



Plenary sitting

A8-0147/2017

31.3.2017

REPORT

on discharge in respect of the implementation of the budget of the Agency for
the Cooperation of Energy Regulators for the financial year 2015
(2016/2189(DEC))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2015 (2016/2189(DEC))

The European Parliament,

- having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015, together with the Agency's reply¹,
 - having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0075/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators⁴, and in particular Article 24 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0147/2017),
1. Grants the Director of the Agency for the Cooperation of Energy Regulators discharge

¹ OJ C 449, 1.12.2016, p. 17.

² OJ C 449, 1.12.2016, p. 17.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 211, 14.8.2009, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42

in respect of the implementation of the Agency's budget for the financial year 2015;

2. Sets out its observations in the resolution below;
3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Director of the Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015 (2016/2189(DEC))

The European Parliament,

- having regard to the final annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015,
 - having regard to the Court of Auditors' report on the annual accounts of the Agency for the Cooperation of Energy Regulators for the financial year 2015, together with the Agency's reply¹,
 - having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2015, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
 - having regard to the Council's recommendation of 21 February 2017 on discharge to be given to the Agency in respect of the implementation of the budget for the financial year 2015 (05873/2017 – C8-0075/2017),
 - having regard to Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
 - having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators⁴, and in particular Article 24 thereof,
 - having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0147/2017),
1. Approves the closure of the accounts of the Agency for the Cooperation of Energy

¹ OJ C 449, 1.12.2016, p. 17.

² OJ C 449, 1.12.2016, p. 17.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 211, 14.8.2009, p. 1.

⁵ OJ L 328, 7.12.2013, p. 42.

Regulators for the financial year 2015;

2. Instructs its President to forward this decision to the Director of the Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2015 (2016/2189(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the budget of the Agency for the Cooperation of Energy Regulators for the financial year 2015,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0147/2017),
- A. whereas, according to its financial statements, the final budget of the Agency for the Cooperation of Energy Regulators (the “Agency”) for the financial year 2015 was EUR 11 266 000, representing an increase of 3,55 % compared to 2014; whereas the Agency’s entire budget derives from the Union budget,
- B. whereas the Court of Auditors (the “Court”), in its report on the Agency’s annual accounts for the financial year 2015 (the “Court’s report”), states that it has obtained reasonable assurances that the Agency’s annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular,
- C. whereas in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, implementing the concept of performance-based budgeting and good governance of human resources,

Follow-up of 2014 discharge

1. Acknowledges the fact that the Agency:
 - used a set of budget planning guidelines developed and endorsed the Commission’s internal audit service (IAS) in order to improve the planning and implementation of its annual budget and developed pre-recorded internal training on budgetary and financial management;
 - included information on the state of play concerning the prevention and management of conflicts of interests and transparency in its annual report;

Budget and financial management

2. Notes that budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 95,09 %, reaching the Agency’s planned target and representing an increase of 0,09 % compared with 2014; notes furthermore that the payment appropriations execution rate was at 74,88 %, representing an increase of 5,04 % compared with 2014;

Commitments and carry-overs

3. Notes that, according to the Court's report, the carry-overs for Title III (operational expenditure) were at EUR 1 360 000 (59 %) of its committed appropriations, compared to EUR 1 570 000 (62 %) in 2014; notes, furthermore, that those carry-overs were predominantly related to the long-term nature of the implementation of Regulation (EU) No 1227/2011;
4. Notes that, according to the Court's report, carry-overs for Title II (administrative expenditure) amounted to EUR 790 000 (35 %), compared to EUR 980 000 (41 %) of committed appropriations in 2014; acknowledges that, according to the Agency, those carry-overs were predominantly related to studies and services not delivered in 2015;
5. Notes that carry-overs may often be partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Agency and communicated to the Court; notes the fact that the Agency found it difficult to reconcile the principle of annuality with the multi-annual nature of the REMIT implementation project;

Procurement and recruitment procedures

6. Notes that the Agency employed 54 temporary agents, 20 contract agents, 6 seconded national experts, 9 trainees and 6 interim staff at the end of 2015; notes, furthermore, that there were no changes to the establishment plan in 2015;
7. Note from a job screening exercise that 67,83 % of the Agency's jobs were operational, 22,89 % were in the area of administrative support and coordination and 9,28 % were neutral;
8. Notes that 75 members of staff participated in an away day in 2015 which cost EUR 6 517 (EUR 87 per person);

