



## **MINUTES**

**21<sup>st</sup> ACER Administrative Board meeting  
Thursday, 11 June 2015, 09.00 – 13.00  
CEER, cours Saint-Michel 30a, 1040 Brussels**

**Present:**

Mr Piotr Woźniak, Vice-Chair, Member,

Mr Jochen Penker, Member,

Mr Guy Lentz, Member,

Mr Alfonso González Finat, Alternate, with voting right, replacing Mr Nicolescu,

Mr Guido Bortoni, Member,

Ms Agnieszka Kaźmierczak, Member, with proxy from Mr Dominique Ristori,

Mr Martin-Oar, Member,

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

Mr Alberto Pototschnig, Director of ACER, Observer,

Ms Marie-Christine Jalabert, Adviser,

Ms Isabel Rosenbrock, Adviser.

**Main conclusions of the meeting**

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| <p>1.) The Administrative Board adopted the ACER Annual Activity Report for 2014. It concluded that the Agency successfully implemented the Work Programme 2014 and that the resources assigned to the activities described in the report were used for their intended purpose in accordance with the principle of sound</p> |
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	financial management, and underlined the need for adequate resources for the implementation of REMIT.
2.)	The Board adopted the decision on the amendment of its Rules of Procedure (amending Decision AB n° 03/2010 of 6 May 2010 (ANNEX 1))
3.)	The Board adopted the Opinion on the 2014 Annual Accounts of ACER (ANNEX 2).
4.)	The Board adopted the Decision laying down general implementing provisions on the procedure governing the engagement and use of temporary staff under Article 2(f) of the CEOS as regards decentralised agencies and joint undertakings (ANNEX 3).
5.)	The Board endorsed a request for derogation from the Commission Decision C(2013) 8967 of 16 December 2013 amending the Commission Decision C(2011) 1264 of 02/03/11 on Contract Agents.

## Opening

### 1. Approval of the Agenda

The following agenda of the 21<sup>th</sup> ACER Administrative Board meeting was approved:



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**Thursday, 11 June 2015, 09.00 – 13.00**  
**CEER, cours Saint-Michel 30a, 1040 Brussels**

## DRAFT AGENDA V4

Agenda Topics	Accompanying documents	Rapporteur
<b>Opening</b>		
1. Approval of the agenda	Doc 1 for approval	AB Vice-Chair
2. Minutes of the 20 <sup>th</sup> Administrative Board meeting	Doc 2.1 for approval Doc 2. 2 for information	AB Vice-Chair
<b>Reporting on developments</b>		
3. Report on ACER developments and on the activities of the Board of Regulators	Oral update	ACER Director BoR Chair
4. Budgetary developments 2016	Doc 4.1 and 4.2 for information	ACER Director
<b>General ACER work</b>		
5. Evaluation under Article 16 of Regulation (EC) 713/2009	Oral update	AB Vice-Chair Commission
6. Annual Activity Report for 2014	Doc 6 for adoption	ACER Director
7. AB Rules of Procedure	Doc 7 for adoption	ACER Director
8. Declarations of Interest	Oral update	AB Vice-Chair
9. Discharge 2013	Doc 9 for information	ACER Director

Agenda Topics	Accompanying documents	Rapporteur
<p><b>Administrative work</b></p> <p>10. AB opinion on the 2014 Annual Accounts of ACER</p>	Doc 10 for adoption	ACER Director
<p>11. Model decision laying down general implementing provisions on the procedure governing the engagement and use of temporary staff under Article 2(f) of the CEOS as regards decentralised agencies and joint undertakings</p>	Doc 11 for adoption	ACER Director
<p>12. Endorsement for a derogation from the Commission Decision of C(2013) 8967 of 16 December 2013 amending the Commission Decision C(2011) 1264 of 02/03/11 on Contract Agents.</p>	Doc 12 for endorsement	ACER Director
<p>13. Preliminary observations from the European Court of Auditors</p>	Doc 13 for information	ACER Director
<p>14. 2015 AB Decisions, by delegation of the Administrative Board to the Chairman via Decision AB 05bis/2010 of 21 September 2010</p>	Doc 14.1 and 14.2 for information (decisions since the last AB meeting only)	AB Vice-Chair
<p><b>AOB</b></p> <p>15. Annual Conference and the extraordinary 8 July AB meeting in Ljubljana</p>	Oral update	ACER Director

## 2. Minutes of the 20th Administrative Board meeting

The minutes of the 20<sup>th</sup> Administrative Board meeting were approved.

### **3. Report on ACER developments and on the activities of the Board of Regulators**

The Director thanked Lord Mogg for hosting the Administrative Board meeting in the CEER premises.

#### *Resources and budget*

The Director reported on staff recruitment. The Agency currently has 77 positions in total, with 22 nationalities represented. The Director also presented the number and allocation of SNEs employed at ACER. The Director informed the AB that at the end of May the Commission presented its draft EU budget 2016 and reported that there has been successful in getting more resources than those envisaged in its 2013 Communication. In the statement of estimates the total proposed budget for ACER is €15.55m for 2016, up from €11.27m in 2015 (and up from €11.49m in previous estimates for 2016). In the budget, the Commission proposed to assign 10 additional staff members for ACER and to allocate the funds necessary for the renewal of some IT hosting contracts. The Director noted that the current proposal still falls short of the requirements of the Agency, which has estimated a need for 44 additional staff members. The Director expressed the gratitude of the Agency to DG ENER for its support on the matter of ACER's budget.

One member asked if additional staff of 10 will be attributed merely to REMIT.

The Director confirmed that SNEs were aware of the new conflict-of-interest policy. He committed to provide data on the average age at the Agency for the next meeting.

