

2013

Annual Activity Report

**The Office of
The Body of European Regulators
for Electronic Communications**

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INTRODUCTION

The BEREC Office in brief

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 ("BEREC Regulation").

BEREC contributes to the development and better functioning of the internal market for electronic communications networks and services. It does so, by aiming to ensure a consistent application of the EU regulatory framework and by aiming to promote an effective internal market in telecoms sector, in order to bring even greater benefits to consumers and businesses alike.

Furthermore, BEREC assists the Commission and the national regulatory authorities (NRAs) in implementing the EU regulatory framework for electronic communications, to give advice on request and on its own initiative to the European institutions and to complement at European level the regulatory tasks performed at national level by the regulatory authorities.

NRAs and the Commission have to take utmost account of any opinion, recommendation, guidelines, advice or regulatory best practice adopted by BEREC.

In particular BEREC is requested to:

- develop and disseminate among NRAs regulatory best practices, such as common approaches, methodologies or guidelines on the implementation of the EU regulatory framework;
- on request, provide assistance to NRAs on regulatory issues;
- deliver opinions on the draft decisions, recommendations and guidelines of the Commission as specified in the regulatory framework;
- issue reports and provide advice, upon a reasoned request of the Commission or on its own initiative, and deliver opinions to the European Parliament and the Council, when needed, on any matter within its competence;
- on request, assist the European Parliament, the Council, the Commission and the NRAs in relations, discussions and exchanges of views with third parties; and assist the Commission and NRAs in the dissemination of regulatory best practices to third parties.

The Office is established as a European Union Body with legal personality to provide professional and administrative support services to BEREC. 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.

The year in brief

BEREC Office activities have been related closely to the BEREC Work Programme that was set out in 4 main themes for work:

- Theme A: Boosting the role-out of next generation networks.
- Theme B: Consumer empowerment and protection;
- Theme C: Services: boosting the internal market
- Theme D: Horizontal and Quality aspects.

11 Expert Working Groups were established by BEREC in 2013 to work towards the accomplishment of the Working Programme. The Office provided support in setting-up, organising and co-ordinating the work of these Expert Working Groups and 81 meetings were organised in total.

The Office is assigned to coordinate BEREC's activities under Article 7 and 7a of Framework Directive. These tasks include the monitoring and registering of all notified national measures and Commission's comments; set-up of Expert Working Groups for the preparation of BEREC Opinions in Phase II and coordination of the work of these Expert Working Groups. In 2013 BEREC provided opinions in 13 Phase II cases.

Although the professional and administrative support to BEREC required intensive work from the staff of the Office, a significant part of the resources had to be allocated to the administrative and financial activities to ensure legal compliance with EU rules applicable to all Union bodies. The comments of the Court of Auditors in its annual report on 2012, led to a decision of the European Parliament to postpone the conclusion of the discharge procedure of 2012, needed to be addressed. In 2013 all areas suggested to be improved have been improved and the Court of Auditors in its annual report on 2013 retains only 2 minor comments in comparison to 11 from the previous year.

Executive Summary

Implementation of the Annual Work programme - Highlights of the year

The tasks of the BEREC Office to support BEREC in the implementation of the 2013 WP included:

- Setting up of Expert Working Groups

After the decision on the establishment of Expert Working Groups was taken by the Board of Regulators, the BEREC Office assumed the responsibility to set up Expert Working Groups. To this end the Office collected information on the resources allocated by the NRAs to each Expert Working Groups and assisted the Expert Working Groups 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 Expert Working Groups. By providing support to Expert Working Groups the Office ensures the smooth functioning of those groups.

- Data collection

In 2013 the Office was responsible for 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 Expert Working Groups in preparation of BEREC documents and internal workshops

BEREC Office assisted 23 work streams in 11 Expert Working Groups to deliver the requested output (external and internal reports, opinions, common positions, guidelines, questionnaires, internal procedures, and internal workshops)

- 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 meetings and workshops

In 2013 the Office was prepared to provide meeting facilities in BEREC Office premises in Riga. The Expert Working Group meetings were however still mostly organised in Brussels or hosted by the NRAs. In 2013 BEREC Office hosted only 3 meetings in its premises.

- Organising public procurement procedures for research studies

It was foreseen in the Office WP 2013 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 2013 the Net Neutrality Experts Working Group indicated the need for a study on consumers' incentives and market forces driving Net Neutrality developments. Based on the preliminary work by the Net Neutrality Expert Working Groups on scoping the

desirability and value of commissioning and after the approval of the BoR in 2013 November BEREC Office launched an open tender procedure called “Value of Network Neutrality to European Consumers” on the 13 December 2013.”

- Coordination of BEREC’s activities under Article 7/7a Framework Directive (FD)

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 Expert Working Groups for the preparation of BEREC Opinions in Phase II; coordination of the work of the Phase II Expert Working Groups; participation in this work when required; regular reports to the Board of Regulators on the outcome and to identify possible weaknesses and points for improvement.

In 2013 BEREC provided an opinion in 13 Phase II cases. Phase II Expert Working Group was established for each case when Commission opened a Phase II investigation. Each Phase II Expert Working Group received the support and coordination needed for their work and was able to prepare a draft Opinion for the approval of the Board of Regulators. 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 National Regulatory Authorities and the comments of the Commission was continued. In 2013 BEREC Office registered 140 notifications. The outcome of the Phase II cases was regularly reported to the Board of Regulators.

- Horizontal activities

In addition to the activities mentioned above the BEREC Office provides on a regular basis support to the Board of Regulators, the BEREC Office Management Committee, the Contact Network and BEREC international activities. The Office also provides support to the BEREC Chair and Vice-chairs for fulfilling their assignment at request.

In 2014 the BEREC Office supported the organisation of four regular plenary meeting (Board of Regulators and BEREC Office Management Committee), four Contact Network meetings, seven international events and has supported the BEREC Chair and Vice-chairs for representing BEREC in more than 40 events.

In 2013 the BEREC Office continued the development of the BEREC website, including also the public register of BEREC and BEREC Office documents. At the end of 2013 the public register contained 1375 documents drawn up or addressed to BEREC, 669 documents drawn up or addressed to BEREC Office and 11 documents drawn up by the Contact Network.

In providing horizontal support to BEREC’s work the BEREC Office reimbursed 363 BEREC participation in events (co)organised by the BEREC Office.

