

Discharge 2016 - Agency for the Cooperation of Energy Regulators

| Observation of the Discharge Authority | Response and measures taken by the Agency |
|--|---|
| <p><i>Follow-up of the 2014 discharge</i></p> <p>1. Recalls that, according to the Seat Agreement between the Agency and the Slovenian government, a European School is to be established in Slovenia; regrets however that, more than four years after the agreement, no European School has been set up.</p> | <p>The European School has been established by the Slovenian government and it is due to open on 3 September 2018.</p> |
| <p><i>Commitments and carryovers</i></p> <p>4. Notes from the Agency's reply that the high level of carry-overs is due to the timing of the annual contractual cycle which was established in 2013, when a substantial additional budget for the REMIT project was received by the Agency at the end of the year; notes however that the commitment appropriation for the financial year 2016 under the budget Chapter of REMIT expenditure was implemented at the maximum 100 % level; notes that the Agency will analyse the implementation of differentiated budget appropriations for Title III; calls on the Agency to inform the discharge authority about the decision taken on this matter.</p> | <p>Overall, the Agency's enhanced budget planning led to a significantly improved consumption over the past years, with the Agency now reaching its targets on the consumption of both commitment and payment appropriations. The level of commitments carried over, even though significantly reduced, is still affected by the contractual cycle inherited with the injection of funds late in the year 2013.</p> <p>In order to reduce the level of carry overs, the Agency analysed the option of implementing differentiated appropriation for its expenditure within the operational budget title and concluded that the current budgetary constraints will negatively impact the smooth functioning of this approach. The uncertainty in the future years' budget availability for the REMIT project introduces certain constraints in the Agency's ability to plan the consumption of funds that might not be available to cover the needs.</p> |

| | | | |
|--|--|---|---|
| <p>Prevention and management of conflicts of interest, transparency and democracy</p> <p>13. Welcomes the decision, which came into effect in November 2017, regarding the introduction of a register of meetings of the Director of the Agency with external stakeholders; calls on the Agency to speed up the process to be assessed in the 2017 discharge procedure.</p> | <p>The Agency very seldom meets with lobbyists. However, the Agency began registering and publishing on its website information on all meetings held by the Director with organisations or self-employed individuals on issues relating to the activities of the Agency as of 1 January 2018, according to and with the exclusions defined in Director Decision 2017-35 of 21 December 2017 (Director Decision 2017-35 of 21 December 2017 is attached to the document).</p> | <p>Internal controls</p> <p>18. Notes that an assessment of the effectiveness of the 16 internal control standards (ICS) was performed in 2016; notes that, with a view to strengthening the control environment, the following areas were identified: IT governance and security, business continuity, document management; observes that the Agency is compliant with the minimum requirements underlying each control standard; calls on the Agency to inform the discharge authority about the implemented measures.</p> <p>The Agency successfully implemented measures necessary to strengthen the control environment on Business Continuity. Having performed all the necessary measures, we are under the opinion that the observation should be no longer applicable, and the Agency commits to continue in performing regularly all the tasks in the specific area.</p> <p>The implementation of the document management policy in the Agency (adopted by Director Decision 2016-13 of 22 June 2016 on Adopting the Document Management Policy of the Agency for the Cooperation of Energy Regulators), is ongoing, in accordance to the Action Plan of the Inter-Departmental Working Group on Document Management (IDMWG).</p> <p>In 2018, IAS performed an audit on IT Governance and Security. No high-risk observations were identified during the audit. The final audit report is expected by the end of the year, the action plan for the implementation of the possible recommendations will follow.</p> | <p>Internal audit</p> <p>20. Notes from the Court's report that the Commission's Internal Audit Service (IAS) conducted an audit report in May 2016 which highlighted a strong need to clarify roles and responsibilities and to analyse workload in the procurement cell in order to achieve more efficient processes and procedures and to significantly</p> <p>The Agency successfully implemented the actions, as agreed with IAS. Out of the 6 recommendations, 2 very important (one of which is the recommendation on the need to clarify roles and responsibilities and to analyse workload in the procurement cell) and 1 important have already been closed. The Agency has submitted for review to IAS actions related to the remaining three recommendations from the Action Plan in view of their possible closure.</p> |
|--|--|---|---|

improve the procurement planning and monitoring; notes that the Agency and the IAS agreed on a plan to take corrective action; acknowledges from the Agency that, out of the six recommendations, two "very important" and three "important" have already been closed and that the Agency planned to close the last recommendation by October 2017; calls on the Agency to inform the discharge authority about the measures taken.