

MINUTES
13th ACER Administrative Board meeting
Wednesday, 13 June 2013, 10.00 – 13.00
**Polskie Sieci Elektroenergetyczne S.A. (PSE), Konstancin-
Jeziorna**

Present:

Mr Piotr Woźniak, Chair

Mr Stefan Tostman, Member, and with proxy from Mr Philip Lowe

Mr Luis Martin Oar, Member

Mr Rene Tammist, Member

Mr Gonzalez Finat, Alternate

Lord John Mogg, Chair of the Board of Regulators, Observer

Mr Alberto Pototschnig, Director of ACER, Observer

Ms Marie-Christine Jalabert, Adviser

Mr Abdel El Amelie, Adviser

Main conclusions of the meeting

- 1.) The Board expressed concerns about the pool resource approach to agency adopted by the Commission and, given the new tasks assigned by the legislators to ACER, invited the Commission to minimise any adverse impact on the Agency.
- 2.) The Board adopted the 2012 Annual Activity Report of ACER.
- 3.) The Board adopted the Mid-term review of the ACER Work Programme 2013.
- 4.) The Chair declared the urgency and importance of amending the Rules of Procedure for the functioning of the Agency and asked the Director to launch a written procedure.
- 5.) The Board adopted the Opinion on the 2012 Annual Account of ACER (ANNEX1).
- 6.) The Board took note of the Chair's report on the examination of the declarations of commitment and declarations of interest of Board members, alternates and the observer. The Board took note of the comments made by the Director.

7.) The Board welcomed the Director's presentation of the experience with the Brussels liaison office and agreed that the arrangement should be kept permanent with the Director reporting on it every two years.

1. Approval of the Agenda

The following agenda of the 13th ACER Administrative Board meeting was approved:

Agenda Topics	Accompanying documents	Rapporteur
Opening		
1. Approval of the agenda	Doc 1 for approval	AB Chair
2. Minutes of the 12 th Administrative Board meeting	Doc 2 for approval Doc 3 for information Doc 4 for information	AB Chair
Reporting on developments		
3. Report on the written procedure(s)	Oral update	ACER Director
4. Report on ACER developments (including REMIT, monitoring pursuant to Art. 11 Regulation (EC) No 713/2009, and on the activities of the Board of Regulators)	Oral update	ACER Director BoR Chair
5. Budgetary developments 2013 and 2014	Oral Update	ACER Director Commission
General ACER work		
6. Annual Activity Report for 2012	Doc 5 for adoption	ACER Director
7. Mid-term review Work Programme 2013	Doc 6 for adoption	ACER Director
8. Work Programme 2014 Outline	Docs 7 and 8 for consideration	ACER Director
9. New ACER Premises – Update on the process	Oral update	ACER Director

Agenda Topics	Accompanying documents	Rapporteur
Administrative work		
10. Amendment of AB Decision 3-2010 on the Rules of Procedure	Doc 9 for adoption	ACER Director
11. AB opinion on the 2012 Annual Accounts of ACER	Doc 10 for adoption	ACER Director
12. Results of the examination of declarations of interest of AB members for 2013	Oral Update	AB Chair ACER Director
13. Annual Internal Audit Report (Internal Audit Service)	Docs 11, 12,13 and 14 for information	ACER Director
14. Draft findings of the Court of Auditors and Agency replies	Docs 15 and 16 for information	ACER Director
15. Assessment of the experience with the Brussels liaison office	Doc 17 for information	ACER Director
16. 2013 AB Decisions, by delegation of the Administrative Board to the Chairman via Decision AB 05bis/2010 of 21 September 2010	Docs 18, 19, 20, 21, 22 and 23 for information	ACER Director
AOB Authorisation to the Director to engage in outside activity	Docs 24 and 25 for consideration	ACER Director

2. Minutes of the 12th Administrative Board meeting

The AB member representing the European Commission suggested that the “negative priorities” indicated in the review of the Work Programme 2013 are referred to as the “activities that would have to be postponed”.

The Minutes of the 12th Administrative Board meeting were amended and approved.

3. Report on the written procedures

The Director reported that no written procedure had taken place since the last Administrative Board meeting.

4. Report on ACER developments (including REMIT, monitoring pursuant to Art. 11 Regulation (EC) No 713/2009, and on the activities of the Board of Regulators)

The Director made a presentation on the Agency's progress.

The 2nd Annual Conference of the Agency on "Energy Markets: 2014 and Beyond" took place on 17 May. The event, gathered key representatives from the EU institutions, energy sector stakeholders and market players. The Conference focused on what still needs to be achieved to meet the 2014 energy market integration goal set by the EU Council in 2011, for the benefit of European energy consumers and citizens, and the challenges awaiting the energy sector farther ahead. The discussion was very interesting and more than 200 participants attended. The opening of the Conference by ACER Director was followed by the intervention of the Slovenian Minister responsible for Energy, Samo Omerzel. The Member of the European Parliament, Romana Jordan stressed the support of the European Parliament to the work of ACER, while the Irish Ambassador to Slovenia, H.E. Kieran Dowling, illustrated the energy priorities of the Irish Presidency of the European Union. Commissioner Oettinger delivered a Keynote Address on EU Energy Policy Beyond 2014. The panels and roundtables were moderated by Lord Mogg, Chair of the Board of Regulators, Mr Piotr Wozniak, Chair of the Administrative Board, and Prof. Pippo Ranci, Chair of ACER Board of Appeal. P. Lowe provided the closing remarks.

He presented the staff report of the Agency. The Agency expects to have 72 staff members in 2013 and, according to the Establishment Plan presented by the Agency, would reach 121 in 2014. The Agency staff includes 23 nationalities.

On ACER activities he presented a state of play for Framework Guidelines (FGs) and Network Codes (NC), other regulatory activities and REMIT.

The Market Monitoring Report will be this year again co-branded with CEER and will focus on the barriers to the Internal Energy Market.

He also presented the timeline for REMIT implementation, including on the IT procurement. ACER will also develop a pilot project on data collection and data sharing solutions. Regarding the development of the registration system, the first “demo” was already available. The Director also reported on the presentation of the ACER 2014 Work Programme Outline at the ITRE Committee of the European Parliament on 29 May 2013 and on his participation in the G20 Energy Regulators Round Table in Kazan on 3-4 June 2013, where a Statement on Sound Regulation and Promoting Investments in Energy Infrastructure was agreed.

As regards the latter, the AB member representing the Commission underlined that the Agency has no external legal role and cannot enter in international cooperation. Only the Commission can represent the EU abroad.

The Chair commented that there is the Gas Cooperation Council with Russia, where ACER is represented, however it has no official mandate to do so.

Lord Mogg as representative of the BoR said that possible negotiations or formal arrangements with another international organisation were covered by an agreed approach at the level of the Council but there was no legal constraint on a representative of an NRA nor member of the BoR attending an international meeting.

The Director highlighted that the Agency’s founding Regulation defines rules for the participation of third countries in ACER but sets no constraints on other forms of practice sharing. Moreover, under REMIT the Agency has an explicit mandate to establish administrative arrangements with third countries.

The Chair also informed the members about the Commission’s Secretariat General invitation to all the chairs of the Administrative/Management Boards of the Agencies to a meeting in Brussels regarding the Common Approach. The Vice-Chair of the AB attended the meeting.

Action: The Board noted that the Vice-Chair will circulate a written report from the meeting with the Commission’s Secretariat general.

5. Budgetary developments 2013 and 2014

The Director reported on some good news from the European Commission, whereby €2,8M could be available for REMIT, pending the agreement by the European Parliament and the Council. However, as these funds will only be available in July, at the earliest, the Agency will have to carry forward large amounts and this will be criticised by the auditors. He added that it is still to be seen what the draft EU Budget for 2014, including for ACER, the European Commission would propose at the end of June.

The AB member representing the European Commission confirmed the good news on the 2013 budget, explaining that the trilogue in July would still need to confirm it. As regards the 2014 budget, however, he explained that the budgetary situation in general, including for the EU Agencies, is very difficult. The proposed budget will be for 2014-2020 period.

The AB member appointed by the EP underlined that the budgetary authority will look at: 1.) the budgets of all EU Agencies at the same time and that the budgets will be linked to the multi-annual financial framework. He suggested a clear Agency strategy on how to approach the budgetary process.

The AB member representing the Commission explained the effect of the resource pool approach adopted by the Commission for the agencies of different levels (new tasks, cruising speed etc.) and said that it is up to the Budgetary Authority to decide on resources.

A discussion took place on how to move forward on the budgetary aspects.

Action: The Board expressed concerns about the pool resource approach to agency adopted by the Commission and, given the new tasks assigned by the legislators to ACER, invited the Commission to minimise any adverse impact on the Agency.

6. Annual Activity Report for 2012

The Director briefly presented the report, explaining that it includes two parts. The first part is the regulatory part illustrating the Agency policy achievements in the previous year. This part was approved by the BoR on 12 June 2013. The second part is the administrative and management part of the report. The structure of the report follows the template for annual activity reports, agreed by the EU Network of the Agencies. After the proofreading, the report will be sent to the European Parliament, the Council, the Commission, the European Court of Auditors, the European Economic and Social Committee, the Committee of Regions, as well as to the Internal Audit Service.

The AB member representing European Commission commented that the report is of good quality. Nevertheless, the Commission had a few comments regarding the business continuity plan in case of REMIT, some progress could also be done in terms of Key performance indicators (KPIs) and noted that the Agency lacks an internal auditor. He welcomed that there is a policy of sensitive posts and a training policy now in place. He underlined that the Board would like to be involved in the follow up to the recommendations of the Court of Auditors and the Internal Audit Service.

The Director explained that the Agency has already addressed the continuity aspects of its REMIT operation and both the hosting service contract is being approached accordingly. As regards the KPIs, a table comparing objectives and achievements is already included in Chapter 9 of the annual activity report. He also indicated that given its limited size, the Agency has already in 2011 decided not to have an internal auditor, but rather to rely on the IAS and audit consultancy from internal auditors from other agencies (so far EMSA).

One AB member inquired about any available comparison of the workload among the Agencies.

The AB member representing the Commission replied that the Commission is trying to create a similar governance of the Agencies to be able to compare and measure them. In addition, the Commission would like to have similar rules for the Commission's and the Agencies' staff.

The Director mentioned that the Network of the EU Agencies is already working on the benchmarking of the Agencies.

Action: The Board adopted the ACER Annual Activity Report on its activities in 2012.

7. Mid-term review Work Programme 2013

The Director presented the note regarding the Mid-term review of the Work Programme 2013. He underlined that the Agency was requested to start working on the new TEN-E Regulation already before its entry into force (May 2013). The TEN-E Regulation has however not envisaged any new resources for the Agency. The only way to fulfil the Agency's new responsibilities is to postpone a number of other activities, as listed in this note. These are 4 activities that, even if delayed, would not jeopardise the IEM deadline: Scoping for the Framework Guidelines on harmonisation of national tariff structures and regulatory framework for investments; Proposal to the European Commission on the annual Cross-Border infrastructure compensation sum; Best Practices Guidelines on Exemptions for Major New Gas Infrastructure (practical recommendations and policies directed towards the NRAs for their exemption decisions under Article 36 of the Gas Directive); and Facilitate the sharing of good practices and make recommendations on incentives and risk assessment methodology.

The Board was made aware that the Agency has to make choices.

A suggestion was made to explore the outsourcing of the studies to be made. This option was however considered unsuitable due to very short deadlines for most activities assigned to the Agency in the Third Package.

Lord Mogg as the representative of the BoR shared the concerns saying that the NRAs are thinking in the same manner.

The AB member representing the Commission reminded the Board that the Agency could also use the Framework contract of DG ENER for the studies. The Director confirmed that the Agency is already using the framework contract of the Commission for IT issues; however, when it comes to consultancy studies, the consultants contracted by the Commission are typically a large aggregation of companies, while the consultancy requirements of the Agency are best met by specialised experts. This is why the Agency is about to launch its own procedure for consultants, aiming at smaller scale consultancy companies.

Action: The Board adopted the Mid-term review of the ACER Work Programme 2013.

8. Work Programme 2014 Outline

The Director briefly explained that 2 presentations of the outline on the Work Programme 2014 already took place, one at the ITRE Committee on 29 May and another at a dedicated Workshop on 6 June in Ljubljana. The draft Work Programme 2014 will be submitted to the BoR, the EP and the Commission by 28 June.