Key conclusions on resource management and internal control effectiveness

In accordance with the governance statement of the European Commission, the BEREC Office conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control standards, based on international

good practice, aimed to ensure the achievement of policy and operational objectives. As required by the Financial Regulation, the BEREC Office has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

The BEREC Office does not have an own internal audit capacity. The Internal Auditor of the Commission is responsible for auditing the Office in accordance with Article 14 of BEREC Regulation.

The BEREC Office has assessed the effectiveness of its key internal control systems during the reporting year and has concluded that the internal control standards are effectively implemented, with the exception of standards ICS5, ICS8, ICS11 and ICS12. The application of these standards is in ongoing status and will be subject of a follow up audit by the Internal Audit Service of the Commission in October 2014.

In addition, the BEREC Office has systematically examined the available control results and indicators, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives.

The main risks related to the BEREC Office's management mainly concern the legality and regularity of the underlying financial transactions of its budget. Throughout 2013 the budget has been monitored in monthly meetings and the financial actors have been through training to enhance the Office's budget management capacities. There are also some risks in the area of delivering content support to the Management Committee but these are of a more political and reputational nature. The latter could materialise through lack of timely delivery on the promised content. The monitoring of the Office's important risks reveals that exposure to all risks identified remained under control throughout 2013 and reduced substantially.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Administrative Manager, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

Information to the Commissioner

The main elements of this report and assurance declaration have been brought to the attention of the Management Committee of the BEREC Office.

The Annual Activity Report is a management report of the Management Committee of the BEREC Office. It is the main instrument of management accountability and constitutes the basis on which the Commission takes its responsibility for the management of resources and the achievement of objectives.

IMPLEMENTATION OF THE ANNUAL WORK PROGRAMME OF THE BEREC OFFICE FOR 2013

Acronyms

AAR -	Annual Activity Report
AD -	Staff category: temporary agents - administrators
AST -	Staff category: temporary agents - assistants
BEREC -	Body of European Regulators for Electronic Communications
BoR -	BEREC Board of Regulators
CA -	Staff category: contractual agents
CN -	Contact Network
EC -	European Commission
ECA -	European Court of Auditors
EP -	European Parliament
EWG -	BEREC Expert Working Group
FD -	Framework Directive
HR -	Human resources
IAS -	European Commission Internal Audit Service
ICT -	Information and Communications Technologies
MC -	BEREC Office Management Committee
MS -	European Union Member State
NRA -	National Regulatory Authority
REGULATEL -	Latin American Forum of Telecommunications Regulators
SNE -	Seconded National Expert
TA -	Staff category: temporary agents
WP -	Work Programme (used as BEREC WP or BEREC Office WP)

I. Introduction

A. Legal context and procedure of preparing BEREC Office Annual Activity Report

Article 47 of the BEREC Office Financial Regulation adopted by the Management Committee Decision MC/2014/1 on 7 January 2014 specifies the content and procedure of the preparation of the Annual Activity Report.

As the Article 47 of the BEREC Office Financial Regulation shall apply from 1 January 2015, pursuant to Article 116 of the BEREC Office Financial Regulation, the Article 40 of the previous BEREC Office Financial Regulation adopted by the Management Committee decision MC (10) 44 on 3 December 2010 applies. Pursuant to Article 40(1) 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.

This report has been prepared in accordance with Article 40 of the previous BEREC Office Financial Regulation adopted by the Management Committee decision MC (10) 44 including, however, sections about the implementation of the annual work programme, budget and staff resources as required by the Article 47 of the BEREC Office Financial Regulation MC/2014/1 of January 2014.

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 European Commission (further referred to as EC).

The BEREC Office is structured as follows:

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

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 in the context of the Electronic Communications Regulatory Framework

As provided by Article 6 of the BEREC Regulation, the Office performs its tasks under the guidance of the BoR and has to:

- Provide professional and administrative support services to BEREC;
- Collect information from NRAs and exchange and transmit information in relation to the role and tasks set out in Articles 2(a) and 3;
- Disseminate regulatory best practices among NRAs, in accordance with Article 2(a),
- Assist the Chair in the preparation of the work of the BoR;
- Set up Expert Working Groups (referred to as EWG or EWGs), upon request of the BoR, and provide support to ensure the smooth functioning of those Groups.

D. Specifics of the BEREC Office work in 2013

In 2013 the setting-up of the BEREC Office continued. Two priority areas were defined in the Office 2013 Work Programme: a) enhancing the quality of support provided to BEREC; b) further improving the efficiency and capabilities of internal administration.

The activities of the BEREC Office in 2013 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 BEREC Office in 2013 made a significant effort in order to further improve the efficiency and capabilities of internal administration. Although improvement of the internal administration was identified as a priority area in the 2013 Work Programme, extra emphasis was put on addressing in a timely manner the number of observations from the European Court of Auditors (referred to as ECA) from its audit of the annual accounts for the financial year 2012 and the findings of the EC Internal Audit Service (referred to as IAS) from its 2013 limited review of the implementation of Internal Control Standards. In order to achieve the improvements in administration and budget implementation, several important projects were initiated with involvement of external consultants Deloitte Consultants under the EC framework contract. Additional financial resources were transferred to and man-hours allocated to the activities addressing the observations of the ECA and the findings of IAS.

The measures taken in 2013 resulted in improved administrative capabilities.

The other priority area in 2013 - providing quality support to BEREC was maintained. The number of Framework Directive (referred to as FD) Art.7/7a cases increased in 2013 and relevant support was provided to all Art.7/7a Expert Working Groups (referred to as

EWGs). Despite of the fact that some operational administrative resources had to be diverted to supporting internal administrative initiatives and the Office did not succeed with fully recruiting all seconded national expert positions (referred to as SNEs) in the Programme Management Unit.

As per 31 December 2013 the BEREC Office had 25 employees. In 2013 6 recruitment procedures, which were initiated in 2012 were finalised. Colleagues for 2 AST positions and 3 CA positions were employed and one SNE position was filled for a short period of two months. In addition to the recruitment procedures initiated in 2012 and finalised in 2013, two further recruitments were initiated in 2013 with the employment of the posts expected in 2014. Not all vacancies could be filled by the end of 2013 due to the continued difficulties with attracting the candidates for the SNE and CA positions.

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 2013 was adopted in September 2012. The BEREC Work Programme 2013 was finalised and adopted much later in December 2012. The Office WP 2013 was updated in January 2013 with updated budget allocation between the BEREC Office main activities based on the Budget 2013 as approved by the Budgetary Authority in the end of 2012 and the MC. The Office WP 2013 was also updated with addition of two financing decisions.

