer

Riga, 27 May 2013

Table of Contents

Acronyms	3
I. Introduction	4
A. Legal context and procedure of preparing BEREC Office Authorising Officer’s Annual Administrative Report	4
B. BEREC and BEREC Office	4
C. General tasks of the BEREC Office and of Administrative Manager	5
D. General duties and responsibilities of the BEREC Office Authorising Officer	5
E. Specifics of the BEREC Office work in 2012	6
II. BEREC Office main activities in 2012	6
1. Support to the completion of the BEREC Work Programme 2012	6
1.1. Contribution to the topics of BEREC Work Programme 2012.....	6
1.2. Setting up and providing support to the BEREC Expert Working Groups.....	7
1.3. Coordination of BEREC’s activities under Article 7/7a Framework Directive	8
2. Horizontal activities	9
2.1. Providing assistance & executive support to the BEREC Chair in fulfilling the responsibilities.....	9
2.2. Providing support for the Board of Regulators and the Management Committee Plenaries and to the Contact Network meetings	10
2.3. Ensuring transparency and accountability of the work of BEREC and its Office.....	10
2.4. Provide logistical and financial support to BEREC Working Group meetings	11
2.5. Other horizontal support activities of the Office.....	11
3. Administrative functions and activities of the BEREC Office	12
3.1. Premises and IT infrastructure.....	12
3.2. Human resources management.....	12
3.3. Budget, finance and accounting.....	13
Revenue 2012	15
3.4. Legal services, Procurement and General administration	15
3.5. Relations with the Republic of Latvia	16
4. Internal Audit	16
III. Appendixes	17
Appendix 1: BEREC Office organisational chart	17
Appendix 2: Staff establishment plan 2011	17
Appendix 3: Financial Reporting	18
Expenditure 2012: Commitment appropriations in EUR.....	18

Execution of Budget 2012	19
Budget 2012: Commitments	19
Budget 2012: Payments	19
Payment appropriations in EUR	21
Appendix 4: List of procurements and contracts	25
List of procurement contracts concluded in 2012.....	25
List of Memorandums of Understanding and SLAs with Commission Services and European bodies	26
Appendix 5: Statement of reasonable assurance.....	27

Acronyms

AAR -	Annual Activity Report
BEREC -	Body of European Regulators for Electronic Communications
BoR -	BEREC Board of Regulators
CN -	Contact Network
EC -	European Commission
EP -	European Parliament
EWG -	BEREC Expert Working Group
FCC -	Federal Communications Commission (USA)
FD -	Framework Directive
FTR -	Fix termination rate
HR -	Human resources
ICT -	Information and Communications Technologies
MC -	BEREC Office Management Committee
MS -	European Union Member State
MTR -	Mobile termination rate
NRA -	National Regulatory Authority
SMS TR -	SMS termination rate
SNE -	Seconded National Expert
WP -	Work Programme (used as BEREC WP or BEREC Office WP)

I. Introduction

A. Legal context and procedure of preparing BEREC Office Authorising Officer's Annual Administrative Report

Pursuant to Article 40 (1) of the BEREC Office Financial Regulation adopted on 3rd December 2010 by the Management Committee decision MC (10) 44 the authorising officer shall submit an annual administrative report to the Management Committee on the performance of his duties. By no later than 15 June each year, the Management Committee shall send the budgetary authority and the Court of Auditors an analysis and an assessment of the authorising officer's annual administrative report on the previous financial year. This analysis and assessment shall be included in the annual activity report of the Office, in accordance with the provisions of the constituent instrument.

B. BEREC and BEREC Office

The Office of the Body of European Regulators for Electronic Communications (referred to as BEREC) and the Office (referred to as the "Office" or the "BEREC Office") were created within Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009, with the objective to increase the consistency in the implementation of the EU regulatory framework and thus to improve the functioning of the Single Market.

BEREC is composed of a Board of Regulators (referred to as BoR) consisting of the Heads or nominated high level representatives of the 27 national regulatory authorities (referred to as NRAs or NRA). BEREC advises the European Commission (referred to as EC) and the NRAs, and assists the European Parliament (referred to as EP) and Council, on issues related to the application of the EU regulatory framework for electronic communications. BEREC will in particular help to ensure fair competition and consistency of regulation in the internal market for electronic communications by providing expert advice on market definitions, analysis and remedies, definition of trans-national markets, cross-border disputes and numbering issues.

BEREC is supported by the BEREC Office. The Office is established as a European Union Body with legal personality within the meaning of Article 185 of the Financial Regulation. The BEREC Office is comprised of a Management Committee (referred to as MC) and an Administrative Manager. The Office is managed by the Administrative Manager under the supervision of the MC. The MC is composed of the same Heads of the 27 NRAs as the BEREC BoR and a representative of the EC.

The BEREC Office is structured as follows:

- Programme Management Unit;
- Administration and Finance Unit;
- Executive Support Unit.

Following the application by the Government of the Republic of Latvia to host the seat of the BEREC Office, on 31 May 2010 the Representatives of the Governments of the EU Member States (referred to as MS or MSs) took unanimous decision to locate the BEREC

Office in Riga. With staff up to 28, the Office is financed by a subsidy from the European Union and financial contributions from Member States or from their NRAs made on a voluntary basis.

C. General tasks of the BEREC Office and of Administrative Manager

As provided by Article 6 of the BEREC Regulation, the tasks of the BEREC Office are, in particular, to provide professional and administrative support to the BEREC Expert Working Groups (referred to as EWG or EWGs); to collect information from NRAs and exchange and transmit information in relation to the role and tasks of BEREC; to disseminate regulatory best practice among NRAs; and to assist the Chair of the BEREC BoR in the preparation of their work.

As provided by Article 9 of the BEREC Regulation, the tasks and responsibilities of the Administrative Manager are:

- Responsible for heading the Office;
- Assist the Chair in the preparation of the agenda of the BoR and the MC. Participation, without having the right to vote, in the work of the BoR and the MC;
- Administrative Manager shall assist the MC with the preparation of the draft work programme of the Office for the following year;
- Under the guidance of the BoR, supervise the implementation of the annual work programme of the Office;
- Under the supervision of the MC, take the necessary measures, notably the adoption of internal administrative instructions and the publication of notices, to ensure the functioning of the Office in accordance with this Regulation;
- Under the supervision of the MC, implement the budget of the Office pursuant to Article 13;
- Administrative Manager shall assist with the preparation of the draft annual report on the activities of BEREC referred to in Article 5(5).