One AB member inquired whether a presentation of the Work Programme 2014 was also made at the EU Council. Lord Mogg, as a representative of the BoR, considered it a good idea. The Director replied that he will address the incoming Lithuanian presidency.

Action: The Board took note of the ACER 2014 Work Programme Outline.

9. New ACER Premises – Update on the process

The Director reminded the AB that the Government of Slovenia offered free-of-cost premises to the Agency for an initial period of 2 years. This period ended in January 2013. This is why the Agency launched, already in 2012, a procedure for the selection of new premises. Currently the Agency is in the final negotiation stage with three tenderers. The successful tenderer should become known at the end of July. The Agency expects to be in the new premises by January 2014.

10. Amendment of AB Decision 3-2010 on the Rules of Procedure

The Director explained that the Agency has noticed some inconsistencies between the AB Decision 01-2010 adopting the Rules for the participation of alternates in the meetings of the Administrative Board of the Agency for the Cooperation of Energy Regulators and AB Decision AB 03/2010 on the Rules of Procedure of the Administrative Board, in particular its Article 17. If the alternate assigned to one member is not available, the next alternate could be called to represent that member who cannot participate. However, according to article 17 of the Rules of Procedures in place, this alternate's cost of participation could not be reimbursed. A new procedure was proposed to notify the presence at the meeting: 1.) By 2 weeks before the AB meeting all members and alternates signal whether they will be able to attend; 2.) If any member and his related alternate are unable to attend, the secretariat can check which other alternate is available, by preserving the institutional balance. A proposal was made that the same procedure applies also to observers.

The AB member representing the Commission suggested that the Chairman writes to the Council complaining about the absenteeism of their appointees. The Chair underlined that having a quorum is very important for the Agency and added that members will need to confirm their attendance and in case of no reply it will be considered that they are not attending the meetings.

Action: The Chair declared the urgency and importance of amending the Rules of Procedure for the functioning of the Agency and asked the Director to launch a written procedure.

11. AB opinion on the 2012 Annual Accounts of ACER

The Director introduced the draft AB Opinion on the 2012 Annual Accounts of the Agency, saying that the final accounts of the Agency were produced by the Agency's accountant. The Director also briefly presented the draft comments received from the European Court of Auditors (ECA) after their visit to the Agency from 11-15 April. The comments concerned a large amount of carry overs, unspent financial resources, large amount of financial resources available in the bank, and on ACER recruitment (anonymity of the written tests). He also presented the replies of the Agency.

One AB member inquired about the follow-up of the ECA's recommendations and the Director replied that the Agency sent its replies to ECA and a contradictory procedure will now follow.

Lord Mogg as the representative of the BoR commented that this is a very good record for an Agency just recently established. The AB member representing the Commission agreed with this comment.

Action: The Board adopted the Opinion on the 2012 Annual Accounts of ACER (ANNEX1).

12. Results of the examination of declarations of interest of AB members for 2013

The Chairman informed the Board that all the declarations of interest were received and examined, except the declaration of Mr Rickett, who resigned on the issue of the conflict of interest. In the examined declarations, no misleading information was found. The Chairman notified the Council about the resignation of Mr Rickett. He declared the declarations of interest examined.

The Director said that the Commission intends to issue EU guidelines on the conflict of interest later this year. He explained that as regards the received declarations of interest of the Board of Appeal members and alternates, the declared interests would have to be taken into account when deciding the composition of the Board dealing with any specific case brought to its attention. As regards the declarations of interest of the Administrative Board, however, he suggested to have it confirmed that the position/interest of Mr Peter Gordon and of Mr Razvan Nicolescu have not changed since their appointment. If this is the case, he does not see any issue; however, if changes have occurred, he believes there should be a notification to the appointing authority.

The AB member representing the Commission confirmed that the Commission is preparing the EU Guidelines on the conflict of interest. The timing for adoption is the end of the year. The Guidelines would be discussed at the October meeting of the Heads of the Agencies. He said that the interest of any Board member should be traceable, by declaring previous and present responsibilities. He questioned whether the declarations of interest, as currently stipulated in the AB Decision 03-2010, are in line with the Common approach. The report of the Court of Auditors of last year on several agencies is a good source of information in regard to the conflict of interest.

He also stressed that the only one responsible for the conflict of interest at ACER is its Director. His risk is not receiving the discharge.

Action: The Board took note of the Chair's report on the examination of the declarations of commitment and declarations of interest of Board members, alternates and the observer. The Board took note of the comments made by the Director.

13. Annual Internal Audit Report (Internal Audit Service)

The Director informed the Board that the Internal Audit Service's (IAS) audit for 2012 is now closed. The IAS formal report was sent to the EP, Council and the Commission. The Director also said that the IAS will be visiting the Agency for a new audit from 17-21 June.

The AB member representing the Commission pointed to the usefulness of regular reporting on the very important risks and findings of the IAS as an info point to the AB.

Action: The Board noted the Annual Internal Audit report.

14. Draft findings of the Court of Auditors and Agency replies

Some of the draft findings of the CoA were already presented under the agenda point regarding the Final Accounts of the Agency for 2012. The Director explained that on the Court's remarks regarding the payment of the school fees the Agency is taking measures to put ACER staff on equal footing with the staff of other institutions and bodies operating in location where a European school exists. The Agency is in favour of a European school in Ljubljana and has already been in touch with the Slovenia Government to implement the relevant provisions in the Seat Agreement. The subsidy to the Agency staff is up to the cost of a European school in Brussels, but it cannot be paid directly the schools. ECA believes this is irregular, while the Agency view is that this is not only in line with the Staff Regulation, but it is a requirement to put Agency's staff in the same conditions as staff of other EU institutions. The other point of divergence with ECA is the anonymity of the written tests, whereby at ACER the written tests are taken back to back with the oral tests of the candidates. The Agency has already replied to the Court on both aspects.

The AB member representing the Commission recommended sharing common practice on the SLAs with schools and informal consultation.

Action: The Board noted the draft findings of the Court of Auditors and the Agency replies.

15. Assessment of the experience with the Brussels liaison office

The Director said that two years ago CEER offered to host the Agency's liaison office in Brussels, free of any rent and charges. This donation was accepted by the Agency with the consent of the Commission. One staff member (NRA Coordinator) operates out of the Brussels liaison office. The Director considers the experience with the Brussels liaison office extremely positive. The CEER is now moving to new premises and the Agency is planning to locate a video conferencing facility in its office to improve the communication with the headquarters in Ljubljana.

The agreement between the Agency and CEER will soon be formalised through a MoU whereby this would become a stable arrangement under the same conditions. The Director expressed his intention to maintain the current arrangements as long as the current conditions persist.

Lord Mogg, as the representative of the BoR, agreed with the efficiency of the liaison office and with the Directors' comments. The presence of the Agency in Brussels is much enhanced with the liaison office. The CEER offers a separate office with facilities free of charge to the Agency staff. He also indicated a possibility to consider future meetings of the AB in Brussels.

One AB member commented that the Board cannot take for granted the generosity of the CEER.

The Chair with the support of the AB member representing the Commission said that the arrangement can be kept permanent, but the Director will report on it every two years.

Action: The Board welcomed the Director's presentation of the experience with the Brussels liaison office and agreed that the arrangement should be kept permanent with the Director reporting on it every two years.

16. 2013 AB Decisions, by delegation of the Administrative Board to the Chairman via Decision AB 05bis/2010 of 21 September 2010

The Chair explained that, by delegation from the AB, this year he already made 6 appointments of new members and alternates of the BoR.

Action: The Board was informed of all AB decisions in 2013, delegated to the AB Chair, to appoint new members and alternates of the BoR.

AOB

Authorisation to the Director to engage in outside activity

The Director asked the Board to allow him to contribute to a publication.

Action: The Board gave consent to the Director to contribute to a publication.

End of mandate for some AB members and alternates

The Chair announced that some members and alternates are ending their mandate by the end of 2013 or early 2014. The Chair intends to write to the appointing institutions to appoint new members and alternates.

ANNEX 1

OPINION AB n° 01/2013 OF THE ADMINISTRATIVE BOARD OF THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS

of 13 June 2013

ON THE 2012 FINAL ACCOUNTS

THE ADMINISTRATIVE BOARD OF THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

HAVING REGARD to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing a European Agency for the Cooperation of Energy Regulators¹ (hereafter referred to as “the Agency”), and, in particular, Article 24(5),

HAVING REGARD to Decision AB No 22/2011 on the adoption of the Financial Regulation of the Agency for the Cooperation of Energy Regulators, and, in particular, Article 83(2),

HAVING REGARD to the preliminary observations of the European Court of Auditors on the provisional accounts of the Agency for the financial year 2012,

HAVING REGARD to the Agency final accounts for the financial year 2012 drawn up by the Director and signed off by the Accounting Officer and sent to the Administrative Board on 5 June 2013,

Whereas:

- (1) After receiving the observations of the Court of Auditors on the provisional accounts of the Agency the Director shall draw up the final accounts and transmit them for opinion to the Administrative Board.
- (2) The Administrative Board shall deliver an opinion on the final accounts of the Agency.
- (3) The Director shall transmit the final accounts, accompanied by the opinion of the Administrative Board, by 1 July following the completion of the financial year, to the European Parliament, the Council, the Commission and the Court of Auditors,

¹ OJL 211, 14.8.2009, p.1.



HAS ADOPTED a favourable opinion on the final accounts of the Agency for the financial year 2012 as presented in Annex I, but requests the Director to take immediate action to remedy the shortcomings identified by the European Court of Auditors. The Administrative Board looks forward to receiving the final outcome of these observations in due course.

Done at Warsaw, on 13 June 2013

For the Administrative Board:

Piotr Woźniak

Chairman of the Administrative Board of the Agency



**ANNEX 1 TO THE OPINION AB n° 01/2013 OF THE ADMINISTRATIVE BOARD OF
THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS**

Final Accounts of the European Agency for the Cooperation of Energy Regulators

and

Report on Budgetary and Financial Management

1 January 2012 – 31 December 2012

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CERTIFICATION OF ANNUAL ACCOUNTS

The annual accounts of the Agency for the Cooperation of Energy Regulators (ACER) for the year 2012 have been prepared in accordance with Title VII of ACER's Financial Regulation as well as the accounting rules adopted by the European Commission's Accounting Officer.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of ACER in accordance with Article 43 of ACER's Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the necessary information for the production of the accounts that show ACER's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of ACER.

3 June 2013

Rodica Mandroc,
Accounting and Budget Officer

INTRODUCTION

LEGAL BASIS

The European Agency for the Cooperation of Energy Regulators (hereinafter referred to as 'ACER') with the seat in Ljubljana, Slovenia has been established by Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 (the "founding Regulation").

The overall mission of ACER, according to its founding Regulation, is to assist national regulatory authorities (NRAs) to perform their duties at the European Union level and to coordinate their actions whenever necessary.

ACER's activities are also governed by the following directives and regulations:

- Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC;
- Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC;
- Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity, which repeals Regulation (EC) No 1228/2003;
- Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005;
- Commission Regulation (EU) No 838/2010 of 23 September 2010 on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging, and,
- Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency.

BACKGROUND INFORMATION

According to the founding Regulation, ACER's governing bodies on administrative matters are the Administrative Board and the Director.

The Director of ACER, Mr Alberto Pototschnig is, according to Article 17 of the founding Regulation, responsible for representing the Agency and in charge of its management.

The Administrative Board, chaired by Mr Piotr Woźniak, is composed of nine members with two members appointed by the European Parliament, five members appointed by the Council and two members appointed by the European Commission. Each member has an alternate.

The Administrative Board shall give an opinion on the final accounts of ACER as drawn up by the Director in accordance with Article 24(4) and (5) of the founding Regulation.



ACER's expenditures for 2012 were integrally financed through an annual subsidy from the general budget of the European Union.

In accordance with Article 43(1) of ACER Financial Regulation adopted by the Administrative Board with Decision AB n° 22/2011, the Administrative Board appointed Mrs Rodica Mandroc on 22 September 2011 as the Accounting and Budget Officer of ACER.

The financial year 2012 was the first full year of ACER's operation as ACER became financially autonomous on 8 March 2011 therefore, the comparative period in the financial statements only refer to the period from 8 March 2011 to 31 December 2011.