II. Implementation of the BEREC Office annual work programme 2013

II.1. Support to implementation of the BEREC Work Programme 2013

1.1. Introduction - Contribution to the topics of BEREC Work Programme 2013

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 2013 BEREC identified three main themes for its 2013 WP, respectively focusing on infrastructure (boosting the roll-out of next generation networks), consumers (consumer empowerment and protection) and services (boosting the internal market). Activities outside the three priority areas were classified under a fourth theme (other internal or external activities).

- **Theme A: Boosting the roll-out of next generation networks**
- **Theme B: Consumer empowerment and protection**
- **Theme C: Services: boosting the internal market**
- **Theme D: Other internal and external activities**

The category of activities in the BEREC Office WP 2013 “Support to implementation of the BEREC Work Programme” covers the tasks related to the BEREC WP 2013.

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 2013. This task follows the BEREC Regulation, article 6 (2) item 5.

Priorities:

- Setting up of EWGs;
- Providing administrative, professional and logistical support to the BEREC EWGs;
- Data collection from NRAs on request of EWGs;
- Assistance to the EWGs in preparation of BEREC documents;
- Managing public consultations, public procurement procedures for research studies and/or cooperation agreements
- Managing changes.

Status, Results:

- The 11 BEREC EWGs as specified by the decision of the BoR for the implementation of the BEREC WP 2013 were set up by the BEREC Office at the beginning of the year 2013 and confirmed in the 14th meeting of the BoR;
- All 11 BEREC WP 2013 EWGs established by BEREC at the beginning of 2013 were given professional and administrative assistance in accordance with their needs, assistance in compiling the reports;
- Three EWG meetings were organised in the BEREC office premises in Riga, most of the BEREC EWG meetings took place in Brussels. The BEREC Office experts supporting the EWG meetings were regularly travelling from Riga to Brussels.
- In 2013 the travel of 676 BEREC experts related to 81 BEREC EWG meetings was supported;
- BEREC Office provided support to two BEREC public consultations and collected the submissions from the stakeholders;
- Two public workshops were organised by the Office (End Users EWG Accessibility Workshop, Framework Implementation EWG workshop on Machine to Machine communications) and several others supported by the Office in 2013: Network Neutrality EWG Quality of Service workshop; Next Generation Network EWG workshop “Emerging Challenges in NGN networks: Effective regulation in an NGA environment”; BEREC workshop on a harmonised cooperation process regarding Art 28(2) of the US Directive; Next Generation Network EWG workshop on IP interconnection; Next Generation Network EWG workshop on bit stream/VULA products. The Office also took responsibility for the related procurement of services.
- BEREC Office prepared the open tender for the BEREC study “Ecosystem Dynamics and Demand Side Forces in Net Neutrality: developments from a consumer perspective”

1.3. Activities of the BEREC Office under Articles 7 and 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:

- Keeping track of all notifications from the NRAs under Article 7/7a of the Framework Directive and ensuring that an access point is available for receiving the draft measures.
- Keeping an internal record of all notifications under Article 7 Framework Directive, including the Commission's comments and the outcome of each case.
- Establishing and coordinating of Art. 7/7a Expert Working Groups for the purpose of preparing BEREC's opinions, in accordance with Article 13 of the Rules of Procedure of Board of Regulators and in particular in the second phase of the Article 7/7a cases.
- Reporting regularly to the Board of Regulators the outcome of Article 7/7a Phase II cases, together with a record of each NRA's participation in art. 7/7a EWGs either as members or Rapporteurs with the purpose of enhancing BEREC's procedures.
- Establishing a database for all Phase II cases under Articles 7/7a of the Framework Directive.
- Ensuring the quality and consistency of the final draft BEREC Opinions in particular with regard to style and format.

Status, Results:

- Regular tracking of all FD Art. 7/7a notifications from the NRAs and the comments of the Commission was continued;
- Phase II EWG was established for each case when Commission opened a Phase II investigation. Twelve ad hoc Art.7/7a BEREC EWGs were set-up for Phase II cases in 2013. Work on two Phase II cases from 2012 continued at the beginning of 2013;
- 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;
- In 2013 the travel of 77 BEREC experts related to 18 ad hoc Art.7/7a BEREC EWG meetings was supported;
- Simple database of FD Art.7/7a focal points, rapporteurs and experts was maintained;
- The outcome of the Phase II cases was regularly reported to the BoR;
- The draft BEREC Opinions were proof-read by the BEREC Office Programme Management Unit team members with regard to style and format and the best effort corrections were proposed given the extremely short time frame.

Activities not finalised in 2013 (carry-forwards):

The development of Article 7/7a data base has been planned as a functionality within BEREC collaboration platform with the purpose of processing and sharing of data with the BEREC Community. The technical specification for the public tender was prepared in 2013, however, the launch of the public procurement for the purchase and implementation of BEREC collaboration platform was unfortunately delayed due to the timing conflict with the other large public procurement of the Network Neutrality Ecosystem market study.

1.4. Collection, exchange and transmission of information and best practices

To support BEREC in promoting a consistent regulatory approach, the BEREC Office has been assigned the responsibility to collect information from NRAs, to exchange and transmit data in relation to the BEREC role and tasks as specified in BEREC Regulation Articles 2(a) and 3.

Priorities:

- Collection of market data from the NRAs on request of BEREC;
- Exchange and transmission of information, promoting exchange of best practices and expertise.

Status, Results:

- In 2013 the Office carried forward the regular data collection initiatives for the purposes of the BEREC reports, among them the International Roaming Benchmark Data Reports for July – December 2012 and January – June 2013; Benchmarking data collections for fixed, mobile and SMS termination rates as of 1 January 2013 and 1 July 2013;
- As preparation for the public tender of BEREC collaboration platform (Intranet) technical tender documentation was prepared together with the NRA experts.

Activities not finalised in 2013 (carry-forwards):

- The launch of the public procurement for the purchase and implementation of BEREC collaboration platform was unfortunately delayed due to the timing conflict with the other large public tender of the Network Neutrality Ecosystem Dynamics and Demand Side market study and due to the limited project management resources in the Office to run both procurements in parallel.

II.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 Chair and Vice-chairs of the Board of Regulators and the Management Committee in fulfilling their responsibilities

The provisions of Article 4 (11) and Article 6 (2) of the BEREC Regulation state that the Office shall provide administrative and professional support services to BEREC, including by assisting the Chair in the preparation of the work of the BoR.

