Basic information

2018/2205(DEC) DEC - Discharge procedure	Procedure completed
2017 discharge: Agency for the Cooperation of Energy Regulators (ACER) **Subject** 8.70.03.02 2017 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SARVAMAA Petri (PPE)	25/07/2018
	Shadow rapporteur KADENBACH Karin (S&D) CZARNECKI Ryszard (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) STAES Bart (Verts/ALE) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
28/06/2018	Non-legislative basic document published	COM(2018)0521	Summary
11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		

28/02/2019	Committee report tabled for plenary	A8-0113/2019	Summary
26/03/2019	Decision by Parliament	T8-0255/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2205(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14330

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.783	10/12/2018	
Amendments tabled in committee		PE634.458	31/01/2019	
Committee report tabled for plenary, single reading		A8-0113/2019	28/02/2019	Summary
Text adopted by Parliament, single reading		T8-0255/2019	26/03/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05825/2019	31/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521	28/06/2018	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0012/2019 OJ C 434 30.11.2018, p. 0001	18/09/2018	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act
Budget 2019/1437 OJ L 249 27.09.2019, p. 0148

2017 discharge: Agency for the Cooperation of Energy Regulators (ACER)

2018/2205(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 discharge procedure.

Analysis of the accounts of the **Agency for the Cooperation of Energy Regulators (ACER)**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the **EU's consolidated accounts for the year 2017** and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies with a view to granting discharge.

Discharge procedure: **the final step of a budget lifecycle is the discharge**. It is the decision by which the European Parliament '**releases**' the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

The Agency for the Cooperation of Energy Regulators (ACER): the Agency, which is located in Ljubljana (SI), was set up by Regulation (EU) No 713/2009 of the European Parliament and of the Council with a view to helping the Member States' regulatory authorities in the areas of electricity and natural gas. Its aim is to give an opinion on any of the issues relating to the purpose for which it has been established.

As regards the Agency's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2017:

Commitment appropriations:

- available: EUR 13 million;
- made: EUR 13 million.

Payment appropriations:

- available: EUR 19 million;
- paid: EUR 16 million.

For further details on expenditure, please refer to the final accounts of the ACER.

2017 discharge: Agency for the Cooperation of Energy Regulators (ACER)

2018/2205(DEC) - 28/02/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators (ACER) for the financial year 2017.

The committee called on the European Parliament to grant the Director of the Agency discharge in respect of the implementation of the Agency's budget for the financial year 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2017 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Agency's accounts.

They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

Agency's financial statements

The final budget of the Agency for the financial year 2017 was EUR 13 272 160, representing a decrease of 16.38 % compared to 2016, which is mainly due to the decrease of revenues related to the Regulation on wholesale Energy Market Integrity and Transparency (REMIT) operations.

Budget and financial management

Budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 98.72 %, reaching the Agency's planned target and representing an increase of 0.61 % compared to 2016. Payment appropriations execution rate was at 75.81 %, representing an increase of 15.87 % compared to the previous year.

The cancellations of carry-overs from 2016 to 2017 amounted to EUR 122 606.52, representing 2.03 % of the total amount carried forward, showing a notable decrease of 7.77 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement and conflicts of interest.

In particular, they noted that:

- the Agency succeeded on the implementation of the regulation on wholesale energy market integrity and transparency and that 2017 was the first full year of data collection following the core implementation of this regulation in 2016;

- on 31 December 2017, the establishment plan was 92.65 % filled, with 63 temporary agents appointed out of 68 authorised under the Union budget;

- human resources and budget constraints at the Agency in 2017 posed risks of delays, as well as a necessity of reprioritisation of objectives and of reducing the scope of some reports and opinions;

- the resignation of a member from the Administrative Board in October 2017, for whom a potential conflict of interest was identified;

- the Agency did not carry out a comprehensive analysis in 2017 of the likely impact of Brexit on its organisation, operations and accounts. It did however carry out such an analysis in 2018.

2017 discharge: Agency for the Cooperation of Energy Regulators (ACER)

2018/2205(DEC) - 31/01/2019 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2017 and the balance sheet as at 31 December 2017 of the Office of the Body of European Regulators for Electronic Communications (BEREC), as well as the Court of Auditors' report on the annual accounts of the Office for the financial year 2017, accompanied by the Office's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Management Committee of the Office in respect of the implementation of the budget for the financial year 2017.

The Council welcomed the Court's opinion that, in all material respects, the Office's annual accounts present fairly its financial position as at 31 December 2017 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Office's Financial Regulation, and that the underlying transactions for 2017 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- ***performance***: the Council expressed concern that due to the integration of a disaster data recover site inside the original data storage site the Agency's business continuity may not be ensured and it calls on the Agency to find appropriate and cost-efficient solutions to address this issue;

- ***Brexit***: the Council encourages the Agency to take into account any possible financial impact of the withdrawal of the United Kingdom from the EU on its organisation, operations and accounts.