The following accounts together with a report on budgetary and financial management have been drawn up in accordance with Articles 76 – 83 of ACER's Financial Regulation and Article 24 of the founding Regulation.

PART I – FINANCIAL STATEMENTS

The following financial statements and notes have been drawn up for the financial year ending 31 December 2012.

ECONOMIC OUTTURN ACCOUNT

	1 January - 31 December 2012 €	8 March - 31 December 2011 €
<i>for the year ending 31 December 2012</i>		
REVENUE		
European Commission subsidy	6,549,243.89	4,362,607.98
Other operating revenue	71.09	38,290.07
TOTAL OPERATING REVENUE	6,549,314.98	4,400,898.05
ADMINISTRATIVE AND OPERATIONAL EXPENSES		
Staff expenses	3,767,277.39	1,887,289.29
Fixed asset related expenses	163,348.70	112,674.20
Other administrative expenses	963,066.20	1,029,584.75
Operational expenses	447,366.67	444,356.83
TOTAL ADMINISTRATIVE AND OPERATIONAL EXPENSES	5,341,058.96	3,473,905.07
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	1,208,256.02	926,992.98
FINANCIAL OPERATIONS		
Financial operations expenses	300.00	62.15
SURPLUS/ (DEFICIT) FROM FINANCIAL ACTIVITIES	(300.00)	(62.15)
ECONOMIC RESULT OF THE YEAR	1,207,956.02	926,930.83

BALANCE SHEET

<i>as of 31 December 2012</i>	1 January - 31 December 2012 €	8 March - 31 December 2011 €
NON-CURRENT ASSETS		
Intangible fixed assets	20,402.97	28,191.70
Tangible fixed assets	401,064.16	459,311.32
Plant and equipment	1,710.22	456.56
Computer hardware	307,927.38	416,282.16
Furniture and vehicles	44,269.10	41,182.25
Other fixtures and fittings	47,157.46	1,390.35
TOTAL NON-CURRENT ASSETS	421,467.13	487,503.02
CURRENT ASSETS		
Short-term receivables	58,186.25	41,015.09
Current receivables	553.50	207.43
Sundry receivables	15,900.52	23,495.52
Prepaid expenses and accrued income	41,732.23	17,312.14
Cash and cash equivalents	4,215,005.25	2,387,634.18
TOTAL CURRENT ASSETS	4,273,191.50	2,428,649.27
TOTAL CURRENT AND NON-CURRENT ASSETS	4,694,658.63	2,916,152.29
EQUITY AND LIABILITIES		
EQUITY		
Accumulated surplus/(deficit)	926,930.83	0.00
Economic result of the year	1,207,956.02	926,930.83
TOTAL EQUITY	2,134,886.85	926,930.83
CURRENT LIABILITIES		
Accounts payable	2,559,771.78	1,989,221.46
Current payables	8,948.77	5,667.92
Accrued expenses and deferred income	269,250.46	401,416.73
Accounts payable with consolidated entities	2,281,572.55	1,582,136.81
TOTAL CURRENT LIABILITIES	2,559,771.78	1,989,221.46
TOTAL EQUITY AND LIABILITIES	4,694,658.63	2,916,152.29

CASH FLOW STATEMENT

	1 January - 31 December 2012	8 March - 31 December 2011
	€	€
Surplus/(deficit) from operating activities	1,208,256.02	926,992.98
Cash Flows from Operating Activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets)	8,388.73	5,333.55
Depreciation (tangible fixed assets)	154,019.05	110,939.42
Amount written off (tangible fixed assets)	940.92	
(Increase)/decrease in Short term Receivables	(17,171.16)	0.00
Increase / (decrease) in Other liabilities	(132,166.27)	0.00
Increase/(decrease) in Current payables	3,280.85	0.00
Increase/(decrease) in Liabilities related to consolidated entities	699,435.74	0.00
Net Cash Flow from Operating Activities	1,924,983.88	1,043,265.95
Cash Flows from Investing Activities		
Purchase of tangible and intangible fixed assets	(97,312.81)	(603,775.99)
Net Cash Flow from Investing Activities	(97,312.81)	(603,775.99)
Financing Activities		
Financial operations revenues/expenses	(300.00)	(62.15)
Net Cash Flow from Financing Activities	(300.00)	(62.15)
Net increase/(decrease) in cash and cash equivalents	1,827,371.07	2,387,634.18
Cash and cash equivalents at the beginning of the period	2,387,634.18	0.00
Cash and cash equivalents at the end of the period	4,215,005.25	2,387,634.18

STATEMENT OF CHANGES IN NET ASSETS

as at 31 December 2012

Net Assets	Opening balance	Economic result of the year	Total Net Assets
	€	€	€
Balance as of 1 January 2012	926,930.83	0.00	926,930.83
Economic result of the year	0.00	1,207,956.02	1,207,956.02
Balance as of 31 December 2012	926,930.83	1,207,956.02	2,134,886.85

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES AND PRINCIPLES

The objective of the financial statements in general is to provide users with an overview on the financial performance, position and cash flow of an entity. For a public entity like ACER this objective is more specific as the information contained is used in the decision making process as well as to demonstrate the accountability of the agency towards the resources entrusted to it.

The financial statements for the year 2012 were prepared on the basis of the European Commission Accounting Rules as laid down by the accounting officer of the European Commission, applicable to the specific environment of the European Union and which are based on the International Public Sector Accounting Standards and International Financial Reporting Standards. The financial statements are prepared on an accrual basis whereas the reports on the implementation of the budget are prepared on a cash basis. Reconciliation between the two methods is presented in the second part of this report.

The accounting system of ACER contains general and budget accounts with the functional currency being Euro. The budget accounts provide a detailed picture on the implementation of the budget and are based on cash accounting principles. The general accounts prepared on an accrual accounting basis present the financial performance and position of ACER as at the end of the financial year.

The current financial statements have been drawn in accordance with the principles specified in Article 78 of ACER Financial Regulation and the corresponding articles 84 to 92 of the Implementing Rules, as follows:

Going concern basis

ACER has been established for an indefinite duration and the financial statements have been prepared in accordance with the going concern principle and Article 85 of the Implementing Rules.

Principle of prudence

The assets and income in the financial statements of ACER have not been overstated nor have the liabilities and charges been understated. The principle of prudence from Article 86 of the Implementing Rules has been complied with.

Principle of consistent accounting method

In accordance with this principle and Article 87 of the Implementing Rules, the structure of the components of the financial statements and the accounting methods and valuation rules adopted this year carry no intention of being changed over the coming years.

Principle of comparability of information

In accordance with this principle for each item the financial statements shall show the amount of the corresponding item in the previous year – Article 88 of the Implementing Rules.

Materiality principle

The materiality principle as per Article 89 of the Implementing Rules has been applied to the financial statements of ACER and implies that all operations significant by nature shall be taken into account in the financial statements. Items may be aggregated if they are of identical nature, negligible amounts or when aggregation improves clarity of financial statements.

No-netting principle

The no-netting principle in accordance with Article 90 of the Implementing Rules as applied to the financial statements of ACER implies that assets and liabilities have not been offset against each other, nor were revenues and expenses except where the revenues and expenses derived from the same or similar transaction.

Principle of reality over appearance

In accordance with the Article 91 of the Implementing Rules, the accounting events recorded in the financial statements of ACER are presented by reference to their economic nature.

Accrual-based accounting principle

According to this principle and Article 92 of the Implementing Rules, transactions and events entered in the accounts of ACER were recorded at the time they occurred and not when amounts were actually paid or recovered.

CURRENCY AND BASIS FOR CONVERSION

Functional and reporting currency

The functional and reporting currency used in the preparation of the financial statements for ACER is Euro.

Transactions

Foreign currency transactions were converted into Euros in accordance with Articles 7 and 8 of the general Implementing Rules using the official European Commission exchange rates of the day on which the payment order was drawn up.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currency are recognised in the economic outturn account.

CHART OF ACCOUNTS

The chart of accounts used by ACER follows the structure of the chart of accounts used by the European Commission (PCUE).

ECONOMIC OUTTURN ACCOUNT

Revenue

The 2012 revenues of ACER consist of

- the subsidy received from the general budget of the European Union, and
- foreign exchange realised gains.

	1 January - 31 December 2012 €
European Commission subsidy	6,549,243.89
Other operating revenue	71.09
	6,549,314.98

Expenses

	1 January - 31 December 2012 €
Administrative and operational expenses	
Staff expenses	3,767,277.39
Fixed asset related expenses	163,348.70
Other administrative expenses	963,066.20
Operational expenses	447,366.67
	5,341,058.96

Staff expenses consist of personnel-related expenses such as salaries, allowances and other welfare benefits.

Fixed assets-related expenses contain the charge of amortisation of intangible assets and the depreciation of tangible assets for the financial year ending 31 December 2012.

Other administrative expenses consist of costs associated with the building, office running costs, including the cost of physical inventory that does not qualify as financial assets, as well as the cost of interim personnel.

Operational expenses include the cost of operational missions, meetings, workshops, public hearings and other operational expenditure incurred for the functioning of the Agency.

BALANCE SHEET

NON-CURRENT ASSETS

Assets are resources controlled by ACER as a result of past events from which future economic benefits or service potential is expected to flow.

Fixed assets are assets with a useful life of more than one reporting period. The valuation of fixed assets in the financial statements of ACER is based at their acquisition price. The book value of these assets is equal to their acquisition price increased or decreased by revaluations, decreased by depreciation and amounts written off.

For the record of fixed assets ACER uses ABAC Assets2 as inventory application, which is an integrated part of the ABAC platform. Two main categories can be distinguished: intangible and tangible assets.

Intangible fixed assets

Intangible fixed assets recorded in the inventory of ACER consist of assets without physical substance and are only represented by software.

Tangible fixed assets

Assets with a physical substance recorded in the inventory of ACER consist mainly of furniture, computer hardware, telecommunication and audio-visual equipment and a small number of other equipment and fittings.

Amortisation and depreciation

Depreciation and amortisation as a systematic allocation of the loss in value over the useful life of an asset is calculated using the straight-line method with the following rates:

Type of asset	Straight line depreciation rate
Computer software	25%
Furniture	10%
Transport and kitchen equipment	12.5%
Computer hardware	25%
Technical equipment	25%
Telecommunication audio-visual equipment	25%

Details on the classification and depreciation rates of the fixed assets can be found in the following table:

FIXED ASSETS
01.01.2012-31.12.2012

Account number	Asset category	Opening balance	Additions during the year	Disposals during the year	Closing balance	Depreciation Rate and Method	Depreciation				
							Opening balance	Accumulated depreciation on disposal	Depreciation charge for the year	Accumulated Depreciation	Closing book value
21001000	Computer software	36,573.02	600.00		37,173.02	L 25%	8,381.32	0.00	8,388.73	16,770.05	20,402.97
23001000	Plant, machinery and equipment	515.65	1,710.00		2,225.65	L 12,5%	59.09	0.00	456.34	515.43	1,710.22
24001000	Furniture and rolling stock	44,607.47	8,668.47		53,275.94	L 10%, 12,5%, 2,5%	3,425.22	0.00	5,581.62	9,006.84	44,269.10
24101000	Computer hardware	520,381.47	25,730.64	(1,403.32)	544,708.79	L 25%	104,099.31	(1,403.32)	134,085.42	236,781.41	307,927.38
24201000	Other fixtures and fittings	1,698.38	60,603.70		62,302.08	L 25%	308.03	0.00	14,836.59	15,144.62	47,157.46
	Totals	603,775.99	97,312.81	(1,403.32)	699,685.48		116,272.97	(1,403.32)	163,348.70	278,218.35	421,467.13

CURRENT ASSETS

Receivables

Receivables are carried at original invoice amount less any write-down for impairment. A write-down for impairment of receivables is established only where there is objective evidence that ACER will not be able to collect all amounts due according to the original terms of the receivables, with the impaired amount being recognised in the economic outturn for the year.

Short-term receivables

	1 January - 31 December 2012 €
VAT receivable	553.50
Salary advances paid to staff	15,900.52
Deferred charges	41,732.23
	58,186.25

ACER benefits from a direct exemption for VAT from the Slovenian state for purchases above the threshold amount of €60. For purchases where the direct exemption is impracticable to obtain, the VAT is refunded by the Slovenian state on a quarterly basis.

