

2014 discharge: Agency for the Cooperation of Energy Regulators (ACER)

2015/2191(DEC) - 08/09/2015 - 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 Authority, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2014; and
- 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 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.

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 2014 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 62 % of committed appropriations for operational expenditure. In October 2013, through a budget amendment, the Agency received an additional EUR 3 million in appropriations to implement REMIT, which it carried over to 2014. However, according to the Implementing Regulation the REMIT framework will only become operational in October 2015. According to the Court, although this will allow the Agency to finance its future REMIT-related activities, this is in contradiction with the budgetary principle of annuality;
- **seat agreement:** the Seat Agreement between the Agency and the Slovenian government a European School will be established in Slovenia. However, more than four years after the agreement no European School has been set up.

The Agency's reply:

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- **budgetary management:** the Agency stated that it did its best to ensure the proper and effective implementation of REMIT, by committing the received amended budget before the end of the year 2013 towards the required investment in infrastructure to host the Agency's REMIT Information System (ARIS);
- **seat agreement:** the establishment of a European School in Ljubljana has been discussed several times with the Ministry of Foreign Affairs and the Ministry of Education. Until now, adequate schooling has been provided to the children of Agency's staff through the public and private educational establishments.

Lastly, the Court of Auditors' report contains a summary of the **Authority's activities in 2014**. This is focused on the following:

Budget: EUR 10.88 million.

Activities:

- network codes: two opinions on network codes (in the field of electricity);
- opinions related to ENTSOs: guidelines for the European Network of Transmission System Operators, cost benefit analysis of grid development projects;
- decision on the investment request including cross-border cost allocation for the Gas Interconnection Poland-Lithuania Project of Common Interest No 8.5 (GIPL);
- REMIT-related documents: mechanisms for sharing information, market monitoring handbook;
- two on-line Gas Regional initiative (GRI) and two on-line Electricity Regional Initiative (ERI) progress reports also published;
- organisation of the Agency's 3rd Annual Conference 'REMITage: The age of REMIT?' in Ljubljana.