D. General duties and responsibilities of the BEREC Office Authorising Officer

As provided by Article 38 of the BEREC Office Financial Regulation MC (10) 44 the general duties and responsibilities of the Authorising Officer are:

- Responsible for implementing revenue and expenditure in accordance with the principles of sound financial management and ensuring legality and regularity.
- To implement expenditure, the authorising officer shall make budget commitments and legal commitments, shall validate expenditure and authorise payments.
- To implement revenue, the authorising officer shall draw up estimates of amounts receivable, establish entitlements to be recovered and issue recovery orders.
- Shall put in place the organisational structure and the internal management and control systems and procedures suited to the performance of his/her duties, including where appropriate ex post verifications.
- Underlying principle of authorising an operation is that the operational and financial aspects shall be verified by members of staff other than the one who initiated the operation. Initiation and the ex-ante and ex-post verification of an operation shall be separate functions.

- Shall establish within his/her departments an expertise and advice function designed to help him/her control the risks involved in his/her activities.
- Shall conserve the supporting documents relating to operations carried out for a period of five years from the date of the decision granting discharge in respect of implementation of the budget.

E. Specifics of the BEREC Office work in 2012

In 2012 the setting-up of the BEREC Office continued. This involved recruiting additional staff – some recruitments needed to be renewed due to unexpected turn-overs, buying work tools (ICT, furniture), preparing the office premises and facilities, putting in place the administrative and financial systems.

The BEREC Regulation requires that the MC adopts the BEREC Office Work Programme (referred to as WP) for the following year by 30 September. Accordingly, the Office WP 2012 was adopted in September 2011, while the BEREC Work Programme 2012 was finalised and adopted much later in December 2011.

The activities of the BEREC Office in 2012 were divided into 3 main categories:

- **Support to implementation of the BEREC Work Programme**
- **Horizontal Activities**
- **Administrative functions and activities of the BEREC Office**

The Office gained its organisational autonomy as a body with legal personality within the meaning of Article 185 of the Financial Regulation in September 2011. The Annual Activity Report 2012 is therefore the first report covering a whole operational year of an autonomous organisation.

II. BEREC Office main activities in 2012

1. Support to the completion of the BEREC Work Programme 2012

1.1. Contribution to the topics of BEREC Work Programme 2012

BEREC Office activities have been related closely to the BEREC Work Programme (referred to as BEREC WP) and are driven by the BEREC WP.

In 2012 the BEREC WP was set out in 3 main work streams:

- **Core topics, including International roaming, Net Neutrality, Consumer empowerment, Next Generation Networks Access, BEREC Common Positions.**
- **Further topics, as i.e. Consistency of remedies, Recommendation on termination rates, Promotion of Broadband, Regulatory accounting;**
- **Article 7/7a Procedures**

Under the BEREC WP 2012 a significant number of content items were identified under these main themes.

The tasks of BEREC Office to support BEREC in the implementation of the 2012 WP, as also specified in BEREC Office WP 2012, included:

- Setting up of EWGs

After the decision on the establishment of EWGs was taken by the Board of Regulators, the BEREC Office assumed the responsibility to set up the EWG's. To this end the Office collected information on the resources allocated by the NRAs to each EWG and assisted the EWG Chairs in summoning the Working Group meetings.

- Providing administrative, legal and logistical support to the BEREC EWGs

A member of the Office Programme Management Unit was assigned as a contact person for each of the EWG's. By providing support to EWGs the Office ensures the smooth functioning of those groups.

- Data collection

In 2012 the Office took over the responsibilities relating to the regular collection of data on international roaming rates and termination rates, for the purposes of BEREC Benchmarking reports and for sharing data with the Commission.

- Assistance to the EWGs in preparation of BEREC reports
- Managing public consultations

Where BEREC has, before adopting an opinion, regulatory best practice or a report, decided to consult interested parties and give them the opportunity to comment, the Office published the consultation documents and made the results of the consultation procedure publicly available on its web site.

- Organising public and internal workshops

It was foreseen in the Office WP 2012 that the Office could also order research studies, which are needed for the completion of the annual work programme, and initiate calls for tender to this end. In 2012, however, none of the Experts Working Groups indicated any need for external studies.

In 2012 the Office was prepared to provide meeting facilities in BEREC Office premises in Riga. The EWG meetings were however organised in Brussels or hosted by the NRA-s.

1.2. Setting up and providing support to the BEREC Expert Working Groups

Setting-up or supporting EWGs is an activity contributing directly to the implementation of the BEREC WP 2012. This task follows the BEREC Regulation, article 6 (2) item 5. The EWGs as specified by the decision of the BoR for the implementation of the BEREC WP 2012 were set up by the BEREC Office at the beginning of the year 2012 and confirmed in the 1st Plenary meeting of 2012.

Priorities:

- Setting-up, organising and co-ordinating the work within BEREC Office Programme Management Unit, mobilising available resources;
- Providing support to the established BEREC EWGs;
- Data collection from NRAs;
- Assistance in preparation of BEREC reports;
- Managing public consultations on the draft BEREC documents;
- Being prepared for public procurement procedures for research studies or workshops.

Status, Results:

- All 11 BEREC WP 2012 EWGs established by BEREC at the beginning of 2012 were given professional and administrative assistance in accordance with their needs, assistance in compiling the reports, legal advice when requested;
- In 2012 the Office experts participated in and supported 103 BEREC EWG meetings (either full EWG meetings or drafters meetings) in total. With a couple of exceptions only, the BEREC EWG meetings almost exclusively took place in Brussels, meaning that the supporting experts from the BEREC Office were regularly travelling from Riga to Brussels. BEREC Office participation in BEREC Plenaries, Contact Network meetings and Art 7/7a EWG meetings is not included in this figure;
- In 2012 the Office also took the main responsibility for the regular data collection initiatives for the purposes of the BEREC reports, among them the International Roaming Benchmark Data Reports for July – December 2011 and January – June 2012; Benchmarking data collections for fixed, mobile and SMS termination rates as of 1 January 2012 and 1 July 2012;
- BEREC Annual report 2011 was prepared and published with the support of BEREC Office;
- BEREC Office provided support to 11 BEREC public consultations and collected the submissions from the stakeholders. Among these were the public consultations on Net Neutrality, BEREC Guidelines on the application of Article 3 of the Roaming Regulation, BEREC's review of the Common Positions on Wholesale Local Access, Wholesale Broadband Access and Wholesale Leased Lines;
- Two public workshops were organised by the Office in 2012. In the context of the public consultation on the proposed high level principles relating to issues of non-discrimination, BEREC hosted a stakeholders' workshop on 15 March 2012. On 20 June 2012 BEREC hosted another expert workshop on IP-interconnection in cooperation with OECD in Brussels. The Office also took responsibility for the related procurement of services.