Salary advances paid to staff members are processed/recuperated by the Pay Master Office (PMO) from the staff member salary in the month following that of the payment.

Deferred charges consist of prepayments made during the year mainly on subscriptions and insurance premiums.

Cash and cash equivalents

	1 January - 31 December 2012 €
Bank account	4,209,349.08
Imprest account	5,509.70
Petty cash	146.47
	4,215,005.25

The main bank account and the imprest account are held with UniCredit AG Germany based on a banking services contract signed between the two parties. At 31 December 2012 the balance of the main bank account contained the 2011 budgetary outturn (approx. €1.6m) that was returned to the general budget of the European Union in January 2013 and the 2012 budgetary outturn (approx. €0.7m) that yet has to be returned to the general budget of the European Union .

EQUITY AND LIABILITIES

Current liabilities

	1 January - 31 December 2012
	€
Accounts payable	8,948.77
Accrued expenses	269,250.46
Repayable positive budgetary outturn 2011	1,571,424.88
Repayable positive budgetary outturn 2012	692,606.11
Repayable interest earned on EU subsidy 2011	10,711.93
Repayable interest earned on EU subsidy 2012	6,829.63
	<u>2,559,771.78</u>

The accounts payable as at 31 December 2012 consist of outstanding claims from ACER suppliers and other public bodies to be settled as they fall due.

Accrued expenses relate mainly to goods or service delivered at the end of the financial year but for which the invoices have not been received. According to Staff Regulation (Annex V – Leave, Article 4) the staff members are entitled to a compensation equal to one thirtieth of his/her monthly remuneration for each leave day due to him/her at the time of leaving the service. A holiday compensation amounting to €71,389.91 has been calculated and recognised as accrued expenses for all untaken annual leave entitlements as at the end of the financial year.

The budgetary outturn result remains the property of the European Commission and ACER has an obligation to return the unused amount of the pre-financing. The 2011 related budgetary outturn has been returned to the European Commission at the beginning of January 2013; the 2012 related budgetary outturn will be returned on request of the European Commission

Interest yields on the pre-financing fall under the same obligation and have to be returned to the European Commission. The interest earned during the financial year 2011 has been returned to the European Commission at the beginning of January 2013.

CONTINGENT ASSETS

According to the European Commission Accounting Rule 10, a contingent asset is a possible asset arising from past events that will only be confirmed by future events not under the entity's control.

ACER has identified as contingent asset for the financial year 2012 the disputed salary indexation and coefficient correction for the period 1 July 2011 to 30 June 2012 under the proposed Council Regulation 2010/0329 and for the period 1 July 2012 to 30 June 2013 under the proposed Council Regulation 2011/0393. If the legal actions were to be successful, the impact for ACER in the financial year 2012 would be a receivable amount of

€37,930.07 to be recuperated from a number of its staff members. The contingent asset recognised for the financial year 2011 for the same purpose remains at €14,608.77.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies for the financial year 2012.

OTHER DISCLOSURE

Contribution in kind

During the financial year 2012 the following contributions in kind have been accepted:

From the Council of European Energy Regulators:

- office space, logistical and secretarial support for the Agency's liaison office in Brussels free of any rent, fees and charges.

From the Government of the Republic of Slovenia:

- use of office space offered free of any rent or related charges pursuant to the Seat Agreement signed on 26 November 2010 for the first two years of ACER operation. The rent-free period ends on 31 January 2013, date from which ACER will be responsible for covering the costs of its premises.

In both cases neither the legal title nor the economic ownership has passed to ACER, therefore the non-exchange component of these transactions is not accounted for in the accounts of ACER.

EVENTS AFTER BALANCE SHEET DATE

ACER has not identified any material event after its balance sheet date that would have an impact on its financial performance and position.

PART II – REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT

The approved EU subsidy for the Agency for the financial year 2012 amounted to €7,241,850. There has been no agreement reached for any contribution towards the Agency from the EFTA states.

The following table presents the implementation of these appropriations for the period between 1 January 2012 and 31 December 2012:

Title Chapter	Heading	Appropriation (1)	Committed (2)	% Committed	Paid (3)	% Paid	Balance Commitment (1-2)	Balance Payment (2-3)
TITLE 1	Expenditure relating to staff and resources							
CHAPTER 11	Staff in active employment	4,493,250.00	4,137,028.85	92.07%	3,964,979.13	88.24%	356,221.15	172,049.72
CHAPTER 12	Missions and duty travel	231,307.00	199,307.00	86.17%	163,098.00	70.51%	32,000.00	36,209.00
CHAPTER 13	Socio-medical infrastructure	23,500.00	13,968.39	59.44%	4,365.57	18.58%	9,531.61	9,602.82
CHAPTER 14	Social services	17,300.00	16,287.11	94.15%	15,134.60	87.48%	1,012.89	1,152.51
	TOTAL TITLE 1	4,765,357.00	4,366,591.35	91.63%	4,147,577.30	87.04%	398,765.65	219,014.05
TITLE 2	Agency's building and associated costs							
CHAPTER 20	Agency's premises costs	27,091.30	26,592.44	98.16%	24,493.27	90.41%	498.86	2,099.17
CHAPTER 21	Data processing	1,505,818.70	1,503,573.58	99.85%	100,067.89	6.65%	2,245.12	1,403,505.69
CHAPTER 22	Movable property and associated costs	149,500.00	149,498.72	100.00%	77,365.38	51.75%	1.28	72,133.34
CHAPTER 23	Current administrative expenditure	314,858.00	314,680.65	99.94%	180,356.62	57.28%	177.35	134,324.03
CHAPTER 24	Computer infrastructure, telecommunication and postage	105,100.00	104,931.84	99.84%	65,091.44	61.93%	168.16	39,840.40
	TOTAL TITLE 2	2,102,368.00	2,099,277.23	99.85%	447,374.60	21.28%	3,090.77	1,651,902.63
TITLE 3	Operational expenditure							
CHAPTER 30	Representation expenses	21,191.00	12,000.00	56.63%	6,138.75	28.97%	9,191.00	5,861.25
CHAPTER 31	Operational missions	145,739.00	145,739.00	100.00%	141,780.92	97.28%	0.00	3,958.08
CHAPTER 32	Stakeholder involvement, public relations and website	187,000.00	145,548.17	77.83%	81,720.28	43.70%	41,451.83	63,827.89
CHAPTER 33	Translations	15,000.00	15,000.00	100.00%	13,154.50	87.70%	0.00	1,845.50
CHAPTER 34	Professional indemnity	5,195.00	5,000.00	96.25%	0.00	0.00%	195.00	5,000.00
	TOTAL TITLE 3	374,125.00	323,287.17	86.41%	242,794.45	64.90%	50,837.83	80,492.72
	GRAND TOTAL BUDGET 2012	7,241,850.00	6,789,155.75	93.75%	4,837,746.35	66.80%	452,694.25	1,951,409.40

A detailed description of the 2012 budget implementation can be found under the 'Revenue' and 'Expenditure' sub-sections of the 'Budgetary Management' section of this report.

Other revenue recorded by the agency as assigned revenue stemming from the fund source IC4 and amounting to €4,164.98 resulted from recuperated overpaid amounts during the financial year 2012. From this assigned revenue €4,039.98 has been used towards the expenditure to which it has been assigned.

The following table presents the implementation of these appropriations for the period between 1 January 2012 and 31 December 2012:

B.L.	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid(€)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1142	Schooling fees	2,481.92	2,481.92	100.00 %	2,481.92	100.00 %	0.00	0.00
	Sum:	2,481.92	2,481.92	100.00 %	2,481.92	100.00 %	0.00	0.00
B3-100	Operational Missions	1,558.06	1,558.06	100.00 %	1,558.06	100.00 %	0.00	0.00
	Sum:	1,558.06	1,558.06	100.00 %	1,558.06	100.00 %	0.00	0.00
	Sum:	4,039.98	4,039.98	Sum:	4,039.98	Sum:	0.00	0.00
			Average:	100.00 %	Average:	100.00 %		

A detailed description of this budget implementation can be found under the 'Revenue' and 'Expenditure' sub-sections of the 'Budgetary Management' section of this report.

In addition to the current year appropriations an amount of €830,837.65 has been carried forward from the financial year 2011 to honour the value of payment appropriations from the commitments estimated by the Agency at that point in time. An amount of €590,143.87 has been consumed by the end of the financial year 2012 with the difference to be returned to the European Commission during the financial year 2013.

The following table presents the implementation of these appropriations for the period between 1 January 2012 and 31 December 2012:

Title Chapter	Heading	Appropriation (1)	Committed (2)	% Committed	Paid(€) (3)	% Paid	Balance Commitment (1-2)	Balance Payment (2-3)
TITLE 1	Expenditure related to employees of the agency							
CHAPTER 11	Staff in active employment	175,122.10	63,087.62	36.02%	63,087.62	36.02%	112,034.48	0.00
CHAPTER 12	Missions and duty travel	8,407.61	7,118.51	84.67%	7,118.51	84.67%	1,289.10	0.00
CHAPTER 13	Socio-medical infrastructure	8,141.37	8,107.45	99.58%	8,107.45	99.58%	33.92	0.00
CHAPTER 14	Social services	587.24	520.38	88.61%	520.38	88.61%	66.86	0.00
	TOTAL TITLE 1	192,258.32	78,833.96	41.00%	78,833.96	41.00%	113,424.36	0.00
TITLE 2	Agency's building and associated costs							
CHAPTER 20	Agency premises costs	28,556.52	27,047.71	94.72%	27,047.71	94.72%	1,508.81	0.00
CHAPTER 21	Data processing	73,755.91	73,750.46	99.99%	73,750.46	99.99%	5.45	0.00
CHAPTER 22	Movable property and associated costs	15,131.88	13,523.08	89.37%	13,523.08	89.37%	1,608.80	0.00
CHAPTER 23	Current administrative expenditure	265,580.35	185,431.06	69.82%	185,431.06	69.82%	80,149.29	0.00
CHAPTER 24	Postal charges, telecommunication and computer infrastr.	94,745.22	71,728.33	75.71%	71,728.33	75.71%	23,016.89	0.00
	TOTAL TITLE 2	477,769.88	371,480.64	77.75%	371,480.64	77.75%	106,289.24	0.00
TITLE 3	Operational expenditure							
CHAPTER 30	Representation expenses	12,596.14	7,747.41	61.51%	7,747.41	61.51%	4,848.73	0.00
CHAPTER 31	Operational missions	35,758.58	21,984.10	61.48%	21,984.10	61.48%	13,774.48	0.00
CHAPTER 32	Stakeholder involvement, public relations and website	112,454.73	110,097.76	97.90%	110,097.76	97.90%	2,356.97	0.00
	TOTAL TITLE 3	160,809.45	139,829.27	86.95%	139,829.27	86.95%	20,980.18	0.00
	GRAND TOTAL	830,837.65	590,143.87	71.03%	590,143.87	71.03%	240,693.78	0.00

More details on the implementation of these commitments can be found under the 'Revenue' and 'Expenditure' sub-sections of the 'Budgetary Management' section of this report.

BUDGETARY OUTTURN ACCOUNT

The Budgetary Outturn Account presents on a cash basis the actual amounts cashed as income and the amount of cash consumed to honour the payment of commitments as well the amounts of unutilised and cancelled appropriations.

