

2013 discharge: Agency for the Cooperation of Energy Regulators (ACER)

2014/2123(DEC) - 08/07/2014 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Agency for Cooperation of Energy Regulators (ACER) for the year 2013, together with the Agency's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the Agency for Cooperation of Energy Regulators (ACER).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 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.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary management:** the Agency carried over EUR 1.9 million or 56% of total committed appropriations for administrative costs (Agency's building and associated costs), mainly related to the implementation of the REMIT regulation. This is an operational, multiannual activity and should have been budgeted under title III. In addition, the Agency carried over EUR 3.1 million or 91% of total committed title III appropriations. The exceptionally high rate of carry-over for title III is mainly due to some EUR 3 million in additional funding received through an amended budget approved on 31 October 2013. The Agency held EUR 5.5 million in cash at year-end, which included some 3 million euro relating to the late budget amendment. Nevertheless, average cash balances during the year were significantly higher than justified by operational requirements.

The Authority's reply:

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budgetary management: the Agency stated that the high rate of carry-overs reflected the delay in the implementation of REMIT. This delay was due to the fact that the transfer of the required additional funds from DG ENER was approved only in October 2013 and the funds received by the Agency in early November 2013. However, the Agency has successfully managed to conclude all planned procurement procedures related to the REMIT implementation by December 2013, with the related expenditure to occur in 2014. It stated that the cash forecasting tool introduced in 2014 will support a better cash management in the future.

Lastly, the Court of Auditors' report contains a summary of the **Authority's activities in 2013**. This is focused on the following:

Budget: EUR 11.9 million.

Activities:

- various opinions on EU energy legislation;
- guidance on development of network code amendment proposal on incremental and new capacity (Gas);
- update of the 2nd edition of the Guidance on the REMIT application, 3rd edition of the guidance on the application of REMIT definitions, and update of Q&A paper;
- various recommendations to the European Commission on themes related to the Agency's areas of competence;
- reporting;
- organisation of an annual conference 'Energy Markets: 2014 and beyond'.