Priorities:

- Preparing all documents for organising the procedure for election of the Chair for 2015 and Vice-chairs of the Board of Regulators and the Management Committee for 2014;

- Providing assistance to the Chair of the Board of Regulators and the Management Committee when need would be to organise an electronic vote, summarising the results from the electronic vote and in case of significant divergences of the opinions, supporting the Chair in resolving the open issues;
- Providing support to the Chair and Vice-chairs of the Board of Regulators and the Management Committee in representing BEREC and BEREC Office in international or other representative events;
- Assisting the Chair of the Board of Regulators in preparing the BEREC Newsletter as agreed during the 9th meeting of the BoR (8-9 December 2011, Bucharest) and supporting him upon request in his communications activities;
- Providing support in the organisation of the public debriefings after the Plenary meetings of the Board of Regulators and the Management Committee or public hearings held by BEREC;
- Assisting the Chair for 2012 with the preparation of the draft annual report on the activities of BEREC; and
- Coordinating the drafting of the annual report on the developments in the electronic communications sector for year 2012 in cooperation with the Chair's Office and all BEREC Expert Working Groups.

Status, Results:

- Following the resignation of the elected Chair 2014 in the beginning of 2013, the Office provided support for the election procedure of the Chair 2014 held 15th meeting of the BoR and the MC (6-7 June 2013, Athens);
- The Office provided support for the election procedure of the Chair for 2015 and Vice Chairs of BoR and MC for 2014 before and during BEREC 17th meeting of the BoR and the MC (5-6 December 2013, Budapest);
- BEREC Office has assisted the incoming Chair in the preparation of the 2014 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 2014; The set-up of the EWG's was initiated immediately after the adoption of the PRD's for the implementation of the 2014 WP in December 2013;
- Upon request the Office has provided assistance to the BEREC Chair in handling the electronic voting procedures organised during 2013;
- The Office provided logistical support to the Chair and Vice Chairs in their role of representing BEREC in respect to more than 20 events within the EU and 7 international venues;
- Logistical support was provided with organising all four BEREC Plenary debriefings in Brussels and with organising the public hearing of the draft BEREC WP 2014;
- BEREC Annual report 2012 and the annual report on the developments in the electronic communications sector for year 2012 were prepared and published with the support of BEREC Office.

Activities not finalised in 2013 (carry-forwards):

- No further initiatives in respect to the BEREC Newsletter were undertaken by BEREC/ BEREC Office in 2013 after the Office developed a template of a BEREC newsletter and prepared 2 pilot editions in 2012.

2.2. Providing administrative & professional 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 the Chair(s).

Priorities:

- Providing administrative and professional support for the Board of Regulators and the Management Committee Plenary meetings;
- Providing administrative and professional support in the organisation and preparation of the Contact Network meetings;
- Processing the applications for reimbursement of the travelling expenses for the Plenary, Contact Network and Expert Working Groups' meetings;
- Providing updated guidelines/tips for hosting BEREC events.

Status, Results:

- The Office was involved in the process of preparing all four ordinary quarterly BoR and the MC meetings. The Chair was supported in the preparation of the draft agenda and communication of the draft agenda and other related draft documents to meeting participants. The Office drafted the meeting conclusions, the minutes of the meetings and the list of the follow-up actions. The support also included registering all meeting documents and publishing the final documents approved for publication;
- Latvian NRA SPRK organised the 16th Plenary meeting of the BoR and the MC in Riga in September 2013. The BEREC Office was co-hosting the Plenary;
- The same level of support except for debriefings was provided to all four Contact Network (further referred to as CN) meetings preparing the work of the BoR and the MC;
- BEREC Office processed in 2013 reimbursements of the travelling expenses to 209 participants of the ordinary Plenary and CN meetings;
- The procedure of the reimbursement of the travel expenses to the participants of the BEREC Plenary and CN meetings and to the participants of the BEREC EWG meetings was reviewed in May/June 2013 and streamlined in order to speed-up the reimbursement payments and be in line with the Financial Regulation;
- The BEREC Office provided methodological support to the NRAs hosting Plenary or Contact Network meetings in 2013 when needed. The BEREC Office provided them with updated guidelines/tips for hosting Plenary/Contact Network meetings and templates and arranged the registration of all meeting participants which has led to reducing the administrative burden for the meeting hosts.

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

According to the establishing Regulation BEREC and the BEREC Office have to carry out their activities with a high level of transparency and has to ensure that the public and any interested parties are given objective, reliable and easily accessible information in relation

to the results of its work. The transparency requirement includes the obligation of providing public access to its documents.

In addition to that in Decision BoR (11) 37 BEREC states its willingness to enhance as far as possible the dissemination of its expertise and to establish confidence in its capabilities including the transparency of its procedures and methods of work, and its diligence in performing its tasks.

BEREC Office is undertaking the responsibility for managing all documents created in the course of the BEREC activities and for ensuring maximum transparency of BEREC's work in compliance with the legislation in force.

Priorities:

- Maintaining the public register of the BEREC/BEREC Office documents;
- Maintaining the BEREC Internet website;
- Ensuring transparency and efficiency of the internal procedures of BEREC and its Office.

Status, Results:

- The BEREC/BEREC Office public document register is maintained on the BEREC public web page <http://berec.europa.eu>. The public document register is maintained only in the electronic format on the website;

The provisions of Article 7 of Decision BoR (10) 26 and Article 7 of Decision MC (10) 28 request the BEREC Office to facilitate access to documents by providing the public with access to an electronic register of documents as soon as possible, which has to cover all categories of documents issued by the Board of Regulators and the BEREC Office.

The public register was put into operation on 1 August 2012. Since this date all newly created BEREC documents have been registered in it.

Furthermore, the Office was requested within 1 year from the putting into operation of the register to register all old BEREC and MC documents in the register. In 2013 the Office succeeded to register all documents which were not registered at the moment of putting the register into operation.

At the end of December 2013 the public register of BEREC and BEREC Office documents contained 1375 documents drawn up or addressed to BEREC, 669 documents drawn up or addressed to BEREC Office and 11 documents drawn up by the Contact Network.

The number of BEREC and BEREC Office documents covers also documents drawn up after the putting into operation of the register and all historical files transferred to the BEREC Office by the Commission and the IRG Secretariat.

