

Report on BUDGETARY AND FINANCIAL MANAGEMENT



Financial year
2022

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1. INTRODUCTION

The legal basis for this Report on Budgetary and Financial Management is Article 28(2) of Regulation (EU) 2018/1971 of 11 December 2018¹ and Article 103 of the BEREC Office Financial Regulation², which stipulates that the BEREC Office shall prepare a report on budgetary and financial management for the closed financial year.

The present report analyses the appropriations managed by the BEREC Office in 2022.

1.1 ABOUT BEREC OFFICE

BEREC and the Office were established in 2009 by European Parliament and of the Council. BEREC was established with the objective to contribute, on one hand, to the development and, on the other, to the better functioning, of the internal market for electronic communications networks and services by ensuring the consistent implementation of the regulatory framework for electronic communications.

The Office was established as a Community body with legal personality to carry out the tasks referred to in Regulation (EC) No 1211/2009, in particular the provision of professional and administrative support services to BEREC. It was expected to operate as a Brussels-based support office as the successor of the former ERG secretariat. With only 16 posts and 12 external staff FTEs (of which two were assigned to administration and support), the Office became the smallest EU regulatory agency. With Decision 2010/349/EU, the Representatives of the Governments of the Member States decided that the Office would have its seat in Riga, thus becoming a decentralised regulatory agency. The resources were not adjusted accordingly.

Since their establishment BEREC and the Office have made a positive contribution towards the consistent implementation of the regulatory framework for electronic communications. Regulation (EU) 2018/1971 of 11 December 2018 aims to strengthen the role of BEREC in order to further contribute to the development of the internal market for electronic communications throughout the European Union as well as to the promotion of access to, and take-up of, very high capacity networks, competition in the provision of electronic communications networks, services and associated facilities and the interests of the citizens of the European Union.

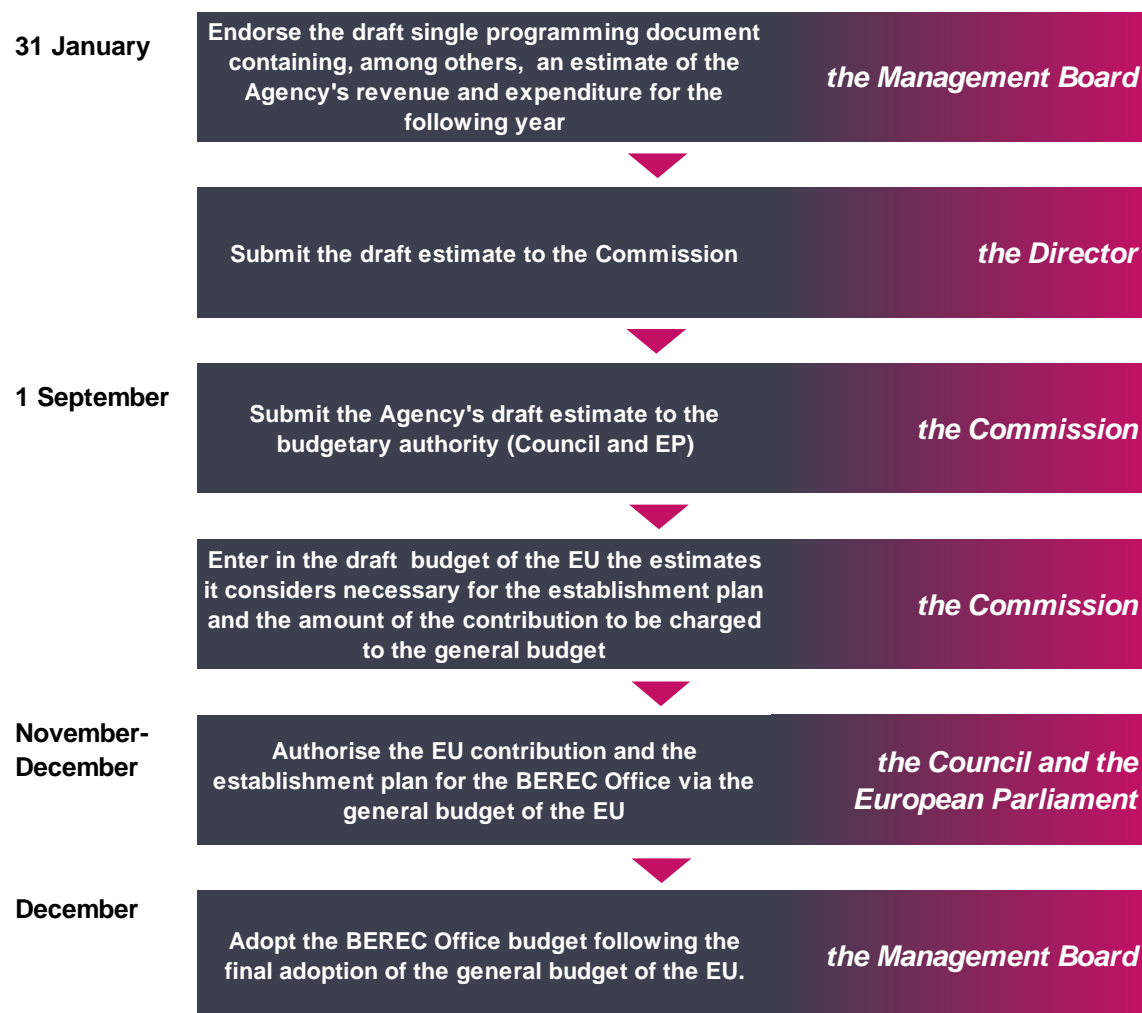
The official name of the Office determined by Regulation (EU) 2018/1971 is 'Agency for Support for BEREC'. The designation 'BEREC Office' is used as the Agency's short name.