Activities not finalised in 2012 (carry-forwards):

- The development of Article 7/7a data base for the purposes of processing and sharing of data with the BEREC Community

1.3. Coordination of BEREC's activities under Article 7/7a Framework Directive

These tasks assigned to the BEREC Office include the monitoring and registering of all notified national measures and Commission's comments; set-up of BEREC EWG's for the preparation of BEREC Opinions in Phase II; coordination of the work of the Phase II

EWG's; participation in this work when required; regular reports to the BoR on the outcome and to identify possible weaknesses and points for improvement.

Priorities:

- Implementing regular tracking of all Art. 7/7a notifications from the NRAs and keeping an internal record of all notifications;
- Establishing and coordinating the work of Art. 7/7a phase II ad hoc EWGs;
- Reporting the outcome of FD Art. 7/7a phase II cases.

Status, Results:

- Phase II EWG was established for each case when Commission opened a Phase II investigation. 13 Phase II cases in total were addressed in 2012;
- Each Phase II EWG received the support and coordination needed for their work and was able to prepare a draft Opinion for the approval of the BoR;
- Simple database of FD Art. 7/7a focal points, rapporteurs and experts was maintained;
- Regular tracking of all FD Art. 7/7a notifications from the NRAs and the comments of the Commission was continued;
- The outcome of the Phase II cases was regularly reported to the BoR.

2. Horizontal activities

BEREC Office performed a number of other support activities in addition to the tasks related to the implementation of the BEREC WP. These activities were titled as horizontal activities.

2.1. Providing assistance & executive support to the BEREC Chair in fulfilling the responsibilities

Priorities:

- Preparing all documents for organising the procedure for election of the Chairs and Vice Chairs for 2013;
- Assisting the incoming Chair in the preparation of the 2013 work programme.

Status, Results:

- Office provided support for the election procedure of the Chair 2014 and Vice Chairs of BoR and MC for 2013 before and during BEREC Plenary 4 in December 2012;
- BEREC Office has assisted the incoming Chair in the preparation of the 2013 BEREC Work Programme, including the management of the public consultation of the draft Work Programme, as well as in the set-up of the Expert Working Groups for 2013; The set-up of the EWG's was initiated immediately after the adoption of the PRD's for the implementation of the 2013 WP in December 2012;
- The Office has provided assistance to the BEREC Chair in handling the electronic voting procedures organised during 2012.

2.2. Providing support for the Board of Regulators and the Management Committee Plenaries and to the Contact Network meetings

According to Article 4(6) and Article 7(1) of the BEREC Regulation the BoR and the MC shall have at least 4 ordinary Plenary meetings per year, which shall be convened by their respective Chair(s).

Priorities:

- Providing administrative & professional support for the Board of Regulators and the Management Committee Plenary meetings;
- Providing administrative & professional support for the Contact Network meetings.

Status, Results:

- The Office was involved in the process of preparing all four ordinary quarterly BoR and the MC meetings plus one extraordinary BoR meeting in October 2012. The Chair's office was supported in the preparation of agenda and communication of the agenda and other related draft documents to meeting participants. And with drafting the conclusions and the minutes of the meetings and the list of the follow-up actions. The support also included registering and uploading of final documents for public reference. Logistical support was provided with organising all Plenary debriefings in Brussels;
- The same level of support except for debriefings was provided to all four CN meetings preparing the work of the BoR and the MC;
- The BEREC Office was in charge of the organisation of the public debriefings held in Brussels after each plenary meeting.

2.3. Ensuring transparency and accountability of the work of BEREC and its Office

BEREC as an independent Body has to provide the transparency of its procedures and methods of work, and its diligence in performing its tasks. In this respect it has certain responsibilities vis-à-vis transparency and accountability of its work, incl. providing public access to its documents. The Office also has to ensure the transparency within BEREC making information available to all members in an efficient manner, in accordance with the provisions of the RoP.

Priorities:

- Maintaining public registers of all BEREC documents;
- Maintaining the BEREC Internet web site;
- Ensuring transparency and efficiency of the internal procedures of BEREC and its Office.

Status, Results:

- New BEREC public web-page launched in August 2012: it includes public document register and meeting registration functionalities;
- Public document register has been operational since 1 August 2012 and is maintained only in the electronic format on the website. Putting into operation and regular updating the public register the BEREC Office supported BEREC in increasing the transparency of its activities and required by the EU legislation in place. In addition to

that by making BEREC deliverables directly accessible to the public the BEREC Office contributed to avoiding duplication of work to be undertaken by other public or private legal entities in the EU;

- The tender for the contract renewal of BEREC website hosting and further development was launched in December 2012. The tender, which was finalised in 2013, foresaw improvements of functionalities for meeting registration and for the access of the web site of citizens with disabilities and also improved administration of BEREC public document register;
- Following a decision of the Board of Regulators from December 2011 (Bucharest plenary) the Office developed a template of a BEREC newsletter and prepared 2 pilot editions, which were distributed internally to the BEREC community.

Activities not finalised in 2012 and considered in future Work Plans:

- A tender for BEREC intranet solution was planned for 2012 but the Office did not manage to launch it. This is carried over to 2013.

2.4. Provide logistical and financial support to BEREC Working Group meetings

Except for the content support which is covered in Chapter 1, as of March 2012 the Office provided reimbursement of the travelling expenses to the BEREC EWG meetings in accordance with the decision MC (2012)2 of the Management Committee. The activity was not included in the Office WP 2012 (approved in September 2011), but turned out as a very resource demanding activity.