- The tender for the contract renewal of BEREC website hosting and further development was launched in December 2012 and finalised in 2013;

- Technical tender documentation was prepared together with the NRA experts in November 2013 for the public tender of BEREC collaboration platform (Intranet).

Activities not finalised in 2013 and considered in future Work Plans:

- Tender for the contract renewal of BEREC website hosting and further development, which was finalised in February 2013 foresaw improvements of functionalities for meeting registration and for the access of the web site of citizens with disabilities. Also improved administration of BEREC public document register was planned. The service provider who offered the best value for money in its offer continued hosting, but completely failed to further develop the website. The service provider was notified in the end of 2013 about the discontinuation of the service contract in 2014. The further development of the public website is considered together with the procurement of the BEREC collaboration platform;
- The launch of the public procurement for the purchase and implementation of BEREC collaboration platform was planned in 2013, but unfortunately delayed due to the timing conflict with the other large public tender of the Network Neutrality Ecosystem Dynamics and Demand Side market study and due to the limited project management resources in the Office to run both procurements in parallel.

2.4. Other horizontal support activities of the Office

Priorities:

- Providing support in improving the quality of BEREC documents;
- Providing support to BEREC's international activities;
- Receiving, coordinating and managing the requests on advice and assistance;
- Relationship management with EU institutions, stakeholders and civil society;
- Establishing and maintaining of an intranet for distribution of documents between BEREC members and for knowledge management.

Results:

- With the objective of further improving the quality of BEREC documents and harmonising their format the BEREC Style Guide was prepared and presented during the 15th BEREC Plenary meeting in June 2013. Based on the adopted Style Guide the templates for different types of BEREC/ BEREC Office documents were prepared;
- The BEREC Office organised regular proof-reading of BEREC and BEREC Office documents;
- In 2013 the BEREC Office organised the participation of BEREC members in seven international meetings, the most important of which were the following: the 4th Ministerial conference on information society with Latin America and the Caribbean's (3-5 April 2013, Montevideo), the BEREC-REGULATEL summit (2-3 July 2013, Warsaw), BEREC Study trip to the US (14-19 October 2013, San Francisco), the BEREC-REGULATEL summit (2-3 July 2013, Warsaw), the REGULATEL XVI plenary meeting (29-31 October 2013, Cartagena) and others. The BEREC Office reimbursed the expenses of 24 BEREC members for their participation in BEREC international events;
- The BEREC Office hosted the 1st BEREC Stakeholder Forum meeting, which was organised on 25 September 2013 back-to-back with the 16th BEREC plenary meeting in Riga. The event was attended by 140 participants from 55 different organisations

and was assessed by the stakeholders and the BEREC community as a very successful one.

- 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.
- In 2013 the BEREC Office organised three meetings with the Commission on the Connected Continent initiative (on 24 June, 4 October and 11 December 2013) and reimbursed the expenses of 47 BEREC members for participation in these meetings.
- The BEREC Office provided support to the 3 meeting of the Task Force established on an ad hoc basis by the Athens plenary (June 2013) to investigate the reasons for the critical reports issued by the European Court of Auditors and the Commission Internal Audit Service. The BEREC Office reimbursed the expenses of 20 persons for their participation in the Task Force meetings.

II.3. Administrative functions and activities of the BEREC Office

In year 2013 the BEREC Office continued to build up and strengthen its administrative structures, and organise itself in its premises in Riga.

Significant effort was made in 2013 in order to further improve the efficiency and capabilities of internal administration. Extra emphasis was put on addressing in a timely manner the number of observations from the ECA from its audit of the annual accounts for the financial year 2012 and the findings of the IAS from its 2013 limited review of the implementation of Internal Control Standards. In order to achieve the improvements in administration and budget implementation, several important projects were initiated with involvement of external consultants Deloitte Consultants under the EC framework contract. Additional financial resources were transferred to and man-hours allocated to the activities addressing the observations of the ECA and the findings of IAS.

The measures taken in 2013 resulted in improved administrative capabilities.

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;
- Full inventory of the BEREC Office assets finalised in August 2013;
- Licences for the usage of Cisco videoconferencing application were purchased in June 2013;
- Software licences for server and workplaces were renewed in April 2013.

3.2. Human resources management

Priorities:

- The recruitment of staff was planned to be completed by the end of 2013 with the recruitment of 28 staff in total. The new recruitments concerned the replacements for turn-overs, including the end of the secondment of national experts.
- Preparation of Training Plan 2013 and implementation through the year.
- Preparation of Multi-annual Staff Policy Plan 2014-2016.

Results:

- Finalising the recruitment of 28 staff in total was unfortunately not fully implemented. For more details see section IV. Implementation of the BEREC Office staff resources.
- Sixteen EC Staff Implementing rules were prepared in November-December 2013 for the adoption in the BEREC Office by analogy. The implementing rules were adopted by the MC in January 2014
- Training Policy was adopted in August 2013;
- Training Plan 2013 was implemented partially due to the resignation of one staff member responsible for the administrative support to the trainings and a long term sick leave of the other;
- Draft Multi-annual Staff Policy Plan 2014-2016 adopted by the MC in January 2013 and an updated version submitted to EC in March 2013.

3.3. Budget, finance and accounting

The area of intense work in 2013 with the objective to address the observations of the ECA and the findings of IAS

Priorities:

- Following sound financial management both for 2013 budgets and accounts, adequate reporting and budget follow-up, accurate and timely payments;
- Finalising 2012 accounts and submitting them to relevant institutions (Court of Auditors, Commission, Budgetary Authority);
- Estimating budget for 2014 was submitted to the MC approval during its 14th Plenary meeting and to the EC in March 2013;
- 2012 Annual Accounts and reporting on budget 2012 finalised;
- Implementation of budget 2013 with timely payments, close monitoring and regular status reporting.

Results:

- For the results of budget management see section III. Implementation of the BEREC Office budget 2013;
- The draft budget 2014 was submitted to the MC approval during its 14th Plenary meeting and forwarded to the Commission at the end of Q1 2013;
- Provisional accounts 2012 were forwarded in March and the final accounts 2012 were forwarded at the beginning of July 2013;
- Preparation in December 2013 for the audit of the Court at the beginning of 2013;
- Preparation and signing of the contract with a new bank based on the recommendations from ECA;

- Regular monthly budgetary performance assessments continued.
- Projects with the support of the Deloitte Consultants with the goal of improving administrative capabilities and budget implementation:
 - Implementation of the Activity based budgeting and costing principles;
 - Development of the BEREC Office Accounting Manual;
 - Development of the BEREC Office Financial Manual;
 - Analysis of potential efficiency gains in the BEREC Office operations, Part 1;

The measures taken in 2013 resulted in improved budget implementation.