	1 January - 31 December 2012 €	8 March - 31 December 2011 €
INCOME		
Commission subsidy	7,241,850.00	4,371,199.15
EFTA contribution	0.00	119,000.00
Other income – assigned revenue	4,039.98	0.00
TOTAL INCOME	7,245,889.98	4,490,199.15
EXPENSES		
Expenditure related to employees of the agency -Title I		
Payments	4,150,059.22	1,915,262.83
Carry-forwards	219,014.05	192,258.32
Agency's building and associated expenses - Title II		
Payments	447,374.60	207,570.77
Carry-forwards	1,651,902.63	301,738.77
Operational expenditure - Title III		
Payments	244,352.51	258,730.87
Carry-forwards	80,492.72	336,840.56
TOTAL EXPENSES	6,793,195.73	3,212,402.12
Total appropriations not utilised	452,694.25	1,277,797.03
BUDGETARY OUTTURN BEFORE SPECIAL ITEMS	452,694.25	1,277,797.03
Cancelled carryovers	240,693.78	292,288.63
Correction from data migration	0.00	2,146.27
Exchange rate differences	(781.92)	(807.05)
BUDGETARY OUTTURN	692,606.11	1,571,424.88
Interest generated by the end of the financial year to be returned to the Commission	6,829.63	10711.93

Total to be returned to the Commission

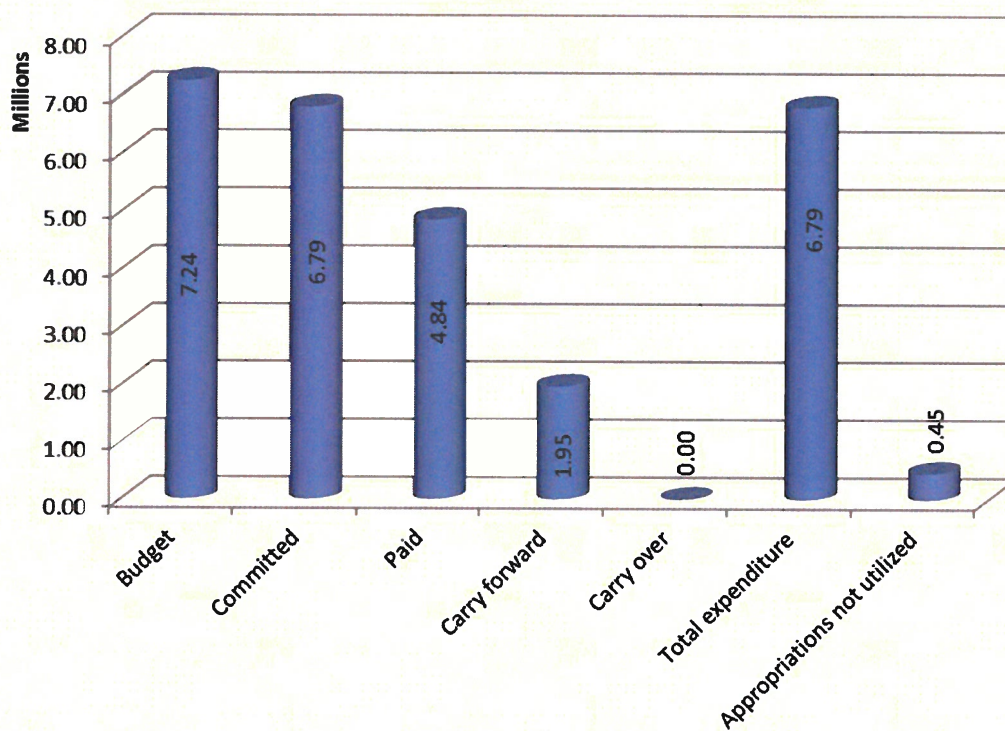
699,435.74 1,582,136.81

BUDGET IMPLEMENTATION

The following tables present a detailed budget implementation by budget Titles as well as individual budget lines – Fund Source C1 (see also headings for C4 and C8).

	1 January - 31 December 2012
	€
BUDGET IMPLEMENTATION APPROPRIATION FUND SOURCE – C1	
TITLE 1	
Budget	4,765,357.00
Committed	4,366,591.35
Paid	4,147,577.30
Carry forward	219,014.05
Carry over	0.00
Total expenditure	4,366,591.35
Appropriations not utilized	398,765.65
Execution percentage	91.63%
TITLE 2	
Budget	2,102,368.00
Committed	2,099,277.23
Paid	447,374.60
Carry forward	1,651,902.63
Carry over	0.00
Total expenditure	2,099,277.23
Appropriations not utilized	3,090.77
Execution percentage	99.85%
TITLE 3	
Budget	374,125.00
Committed	323,287.17
Paid	242,794.45
Carry forward	80,492.72
Carry over	0.00
Total expenditure	323,287.17
Appropriations not utilized	50,837.83
Execution percentage	86.41%
TOTAL	
Budget	7,241,850.00
Committed	6,789,155.75
Paid	4,837,746.35
Carry forward	1,951,409.40
Carry over	0.00
Total expenditure	6,789,155.75
Appropriations not utilized	452,694.25
Execution percentage	93.75%

Implementation of 2012 budget - fund source C1



Detailed budget implementation of current year appropriations – fund source C1

B.L.	Official Budget Item Desc	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1100	Basic Salaries and correction	2,193,785.00	2,193,569.23	99.99 %	2,193,569.23	99.99 %	215.77	0.00
A-1101	Family allowances	398,567.00	267,578.99	67.14 %	267,578.99	67.14 %	130,988.01	0.00
A-1102	Expatriation and foreign residence allowances	372,833.00	360,577.35	96.71 %	360,577.35	96.71 %	12,255.65	0.00
	Sum:	2,965,185.00	2,821,725.57	95.16 %	2,821,725.57	95.16 %	143,459.43	0.00
A-1110	Contract agents	183,592.00	183,226.01	99.80 %	183,226.01	99.80 %	365.99	0.00
A-1111	Seconded National Experts	415,572.00	337,215.78	81.14 %	337,215.78	81.14 %	78,356.22	0.00
	Sum:	599,164.00	520,441.79	86.86 %	520,441.79	86.86 %	78,722.21	0.00
A-1120	Training and information for staff	125,000.00	123,751.87	99.00 %	65,930.98	52.74 %	1,248.13	57,820.89
	Sum:	125,000.00	123,751.87	99.00 %	65,930.98	52.74 %	1,248.13	57,820.89
A-1130	Insurance against sickness	91,978.00	85,145.63	92.57 %	85,145.63	92.57 %	6,832.37	0.00
A-1131	Insurance against accidents and occupational disease	23,671.00	13,547.29	57.23 %	13,547.29	57.23 %	10,123.71	0.00
A-1132	Unemployment insurance for temporary staff	32,110.00	31,479.77	98.04 %	31,479.77	98.04 %	630.23	0.00
	Sum:	147,759.00	130,172.69	88.10 %	130,172.69	88.10 %	17,586.31	0.00
A-1140	Birth and death grants	1,983.00	463.62	23.38 %	463.62	23.38 %	1,519.38	0.00
A-1141	Annual travel expenses from the place of work to origin	61,349.00	50,051.66	81.59 %	50,051.66	81.59 %	11,297.34	0.00
A-1142	Schooling fees	113,614.00	113,614.00	100.00 %	31,137.59	27.41 %	0.00	82,476.41
	Sum:	176,946.00	164,129.28	92.76 %	81,652.87	46.15 %	12,816.72	82,476.41
A-1160	Expenditure related to recruitment	94,159.00	94,159.00	100.00 %	76,430.69	81.17 %	0.00	17,728.31
A-1161	Travel expense to take up duty	20,802.00	9,567.75	45.99 %	9,567.75	45.99 %	11,234.25	0.00
A-1162	Installation resettlement and transfer allowances	160,766.00	114,178.47	71.02 %	114,178.47	71.02 %	46,587.53	0.00
A-1163	Temporary daily subsistence allowances	102,782.00	73,623.09	71.63 %	73,623.09	71.63 %	29,158.91	0.00
	Sum:	378,509.00	291,528.31	77.02 %	273,800.00	72.34 %	86,980.69	17,728.31

B.L.	Official Budget Item Desc	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1170	Supplementary clerical and interim services	50,000.00	49,943.26	99.89 %	43,313.55	86.63 %	56.74	6,629.71
A-1171	Administrative publications and translations	20,000.00	4,658.08	23.29 %	658.08	3.29 %	15,341.92	4,000.00
A-1172	Administrative assistance	30,687.00	30,678.00	99.97 %	27,283.60	88.91 %	9.00	3,394.40
	Sum:	100,687.00	85,279.34	84.70 %	71,255.23	70.77 %	15,407.66	14,024.11
A-1200	Mission expenses ACER staff	231,307.00	199,307.00	86.17 %	163,098.00	70.51 %	32,000.00	36,209.00
	Sum:	231,307.00	199,307.00	86.17 %	163,098.00	70.51 %	32,000.00	36,209.00
A-1300	Medical services and equipment	23,500.00	13,968.39	59.44 %	4,365.57	18.58 %	9,531.61	9,602.82
	Sum:	23,500.00	13,968.39	59.44 %	4,365.57	18.58 %	9,531.61	9,602.82
A-1401	Social welfare of staff	12,800.00	11,800.00	92.19 %	10,647.49	83.18 %	1,000.00	1,152.51
	Sum:	12,800.00	11,800.00	92.19 %	10,647.49	83.18 %	1,000.00	1,152.51
A-1410	Staff Committee	4,500.00	4,487.11	99.71 %	4,487.11	99.71 %	12.89	0.00
	Sum:	4,500.00	4,487.11	99.71 %	4,487.11	99.71 %	12.89	0.00
A-2000	Rent	12,000.00	12,000.00	100.00 %	10,489.00	87.41 %	0.00	1,511.00
	Sum:	12,000.00	12,000.00	100.00 %	10,489.00	87.41 %	0.00	1,511.00
A-2020	Insurance	3,846.30	3,846.30	100.00 %	3,846.30	100.00 %	0.00	0.00
	Sum:	3,846.30	3,846.30	100.00 %	3,846.30	100.00 %	0.00	0.00
A-2030	Security and sunveillance of buildings	0.00					0.00	
A-2031	Health and safety at work	1,000.00	501.14	50.11 %	501.14	50.11 %	498.86	0.00
	Sum:	1,000.00	501.14	50.11 %	501.14	50.11 %	498.86	0.00

B.L.	Official Budget Item Desc	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-2040	Other expenditure on buildings	10,245.00	10,245.00	100.00 %	9,656.93	94.26 %	0.00	588.17
A-2041	Audio & Video equipment-maintenance	0.00					0.00	
	Sum:	10,245.00	10,245.00	100.00 %	9,656.93	94.26 %	0.00	588.17
A-2100	Consumables	5,915.00	5,377.13	90.91 %	5,377.13	90.91 %	537.87	0.00
A-2101	Software	1,343,315.70	1,343,000.00	99.98 %			315.70	1,343,000.00
A-2102	Subscriptions IT	156,588.00	155,196.45	99.11 %	94,690.76	60.47 %	1,391.55	60,505.69
	Sum:	1,505,818.70	1,503,573.58	99.85 %	100,067.89	6.65 %	2,245.12	1,403,505.69
A-2210	Purchase of furniture	52,000.00	51,998.72	100.00 %			1.28	51,998.72
	Sum:	52,000.00	51,998.72	100.00 %			1.28	51,998.72
A-2220	Transportation costs	52,000.00	52,000.00	100.00 %	47,801.45	91.93 %	0.00	4,198.55
	Sum:	52,000.00	52,000.00	100.00 %	47,801.45	91.93 %	0.00	4,198.55
A-2230	Library acquisitions	45,500.00	45,500.00	100.00 %	29,563.93	64.98 %	0.00	15,936.07
	Sum:	45,500.00	45,500.00	100.00 %	29,563.93	64.98 %	0.00	15,936.07
A-2300	Stationery and office supplies	12,000.00	12,000.00	100.00 %	11,081.66	92.35 %	0.00	918.34
	Sum:	12,000.00	12,000.00	100.00 %	11,081.66	92.35 %	0.00	918.34
A-2310	Bank charges	300.00	300.00	100.00 %	153.55	51.18 %	0.00	146.45
	Sum:	300.00	300.00	100.00 %	153.55	51.18 %	0.00	146.45
A-2320	Legal expenses	0.00					0.00	
A-2321	Expert consultation	151,800.00	151,622.65	99.88 %	71,530.99	47.12 %	177.35	80,091.66
	Sum:	151,800.00	151,622.65	99.88 %	71,530.99	47.12 %	177.35	80,091.66