2017 discharge: Agency for the Cooperation of Energy Regulators (ACER)

2018/2205(DEC) - 26/03/2019 - Text adopted by Parliament, single reading

The European Parliament decided to grant discharge to the Director of the Agency for the Cooperation of Energy Regulators (ACER) for the financial year 2017 and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2017 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 509 votes to 122 with 2 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the draft resolution on performance, financial management and control of EU agencies:

Agency's financial statements

The final budget of the Agency for the financial year 2017 was EUR 13 272 160, representing a decrease of 16.38 % compared to 2016, which is mainly due to the decrease of revenues related to the Regulation on wholesale Energy Market Integrity and Transparency (REMIT) operations.

Budget and financial management

Budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 98.72 %, reaching the Agency's planned target and representing an increase of 0.61 % compared to 2016. Payment appropriations execution rate was at 75.81 %, representing an increase of 15.87 % compared to the previous year.

The cancellations of carry-overs from 2016 to 2017 amounted to EUR 122 606.52, representing 2.03 % of the total amount carried forward, showing a notable decrease of 7.77 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement and conflicts of interest.

In particular, they noted that:

- the Agency overall delivered on its Work Programme despite significant challenges related to the available resources;

- it succeeded on the implementation of the regulation on wholesale energy market integrity and transparency and that 2017 was the first full year of data collection following the core implementation of this regulation in 2016;

- on 31 December 2017, the establishment plan was 92.65 % filled, with 63 temporary agents appointed out of 68 authorised under the Union budget;

- human resources and budget constraints at the Agency in 2017 posed risks of delays, as well as a necessity of reprioritisation of objectives and of reducing the scope of some reports and opinions;

- the resignation of a member from the Administrative Board in October 2017, for whom a potential conflict of interest was identified;

- measures should be taken to ensure better gender balance within its senior management;

- the Agency did not carry out a comprehensive analysis in 2017 of the likely impact of Brexit on its organisation, operations and accounts. It did however carry out such an analysis in 2018.

2017 discharge: Agency for the Cooperation of Energy Regulators (ACER)

2018/2205(DEC) - 18/09/2018

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Agency for Cooperation of Energy Regulators for the year 2017, together with the Agency's reply.

CONTENT: the Court of Auditors carried out the audit on the annual accounts of the Agency for Cooperation of Energy Regulators (ACER).

In brief, the Agency's main task is to assist National Regulatory Authorities in exercising, at Union level, the regulatory tasks that they perform in the Member States and, where necessary, to coordinate their action. It was also given additional responsibilities, together with national regulatory authorities, regarding the monitoring of the European wholesale energy market.

Statement of assurance and reliability of the accounts

The Court considered that:

- the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 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;

- the transactions underlying the annual accounts for the year ended 31 December 2017 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

Internal controls

In 2011, an additional task in the area of wholesale energy market monitoring (REMIT) was assigned to the Agency. In 2017, all the elements foreseen by the REMIT monitoring framework were in force for the first time. However, while initially a disaster data recovery site for REMIT was established in Maribor, Slovenia, this was moved in April 2017 to the Agency's main data centre in Ljubljana. Consequently, the backup data now is stored at the same location as the original data. This causes a considerable risk to business continuity in case of major disasters, as data might get lost irrevocably.

Financial management and performance

On 29 March 2017 the United Kingdom (UK) notified the European Council of its decision to withdraw from the European Union (Brexit). Unlike most of the other agencies, the Agency did not carry out a comprehensive analysis of the likely Brexit impact on its organisation, operations and accounts.

Agencies should introduce a single solution for the electronic exchange and storage of information with third parties participating in public procurement procedures (e-procurement). As the same requirement exists for all EU Institutions, the Commission is developing a comprehensive IT solution covering all phases of public procurement procedures. The Commission launched tools for electronic invoicing (e-invoicing), for the electronic publication of documents related to contract notices (e-tendering) and for the electronic submission of tenders (e-submission). By the end of 2017, the Agency had not yet introduced any of these tools.

The Agency's replies

Internal controls

The Agency agreed that ever since the disaster data recovery sites was integrated into one single site to optimise and advance performance and address increasing space requirements in June 2017, business continuity can no longer be ensured. However, it has to be noted that the current situation, in which business continuity cannot be guaranteed, has been forced onto the Agency by the significant reduction in its budget over the last two years. The Agency has repeatedly alerted the Commission and the Budgetary Authority of the severe consequences of the budgetary limitations it faces, but without any result in terms of additional resources. The Agency will continue to assess the possibility to re-establish a disaster recovery site for the Agency's REMIT Information System (ARIS) but currently does not have the budget to do so in 2018. The re-establishment of the disaster recovery site would require the Agency to be provided with additional financial resources.

Financial management and performance

Given that the risks related to Brexit have been considered very low and limited, the possible impact of Brexit was only informally analysed by the management in 2017. In early 2018, the Agency conducted a comprehensive analysis on the impact of Brexit on its governance, operations and financial areas highlighting the impact and actions required.

The Agency is not yet using the Commission's IT solution for e-invoicing, e-tendering and e-submission. In the course of 2018, the Agency will start with e-tendering which will subsequently be extended with the use of e-submission and e-invoicing during the course of 2019.

Lastly, the Court of Auditors' report contained a summary of the Agency's key figures in 2017:

Budget

EUR 13 million.

Staff

91 including officials, temporary and contract staff and seconded national experts.