- Budget implementation rate (commitment appropriations) in 2013 was 89,53% as compared to 88,54% in 2012;
- Execution rate of payment appropriations in 2013 was 76,57% as compared to 66,16% in 2012;
- De-commitment of committed appropriations carried over from 2012 to 2013 was 28% in 2013 as compared to 45% in 2012;
- Appropriations not used in 2013 were 15% in 2013 as compared to 17% in 2012;
- Carry-over of commitment appropriations from 2013 to 2014 were EUR 461,983 (13% in 2013 as compared to 19% in 2012).

For further details on budget implementation see section III. Implementation of the BEREC Office budget 2013

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);
- Data Protection;
- Legal assistance to BEREC upon request.

Results:

- Procurement plan was followed. The most complex and time consuming procurements in 2013: Open tender for event management in Brussels and Riga in 2 Lots – finalised in July 2013; Interim Services tender – prepared in December 2013; open tender for BEREC Net Neutrality EWG Ecodem study - launched in December 2013.
- Significant number of contracts in 2013 were prepared and signed as renewable, which significantly reduced the burden of preparing new procurements;
- The BEREC office in 2013 actively enrolled itself in the EC framework contracts with the goal of reducing the burden of own procurements;
- Data Protection: inventory of processing operations of personal data was put in place in July 2013.

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:

- Participation of the BEREC Office management and representing of the organisation on the official venues or receptions organised by the President of Latvia, the Latvian Government or Riga Municipality.

3.6. General managerial activities**Priorities:**

- Maintaining organisational values and organisational culture:
- Managing operational planning and performance assessment
- Authorising Officer's Annual Administrative Report 2012 (referred to as AAR): preparing draft for assessment by MC on its 15th Plenary meeting;
- BEREC Office Activity Report 2012: assisting MC in preparing Activity Report for adoption on Plenary 2.
- Preparing the draft Office WP 2014 and submitting to the Management Committee.
- Consolidating risk management plans together with auditing bodies and implementing accordingly through 2013.

Results:

- BEREC Office ethical principles document adopted in July 2013;
- Team event for BEREC Office staff and family members organised by the BEREC Office Staff Committee in August 2013;
- Authorising Officer's Annual Administrative Report 2012 (AAR) was prepared for the assessment by MC on its 15th Plenary meeting in June 2013;
- Draft BEREC Office Activity Report 2012 was prepared for the Plenary 2 and adopted by the MC during the 15th Plenary meeting in June 2013;
- Draft Office WP 2014 was prepared in June and adopted by the MC in September 2013;
- A contract with the Deloitte Consultants was signed in December 2013 in order to support the BEREC Office with developing a comprehensive Business Continuity Plan, preparation of which would include assessment of risks and the establishment of a systematic risk management process.

III. Implementation of the BEREC Office budget 2013

III.1. Initial and amended budget 2013

The initial Budget of the BEREC OFFICE for 2013, as adopted by the Management Committee of the BEREC OFFICE (hereinafter, MC) and approved by the Budgetary Authority in 2012, was 4,496,676.08 EUR¹ including:

- (a) “fresh” contributions in year 2013 with the total value of EUR 3,768,696 including:
 - EUR 3,165,705 under Titles 1&2 and
 - EUR 602,991 under Title 3;
- (b) European Community assigned revenues deriving from previous years' surpluses (surplus from financial year 2011: EUR 353,231 under Titles 1&2 plus EUR 69,225 under Title 3 = 422,456 EUR)
- (c) Contribution from EFTA Member States: calculated at 2,8% of the 2013 budget with the total value of EUR 105,524, including:
 - EUR 88,640 under Titles 1&2 and
 - EUR 16,884 under Title 3;
- (d) Estimated voluntary contribution from the NRAs of the EU Member States in accordance with Article 5(2) of the BEREC Regulation: forecasted in draft 2013 budget with not more than EUR 200,000.

On 30 July 2013 a preparation of an Amending Budget (hereinafter, AB) was proposed to the MC and on 21 August 2013 to the Commission to adapt it to the Office's actual expenditures during its third 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 1/2013 as detailed below was adopted by the MC on 13 August 2013 by Decision MC/2013/6.

Table I of Annex 3 presents the Budget 2013 in terms of appropriations for revenue indicating the amendments of the AB 1/2013.

EXPENDITURE 2013

In year 2013 the BEREC Office made 19 transfers of appropriations within the limits allowed to Administrative Manager based on Article 23(1) of the Decision MC (10) 44 of the MC on the BEREC Office Financial Regulation:

¹ In January 2012 the BEREC Office submitted a draft budget of EUR 4,490,865. The following changes had to be taken into account at the beginning of 2013: a) in April 2012 Commission decreased EU contribution from EUR 4,261,135 to 4,192,879 (-1.6%); b) in June 2012, based on the recommendations from the Court of Auditors, the Office corrected the estimate for 2011 surplus from EUR 424,183 to 422,456 (-0.4%); c) on 7 January 2013 the Commission communicated that a ratio of 2.8% of the 2013 budget has to be used for the calculation of EFTA contribution instead of the previous ratio of 2.6%. With the increase from 2.6% to 2.8%, the EFTA contribution increased from EUR 99,761 to 105,524. The MC approved the updated budget of EUR 4,496,676.08 during its plenary meeting on 8 March 2013.

The Administrative Manager may make transfers from one chapter to another and from one article to another without limit and from one title to another up to a maximum of 10% of the appropriations for the financial year shown on the line from which the transfer is made.

All above transfers were made within Titles 1, 2 or 3 respectively.

In addition to above 19 transfers, on 8 May 2013, in compliance with Article 23 (2) of the BEREC Office Financial Regulation MC (10) 44, the BEREC Office Administrative Manager submitted to the MC a proposal for a transfer of appropriations from Titles 2 to Title 3. The proposed transfer was adopted by the MC on 29 May and authorised by the Commission on 11 June 2013.

The table I. in Annex 3 presents the Budget 2013 in terms of commitment appropriations indicating the amendments resulting from the Amending Budget AB 1/2013 and the transfers by the BEREC Office among various budget items.

III.2. Budget 2013 – rate of implementation

The budget execution of the BEREC Office is calculated as the 2013 C1 and C4 credits in commitment appropriations.