B.L.	Official Budget Item Desc	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid(3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-2330	Administrative Board meetings	25,000.00	25,000.00	100.00 %	12,402.33	49.61 %	0.00	12,597.67
A-2331	Board of Regulators meetings	120,758.00	120,758.00	100.00 %	83,713.74	69.32 %	0.00	37,044.26
A-2332	Board of Appeal meetings	0.00	0.00				0.00	
A-2333	External participants to meetings	5,000.00	5,000.00	100.00 %	1,474.35	29.49 %	0.00	3,525.65
	Sum:	150,758.00	150,758.00	100.00 %	97,590.42	64.73 %	0.00	53,167.58
A-2400	Postal charges	3,500.00	3,500.00	100.00 %	2,684.80	76.71 %	0.00	815.20
	Sum:	3,500.00	3,500.00	100.00 %	2,684.80	76.71 %	0.00	815.20
A-2410	Telecommunications subscriptions and charges	31,800.00	31,800.00	100.00 %	27,343.53	85.99 %	0.00	4,456.47
	Sum:	31,800.00	31,800.00	100.00 %	27,343.53	85.99 %	0.00	4,456.47
A-2420	Hardware and other equipment	69,800.00	69,631.84	99.76 %	35,063.11	50.23 %	168.16	34,568.73
	Sum:	69,800.00	69,631.84	99.76 %	35,063.11	50.23 %	168.16	34,568.73
B3-000	Representation expenses	21,191.00	12,000.00	56.63 %	6,138.75	28.97 %	9,191.00	5,861.25
	Sum:	21,191.00	12,000.00	56.63 %	6,138.75	28.97 %	9,191.00	5,861.25
B3-100	Operational Missions	145,739.00	145,739.00	100.00 %	141,780.92	97.28 %	0.00	3,958.08
	Sum:	145,739.00	145,739.00	100.00 %	141,780.92	97.28 %	0.00	3,958.08
B3-200	Public hearings workshops conferences	70,000.00	48,000.00	68.57 %	41,759.45	59.66 %	22,000.00	6,240.55
B3-201	Website set-up and maintenance	64,500.00	64,403.83	99.85 %	24,413.83	37.85 %	96.17	39,990.00
B3-202	Publications information material	15,000.00	13,277.84	88.52 %	11,947.00	79.65 %	1,722.16	1,330.84
B3-203	Reports production	37,500.00	19,866.50	52.98 %	3,600.00	9.60 %	17,633.50	16,266.50
	Sum:	187,000.00	145,548.17	77.83 %	81,720.28	43.70 %	41,451.83	63,827.89

B.L.	Official Budget Item Desc	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
B3-300	Translation at CDT	15,000.00	15,000.00	100.00 %	13,154.50	87.70 %	0.00	1,845.50
	Sum:	15,000.00	15,000.00	100.00 %	13,154.50	87.70 %	0.00	1,845.50
B3-400	Public Indemnity Insurance	5,195.00	5,000.00	96.25 %			195.00	5,000.00
	Sum:	5,195.00	5,000.00	96.25 %			195.00	5,000.00
	Sum:	7,241,850.00	6,789,155.75	Sum: 93.75 %	4,837,746.35	Sum: 66.80 %	452,694.25	1,951,409.40
			Average:	Average:				

BUDGET IMPLEMENTATION APPROPRIATION FUND SOURCE – C4

**1 January -
 31 December
 2012**
 €

TITLE 1

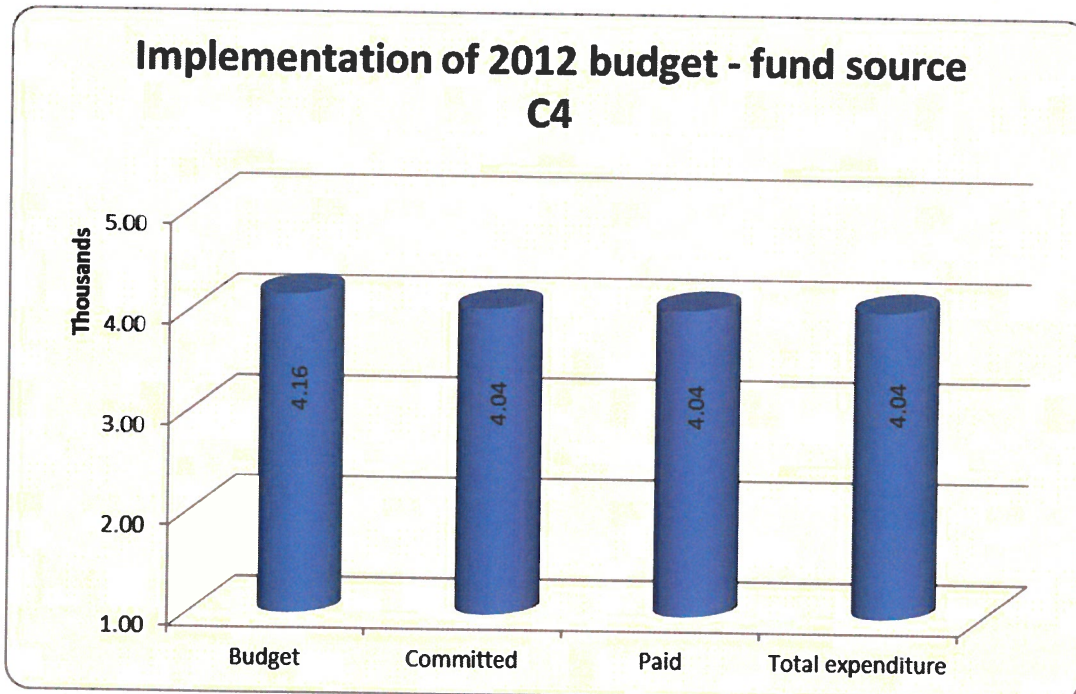
Budget	2,606.92
Committed	2,481.92
Paid	2,481.92
Total expenditure	2,481.92
Executed	95.21%

TITLE 3

Budget	1,558.06
Committed	1,558.06
Paid	1,558.06
Total expenditure	1,558.06
Executed	100.00%

TOTAL

Budget	4,164.98
Committed	4,039.98
Paid	4,039.98
Total expenditure	4,039.98
Executed	97.00%



B.L.	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid(3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1142	Schooling fees	2,481.92	2,481.92	100.00 %	2,481.92	100.00 %	0.00	0.00
	Sum:	2,481.92	2,481.92	100.00 %	2,481.92	100.00 %	0.00	0.00
B3-100	Operational Missions	1,558.06	1,558.06	100.00 %	1,558.06	100.00 %	0.00	0.00
	Sum:	1,558.06	1,558.06	100.00 %	1,558.06	100.00 %	0.00	0.00
	Sum:	4,039.98	4,039.98	Sum:	4,039.98	Sum:	0.00	0.00
			Average:	100.00 %	Average:	100.00 %		

BUDGET IMPLEMENTATION APPROPRIATION FUND SOURCE – C8

**1 January -
 31 December
 2012
 €**

TITLE 1

Budget	192,258.32
Committed	78,833.96
Paid	78,833.96
Total expenditure	78,833.96
Cancelled carry-forwards	113,424.36
Execution percentage	41.00%

TITLE 2

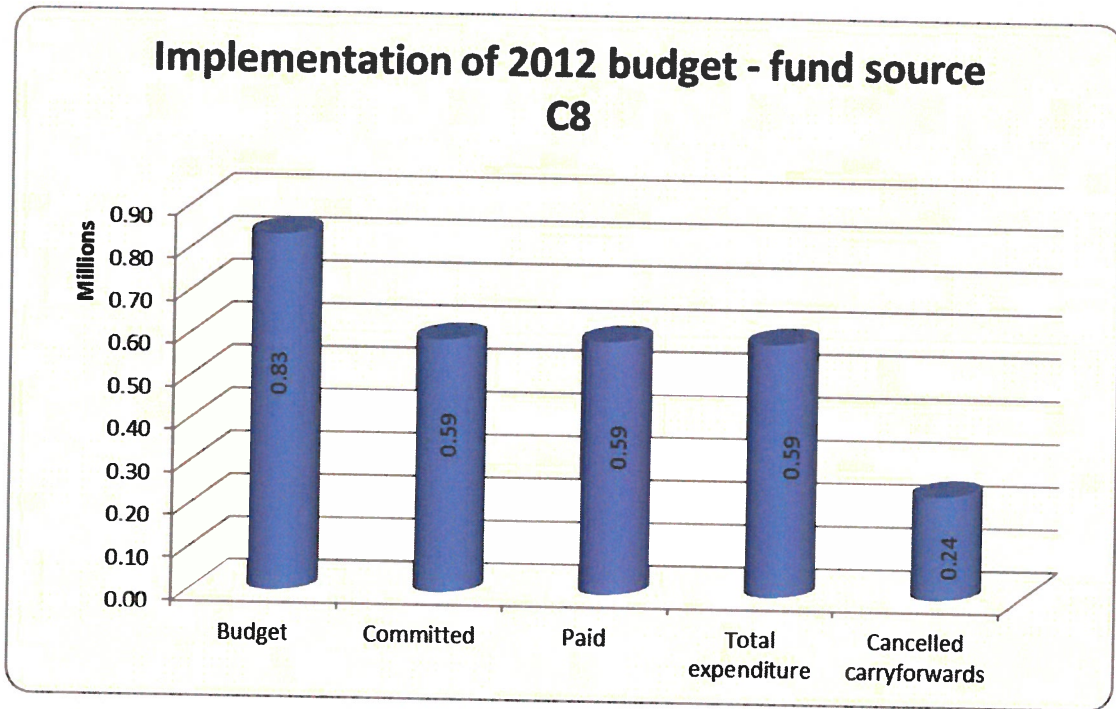
Budget	477,769.88
Committed	371,480.64
Paid	371,480.64
Total expenditure	371,480.64
Cancelled carry-forwards	106,289.24
Execution percentage	77.75%

TITLE 3

Budget	160,809.45
Committed	139,829.27
Paid	139,829.27
Total expenditure	139,829.27
Cancelled carry-forwards	20,980.18
Execution percentage	86.95%

TOTAL

Budget	830,837.65
Committed	590,143.87
Paid	590,143.87
Total expenditure	590,143.87
Cancelled carry-forwards	240,693.78
Execution percentage	71.03%



Detailed budget implementation of appropriations carried forward – fund source C8

B.L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1120	Training and information for staff	26,783.29	10,486.80	39.15 %	10,486.80	39.15 %	16,296.49	0.00
	Sum:	26,783.29	10,486.80	39.15 %	10,486.80	39.15 %	16,296.49	0.00
A-1142	Schooling fees	25,480.86	12,967.46	50.89 %	12,967.46	50.89 %	12,513.40	0.00
	Sum:	25,480.86	12,967.46	50.89 %	12,967.46	50.89 %	12,513.40	0.00
A-1160	Expenditure related to recruitment	44,846.76	27,396.72	61.09 %	27,396.72	61.09 %	17,450.04	0.00
A-1162	Installation resettlement and transfer allowances	63,755.05	0.00	0.00 %			63,755.05	0.00
	Sum:	108,601.81	27,396.72	25.23 %	27,396.72	25.23 %	81,205.09	0.00
A-1170	Supplementary clerical and interim services	4,740.75	4,520.25	95.35 %	4,520.25	95.35 %	220.50	0.00
A-1171	Administrative publications and translations	5,000.00	3,201.00	64.02 %	3,201.00	64.02 %	1,799.00	0.00
A-1172	Administrative assistance	4,515.39	4,515.39	100.00 %	4,515.39	100.00 %	0.00	0.00
	Sum:	14,256.14	12,236.64	85.83 %	12,236.64	85.83 %	2,019.50	0.00
A-1200	Mission expenses ACER staff	8,407.61	7,118.51	84.67 %	7,118.51	84.67 %	1,289.10	0.00
	Sum:	8,407.61	7,118.51	84.67 %	7,118.51	84.67 %	1,289.10	0.00
A-1300	Medical services and equipment	8,141.37	8,107.45	99.58 %	8,107.45	99.58 %	33.92	0.00
	Sum:	8,141.37	8,107.45	99.58 %	8,107.45	99.58 %	33.92	0.00
A-1401	Social welfare of staff	587.24	520.38	88.61 %	520.38	88.61 %	66.86	0.00
	Sum:	587.24	520.38	88.61 %	520.38	88.61 %	66.86	0.00
A-2020	Insurance	81.13	23.49	28.95 %	23.49	28.95 %	57.64	0.00
	Sum:	81.13	23.49	28.95 %	23.49	28.95 %	57.64	0.00