Priorities:

- Office providing logistical and administrative support for the EWG meetings;
- Reimbursement of travelling expenses of 1 expert per Member State for each EWG meeting.

Status, Results:

- All BEREC EWG's were provided support for the organisation of their scheduled and ad hoc meetings to the extent required;
- The Office established the procedure for the reimbursement of travelling expenses to the BEREC EWG meetings as of March 2012;
- Latvian NRA SPRK organised the Contact Network meeting in Jurmala, Latvia in November 2012. BEREC Office provided logistical and administrative support for this event;
- No further BEREC Working Group meetings were organised in Riga in 2012.

2.5. Other horizontal support activities of the Office

Priorities:

- Support to the international activities of BEREC;
- Receiving, coordinating and managing the requests on advice and assistance;
- Relationship management with stakeholders (incl. Latvian authorities).

Results:

- Reimbursement of BEREC Board study visit to South-Korea and of BEREC representation on BEREC-Regulatel summit 2012;
- Support to the Commission – by supporting Net Neutrality EWG in the completion of the traffic management investigation – an exercise started in cooperation with the European Commission already in 2011. The result included the input from more than 400 ISP's all over Europe;
- Info enquiries from market players, citizens and other “third parties” were answered. As the majority of info requests were sent by e-mail also the answers were sent by e-mail.

3. Administrative functions and activities of the BEREC Office

After the initial set-up in year 2011, in year 2012 the BEREC Office continued to build up and strengthen its structures, and organise itself in its new premises in Riga.

The planned enhancement of administrative capabilities and further implementation of internal control standards were unfortunately set-back in the middle of the year after the resignation of several key experts.

3.1. Premises and IT infrastructure

Priorities:

- Renewal of software licences and renewal of service provision contracts for ICT, security and postal services;
- Further procurement of IT-equipment and furniture, insurance for equipment;
- Installation of licences with enhanced capabilities and IT-infrastructure.

Results:

- Most of the planned premises and ICT related procurements finalised and service contracts signed with a renewability clause;
- New software licences for server and workplaces installed in April 2012.

Activities not finalised in 2012 and considered in future Work Plans:

- Further procurements of furniture initiated in 2013;
- Implementation of some of the IT-equipment (e.g. data back-up solution) completed in Q1 2013;
- Tender of licences for web-based video-conferencing solution initiated in Q2 2013;
- Delayed tender for BEREC intranet solution has been covered under section 2.3.

3.2. Human resources management

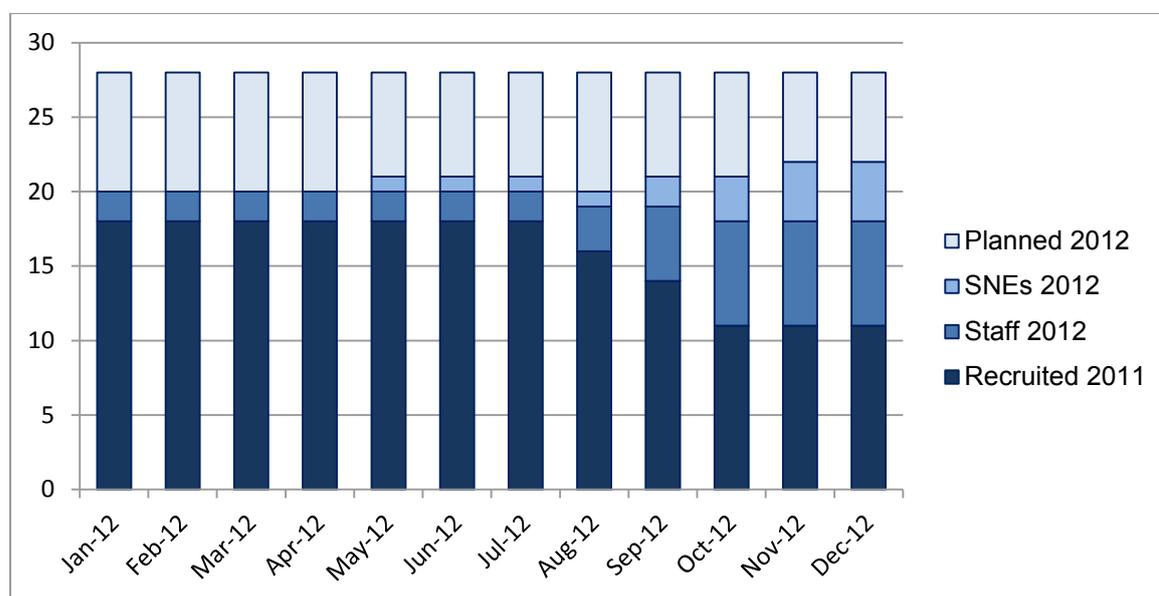
Priorities:

- Further recruiting of staff and integration of new staff in the Office team;
- Defining and adopting of relevant staff implementing rules;
- Training of staff on critical topics (especially financial management and ABAC accounting system for financial actors) to be able to perform in an operationally and financially autonomous organisation.

Results:

- Office recruitment plan 2012 and Multi-annual Staff Policy Plan (MSPP) was unfortunately not implemented although more recruitments were conducted than initially planned. Recruitment of 8 new positions in total was required with consideration that for 2 positions recruitment procedure had been finalised by 2011, with a contract starting date in January 2012. In addition to new positions, 2 SNE contracts came to the end in 2012, 3 staff members, who had been recruited in 2011 resigned and 1 SNE and 1 staff member were transferred to new positions after their successful application to vacant positions. Total amount of the positions to be newly filled was 7. Two recruitment procedures unfortunately failed, because of lack of applications for SNE positions or low interest of reserve list candidates for contractual agent positions. In total 11 positions were filled including new vacancies and replacements. Number of recruitment procedures conducted was 12 incl. recruitment of 4 positions, which were employed in Q1 2013;
- Seven MC Decisions on implementing the Staff Regulations were approved and implemented in 2012. MC further approved six draft Staff Implementing rules for submission to the Commission's consultation. These drafts will be submitted for MC's final approval after obtaining the formal Commission opinion;
- Election and establishment of Staff Committee in November 2012.

BEREC Office recruitment progress 2012: number of staff and SNEs recruited in 2010-2011 and in 2012 per month. Reduction in 2010-2011 recruitment levels means end of contract, resignations or internal transfers in 2012.