Annex 3 presents the implementation of the budget as follows:

Table II – Revenues

Table III –Commitment appropriations overview incl. carry forwards from 2012 (C8), “fresh” credits in 2013 (C1) and administrative operations 2013 (C4)

Table IV: Commitment appropriations implementation by title and budget line

Table V: Commitment appropriations overview incl. “fresh” credits in 2013 (C1) and administrative operations 2013 (C4), excl. carry forwards from 2012 (C8)

Table VI: Payment appropriations overview incl. carry forwards from 2012 (C8), “fresh” credits in 2013 (C1) and administrative operations 2013 (C4)

Table VII: Payment appropriations implementation by title and budget line

Table VIII: Payment appropriations overview incl. “fresh” credits in 2013 (C1) and administrative operations 2013 (C4), excl. carry forwards from 2012 (C8)

III.3. Budget 2013 – Commitment and Payment Appropriations carried-forward

The budget execution of the BEREC Office is calculated as the 2013 C1 and C4 credits in commitment appropriations.

Table IX of Annex 3 presents carry-over from 2013 to 2014.

There are 3 primary reasons for the budget of previous year (C1 and C4) to be carried over (to C8 and C5 accordingly):

- payments for services where invoices are arriving only in the next financial year (most of them in January, but there are examples about invoices arriving in Q2 or even Q3 of the next year);
- payments, which are due to in year 2013, but have not been finalised by the end of year (example: reimbursements to experts not fully finalised by the end of December 2013);
- contracts, which do not end in December 2013. The relevant budgetary commitment for a particular contract has to be carried forward into the next year (proportion of contract payments due in new year).

The C8 2014 budget should be consumed as soon as possible and the resources not used to be de-committed. C8 2014 budget cannot be carried forward for the second year.

The budget not executed by end of 2013 and de-committed will not automatically reduce 2014 budget by a similar amount. However, DG BUDGET has applied penalties of -2% reductions for budgets, which are executed below 95%.

Carry-over of appropriations (461,982.80 EUR) relates to:

Title 1: Staff related costs such as:

- reimbursements to the recruitment candidates;
- staff missions;
- medical examinations (SLA with Medical Service of the Commission);
- training (external contractors and SLAs with the Commission and the European Administrative School) - some invoices for trainings organised by Commission services not yet received;
- SLAs (PMO fees for calculation of salaries, allowances, candidates' reimbursements, translations for the BEREC Office needs) and contracts with external contractors (e.g. SNE's insurance, consultancy projects on development of HR processes, knowledge management platform, business contingency plan, efficiency analyses, support in preparing tender for interim staff) started and/or executed in 2013, for which calculations and invoices will arrive in year 2014.

Title 2: General administration of the Office:

- premises' rentals, utilities, security services - rental payments in 2013 started only in September 2013, execution only for one quarter. New security contract signed in

October 2013, therefore most of the commitments are carried-over to 2014 in proportion to the payments forecasted in 2014;

- IT-purchases and related services, for which contracts were signed and/or services rendered in 2013, but invoices will arrive in 2014;
- communication costs - all amounts related to new contracts, which are signed in October – December 2013, therefore most of the budget is carried-over;
- postal costs - services rendered in 2013, but invoices will arrive in 2014.

Title 3: Operational activities such as:

- translations for BEREC needs (late invoices);
- organisation of events held in December 2013 and reimbursement of participants/experts to Expert Working Groups, the 17th CN meeting, the 17th Plenary meeting of the BoR and the MC, ad-hoc meetings, workshops, international and BEREC events and other operational meetings - expert reimbursements have a processing cycle of 1,5 - 2 months after the meeting, reimbursements for November and December 2013 meetings are carried-over to 2014;
- the costs of developing, hosting and maintaining the BEREC public web site – amounts for contract were carried-over, the payment to the contractor will be reduced, because no development works have been done with the website. Remaining amounts will be de-committed.

The carry-over of 461,982.80 EUR represents a percentage of 14.50% of total established commitments in 2013 which amount to 3,185,562.73 EUR.

IV. Implementation of the BEREC Office staff resources

IV.1. BEREC Office staff policy: recruitments and staffing

As per 31 December 2013 the BEREC Office had 25 employees.

On 31 December 2012 the BEREC Office had 6 vacancies out of authorised 28 positions (21%). The job offers for 2 vacant AST3 positions, however, had already been sent out in October 2012. The BEREC Office finalised in 2013 6 recruitment procedures, which were initiated in 2012 and employed team members for 2 AST positions, 3 CA positions and filled one SNE position for a short period of two months. In addition to the recruitment procedures initiated in 2012 and finalised in 2013, two further recruitments were initiated in 2013 with the employment of the posts expected in 2014.

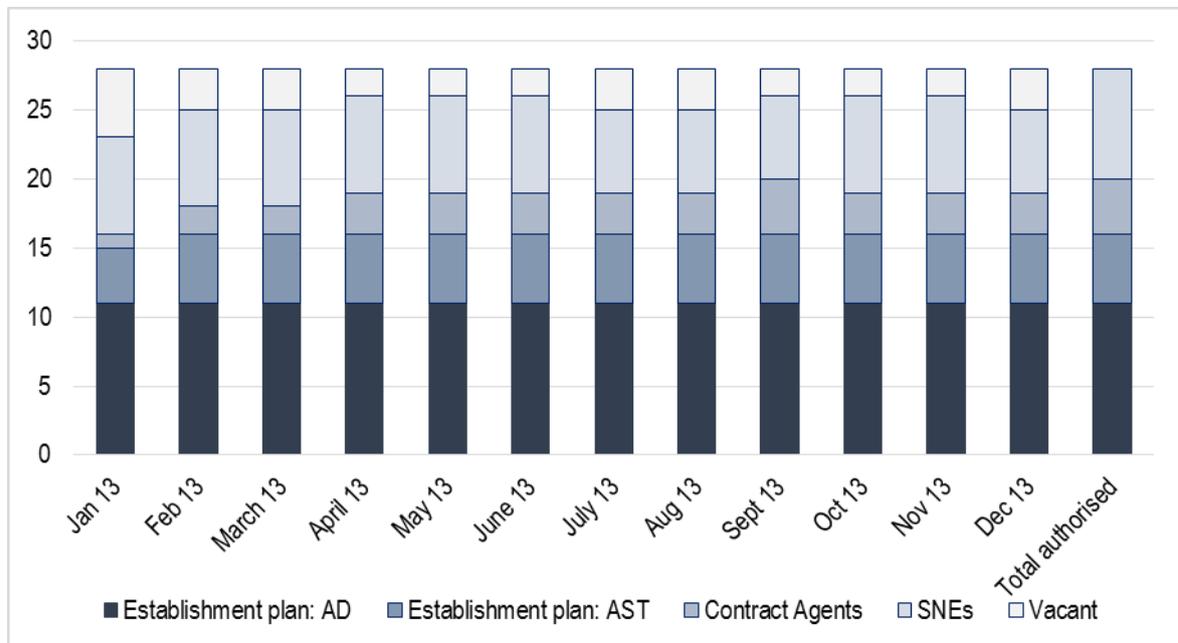
The 3 vacancies (11%) in the end of 2013 were due to the resignation of one CA staff, end of the secondment of one SNE in the middle of 2013 and due to the difficulties with filling the 2 vacant SNE positions. One of the 2 SNE vacancies in Programme Management Unit could be filled only with short two month secondment.

