

## Information

### on the transfers in the 2020 Budget of the Agency for Support for BEREC ('the BEREC Office') carried out by the Directors in the period October - December 2020

#### 1. Overview

Article 26 (1) of Decision MB/2019/13 on the financial regulation applicable to the BEREC Office in conformity with Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council on the Financial Regulation applicable to the general budget of the European Union (hereinafter referred to as the 'BEREC Office Financial Regulation') lays down that, the Director may transfer appropriations:

- (a) 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;
- (b) from one chapter to another and within each chapter without limit.

In the 4th quarter of 2020 the BEREC Office Director executed 3 budgetary transfers in order to ensure the best use of the financial resources available to the BEREC Office, namely:

- Transfer No 3/2020 within Title 1 and within Title 3 of 27 November 2020
- Transfer No 4/2020 within/to Title 1, within Title/to 2 and from Title 3 of 14 December 2020
- Transfer No 5/2020 from Title 1, within/to Title 2 and from Title 3 of 18 December 2020

Transfers of appropriations above EUR 5,000.00 is accompanied by additional explanations below.

## 2. Overview of transfers above EUR 5000

### Title 1

Transfer 3/2020 27 November		
1100	TEMPORARY AGENTS' SALARIES	-13,000.00
1111	CONTRACT STAFF AND SNEs	-20,000.00
1200	RECRUITMENT EXPENSES	-12,518.78
1300	MISSION EXPENSES, DUTY TRAVEL AND OTHER ANCILLARY EXPNDITURE	-8,000.00
1600	EXTERNAL SERVICES	63,184.78
Transfer 4/2020 of 14 December		
1111	CONTRACT STAFF AND SNEs	-38,544.34
1300	MISSION EXPENSES, DUTY TRAVEL AND OTHER ANCILLARY EXPNDITURE	-6,643.79
1600	EXTERNAL SERVICE	85,283.41
Transfer 5/2020 of 18 December		
1600	EXTERNAL SERVICES	-5,217.15

- Transfer 3/2020 of 27 November 2020** addressed the continuous impact of the COVID-19 pandemic on the usual operation of the BEREK Office. The travel restriction have delayed the recruitment process and resulted in significant reduction of staff missions. On the other hand increase was need to cover the vacant position with interim workers. This resulted in: lower consumption in budget line related to Contract Agent salaries, recruitment and mission expenses. Higher than planned consumption in the budget line **1600 External services** due to extension/new interim services contracts to continue to fill in the vacant posts and to cover the tuition fee for multilingual schooling for the children of the staff for the new academic year, while awaiting the solution of the Latvian state for cost financing or reimbursement.
- Transfer 4/2020 of 14 December 2020** was executed as standard year-end procedure, where, having executed final payroll for the month of December the payroll-related budget lines are cleared out of the leftover amounts. Further transfer out was also performed from the **BL 1300 Missions** – budget line directly affected by COVID-19 travel restriction. The

Budget line was gradually decreased throughout the year. Further transfer to **BL 1600 External services** was performed due to unexpected, high demand for multilingual tuition of the children of incoming staff (situation that cannot be precisely predicted during budgeting for year N+1) and continuous need for interim workers to cover the vacant positions in the Agency.

- **Transfer 5/2020 of 18 December** transferred out all leftover appropriations from BL 1600. Transfer out of leftover amount is a usual practice for the last transfer of the year; this allows the funds to be allocated to other needs and avoids cancellations on the budget results. The transfer out amount was accumulated from unused transportation of the international schools (since the classes were moved online).

**Title 2**

Transfer 4/2020 of 14 December		
2000	RENTAL OF BUILDINGS	-5,586.51
2100	DATA PROCESSING AND TELECOMMUNICATIONS	21,783.20
2200	MOVABLE PROPERTY AND ASSOCIATED COSTS	-32,760.73
2300	LEGAL AND OTHER OPERATIONAL EXPENDITURE	90,588.44
2500	NON-OPERATIONAL MEETINGS	-9,918.69
Transfer 5/2020 of 18 December		
2300	LEGAL AND OTHER OPERATIONAL EXPENDITURE	71,868.43