See also Appendix 2 for Staff establishment plan 2012.

3.3. Budget, finance and accounting

Year 2012 was the first full active financial year for the Office after achieving the autonomy of the organisation in September 2011. The Administrative Manager (AD14) of the BEREC Office is the Authorising Officer performing his duties under the supervision of the MC. The Head of the Programme Management Unit (AD9) is Authorising Officer by

sub-delegation providing back-up to the Administrative Manager. The Head of the Administration and Finance Unit is Accounting Officer with the back-up of Executive Support Officer.

The previous Head of Administration resigned in August 2012, therefore his appointment as Accounting Officer was terminated by the MC. Executive Support Officer continued to process payments as the replacement of the Accounting Officer. Until the nomination by MC in December 2012 of the new Head of Administration and Finance Unit as the new Accounting Officer and related hand-over of tasks from the Executive Support Officer.

Priorities:

- Following sound financial management both for 2012 budgets and accounts, adequate reporting and budget follow-up, accurate and timely payments;
- Finalising 2011 accounts and submitting them to relevant institutions (Court of Auditors, Commission, Budgetary Authority);
- Preparing draft budget for 2013 and forwarding to the Commission.

Results:

- The draft budget 2013 was prepared and forwarded to the Commission at the end of Q1 2012;
- Provisional accounts 2011 were forwarded in March and the final accounts 2011 were forwarded at the beginning of July 2012;
- Preparation in December 2012 for the audit of the Court beginning of 2013;
- The general principles of managing the 2012 budget and accounts were followed in accordance with BEREK Office's Financial Regulations. However, the insufficient knowledge of expenditure dynamics during the 1st financial year and poor forecasting base resulted in relatively high level of commitments as compared to actual payments and high level of carry-forwards from financial year 2011 to year 2012 and from 2012 to 2013. Nevertheless, there was an improvement in 2012 carry-forwards as compared to 2011. These deficiencies were also pointed out by the Court of Auditors, therefore further improvement of the management and planning of the budget is foreseen in the future.
- Detailed process manuals are planned to be finalised in 2013;
- Renewal of the service contract for the bank account was completed in August 2012;
- Regular budgetary performance assessments, which were implemented in 2011 continued.

Budget amendments 2012

Initial budget 2012 was approved in February 2011. The tables below present the Budget 2012 in terms of appropriations for revenue, commitment and payment.

During the Management Committee Plenary on 25th May 2012 a preparation of an Amending Budget (hereinafter, AB) was proposed to the Management Committee and the Commission to adapt it to the Office's actual expenditures during its second year of set-up. The mandate was given to the Office to prepare the AB to be submitted for approval by the MC via electronic voting.

Amending Budget 1/2012 as detailed below was adopted by the Management Committee on 8th August 2012 by Decision MC (12)33.

Revenue 2012

Revenues in EUR	Budget 2012	Amending Budget AB 1/2012	New Appropriations 2012
1. Revenue from fees and charges			
2. European Community Subsidy	4,292,937	-1,102,937	3,190,000
3. Third countries contribution (incl. EFTA and candidate countries)	111,616	-111,616	0
4. Other contributions (*)	200,000	-200,000	0
5. Administrative operations			
6. Revenues from services rendered against payment			
7. Correction of budgetary imbalances			
Total revenues	4,604,553	-1,414,553	3,190,000

(*) Estimated voluntary contributions from Member States or from their National Regulatory Authorities (NRAs). These contributions shall be used to finance specific items of operational expenditure as defined in an agreement to be concluded between the Office and the Member States of their NRAs.

See Appendix 3 for budgetary data.

3.4. Legal services, Procurement and General administration

Priorities:

- Providing legal advice for Office contract management and public procurement in order to ensure compliance with applicable legal rules and regulations;
- Tendering and procuring the office equipment (e.g. furniture, ICT equipment) and services (e.g. security, postal services);
- Preparing and adopting Office WP 2012;

Results:

- The Office legal function was responsible for preparing draft decisions for the administration of the Office for the approval by the Management Committee – among those the decisions for the implementation of certain provisions of the EC Staff regulations, which have been referred to under Human Resources Management;
- Procurement plan with 20 procurement items was followed and reviewed during the year. However, due to the resignation in Q3 2012 of key persons with procurement skills and resource bottlenecks, significant tenders were delayed. The most critical procurements not finalised in 2012 have been addressed under sections 1.2. "Setting

up and providing support to the BEREC Expert Working Groups” and 3.1. “Premises and IT infrastructure”;

- BEREC Office procurement procedure was implemented in August 2012;
- Draft Office WP 2013 was prepared by end June and adopted by the Management Committee at the end of September 2012;

3.5. Relations with the Republic of Latvia

Priorities:

- Further development of good working relationship with the relevant bodies of the Latvian Government (Ministry of Transportation, Ministry of Foreign Affairs, and Ministry of Education and Science).

Results:

- Meeting with the Latvian Prime Minister together with EP representatives, meeting with the Latvian Minister of Transport together with BEREC Chair, and visit to the Ministry of Education and Science of Latvia.

4. Internal Audit

The BEREC Office does not have an Internal Audit Capability (IAC). The internal auditing function of the Office is performed by the Commission's Internal Auditor in accordance with Article 14 of BEREC Regulation and applying all relevant requirements for ICS 16.

On 23 May the Commission Internal Audit Service (IAS) delivered the BEREC Office Annual Internal Audit Report for 2012 providing an overview of the audit activities conducted in 2012 in the BEREC Office by the Internal Audit Service.