Further to the three vacancies on 31 December 2013, one SNE secondment was coming to an end on 31 December 2013 and one temporary agent contract coming to an end in January 2014.

BEREC Office organisational chart at 31.12.2013 is in ANNEX 1.

Staff establishment plan 2013 is in ANNEX 2.

BEREC Office monthly recruitment and staffing in 2013.



V. Internal control systems and audit

V.1. 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 (Internal Audit Service – IAS) in accordance with Article 14 of BEREC Regulation and applying all relevant requirements for ICS 16.

Following the IAS Strategic Audit Plan 2013 – 2015 for the BEREC Office, which was approved by the MC on 7 December 2012 during its 4th Plenary 2012, the IAS conducted the Limited Review of the Implementation of the Internal Control Standards in the BEREC Office in March 2013.

The Final Report of the Limited Review was forwarded to the BEREC Office on 28 June 2013 and covered the 16 Internal Control Standards. The IAS identified 18 recommendations, one rated 'Critical', four 'Very Important' and 13 'Important'.

In its recommendations the IAS considered it critical to improve and strengthen the budget implementation. The Internal Control Standards to be addressed as very

important were: a) formalising the process of preparing the Annual WP and enhancing annual WP's content; b) establishing and implementing a systematic risk management process; c) improving key management supervision tools and d) implementing proper Information Security controls. The other recommendations addressed Internal Control Standards of ethical conduct and awareness; recruitment procedure; training policy; staff appraisal procedure; procurement planning and monitoring; sensitive functions, review process for key procedures, exceptions reporting, notifications of data processing to EDPS; document management, validation of accounting systems, building blocks supporting the Declaration of Assurance.

The BEREC Office took into consideration each individual point under the 18 recommendations and defined an action plan, which was further consulted and agreed with the IAS. The IAS recommendations were addressed by the BEREC Office in the order of their criticality and the progress was regularly reported back to the IAS.

In December 2013 the BEREC Office had reported back the implementation or progress with the following IAS recommendations:

- Ethical conduct and awareness – finalisation and adoption of the ethical values document;
- Recruitment procedure – specification of the procedure and preparation of detailed procedure documentation;
- Training policy – completed Training Policy;
- Improvements in the staff appraisal procedure;
- Budget implementation – specification of the procedure, preparation of a set of reference documents (Financial Manual) and communication to the staff; further specification of roles in the financial circuits; introduction of checklists; improved registration of invoices; allocation of additional administrative resource to the budget management; updated sub-delegation procedure. Which resulted in improved budget implementation in 2013 as compared to 2012;
- Review process for key procedures – completed inventory of personal data processing operations;
- Exceptions reporting – completed with adoption of an additional procedure,
- Notifications of data processing to EDPS – progress with EDPS notifications;
- Progress with improvement of key management supervision tools;
- Registration of invoices – specification of roles and responsibilities, improvement of procedure and its documentation;
- implementation of proper Information Security controls – definition and adoption of required procedures and policies;
- Validation of accounting systems – completed.

Further, a contract with the Deloitte Consultants was signed in December 2013 in order to support the BEREC Office with developing a comprehensive Business Continuity Plan, preparation of which would include assessment of risks and the establishment of a systematic risk management process.

On 13 March 2014 the IAS delivered the BEREC Office Annual Internal Audit Report for 2013, which summarizes the results of the audit activities conducted by the IAS in 2013.

V.2. Observations by the Court of Auditors

The BEREC Office in 2013 allocated resources and put significant effort in addressing the number of the ECA observations made on the BEREC Office annual accounts for the financial year 2012.

The Office has made significant progress in the financial year 2013 to the extent that after its annual audit for 2013 (in February 2014) the Court of Auditors concluded that 10 out of 13 observations of the Court for years 2011 and 2012 have been completed. As to the ongoing work the Court pointed out clear improvements in the budget implementation figures in 2013 indicating better planning and the ongoing implementation of the Internal Control Standards, which follow the detailed action plan for 2013-2015 agreed with the Internal Audit Service.

APPENDIXES

Appendix 1: Declaration of 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 and fair 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 principle 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 own judgement based on my personal involvement in the details of budget management procedure in 2013 and on the information at my disposal, such as the self-assessment ex-ante controls, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors; and
- confirm that I am not aware of any matter not reported here that could harm the interests of the institution.

Done in Riga, 31/03/2014

(signed)

Ando REHEMAA

Administrative Manager

BEREC Office

Appendix 2: BEREC Office Management Committee analysis and assessment of the Authorising Officer's annual administrative report

THE MANAGEMENT COMMITTEE

The MC took note of the Annual Administrative Report 2013 from Authorising Officer of the BEREC Office with satisfaction about the results achieved in support to the completion of the BEREC Work Programme 2013 and in providing assistance & executive support to the BEREC Chair, Board of Regulators and the Management Committee in fulfilling the responsibilities and to the Contact Network meetings.

The Management Committee is assured of the reliability of the accounts and of the legality and regularity of the transactions underlying the accounts given the fact that the Court of Auditors has expressed its opinion on the BEREC Office annual accounts 2013.

The Management Committee encourages the Administrative Manager/ Authorising Officer to further mobilise the resources and capabilities of the Office in order to continue to address the findings of the European Court of Auditors and the risks identified by the internal auditor.

Done in Dublin, on 6 June 2014

For the Management Committee

(signed)

**Göran Marby
Chair for 2014**