- **Transfer 4/2020 of 14 December 2020** The need for transfer within Title 2 was linked to the standard year-end procedure, where having clear overview on the consumption of running costs (rent, utilities, security services, movable property, consumption of water, and maintenance of plants) transfer-out of leftover amount can be executed. **BL 2500 Non-operational** meetings was cleared of leftover amounts, as it demonstrated very low consumption due to no physical meetings being organised in 2020 due to the COVID-19 restrictions. The transfer in was performed to **BL 2300 Legal and other operating expenses** to cover: the need for some small volume translations and, since there was clear availability in the budget to go forward with the first phase optimisation of the tool for Activity Based Management. The process currently in place at the BEREK Office (use of the excel tool) has been widely criticized by the auditors (both in years 2018 and 2019), and has overall proven itself unreliable due to its format being in excel. Therefore, a more sophisticated, smart tool shall be developed to address the BEREK Office needs.

During 2020, the contractor has worked on the update of the main concepts of the ABM in the BEREC Office. The aforementioned points and the availability of the budget gives BEREC Office a window of opportunity for the next steps to finance the tool already in 2020.

The transfer to **BL 2100 Data Processing and Telecommunication** was performed to cover an immediate need for mobile equipment for the new staff members (this item was so far left as a 'flexibility item' to see the final budgeted availability in all Titles).

- **Transfer 5/2020 of 2 September 2020** The transfer in was performed to **BL 2300 Legal and other operating expenses**, to cover aforementioned project for ABM tool in full, as there was availability in the budget and the contractor advised against artificial split of the project in phases. The contractor's offer for the full project was higher than initially estimated and the split of the costs/project in multiple parts were advised against by the contractor, since both budgeting and costing tools should be delivered in parallel, as the models are interlinked.

### Title 3

Transfer 3/2020 27 November		
3001	BEREC PROGRAMME MANAMENT	-310,000.00
3101	OPERATION AND STRATEGIC SUPPORT TO BEREC	310,000.00
Transfer 4/2020 of 14 December		
3001	BEREC PROGRAMME MANAMENT	-92,020.00
Transfer 5/2020 of 18 December		
3101	OPERATION AND STRATEGIC SUPPORT TO BEREC	-66,296.85

- **Transfer 3/2020 of 27 November 2020** addressed the low consumption in BL 3001 and deficit in BL 3101. In Title 3 BL 3001 (BEREC Programme Management) the COVID-19 restrictions has significantly decreased the planned expenditure due to the reduced number of physical events and subsequent decrease in the travel reimbursements of the participants. The funds were therefore transferred within the Title 3 to BL 3101 to purchase ICT services in support to BEREC needs - For the projects, which were categorised as flexibility items for years 2020 and 2021 and were subject to the budget availability.

Due to the COVID limitations, the working patterns of BEREC had changed i.e. more virtual meetings and collaborations, usage of different AVC systems, e-voting services

and projects. The fund were allocated to projects with aim to improve the delivery of ICT services with view to meet the COVID-19 and post COVID demand for sustainable ICT infrastructure and services, namely:

- E-voting tool/service;
  - Upgrade of AVC meeting room (integration with WebEx);
  - Provision of 5 AVC meeting rooms as a service;
  - IT security in AVC systems/platforms in use;
  - Development of ICT security plan;
  - ICT support for BERECnet+ and GADB systems
- **Transfer 4/2020 of 14 December 2020** further decreased the BL 3001 (BEREC Programme Management). As mentioned, COVID-19 restrictions has significantly decreased the planned expenditure due to the reduced number of physical events and subsequent decrease in the travel reimbursements of the participants. The funds were therefore transferred to the above mentioned needs in Title 1 and Title 2.
  - **Transfer 5/2020 of 18 December** The transfer out of Title 3 BL 3101 one was proposed to cover additional ABM project needs (see above). The availability of the financial resources in BL 3101 occurred due to the last moment de-commitment for the purchase of the Servers (via Latvian procurement system EIS) while the initial offer was for 171,716.82 the final offer from the contractor was significantly cheaper - EUR 86,500.00.

Detailed overview of all transfers done in 2020 are shown in the table below.