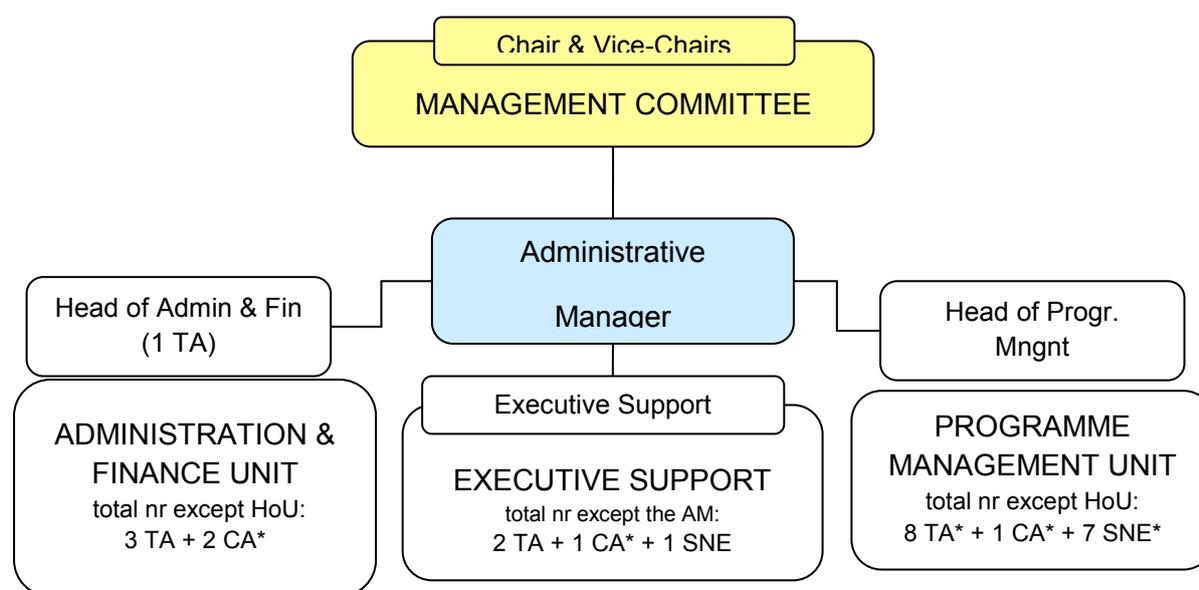
An in-depth risk assessment was conducted to determine the audit priorities. The resulting IAS Strategic Audit Plan 2013 – 2015 was approved by the BEREC Office Management Committee and was sent to the BEREC Board of Regulators for approval.

In the course of the risk analysis, the IAS identified certain processes of high inherent risk which could not be considered as auditable within the audit plan, as the controls were assessed as absent or insufficient. The Agency's management submitted an action plan aimed at addressing these weaknesses. The actions undertaken by BEREC for addressing these high risk areas will be followed up by the IAS during the next in-depth risk assessment.

As to the Audit report no systemic problems were reported in 2012 by the Financial Irregularities Panel set up under Article 66(4) of the general Financial Regulation in force in 2012.

III. Appendixes

Appendix 1: BEREC Office organisational chart



* vacant positions (due to not finalised recruitment procedures in 2012 or turn-overs and family leave):

- 2 people in Administrative and Finance unit (1 TA&1 CA);
- 1 person (1 CA) in Executive Support;
- 3 people in Programme Management unit (1 TA, 1 CA, 1 SNE posts not filled due to turn-overs. In addition, 1 SNE is on long-term absence - family leave, no temporary substitute available).

Appendix 2: Staff establishment plan 2011

Human Resources	2012	
	Authorised under the EU Budget	Actually filled as of 31/12/2012
Establishment plan posts: AD	11	11
Establishment plan posts: AST	5	5**
Total Establishment plan posts	16	16
Contract Agents	2 *	1
Seconded National Experts	10 *	7
Total staff	28	24

(*) on 8 December 2011 the Management Committee of BEREC Office approved the proposal to change two SNE positions in Administration and Finance unit into two Contract Agent positions, Ref. document MC(11)34.

(**) Job Offers for 2 AST positions sent out on 31/10/2012, Financial Assistance in AF Unit (AST3) started in January 2013 and possible start date for Administrative Assistant in PM Unit (AST1) is in February 2013

Appendix 3: Financial Reporting

Expenditure 2012: Commitment appropriations in EUR

Expenditure In EUR	Budget 2012	Budget Amendment s for 2012	New Appropriatio ns 2012
Title 1 Staff Expenditure			
Chapter 11 Salaries and allowances	2,204,000.00	-752,466.00	1,451,534.00
Chapter 12 Expenditure relating to Staff recruitment	200,000.00	-9,600.00	190,400.00
Chapter 13 Mission expenses	420,000.00	-238,200.00	181,800.00
Chapter 14 Socio-medical infrastructure	24,000.00	-6,000.00	18,000.00
Chapter 15 Trainings	40,500.00	47,500.00	88,000.00
Chapter 16 External Service	0	71,410.00	71,410.00
Chapter 17 Reception and Events	15,000.00	0	15,000.00
Title 1 - Total	2,903,500.00	-887,356.00	2,016,144.00
Title 2 Infrastructure and operating/running expenditure			
Chapter 20 Rental of buildings and associated costs	320,524.00	-287,136.15	33,387.85
Chapter 21 Information technology purchases	165,000.00	-20,000.00	145,000.00
Chapter 22 Movable property and associated costs	90,000.00	-86,000.00	4,000.00
Chapter 23 Current administrative expenditure	57,000.00	-34,400.00	22,600.00
Chapter 24 Postage / Telecommunications	19,000.00	64,500.00	83,500.00
Chapter 25 Meeting expenses	160,000.00	53,315.15	213,312.15
Title 2 - Total	811,524.00	-309,724.00	501,800.00
Title 3 Operational expenditure			
Chapter 30 Support to implementation of BEREC Work Programme 2012	710,529.00	-78,473.00	632,056.00
Chapter 31 Horizontal activities (not related to BEREC Work Programme 2012)	179,000.00	-139,000.00	40,000.00
Title 3 - Total	889,529.00	-217,473.00	672,056.00
Total Expenditure	4,604,553.00	-1,414,553	3,190,000.00

Execution of Budget 2012

Revenues in EUR	Amended Budget 1/2012 *	Budget executed
1. Revenue from fees and charges		
2. European Community Subsidy	3,190,000.00	2,110,697.46
3. Third countries contribution (incl. EFTA and candidate countries)		
4. Other contributions (*)		
Total revenues	3,190,000.00	2,110,697.46

* The amended budget 2012 was adopted by the budgetary authority in December 2012. It was approved by the Management Committee on 8 August 2012.