¹ [Regulation \(EU\) 2018/1971 of the European Parliament and of the Council of 11 December 2018 establishing the Body of European Regulators for Electronic Communications \(BEREC\) and the Agency for Support for BEREC \(BEREC Office\)](#)

² [Decision No MB/2019/13 of the Management Board of the BEREC Office on the financial regulation applicable to the BEREC Office](#)

In order to guarantee the BEREC Office's autonomy and independence, and in order to provide support to the work of BEREC, the BEREC Office has its own budget, most of which derives from a contribution from the European Union.

1.2 BUDGETARY PROCEDURE



1.3 BUDGET 2022

On 23/11/2021 Council and European Parliament adopted EU general budget for year 2022³, thus authorising the EU subsidy and establishment plan for BEREC Office.

BEREC Office Management Board adopted the budget of the BEREC Office for year 2022, incl. the establishment plan on 10/12/2021 and it was published on the Agency website on 13/12/2021⁴.

In compliance with the provisions of Article 31(2) of the BEREC Office Financial Regulation⁵ a summary of the BEREC Office budget for 2022 was published in the Official Journal of the European Union⁶.

The BEREC Office Budget 2022 (revenue and expenditure), as adopted by the Management Board, amounted to EUR 7,428,456. No amendments to the budget took place during the year 2022.

1.3.1 BUDGET TRANSFERS

During 2022 the BEREC Office carried out five transfers of appropriations allowed by the BEREC Office Financial Regulation in order to ensure the best use of the financial resources available to the BEREC Office in the light of the challenges for the year, namely the war in Ukraine, the high inflation in the host member state and the energy crises in Europe, caused by the Russian invasion in Ukraine. Four transfers were carried out within the limits of the Director and one above Director's limit, where the Management Board approved the transfer by a Decision.⁷

Overview of budgetary transfers in 2022 is presented in Annex I.

Information notes on the transfers by Director are published on BEREC Office website⁸.

³ See, Definitive adoption (EU, Euratom) 2022/182 of the European Union's general budget for the financial year 2022 OJ L 45, 24.2.2022, p. 1–2039 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022B0182>

⁴ See, Document MB (21) 70 <https://berec.europa.eu/en/document-categories/berec-office/budget-of-the-office/berec-office-budget/berec-office-budget-and-establishment-plan-for-2022>

⁵ See, Document MB/2019/13, <https://berec.europa.eu/en/document-categories/berec-office/decisions-of-the-management-board/decision-no-mb201913-of-the-management-board-of-the-berec-office-on-the-financial-regulation-applicable-to-the-berec-office>