### Overview of the transfers in the BEREC Office Budget 2020

Local Key	Budget item description	Budget approved by budg. Authority	10% ceiling	Transfer July 2020	Transfer September 2020	Transfer November 2020	Transfer December 2020	Transfer December 2020	Budget with transfer
<b>1</b>	<b>STAFF EXPENDITURE</b>	<b>3,357,221</b>	<b>335,722</b>	<b>16,141.21</b>	<b>0.00</b>	<b>0.00</b>	<b>30,528.84</b>	<b>-5,217.15</b>	<b>3,398,674</b>
1 1 0 0	TEMPORARY AGENTS' SALARIES	1,338,441.87	133,844.19			-13,000.00	-2,707.42		1,322,734.45
1 1 1 1	CONTRACT STAFF AND SNEs	1,099,329.00	109,932.90	-25,000.00		-20,000.00	-38,544.34		1,015,784.66
1 1 2 0	EMPLOYER'S SOCIAL SECURITY CONTRIBUTIONS	80,000.00	8,000.00		-13,400.00	-1,500.00	-1,230.44		63,869.56
1 2 0 0	RECRUITMENT EXPENSES	30,000.00	3,000.00	-10,000.00	18,400.00	-12,518.78	-2,324.09		23,557.13
1 3 0 0	MISSION EXPENSES, DUTY TRAVEL AND OTHER ANCILLARY EXPNDITURE	249,000.00	24,900.00	-180,858.79	-10,000.00	-8,000.00	-6,643.79		43,497.42
1 4 0 0	MEDICAL SERVICE	12,000.00	1,200.00			-4,266.00			7,734.00
1 5 0 0	TRAINING	90,000.00	9,000.00	-40,000.00	-4,000.00		-1,684.88		44,315.12
1 6 0 0	EXTERNAL SERVICES	438,250.00	43,825.00	272,000.00	19,000.00	63,184.78	85,283.41	-5,217.15	872,501.04
1 7 0 0	REPRESENTATION, RECE	20,200.00	2,020.00		-10,000.00	-3,900.00	-1,619.61		4,680.39
<b>2</b>	<b>BUILDINGS, EQUIPMENT</b>	<b>1,070,440</b>	<b>107,044</b>	<b>-16,141.21</b>	<b>0.00</b>	<b>0.00</b>	<b>61,491.16</b>	<b>71,514.00</b>	<b>1,187,304</b>
2 0 0 0	RENTAL OF BUILDINGS	232,565.00	23,256.50	-20,500.00			-5,586.51		206,478.49
2 1 0 0	DATA PROCESSING AND TELECOMMUNICATIONS	423,224.87	42,322.49		40,000.00		21,783.20	-207.38	484,800.69
2 2 0 0	MOVABLE PROPERTY AND ASSOCIATED COSTS	55,200.00	5,520.00				-32,760.73		22,439.27
2 3 0 0	LEGAL AND OTHER OPERATIONAL EXPENDITURE	269,450.00	26,945.00	17,500.00			90,588.44	71,868.43	449,406.87
2 4 0 0	NON-OPERATIONAL MEDIA AND PUBLIC RELATIONS	68,000.00	6,800.00	-6,800.00	-40,000.00		-2,614.55	-147.05	18,438.40
2 5 0 0	NON-OPERATIONAL MEETINGS	22,000.00	2,200.00	-6,341.21			-9,918.69		5,740.10
<b>3</b>	<b>BEREC PROGRAMME MANA</b>	<b>2,805,992</b>	<b>280,599</b>			<b>0.00</b>	<b>-92,020.00</b>	<b>-66,296.85</b>	<b>2,647,675.15</b>
3 0 0 1	BEREC PROGRAMME MANA	920,200.00	92,020.00			-310,000.00	-92,020.00		518,180.00
3 1 0 1	OPERATION AND STRATE	1,885,792.00	188,579.20			310,000.00		-66,296.85	2,129,495.15

The current information is brought to the attention of the BEREC Office Advisory Group (BAG) and Management Board in compliance with the provisions of the Article 26 (1) according to which the Director has to inform the Management Board as soon as possible of all transfers made.

Riga, 25 February 2021.

**E-signed**

**László IGNÉCZI**

Director