Budget 2012: Commitments

Budget execution overview of 2011 carry forwards and 2012 credits in EUR	Budget 2012	Budget executed
Commitments carried forward from 2011 – C8	223,782.65	121,902.77
<i>Title I</i>	168,280.68	52,439.26
C8	69,568.74	52,439.26
<i>Title II</i>	120,537.38	57,422.26
<i>Title III</i>	33,676.53	12,041.25
European Community Subsidy in 2012	3,190,000.00	2,824,422.48
<i>Title I</i>	2,016,144.00	1,843,460.39
<i>Title II</i>	501,800.00	444,726.26
<i>Title III</i>	672,056.00	536,235.83
Total Commitment Appropriations	3,413,782.65	2,946,325.25

Budget 2012: Payments

Budget execution overview of 2011 carry forwards and 2012 credits in EUR	Budget 2012	Budget executed
Commitments carried forward from 2011	223,782.65	121,902.77
<i>Title I</i>	69,568.74	52,439.26
<i>Title II</i>	120,537.38	57,422.26
<i>Title III</i>	33,676.53	12,041.25
European Community Subsidy in 2012	3,190,000.0	2,110,697.46
<i>Title I</i>	2,016,144.00	1,556,604.56
<i>Title II</i>	501,800.00	288,110.64
<i>Title III</i>	672,056.00	265,982.26
Total Payment Appropriations	3,413,782.65	2,232,600.23

Budget 2012: Expenditure

Commitment appropriations in EUR

Official Budget Item	Intitule	Credit Available Com Amount	Commitment Accepted Amount (Euro)	% Commit
Title I				
A-1100	Basic Salaries	685,065.80	620,000.00	90.50 %
A-1101	Family allowances	143,722.62	114,000.00	79.32 %
A-1102	Expatriation allowance	144,067.13	136,000.00	94.40 %
A-1110	Contract Staff	138,414.53	120,000.00	86.70 %
A-1111	Seconded National Experts	327,722.22	270,000.00	82.39 %
A-1120	Insurance against sickness	37,270.64	35,000.00	93.91 %
A-1121	Insurance against accidents	6,565.16	6,000.00	91.39 %
A-1122	Insurance against unemployment	13,443.54	13,000.00	96.70 %
A-1130	Child and other allowances	1,000.00	1,000.00	100.00 %
A-1131	Travel expenses for Annual leave	52,974.30	44,000.00	83.06 %
A-1200	Travel expenses	48,000.00	48,000.00	100.00 %
A-1201	Expenditures on staff rec	5,763.20	3,000.00	52.05 %
A-1210	Travel expenses entering/leaving service	13,000.00	1,651.35	12.70 %
A-1211	Installation	53,962.94	23,694.79	43.91 %
A-1212	Removal expenses	42,000.00	18,410.79	43.84 %
A-1213	Daily subsistence allowance	33,200.00	22,317.56	67.22 %
A-1300	Mission expenses	201,052.67	197,254.50	98.11 %
A-1400	Medical services	19,000.00	19,000.00	100.00 %

Official Budget Item	Intitule	Credit Available Com Amount	Commitment Accepted Amount (Euro)	% Commit
A-1500	Training/language courses	123,870.00	120,190.31	97.03 %
A-1600	External Services	71,410.00	71,410.00	100.00 %
A-1700	Representation costs	22,919.93	11,970.35	52.23 %
TOTAL TITLE 1 C1		2,016,144.00	1,843,460.39	
TOTAL TITLE 1 C8 from 2011 credits		69,568.74	52,439.26	
TOTAL TITLE 1 C9 from 2011 credits		98,711.94	0.00	

Budget 2012: Expenditure

Payment appropriations in EUR

Official Budget Item	Intitule	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
Title I				
A-1100	Basic Salaries	678,944.00	612,591.52	90.23 %
A-1101	Family allowances	114,000.00	94,580.67	82.97%
A-1102	Expatriation allowance	136,000.00	119,877.19	88.14 %
A-1110	Contract Staff	121,590.00	95,727.24	78.73 %
A-1111	Seconded National Experts	302,000.00	255,595.36	84.63 %
A-1120	Insurance against sickness	35,000.00	29,040.93	82.97 %
A-1121	Insurance against accidents	6,000.00	4,316.41	71.94 %
A-1122	Insurance against unemployment	13,000.00	10,912.65	83.94%
A-1130	Child and other allowances	1,000.00	198.31	19.83 %

Official Budget Item	Intitule	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
A-1131	Travel expenses for Annual leave	44,000.00	33,657.54	76.49%
A-1200	Travel expenses	48,000.00	39,809.22	82.94 %
A-1201	Expenditures on staff rec	5,763.20	1,500.00	26.03%
A-1210	Travel expenses entering/leaving service	13,000.00	1,651.35	12.70 %
A-1211	Installation	53,962.94	23,694.79	43.91 %
A-1212	Removal expenses	42,000.00	18,410.79	43.84 %
A-1213	Daily subsistence allowance	33,200.00	22,317.56	67.22 %
A-1300	Mission expenses	201,052.67	160,309.91	79.74 %
A-1400	Medical services	19,000.00	1,012.50	5.33 %
A-1500	Training/language courses	123,870.00	71,869.53	58.02 %
A-1600	External Services	71,410.00		
A-1700	Representation costs	22,919.93	11,970.35	52.23 %
TOTAL TITLE 1 C1		2,016,144.00	1,556,604.56	
TOTAL TITLE 1 C8 from 2011 credits		69,568.74	52,439.26	
Title II				
A-2000	Rent	0.00		
A-2001	Insurance	500.00	490.00	98.00 %
A-2002	Water, gas, electricity	21,465.38	14,662.92	68.31 %
A-2004	Maintenance of premises	0.00		
A-2005	Security & surveillance of building	26,767.07	12,305.35	45.97%
A-2009	Other building	9,598.67	9,598.67	100.00 %