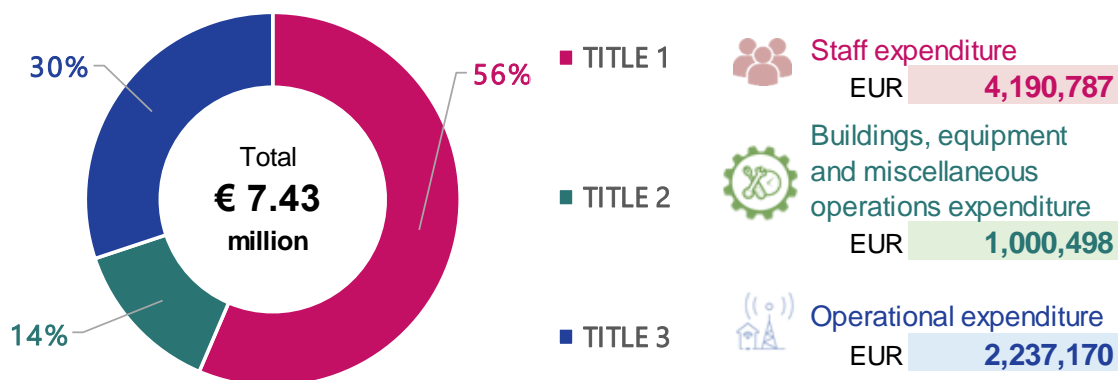
⁶ See, Statement of revenue and expenditure of the Agency for Support for BEREC (BEREC Office) for the financial year 2022 2022/C 141/26, OJ C 141, 29.3.2022, p. 144–148, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AJOC_2022_141_R_0026

⁷ See, <https://www.berec.europa.eu/en/document-categories/berec-office/decisions-of-the-management-board/decision-of-the-management-board-of-the-agency-for-support-for-berec-on-the-approval-of-budgetary-transfer-from-title-2-to-title-1-in-accordance-with-article-26-2-of-decision-no-mb201913>

⁸ See, <https://www.berec.europa.eu/en/document-categories/berec-office/budget-of-the-office/berec-office-budget>

1.3.2 BUDGET 2022 IN FIGURES

BEREC OFFICE BUDGET 2022



KEY FINANCIAL FIGURES FOR 2022

Commitment appropriations accepted (%)

7,427,409
EUR **99.99%**

Payment appropriations accepted (%)

3,987,111
EUR **95.14%**

766,647
EUR **76.63%**

1,395,152
EUR **62.36%**

6,148,910
EUR **82.78%**

Revenue cashed

7,428,457
OTHER 134,548
7,563,005
100.00%

Consumption of carry-over commitments(C8/2022)

216,297
EUR **97.45%**

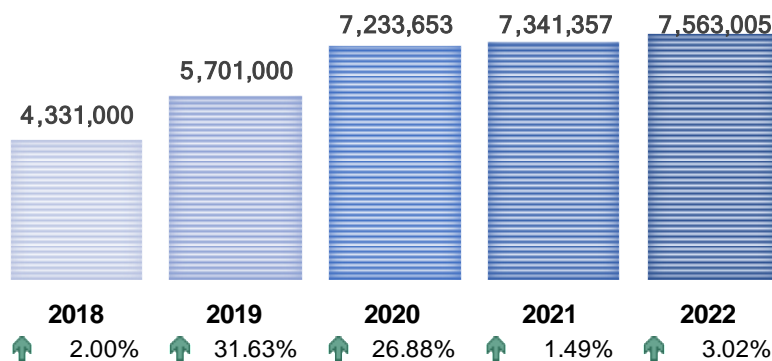
561,696
EUR **96.45%**

1,444,549
EUR **97.61%**

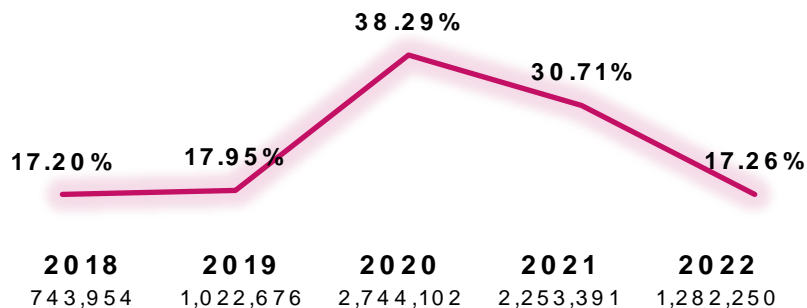
2,222,542
EUR **97.30%**

1.3.3 OVERVIEW OF LAST FIVE YEARS

BEREC Office total budget (EUR) and changes to prior year (%)



Carry-over amount of payment appropriations (C8) in % and EUR



2. REVENUE

The BEREC Office Budget 2022 (revenue and expenditure), as adopted by the Management Board, amounted to EUR 7,428,456 (in 2021 – EUR 7,341,357).

The main revenue in the 2022 BEREC Office budget was the EU contribution, which was fully cashed.