Internal controls

9. Notes that the Agency complied with the minimum requirements of all the internal control standards (ICS);
10. Notes that the Agency evaluated the efficiency of its ICS with a view to finding areas for further improvements in 2015; acknowledges the fact that the Agency was to implement appropriate measures accordingly; calls on the Agency to inform the discharge authority of the measures implemented;

Internal audit

11. Notes that the Commission's IAS made a preliminary visit regarding the Agency's audit on the procurement process; notes that the IAS was to perform that audit at the beginning of 2016; notes, furthermore, that the IAS was also to conduct a full risk assessment and an IT risk assessment audit at the beginning of 2016 and that the

assessment was to result in a new strategic audit plan for the Agency; looks forward to the Agency's reporting on the IAS audits in its 2016 annual activity report;

12. Notes that out of six recommendations issued by the IAS following the 2014 audit on the "development of framework guidelines and opinion on network codes", two were implemented and closed in 2014 and two in 2015; acknowledges the fact that the Agency was to implement the two remaining recommendations in 2016; acknowledges the fact that the last open recommendation stemming from the 2013 IAS audit on 'planning, budgeting and monitoring' was closed in 2015;

Performance

13. Notes that in late 2015 the Agency launched a survey enabling stakeholders to assess its regulatory activities, working methods and efficiency (for example in relation to the timely provision of deliverables), transparency, engagement with stakeholders and publications; notes, furthermore, that in October 2015 the Agency released a study for a methodology proposal to evaluate the impact of the gas network codes and guidelines in terms of implementation and market effects; asks the Agency to keep the discharge authority informed on the matter;

Prevention and management of conflicts of interests and transparency

14. Notes that the Agency's administrative board adopted the policy for the prevention and management of conflicts of interests, applicable to its staff with specific provisions for management, as well as to its administrative board, its board of regulators, its board of appeal, its working group chairs and co-chairs and its task-force convenors; notes, furthermore, that the Agency published the declarations of conflicts of interests on its website but points out that some CVs and declarations of the members of the board of regulators remain missing; calls on the Agency to publish these documents and allows the public the necessary overview on its senior management; notes that in 2016, the administrative board detected a potential conflict of interests of one of its members and followed the ad hoc procedure provided for; asks the Agency to provide further information about this issue to the discharge authority;
15. Notes with satisfaction that the Agency adopted an anti-fraud strategy for the period 2015 to 17, following guidance from OLAF, and that awareness-raising training has been provided to all staff;
16. Notes that the Act on Implementation of International Education Programmes was adopted in the host Member State on 16 June 2016 and entered into force on 15 July 2016; notes that the host Member State initiated a feasibility study following adoption of the Act; recalls that the Agency has repeatedly signalled to the host Member State the urgency of the establishment of an European School in Ljubljana; deplores the fact that more than four years after the entry into force of the agreement between the Agency and the Slovenian Government, no European School has been set up;

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17. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [xx xxxx 2017]¹ [on the performance, financial management and control of the agencies].).

¹ Texts adopted of that date, P[8_TA(-PROV)(2017)0000].

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	22.3.2017
Result of final vote	+: 17 -: 7 0: 0
Members present for the final vote	Inés Ayala Sender, Dennis de Jong, Martina Dlabajová, Luke Ming Flanagan, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Bogusław Liberadzki, Monica Macovei, Notis Marias, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Hannu Takkula, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Richard Ashworth, Gerben-Jan Gerbrandy, Benedek Jávor, Karin Kadenbach, Patricija Šulin, Hannu Takkula
Substitutes under Rule 200(2) present for the final vote	Piernicola Pedicini

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

17	+
ALDE	Martina Dlabajová, Gerben-Jan Gerbrandy, Hannu Takkula
PPE	Ingeborg Gräßle, José Ignacio Salafranca Sánchez-Neyra, Petri Sarvamaa, Claudia Schmidt, Joachim Zeller, Patricija Šulin
S&D	Inés Ayala Sender, Jens Geier, Cătălin Sorin Ivan, Karin Kadenbach, Bogusław Liberadzki, Derek Vaughan
VERTS/ALE	Benedek Jávor, Bart Staes

7	-
ECR	Richard Ashworth, Monica Macovei, Notis Marias
EFDD	Piernicola Pedicini
ENF	Jean-François Jalkh
GUE/NGL	Luke Ming Flanagan, Dennis de Jong

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Key to symbols:

+ : in favour

- : against

0 : abstention