B.L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-2030	Security and surveillance of buildings	27,305.58	26,025.58	95.31 %	26,025.58	95.31 %	1,280.00	0.00
	Sum:	27,305.58	26,025.58	95.31 %	26,025.58	95.31 %	1,280.00	0.00
A-2040	Other expenditure on buildings	1,169.81	998.64	85.37 %	998.64	85.37 %	171.17	0.00
	Sum:	1,169.81	998.64	85.37 %	998.64	85.37 %	171.17	0.00
A-2101	Software	57,100.00	57,100.00	100.00 %	57,100.00	100.00 %	0.00	0.00
A-2102	Subscriptions IT	16,655.91	16,650.46	99.97 %	16,650.46	99.97 %	5.45	0.00
	Sum:	73,755.91	73,750.46	99.99 %	73,750.46	99.99 %	5.45	0.00
A-2210	Purchase of furniture	9,372.39	8,668.47	92.49 %	8,668.47	92.49 %	703.92	0.00
	Sum:	9,372.39	8,668.47	92.49 %	8,668.47	92.49 %	703.92	0.00
A-2220	Transportation costs	4,954.20	4,231.80	85.42 %	4,231.80	85.42 %	722.40	0.00
	Sum:	4,954.20	4,231.80	85.42 %	4,231.80	85.42 %	722.40	0.00
A-2230	Library acquisitions	805.29	622.81	77.34 %	622.81	77.34 %	182.48	0.00
	Sum:	805.29	622.81	77.34 %	622.81	77.34 %	182.48	0.00
A-2300	Stationery and office supplies	11,327.39	11,083.98	97.85 %	11,083.98	97.85 %	243.41	0.00
	Sum:	11,327.39	11,083.98	97.85 %	11,083.98	97.85 %	243.41	0.00
A-2310	Bank charges	37.85	0.00	0.00 %			37.85	0.00
	Sum:	37.85	0.00	0.00 %			37.85	0.00
A-2321	Expert consultation	78,184.00	76,145.41	97.39 %	76,145.41	97.39 %	2,038.59	0.00
	Sum:	78,184.00	76,145.41	97.39 %	76,145.41	97.39 %	2,038.59	0.00
A-2330	Administrative Board meetings	20,919.74	7,478.96	35.75 %	7,478.96	35.75 %	13,440.78	0.00
A-2331	Board of Regulators meetings	127,000.00	78,945.67	62.16 %	78,945.67	62.16 %	48,054.33	0.00
A-2332	Board of Appeal meetings	20,611.37	5,610.49	27.22 %	5,610.49	27.22 %	15,000.88	0.00
A-2333	External participants to meetings	7,500.00	6,166.55	82.22 %	6,166.55	82.22 %	1,333.45	0.00
	Sum:	176,031.11	98,201.67	55.79 %	98,201.67	55.79 %	77,829.44	0.00

B.L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-2400	Postal charges	3,183.93	384.67	12.08 %	384.67	12.08 %	2,799.26	0.00
	Sum:	3,183.93	384.67	12.08 %	384.67	12.08 %	2,799.26	0.00
A-2410	Telecommunications subscriptions and charges	4,759.63	2,185.68	45.92 %	2,185.68	45.92 %	2,573.95	0.00
	Sum:	4,759.63	2,185.68	45.92 %	2,185.68	45.92 %	2,573.95	0.00
A-2420	Hardware and other equipment	86,801.66	69,157.98	79.67 %	69,157.98	79.67 %	17,643.68	0.00
	Sum:	86,801.66	69,157.98	79.67 %	69,157.98	79.67 %	17,643.68	0.00
B3-000	Representation expenses	12,596.14	7,747.41	61.51 %	7,747.41	61.51 %	4,848.73	0.00
	Sum:	12,596.14	7,747.41	61.51 %	7,747.41	61.51 %	4,848.73	0.00
B3-100	Operational Missions	35,758.58	21,984.10	61.48 %	21,984.10	61.48 %	13,774.48	0.00
	Sum:	35,758.58	21,984.10	61.48 %	21,984.10	61.48 %	13,774.48	0.00
B3-200	Public hearings workshops conferences	25,323.41	23,782.28	93.91 %	23,782.28	93.91 %	1,541.13	0.00
B3-201	Website set-up and maintenance	54,450.00	54,450.00	100.00 %	54,450.00	100.00 %	0.00	0.00
B3-202	Publications information material	16,128.00	15,822.16	98.10 %	15,822.16	98.10 %	305.84	0.00
B3-203	Reports production	16,553.32	16,043.32	96.92 %	16,043.32	96.92 %	510.00	0.00
	Sum:	112,454.73	110,097.76	97.90 %	110,097.76	97.90 %	2,356.97	0.00
	Sum:	830,837.65	590,143.87	71.03 %	590,143.87	71.03 %	240,693.78	0.00
	Average:		Average:	71.03 %	Average:	71.03 %		

BUDGETARY OUTTURN RECONCILIATION

Given the different basis of presentation between the budgetary and financial statements information, reconciliation is performed between the two systems, as follows:

	1 January - 31	1 January - 31	8 March - 31	8 March - 31
	December 2012	December 2012	December 2011	December 2011
	€	€	€	€
	Detail	Total	Detail	Total
Budgetary revenue outturn		692,606.11		1,571,424.88
<u>Impact of budgetary result (return to the European Commission)</u>		(692,606.11)		(1,571,424.88)
<u>Impact of purchase of fixed assets and depreciation</u>				
Purchase of fixed assets less unpaid assets	97,312.81		603,775.99	
Depreciation of assets transferred from European Commission	0.00		(3,598.77)	
Depreciation and write off fixed assets	(161,945.38)		(112,674.20)	
		(64,632.57)		487,503.02
<u>Impact of accrued expenses of the year</u>				
Carryforwards	1,951,409.40		830,837.65	
Accrued expenses and allocated expenses	(269,250.46)		(401,416.73)	
		1,682,158.94		429,420.92
<u>Reversal of previous year accrued expenses</u>				
Carryforwards	(830,837.65)		0.00	
Accrued expenses	401,416.73		0.00	
		(429,420.92)		0.00
<u>(Increase)/decrease of provisions</u>	0.00		0.00	0.00
		0.00		0.00
<u>Other impacts</u>				
Prepaid expenses	38,781.88		17,312.14	
Reversal of previous year prepayments	(17,312.14)		0.00	
Creditors	(15,501.95)		(7,237.99)	
Unallocated financial expenses	10.35		0.00	
Recovery orders on balance sheet accounts	13,149.07		0.00	
Exchange rate difference	781.92		0.00	
Other corrections	(58.56)		(67.26)	
		19,850.57		10,006.89
Total adjustments		515,349.91		(644,494.05)
Economic result		1,207,956.02		926,930.83

BUDGETARY MANAGEMENT

Budgetary principles

The budget of ACER has been established in compliance with the principles of unity, budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency, as set out in ACER Financial Regulation.

Subsidy from the general budget of the European Union

A budget of 7,241,850€ has been allocated to ACER in 2012 from the general budget of the European Union and allocated as follows:

ACER Budget 2012	€
Title I	4,765,357.00
Title II	2,102,368.00
Title III	374,125.00
Total	<u>7,241,850.00</u>

Budget and accounting management systems

In order to record and keep track of the budgetary transactions, ACER uses the financial system also used by the European Commission, ABAC, with the SAP system integrated as back-end for the accounting part. The Business Objects web platform is used as the reporting tool. The workflow access in ABAC allows for an instant audit trail and provides the authorising officer with an overview on the segregation of duties compliance as required under the 'four-eyes' principle. The inventories are managed by ACER in accordance with its Financial Regulation and the system used to record inventory items is ABAC Assets2.

Nomenclature

The nomenclature of appropriations is as follows:

- C1: Appropriations voted in the current budget
- C4: Internal assigned revenue (current year)
- C8: Commitments carried forward corresponding appropriations
- IC1: Universal income voted in the budget
- IC4: Internal assigned revenue

REVENUE

For the financial year ending 31 December 2012 ACER budget has been funded by a subsidy from the general European Union of €7,241,850. On top of the annual subsidy an amount of €4,039.98 has been recognised under the fund source IC4 as assigned revenue stemming from recovered overpaid amounts.

Non-budgetary revenue in the form of bank interest received on the daily account balance amounting to €6,829.63 and recorded in the accounts of ACER will be returned to the European Commission according to Article 51 of ACER Financial Regulation. Also to be returned to the European Commission is the positive result of the budgetary outturn amounting to €692,606.11 containing the unused 2012 appropriation of €452,694.25, the cancelled appropriations carried forward from 2011 amounting to €240,693.78 and an exchange rate loss of €781.92.

EXPENDITURE

Current year appropriations – C1

Title	Heading	Original Budget	Final Budget	Commitments	Commitment execution	Payments	Payment execution
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	4,920,605.00	4,765,357.00	4,366,591.35	91.63%	4,147,577.30	87.04%
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	1,944,120.00	2,102,368.00	2,099,277.23	99.85%	447,374.60	21.28%
TITLE 3	OPERATIONAL EXPENDITURE	377,125.00	374,125.00	323,287.17	86.41%	242,794.45	64.90%
	TOTAL BUDGET 2011	7,241,850.00	7,241,850.00	6,789,155.75	93.75%	4,837,746.35	66.80%

Title 1

The budget allocated under Title 1 has been implemented to a level of 91.63% during the financial year 2012. The budgetary reserve set aside for salaries indexation has been cancelled as the proposed indexation has not been approved.

Title 2

ACER managed to initiate and finalise most of the tender procedures launched during the financial year 2012 with only a few cases of absence of replies, and this resulted in a high implementation of the allocated budget under Title 2.

A few large and complex tender procedures also lengthy in terms of processing time lead to a low implementation of the payment appropriations resulting in the need to carry forward these funds into the following financial year.

Title 3

The budgetary savings realised under Title 3 from the lower costs of the reports produced during the year and a lower than expected number of workshops needed resulted in a slightly lower budget implementation.

Improvement and maintenance works started on the ACER website that have not yet been finalised and the printing of several reports not invoiced before the year end resulted in the need to carry forward to the following year the appropriation allocated for this purpose.

Current year assigned revenue – C4

Title	Heading	Assigned revenue	Commitments	Commitment execution	Payments	Payment execution
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	2,481.92	2,481.92	100.00%	2,481.92	100.00%
TITLE 3	OPERATIONAL EXPENDITURE	1,558.06	1,558.06	100.00%	1,558.06	100.00%
	TOTAL	4,039.98	4,039.98	100.00%	4,039.98	100.00%

From the overpaid amounts recorded as assigned revenue for the financial year an amount of €4,039.98 has been used before the year end to cover expenditure for which it was assigned to.

Budget transfers

During the financial year 2012 a number of budgetary transfers took place in order to reallocate resources from areas where budgetary savings have been identified towards areas of scarce resources to ensure the achievement of the year's objectives. There were twenty budgetary transfers all approved by Director Decision and made within and between titles but not exceeding the limit of 10%.

The initially recognised contribution from the EFTA states of €188,288 has been deregistered from the 2012 budget as no agreement for a contribution towards the activities of ACER has been reached with the EFTA states.

The following table presents the detailed budgetary transfers made during the financial year as well as deregistration of the EFTA contribution.