Official Budget Item	Intitule	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
	expenditures			
A-2100	Computer equipment	46,683.11	30,887.19	66.16 %
A-2101	Software	23,000.00	17,558.25	76.34 %
A-2102	Other Data processing services	129,692.77	77,242.43	59.56 %
A-2200	Technical installation	3,000.00		0.00 %
A-2210	Furniture	1,000.00		0.00 %
A-2299	Other removable property	0.00		
A-2300	Office supply	16,293.95	10,594.02	65.02 %
A-2320	Bank charges	1,000.00	150.00	15.00 %
A-2321	Exchange rate losses	0.00		#DIV/0
A-2329	Other financial charges	0.00		#DIV/0
A-2330	Legal expenses	10,000.00	3,380.00	33.80%
A-2350	Miscellaneous insurances	0.00		
A-2359	Other operating expenses	0.00		
A-2400	Postage and delivery charges	3,923.21	852.44	21.73%
A-2410	Telecommunication charges	89,525.89	9,639.17	10.77 %
A-2500	Meeting expenditures	239,887.33	158,322.46	66 %
TOTAL TITLE 2 C1 from 2011 credits		501,800.00	288,110.64	
TOTAL TITLE 2 C8 from 2011 credits		120,537.38	57,422.26	
Title III				
B3-001	Support to BEREC Working Groups	549,732.53	216,638.03	39.41 %

Official Budget Item	Intitule	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
B3-002	Activities related to Article 7 and 7a Framework Directive	116,000.00	28,372.26	24.46 %
B3-003	Collection /transmission of information	0.00		
B3-101	Other support activities to BEREC	0.00		
B3-102	Provision of advice and other services to BEREC	40,000.00	33,013.22	82.53 %
TOTAL TITLE 3 C1 from 2011 credits		672,056.00	265,982.26	
TOTAL TITLE 3 C8 from 2011 credits		33,676.53	12,041.25	
Total	Title I-III	3,413,782.65	2,232,600.23	65.40 %

Carry-over from 2012 to 2013

Budget Title	Type of expenditure	Automatic Carryover of Payment Appropriations to 2013	Automatic Carryover of Payment Appropriations to 2012
I	Staff	184,353.65	69,568.74
II	Administrative expenses	156,615.62	120,537.38
III	Operational expenditure	270,253.57	33,676.53
	Total	611,222.84	223,782.65

Appendix 4: List of procurements and contracts

List of procurement contracts concluded in 2012

Contract/PO No	Procurement procedure/ Type of Contract	Service provided	Contract value (excl. VAT)	Contractors name
BEREC/12/001	Negotiated NP1/ Service Contract	Postal services	5,000 EUR	Latvian Post
BEREC/12/002	Negotiated NP1/ Supply contract	Water supply	5,000 EUR	Eden
BEREC/12/003	Specific Contract under Framework Contract	ABAC training	9,588.6 + 6,500 EUR	Deloitte Consulting
BEREC/12/004	Specific Contract under Framework Contract	Event management services	4,197.68 LVL	Komunikaciju Agentura
BEREC/12/005	Purchase Order	Event Moderator	1,000 EUR	Andris Gobiņš
BEREC/12/006	Purchase Order	IT support services	356.67 LVL	SIA LECOM
BEREC/12/007	Negotiated NP5/ Service Contract	BEREC Website development & hosting	9,580 EUR	SIA Mediaparks
BEREC/12/008	Negotiated NP5/ Supply Contract	Microsoft SW Licences for 3 years	17,558.25 EUR	SIA DPA
BEREC/12/009	Special NP 1/ Framework Contract renewable	Legal services	max. 40,000 EUR	Ashurst LLP
BEREC/12/027	Negotiated NP5/ Service Contract renewable	Security services	14,887.85 EUR	G4S
BEREC/12/029	Open tender with 4 Lots / Service Contract for 2 Lots renewable	Internet and IP-telephony services	25,000 (1 year)	CSC Telecom
BEREC/12/030	Open tender with 4 Lots / Service Contract for Lot 4 renewable	Mobile handsets and service	35,000 (1 year)	TELE 2
BEREC/12/034	Negotiated NP3/ Service contract	Language Training + integration courses	9,250 LVL	Lingua Baltik
BEREC/12/039	Negotiated NP1/ Service contract renewable	Supply of VPN connection to support S-Testa for BEREC Office	<5,000 EUR	CSC Telecom
BEREC/12/040	Negotiated NP1/ Service contract	Provision of S-Testa for BEREC Office	597.60 EUR	LVRTC

Contract/PO No	Procurement procedure/ Type of Contract	Service provided	Contract value (excl. VAT)	Contractors name
BEREC/12/042	Negotiated NP1/ Supply contract	Safe	4,017.32 EUR	DATA J&S
BEREC/12/043	Negotiated NP1/ Service contract	Provision of professional IT services and support for BEREC Office	<5,000 EUR	LECOM Group

List of Memorandums of Understanding and SLAs with Commission Services and European bodies

Contract No	Type of Contract	Object of the contract	Contractor's Name
DIGIT-00285-00	Memorandum of Understanding	IT hosting services for the ABAC system	Directorate General for Informatics - DG DIGIT
SLA BEREC-DG INFSO-DG BUDG	Service level agreement	Agreement for the provision of services in relation to the implementation of the ABAC system	Directorate General for Budget - DG BUDG
SLA BEREC-OIB	Service level agreement	Technical assistance in the field of real estate and logistics	L'Office pour les infrastructures et la logistique - OIB
SLA BEREC-DG HR	Service level agreement	Learning and development services	Directorate General for Human Resources and Security - DG HR
SLA BEREC-DG INFSO-EAS	Service level agreement	Training	European Administrative School - EAS
SLA BEREC-CdT	Service level agreement	Translation services	The translation Centre for the Bodies of the European Union- CdT
SLA BEREC-Service Medical	Service level agreement	Medical services	Le Service Medical
SLA BEREC-EP SO	Service level agreement	Technical assistance on staff individual entitlements	The Office for Administration and Payment of Individual Entitlements - PMO
SLA BEREC-PMO	Service level agreement	Technical assistance on selection of officials, temporary agents and contract agents	European Personnel Selection Office - EPSO

Appendix 5: Statement of reasonable assurance

Note for the attention of the Management Committee of the BEREC Office

Subject: Statement of reasonable assurance

I, the undersigned, Ando Rehemaa, Administrative Manager of BEREC Office in my capacity as Authorising Officer

Declare that the information contained in this report gives a true, reliable and complete view.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my personal involvement in the details of budget management procedure, especially in quarters 3 and 4 of year 2012 when covering the Budgetary Officer role on behalf of resigned staff members. The assurance is also based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-ante controls, etc.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Done in Riga, 27/05/2013

Ando Rehemaa

(s)

**Administrative Manager
BEREC Office**