

Opinion
**of the Management Committee of the Office of the Body of
European Regulators for Electronic Communications (BEREC
Office) on the European Court of Auditor's report on the annual
accounts for financial year 2014**

THE MANAGEMENT COMMITTEE,

Having regard to Regulation (EC) № 1211/2009 of 25 November 2009 of the European Parliament and of the Council establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office;

Having regard to the Preliminary Observations of the European Court of Auditors (ECA) with a view to a report on the annual accounts of the BEREC Office for the financial year 2014 sent to the Office on 7 May 2015,

Having regard to the replies dated 3rd of June 2015 and submitted by post on 12 June 2015 provided by the BEREC Office Authorising Officer to the Preliminary Observations of ECA,

Having regard to the BEREC Office Annual Accounts for the financial year 2014¹ and the opinion of the Management Committee on those Accounts²,

Having regard to the Report on the annual accounts of the Office of the Body of European Regulators for Electronic Communications for the financial year 2014 approved by ECA on the 8 September 2015 and sent to the BEREC Office on the 1 October 2015 and due to be published in the Official Journal in November 2015.

Whereas:

Article 13 (9) of the Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of the European Regulators for Electronic Communication (BEREC) and the Office requires the Management Committee to reply to the ECA's observations by 15 October and also to send this reply to the European Parliament and the Commission.

¹ MC (15) 68, Final accounts 2014

http://berec.europa.eu/eng/document_register/subject_matter/berec_office/budget_of_the_office/final_accounts/5066-final-accounts-2014

² MC (15) 69, BEREC Office MC Opinion concerning the final accounts of the year 2014

http://berec.europa.eu/eng/document_register/subject_matter/berec_office/budget_of_the_office/final_accounts/5067-opinion-of-the-mc-of-the-berec-office-concerning-the-final-accounts-of-the-year-2014

HAS EXPRESSED ITS OPINION, AS FOLLOWS:

1. The Management Committee thanks the European Court of Auditors for the audit conducted for the financial year 2014 in the BEREC Office in January 2015 and for the effort made to advance, in 2015, the preparation of all the Reports for BEREC Office.
2. The Management Committee takes note of the ECA opinions that:
 - a. The Office's Annual Accounts present fairly, in all material respects, its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer;
 - b. The transactions underlying the annual accounts for the year ended 31 December 2014 are legal and regular in all material respects.
3. The Management Committee also takes account of ECA's comments on:
 - a. Comments on Budgetary Management (paragraph 11)
 - b. Comments on budget transfers (paragraph 12)
 - c. Comments on 2014 budget provision for contribution from EFTA's national regulatory authorities (paragraph 13)
4. The Management Committee supports the efforts that BEREC Office continues to make to improve its budget administration, as specified in the reply to the Court's preliminary observations sent on 12 of June 2015, particularly:
 - a. Paragraph 11: The BEREC Office takes note of the budgetary management comment on committed appropriations improvement to 98 % compared to 2013: 87 %. The 2014 budget was drafted in 2012 where the BEREC Office was in its early phase of the budget management. Since then, tools are being used to improve the regular monitoring that has led to a better planning. The BEREC Office acknowledges the high relevance of the matter brought forward by the Court's observation regarding the level of committed appropriations carried over increased to 0,9 million euro, i.e. 23 % (2013: 0,5 million euro, 13 %), particularly in relation to operational activities (title III) such as on-going studies on electronic communications. This was due to significant requests by the Management Committee to launch operational projects (Net Neutrality study, approximately 390 000 EUR, BEREC-Net of 105 000 EUR, Sectoral studies of approximately more than 260 000 EUR). Also the significant management changes delayed an early implementation of the above mentioned projects as a new Administrative Manager was appointed in April 2014 and a new Head of the Programme Management Unit appointed in August 2014. The BEREC Office has set as target to reduce the level of committed appropriations carried over in 2015.
 - b. Paragraph 12: The BEREC Office understands the high importance of the matter brought forward by the Court's observation regarding the large number

of budget transfers changed the structure of the initial budget considerably: title I (staff costs) was reduced by 17 %, title II (administrative expenditure) was reduced by 44 % and title III (operational expenditure) was increased by 60 %, mainly in order to finance on-going studies. The Office is working continuously to improve activity based planning system that could lead to further reduction of budget transfers.

- c. Paragraph 13: The BEREC Office takes note of the comment that, the 2014 budget provision for contributions from EFTA's national regulatory authorities having observer status at BEREC, did not materialise in the absence of agreements with EFTA countries. Consequently, the 2015 budget has been corrected accordingly. However, the EFTA agreement is negotiated between the Commission and countries concerned and the BEREC Office does not have power to influence the negotiations and agreement signing process.
5. The Management Committee is aware of ongoing measures taken by the BEREC Office, giving its past experience, in order to improve execution of the 2015 budget, in particular the plans to:
 - a. Maintain continuous focus on the better planning on the budgetary management, setting as target to reduce the level of the committed appropriations carried over for the year 2015;
 - b. Work on continuously improving activity based planning system that could lead to further reduction of budget transfers;
 - c. Improve its collaboration with the European Commission and EFTA countries in order to reach an agreement for the future budgetary exercises.
 6. The Management Committee thankfully notes the Court's acknowledgement of the progress that the Office showed during financial year 2014. The Management Committee observes that out of previous comments, all are marked completed with two exceptions: the ones on the implementation of the internal control standards (they are marked with the status ongoing) and the ones on the late reimbursement of experts (process marked as ongoing).

Done in Lisbon, on 16 October 2015.

For the Management Committee



Fátima Barros
BEREC Chair 2015