In addition, in line with the Service Level Agreement with the Latvian Government, in 2022 the BEREC Office collected EUR 123,333.00 as a voluntary contribution from the host Member State (Latvia) to the BEREC Office Budget to cover partially the schooling fees of the children of the BEREC Office staff.

The BEREC Office collected also EUR 11,214.72 as Administrative operations⁹ and miscellaneous income. The contribution from the Latvian side and the revenue from administrative and miscellaneous operations were assigned to the respective concerned budget lines.

The BEREC Office revenue cashed in financial year 2022 is reflected in the table below:

Revenue type	Voted revenue by MB	Revenue cashed
1. EU Subsidy	7,428,457	7,428,457
2. Third countries contribution (incl. EFTA and candidate countries)	p.m.	0
3. Other contributions (Member states, NRAs, etc.) ¹⁰	p.m.	123,333
4. Administrative operations ⁹	p.m.	11,214.72
<i>Of which interest generated by funds paid by the Commission by way of the EU contribution</i>	0	0
TOTAL	7,428,457	7,563,005

⁹ For 2022: balances for services not fully used due to changes occurring after the contract signature (insurance, tuition fees for schooling) and returned debts from departing staff

¹⁰ Including voluntary contributions from member states

3. EXPENDITURE




The expenditure part of the BEREC Office budget in 2022 has been distributed, as follows:

- **TITLE 1 – Staff expenditure.** Covers staff expenditure such as salaries, training and costs associated to recruitment procedures, external services related to staff and staff welfare;
- **TITLE 2 – Buildings, equipment and miscellaneous operations expenditure.** Covers the costs relating to the functioning of the BEREC Office such as administrative costs on infrastructure, equipment and IT needs;
- **TITLE 3 – Operational expenditure in support to BEREC.**

1.4 BUDGET EXECUTION RATE

The budget execution of the BEREC Office is calculated on the basis of the reporting year fund source "C1" – appropriations for the year. The BEREC Office has only non-differentiated appropriations; therefore, commitment and payment appropriations are equal.

The execution of commitment and payment appropriations by budget titles in 2022 is as follows:

Expenditure	Credit Available, EUR	Commitments Accepted, EUR	% Committed	Payments Accepted, EUR	% Paid
TITLE 1 	4,190,787.49	4,190,787.49	100%	3,987,111.49	95.14%
TITLE 2 	1,000,498.43	999,857.05	99.94%	766,646.53	76.63%
TITLE 3 	2,237,170.08	2,236,764.01	99.98%	1,395,152.41	62.36%
TOTAL	7,428,456.00	7,427,408.55	99.99%	6,148,910.43	82.78%

The budget implementation in 2022 in commitments (99.99%) and payments (82.78%) was the highest within the last 5 years.




The budget execution in 2022 in detail is presented in Annex II.

1.5 CARRY OVERS

1.5.1 CARRY OVER OF AMOUNTS FROM 2022 TO 2023




At the end of 2022 the BEREC Office carried-over to 2023 EUR 1,282,250 payment appropriations (C8). Appropriations carried-over to 2023 are significantly reduced compared to 2022 (EUR 2,253,390).

Carry-over of payments appropriations for the last five years:

Expenditure	Type of expenditure	From 2018 to 2019 (C8/2019)	From 2019 to 2020 (C8/2020)	From 2020 to 2021 (C8/2021)	From 2021 to 2022 (C8/2022)	From 2022 to 2023 (C8/2023)
TITLE 1	 Staff expenditure	90,727	189,430	194,002	219,128	207,427
TITLE 2	 Buildings, equipment and miscellaneous operating expenditure	80,482	184,414	465,922	572,019	233,211
TITLE 3	 Operational expenditure	572,746	648,832	2,084,178	1,462,243	841,612
TOTAL		743,954	1,022,676	2,744,102	2,253,390	1,282,250
% of total commitment in reporting year		18.00%	17.94%	38.29%	30.71%	17.26%

Additional EUR 51,324 of assigned revenue (C4/2022) were carried over as commitment appropriations.