BUDGET TRANSFERS 2012

Budget Line	Fund source	Credit Local Key	Acceptance Date	Initial	Aménagements	Other Movements	Credit Available Com
A-1100	C1	ACR.318	10/02/2012		-9,805.00		-9,805.00
	C1	ACR.320	05/06/2012		-115,000.00		-115,000.00
	C1	ACR.345	11/12/2012		-58,700.00		-58,700.00
	C1	ACR.36	16/12/2011	2,377,290.00			2,377,290.00
A-1100				2,377,290.00	-183,505.00		2,193,785.00
A-1101	C1	ACR.332	04/10/2012		-17,500.00		-17,500.00
	C1	ACR.338	27/11/2012		-1,000.00		-1,000.00
	C1	ACR.339	04/12/2012			50,000.00	50,000.00
	C1	ACR.340	04/12/2012			-50,000.00	-50,000.00
	C1	ACR.341	04/12/2012			-50,000.00	-50,000.00
	C1	ACR.343	10/12/2012		-25,000.00		-25,000.00
	C1	ACR.345	11/12/2012		-16,000.00		-16,000.00
	C1	ACR.36	16/12/2011	508,067.00			508,067.00
A-1101				508,067.00	-59,500.00	-50,000.00	398,567.00
A-1102	C1	ACR.336	08/11/2012		-63,000.00		-63,000.00
	C1	ACR.345	11/12/2012		-30,000.00		-30,000.00
	C1	ACR.36	16/12/2011	465,833.00			465,833.00
A-1102				465,833.00	-93,000.00		372,833.00
A-1110	C1	ACR.320	05/06/2012		75,000.00		75,000.00
	C1	ACR.338	27/11/2012		4,000.00		4,000.00
	C1	ACR.36	16/12/2011	104,592.00			104,592.00
A-1110				104,592.00	79,000.00		183,592.00
A-1111	C1	ACR.320	05/06/2012		-50,000.00		-50,000.00
	C1	ACR.338	27/11/2012		-4,000.00		-4,000.00
	C1	ACR.339	04/12/2012			45,000.00	45,000.00
	C1	ACR.340	04/12/2012			-45,000.00	-45,000.00
	C1	ACR.341	04/12/2012			-45,000.00	-45,000.00
	C1	ACR.36	16/12/2011	514,572.00			514,572.00
A-1111				514,572.00	-54,000.00	-45,000.00	415,572.00
A-1120	C1	ACR.320	05/06/2012		50,000.00		50,000.00
	C1	ACR.36	16/12/2011	75,000.00			75,000.00
A-1120				75,000.00	50,000.00		125,000.00
A-1130	C1	ACR.36	16/12/2011	91,978.00			91,978.00
A-1130				91,978.00			91,978.00

Budget Line	Fund source	Credit Local Key	Acceptance Date	Initial	Aménagements	Other Movements	Credit Available Com
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A-1131	C1	ACR.36	16/12/2011	23,671.00			23,671.00
A-1131				23,671.00			23,671.00
A-1132	C1	ACR.338	27/11/2012		1,000.00		1,000.00
	C1	ACR.36	16/12/2011	31,110.00			31,110.00
A-1132				31,110.00	1,000.00		32,110.00
A-1140	C1	ACR.36	16/12/2011	1,983.00			1,983.00
A-1140				1,983.00			1,983.00
A-1141	C1	ACR.332	04/10/2012		2,500.00		2,500.00
	C1	ACR.36	16/12/2011	58,849.00			58,849.00
A-1141				58,849.00	2,500.00		61,349.00
A-1142	C1	ACR.36	16/12/2011	113,614.00			113,614.00
A-1142				113,614.00			113,614.00
A-1160	C1	ACR.332	04/10/2012		15,000.00		15,000.00
	C1	ACR.343	10/12/2012		25,000.00		25,000.00
	C1	ACR.36	16/12/2011	54,159.00			54,159.00
A-1160				54,159.00	40,000.00		94,159.00
A-1161	C1	ACR.320	05/06/2012		10,000.00		10,000.00
	C1	ACR.36	16/12/2011	10,802.00			10,802.00
A-1161				10,802.00	10,000.00		20,802.00
A-1162	C1	ACR.339	04/12/2012			83,483.00	83,483.00
	C1	ACR.340	04/12/2012			-83,483.00	-83,483.00
	C1	ACR.341	04/12/2012			-83,483.00	-83,483.00
	C1	ACR.36	16/12/2011	244,249.00			244,249.00
A-1162				244,249.00		-83,483.00	160,766.00
A-1163	C1	ACR.320	05/06/2012		30,000.00		30,000.00
	C1	ACR.36	16/12/2011	72,782.00			72,782.00
A-1163				72,782.00	30,000.00		102,782.00
A-1170	C1	ACR.36	16/12/2011	50,000.00			50,000.00
A-1170				50,000.00			50,000.00
A-1171	C1	ACR.36	16/12/2011	20,000.00			20,000.00
A-1171				20,000.00			20,000.00
A-1172	C1	ACR.36	16/12/2011	30,687.00			30,687.00
A-1172				30,687.00			30,687.00
A-1200	C1	ACR.336	08/11/2012		63,000.00		63,000.00
	C1	ACR.36	16/12/2011	168,307.00			168,307.00
A-1200				168,307.00	63,000.00		231,307.00
A-1300	C1	ACR.36	16/12/2011	23,500.00			23,500.00
A-1300				23,500.00			23,500.00

Budget Line	Fund source	Credit Local Key	Acceptance Date	Initial	Aménagements	Other Movements	Credit Available Com
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A-1401	C1	ACR.36	16/12/2011	12,800.00			12,800.00
A-1401				12,800.00			12,800.00

A-1410	C1	ACR.36	16/12/2011	4,500.00			4,500.00
A-1410				4,500.00			4,500.00

A-2000	C1	ACR.320	05/06/2012		20,000.00		20,000.00
	C1	ACR.345	11/12/2012		-8,000.00		-8,000.00
A-2000					12,000.00		12,000.00

A-2020	C1	ACR.345	11/12/2012		-6,153.70		-6,153.70
	C1	ACR.36	16/12/2011	10,000.00			10,000.00
A-2020				10,000.00	-6,153.70		3,846.30

A-2030	C1	ACR.345	11/12/2012		-10,000.00		-10,000.00
	C1	ACR.36	16/12/2011	10,000.00			10,000.00
A-2030				10,000.00	-10,000.00		0.00

A-2031	C1	ACR.345	11/12/2012		-9,000.00		-9,000.00
	C1	ACR.36	16/12/2011	10,000.00			10,000.00
A-2031				10,000.00	-9,000.00		1,000.00

A-2040	C1	ACR.345	11/12/2012		-9,755.00		-9,755.00
	C1	ACR.36	16/12/2011	20,000.00			20,000.00
A-2040				20,000.00	-9,755.00		10,245.00

A-2041	C1	ACR.320	05/06/2012		-4,000.00		-4,000.00
	C1	ACR.330	30/08/2012		-1,000.00		-1,000.00
	C1	ACR.36	16/12/2011	5,000.00			5,000.00
A-2041				5,000.00	-5,000.00		0.00

A-2100	C1	ACR.320	05/06/2012		-5,000.00		-5,000.00
	C1	ACR.334	06/11/2012		-3,800.00		-3,800.00
	C1	ACR.345	11/12/2012		-285.00		-285.00
	C1	ACR.36	16/12/2011	15,000.00			15,000.00
A-2100				15,000.00	-9,085.00		5,915.00

A-2101	C1	ACR.343	10/12/2012		57,000.00		57,000.00
	C1	ACR.345	11/12/2012		296,315.70		296,315.70
	C1	ACR.36	16/12/2011	990,000.00			990,000.00
A-2101				990,000.00	353,315.70		1,343,315.70

A-2102	C1	ACR.320	05/06/2012		57,000.00		57,000.00
	C1	ACR.330	30/08/2012		3,000.00		3,000.00
	C1	ACR.334	06/11/2012		-15,000.00		-15,000.00
	C1	ACR.343	10/12/2012		29,200.00		29,200.00
	C1	ACR.36	16/12/2011	82,388.00			82,388.00
A-2102				82,388.00	74,200.00		156,588.00

A-2210	C1	ACR.330	30/08/2012		38,000.00		38,000.00
	C1	ACR.345	11/12/2012		-1,000.00		-1,000.00
	C1	ACR.36	16/12/2011	15,000.00			15,000.00
A-2210				15,000.00	37,000.00		52,000.00

Budget Line	Fund source	Credit Local Key	Acceptance Date	Initial	Aménagements	Other Movements	Credit Available Com
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A-2220	C1	ACR.345	11/12/2012		-3,000.00		-3,000.00
	C1	ACR.36	16/12/2011	55,000.00			55,000.00
A-2220				55,000.00	-3,000.00		52,000.00
A-2230	C1	ACR.330	30/08/2012		37,500.00		37,500.00
	C1	ACR.345	11/12/2012		-22,000.00		-22,000.00
	C1	ACR.36	16/12/2011	30,000.00			30,000.00
A-2230				30,000.00	15,500.00		45,500.00
A-2300	C1	ACR.345	11/12/2012		-13,000.00		-13,000.00
	C1	ACR.36	16/12/2011	25,000.00			25,000.00
A-2300				25,000.00	-13,000.00		12,000.00
A-2310	C1	ACR.345	11/12/2012		-5,700.00		-5,700.00
	C1	ACR.36	16/12/2011	6,000.00			6,000.00
A-2310				6,000.00	-5,700.00		300.00
A-2320	C1	ACR.332	04/10/2012		-20,000.00		-20,000.00
	C1	ACR.36	16/12/2011	20,000.00			20,000.00
A-2320				20,000.00	-20,000.00		0.00
A-2321	C1	ACR.332	04/10/2012		55,000.00		55,000.00
	C1	ACR.343	10/12/2012		-57,000.00		-57,000.00
	C1	ACR.36	16/12/2011	153,800.00			153,800.00
A-2321				153,800.00	-2,000.00		151,800.00
A-2330	C1	ACR.332	04/10/2012		-15,000.00		-15,000.00
	C1	ACR.345	11/12/2012		-24,000.00		-24,000.00
	C1	ACR.36	16/12/2011	64,000.00			64,000.00
A-2330				64,000.00	-39,000.00		25,000.00
A-2331	C1	ACR.320	05/06/2012		-20,000.00		-20,000.00
	C1	ACR.330	30/08/2012		-75,500.00		-75,500.00
	C1	ACR.343	10/12/2012		-24,000.00		-24,000.00
	C1	ACR.345	11/12/2012		-38,500.00		-38,500.00
	C1	ACR.36	16/12/2011	278,758.00			278,758.00
A-2331				278,758.00	-158,000.00		120,758.00
A-2332	C1	ACR.332	04/10/2012		-16,000.00		-16,000.00
	C1	ACR.345	11/12/2012		-22,400.00		-22,400.00
	C1	ACR.36	16/12/2011	38,400.00			38,400.00
A-2332				38,400.00	-38,400.00		0.00
A-2333	C1	ACR.332	04/10/2012		-19,000.00		-19,000.00
	C1	ACR.345	11/12/2012		-16,322.00		-16,322.00
	C1	ACR.36	16/12/2011	40,322.00			40,322.00
A-2333				40,322.00	-35,322.00		5,000.00
A-2400	C1	ACR.345	11/12/2012		-2,500.00		-2,500.00
	C1	ACR.36	16/12/2011	6,000.00			6,000.00
A-2400				6,000.00	-2,500.00		3,500.00

Budget Line	Fund source	Credit Local Key	Acceptance Date	Initial	Aménagements	Other Movements	Credit Available Com
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Carry forward appropriation – fund source C8

Title	Heading	Budget carried forward from 2011	Commitments	Commitment execution	Payments	Payment execution
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	192,258.32	78,833.96	41.00%	78,833.96	41.00%
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	477,769.88	371,480.64	77.75%	371,480.64	77.75%
TITLE 3	OPERATIONAL EXPENDITURE	160,809.45	139,829.27	86.95%	139,829.27	86.95%
	TOTAL	830,837.65	590,143.87	71.03%	590,143.87	71.03%

Title 1

Appropriations carried forward under Title 1 related mainly to recruitment costs for the vacant positions published during 2011. The actual cost of reimbursements turned out to be significantly less than initially estimated. The unused amount has been cancelled and will be returned to the European Commission.

Title 2

Most of the appropriations carried forward under this title have been consumed in order to honour the obligations ACER had towards its suppliers. The unused portion has been cancelled and is to be returned to the European Commission.

Title 3

Appropriations carried forward under this Title to cover outstanding operational expenditure from the financial year 2011 resulted in a minor saving given the margin recorded on mission orders that has no longer been needed as most claims were more or less matching the orders. A minor saving has also been recorded under the representation expenses leading to an overall implementation of the carried forward budget under this Title of 86.95%.

PART III – ESTABLISHMENT PLAN

The numbers of temporary posts as authorised under the 2012 budget are as follows:

Function group and grade	2012	
	Authorised under EU Budget	
	Permanent Posts	Temporary Posts
AD 16	0	0
AD 15	0	0
AD 14	0	1
AD 13	0	0
AD 12	0	0
AD 11	0	4
AD 10	0	0
AD 9	0	2
AD 8	0	6
AD 7	0	4
AD 6	0	2
AD 5	0	11
AD total	0	30
AST 11	0	0
AST 10	0	0
AST 9	0	0
AST 8	0	0
AST 7	0	0
AST 6	0	0
AST 5	0	1
AST 4	0	0
AST 3	0	12
AST 2	0	0
AST 1	0	0
AST total	0	13
TOTAL	0	43
GRAND TOTAL	43	