1.5.2 CANCELLATION OF PAYMENT APPROPRIATIONS CARRIED OVER TO 2022 (C8/2022)

Title / fund source	Payment/Commitment appropriations	Payments made	Cancellation Payment appropriations (EUR)	Cancellation %
TITLE 1 /C8 	219,128.15	216,296.95	-2,831.20	1.29%
TITLE 2 /C8 	572,018.94	561,696.17	-10,322.77	1.80%
TITLE 3 /C8 	1,462,243.42	1,444,549.08	-17,694.34	1.21%
TOTAL	2,253,390.51	2,222,542.20	-30,848.31	1.37%

1.6 BUDGET OUTTURN

	2021	2022
Revenue actually received (+)	7,362,597	7,563,005
Payments made (-)	-5,089,799	-6,228,422
Carry-over of appropriations (-)	-2,253,391	-1,333,535
Cancellation of appropriations carried over (+)	31,229	30,848
Adjustment for carry-over of assigned revenue appropriations from previous year (+)	0	0
Exchange rate differences (+/-)	8	0
Adjustment for negative balance from previous year (-)	-849	0
TOTAL	49,795	31,896

ANNEXES

ANNEX I SUMMARY OF BUDGETARY TRANSFERS 2022

BL No	Budget Line (BL) Description	VOTED BUDGET	Transfer No. 1 - July 2022	Transfer No. 2 - October 2022	Transfer No. 3 - November 2022	Transfer No. 4 - December 2022	Transfer No. 5 - December 2022	BUDGET WITH TRANSFERS
1	STAFF EXPENDITURE	3,854,634.00	133,778.16	167,000.00	0.00	21,596.61	13,778.72	4,190,787.49
1100	Temporary agents' salaries	1,610,241.00	-42,540.85	42,000.00	65,560.33	29,277.08		1,704,537.56
1111	Contract staff and SNEs	1,502,593.00	-70,000.00		37,267.01			1,469,860.01
1200	Recruitment expenses	10,000.00			-2,800.63			7,199.37
1300	Mission expenses, duty travel and other ancillary expenditure	150,000.00					-13,000.00	137,000.00
1400	Medical service	11,000.00	-2,641.00					8,359.00
1500	Training	102,000.00			-4,042.29			97,957.71
1600	External services	448,800.00	248,960.01	125,000.00	-95,879.02	-7,680.47	26,778.72	745,979.24
1700	Representation, receptions and events, and miscellaneous staff expenses	20,000.00			-105.40			19,894.60
2	BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	1,166,600.00	-61,600.00	-107,000.00	0.00	0.00	2,498.43	1,000,498.43
2000	Rental of buildings	250,000.00	-25,000.00		23,299.89			248,299.89
2100	Data processing and telecommunications	512,600.00					2,930.02	515,530.02
2200	Movable property and associated costs	100,000.00	-10,000.00	-30,000.00	-20,462.72		780.91	40,318.19
2300	Legal and other operational expenditure	266,000.00	-26,600.00	-77,000.00	-2,837.17			159,562.83
2400	Non-operational media and public relations	35,000.00						35,000.00
2500	Non-operational meetings	3,000.00					-1,212.50	1,787.50

BL No	Budget Line (BL) Description	VOTED BUDGET	Transfer No. 1 - July 2022	Transfer No. 2 - October 2022	Transfer No. 3 - November 2022	Transfer No. 4 - December 2022	Transfer No. 5 - December 2022	BUDGET WITH TRANSFERS
3	OPERATIONAL EXPENDITURE IN SUPPORT OF BEREC	2,407,222.00	-72,178.16	-60,000.00	0.00	-21,596.61	-16,277.15	2,237,170.08
3001	BEREC programme management support	653,000.00				-21,596.61	-19,981.34	611,422.05
3101	Operation and strategic support to BEREC and NRAs	1,754,222.00	-72,178.16	-60,000.00			3,704.19	1,625,748.03
	TOTAL BUDGET	7,428,456.00						7,428,456.00

ANNEX II FINANCIAL YEAR EXPENDITURE IN FIGURES

1. COMMITMENT AND PAYMENT APPROPRIATIONS IN EUR FOR FUND SOURCE C1

A. TITLE 1 – STAFF EXPENDITURE

Official Budget Item	Budget Item Description	Sources Available	Commitment Accepted, EUR	% Committed	Payment Accepted, EUR	% Payment
A-1100	Temporary agents` salaries and allowances	1,704,537.56	1,704,537.56	100.00%	1,704,537.56	100.00%
A-1111	Contract staff and seconded national experts	1,469,860.01	1,469,860.01	100.00%	1,469,860.01	100.00%
A-1200	Recruitment expenses	7,199.37	7,199.37	100.00%	7,199.37	100.00%
A-1300	Mission expenses, duty travel and other ancillary expenses	137,000.00	137,000.00	100.00%	112,914.58	82.42%
A-1400	Medical service	8,359.00	8,359.00	100.00%	8,359.00	100.00%
A-1500	Training	97,957.71	97,957.71	100.00%	95,790.13	97.79%
A-1600	External services	745,979.24	745,979.24	100.00%	568,556.24	76.22%
A-1700	Representation and miscellaneous staff costs	19,894.60	19,894.60	100.00%	19,894.60	100.00%
TOTAL TITLE 1		4,190,787.49	4,190,787.49	100.00%	3,987,111.49	95.14%

B. TITLE 2 - BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE

Official Budget Item	Budget Item Description	Sources Available	Commitment Accepted, EUR	% Committed	Payment Accepted, EUR	% Payment
A-2000	Rental of buildings	248,299.89	248,299.89	100.00%	178,185.33	71.76%
A-2100	Information and Communication Technology and Security	515,530.02	514,889.35	99.88%	384,968.28	74.67%
A-2200	Movable property and logistic services	40,318.19	40,318.19	100.00%	35,335.08	87.64%
A-2300	Legal and other operational expenditure	159,562.83	159,562.83	100.00%	143,377.83	89.86%
A-2400	Non-operational media and public relations	35,000.00	34,999.58	100.00%	22,992.80	65.69%
A-2500	Non-operational meetings	1,787.50	1,787.21	99.98%	1,787.21	99.98%
TOTAL TITLE 2		1,000,498.43	999,857.05	99.94%	766,646.53	76.63%

C. TITLE 3 - OPERATIONAL EXPENDITURE IN SUPPORT OF BEREC

Official Budget Item	Budget Item Description	Sources Available	Commitment Accepted, EUR	% Committed	Payment Accepted, EUR	% Payment
B 3001	Support to the BEREC WGs	611,422.05	611,372.05	99.99%	430,394.50	70.39%
B 3101	Other support activities to BEREC and NRAs	1,625,748.03	1,625,391.96	99.98%	964,757.91	59.34%
TOTAL TITLE 3		2,237,170.08	2,236,764.01	99.98%	1,395,152.41	62.36%

D. TOTAL BUDGET EXECUTION

TOTAL TITLE 1-3	7,428,456.00	7,427,408.55	99.99%	6,148,910.43	82.78%
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2. COMMITMENT AND PAYMENT APPROPRIATIONS IN EUR – C8 CREDITS (C8/2022)

TITLE	Official Budget item	Budget Item Description	Carried over, EUR	Consumed, EUR	Cancelled, EUR	% Consumed
TITLE 1	A-1300	Mission expenses, duty travel expenses and other ancillary expenditure	8,476.53	8,476.53	0.00	100.00%
	A-1500	Training	11,911.22	11,911.22	0.00	100.00%
	A-1600	External services	184,584.40	182,144.20	2,440.20	98.68%
	A-1700	Representation, receptions and events, and miscellaneous staff expenses	14,156.00	13,765.00	391.00	97.24%
	TOTAL		219,128.15	216,296.95	2,831.2	98.71%
TITLE 2	A-2000	Rent of building and associated costs	49,377.52	47,680.56	1,696.96	96.56%
	A-2100	Information and communication technology and security	285,696.10	277,461.33	8,234.77	97.12%
	A-2200	Movable property and logistic services	78,653.73	78,295.26	358.47	99.54%
	A-2300	Legal and other operating services	95,380.68	95,354.53	26.15	99.97%
	A-2400	Non-operational media and public relations	62,910.91	62,904.49	6.42	99.99%
	TOTAL		572,018.94	561,696.17	10,322.77	98.20%
TITLE 3	B-3001	BEREC Programme Management Support	134,526.11	134,358.20	167.91	99.88%
	B-3101	Operation and strategic support to BEREC	1,327,717.31	1,310,190.88	17,526.43	98.68%
	TOTAL		1,462,243.42	1,444,549.08	17,694.34	98.79%
TOTAL C8:			2,253,390.51	2,222,542.20	30,848.31	98.63%

3. COMMITMENT AND PAYMENT APPROPRIATIONS IN EUR FOR FUND SOURCES C4 AND C5 (C4;C5/2022)

Fund source	Official Budget Item	Budget Item Description	Sources Available	Commitment Accepted, EUR	% Committed	Payment Accepted, EUR	% Payment
C4	A-1600	External services	134,547.72	83,223.60	61.85%	79,473.00	59.07%
C5	A-2100	Information and Communication Technology and Security	38.13	38.13	100.00%	38.13	100.00%
		TOTAL C4,C5	134,585.85	83,261.73	61.87%	79,511.13	59.08%