On a question regarding possible renewals of contracts, the Director explained that notice had already been given to a few staff members that the contract will be renewed for an indefinite period.

#### *Correction Coefficient*

The Director reported that the Correction coefficient has gone down 5 percent in Ljubljana since the start of the Agency. However, Ljubljana does not seem to be 5 percent cheaper. The Agency has been in discussion with the Commission and with the local Statistical office. A compensation package has been discussed with DG HR, including social benefits such as covering the total schooling cost, not applying the correction coefficient when 25% of the salary is paid in another country, hiring at higher levels, and representation cost payments. The Agency is working on the correction coefficient issue together with 20 other EU Agencies, some of which are even worse off.

### Regulatory issues

The Director reported that on FGs and NCs, most of the work has been completed: no new FG are envisaged at the moment and many of the NCs are now going into the comitology. In electricity, the CACM NC has been voted by the Committee and will soon enter into force. System Operations NCs will be submitted to Comitology later in the year and the Agency will soon provide its recommendation on the Balancing NC. In gas, the CAM NC is under review to include provisions on incremental capacity and the Agency is working with ENTSOG on the Harmonised Transmission Tariffs Rules NC. All the documents which are considered for adoption under the 3<sup>rd</sup> package have to receive the favourable opinion of the BoR.

As regards the Peer Review (article 7(4) of Regulation (EC) No 713/2009), the Agency received 2 requests: the first was a self-referral of the Lithuanian NRA regarding the methodology for the gas tariffs in Lithuania. The BoR granted its favourable opinion on 10 June and the Agency's Opinion will be adopted soon.

The second one regards the cross-border congestion management in the CEE region, it was submitted from the Polish NRA on 2 December 2014. The Agency expects to provide its Opinion before the end of the summer. A Board member asked if the draft Opinion could be made available to the AB with a view to ensuring full transparency in this process.

The Agency has not received any fees on these opinions. These would need to be agreed by the Commission.

### REMIT

The Director presented the timeline. The next milestone is 7 October 2015 (reporting will start on all trades on contracts admitted to trade in organised market places, and on fundamental data contained in transparency platforms). On 7 April 2016 the data collection will start for all reportable trade and for all contracts. 27 NRAs met the deadline for market participant registration, 23 of which are using CEREMP as national registration platform. The Agency so far complied with all legal requirements. However, every met milestone triggered additional operational workload.

As of 1 June the surveillance system is set-up, currently in the testing phase. 625 queries were received from stakeholders. Every month the Agency receives twice as many questions as in the previous 3 years. ACER replies through the Frequently Asked Questions document which is updated monthly. The Agency has already received 300 applications to become RRM. ACER is now taking 5 months to complete the registration process, instead of the expected 3 months.

On 3 June, ACER published a list of pre-registered third party RRM applicants for the first phase of reporting, which are in the final registration stages. Two RRM applicants passed the testing phase and have been registered.

The Agency is preparing the security policy with the NRAs. The Director explained his concerns over the new review of the Financial regulation (MIFID), which envisages that physical forward contracts will fall under financial market regulation. In this regard the Agency issued a Recommendation earlier this year.

Lord Mogg, the BoR representative, informed the AB about his contacts at the Commissioner's level. He underlined that the issue for energy regulators was of great concern. In the coming months the focus of REMIT action would shift to the NRAs as active market monitoring and investigations will begin. The ability to collaborate between NRAs is important. The Agency is making everyone aware about the seriousness of this exercise. The NRAs are organising a technical training. Individual NRAs are under pressure in terms of financial and human resources.

The Vice-Chair stressed that the liquidity and the security of supply could be threatened. One AB member underlined that the issue should be explained to the Energy Working Party under the Luxemburg presidency.

The Director presented the rising number of suspicious cases (33 in 2014, 12 so far in 2015). Some NRAs are not yet given enforcement powers, although this should have already happened by June 2013. Therefore, when a breach was detected, the NRA was only able to serve a notice of breach.

### Infrastructure

On 16 April 2015 the Agency issued a decision on the Litpol case. In its Opinion the Agency concluded that although this interconnection will provide benefits to several Member States beyond Lithuania, the latter, as a net beneficiary of the project, does not need financial compensations for the investment from the other Member States benefiting from the project under the Cross-Border Cost Allocation (CBCA) framework.

The Director said that the Annual consolidated report on progress of PCIs and (if appropriate) recommendations to facilitate the implementation and overcome delays/difficulties in PCI implementation will be submitted to the Commission and Regional Groups by the end of June 2015. The Opinion on the draft Regional Lists of proposed PCIs for electricity and gas 2015 is expected in October 2015. The Director underlined that the Agency is concerned by the delays of project promoters to provide cost data to NRAs. The Agency and NRAs may therefore find themselves squeezed between the political deadline and the delayed provision of data from the project promoters.

Lord Mogg said he was going to write to the Commission. An audit by the European Court of Auditors (ECA) on the Security of Supply was ongoing and looking at this issue.

Lord Mogg also informed the AB on BoR developments: - his reappointment as the BoR Chairman for the next 2.5 years; -the BoR summit will take place in September with the main focus on cooperation in the BoR; - the EC proposal of market design – Summer package will address arrangements in dealing with the ENTSOs and was expected on 15 July.

#### 2016 Work Programme

The Director and the BoR Chair will present the 2016 ACER Work Programme to the European Parliament Committee on Industry, Research and Energy (ITRE) on 16 June. On 3 June, ACER held a stakeholder workshop on the draft Work Programme of the Agency for 2016, in Ljubljana. There were 17 participants through Adobe connect and all stakeholders were invited to provide feedback in writing by 19 June.

## **4. Budgetary developments**

The Director informed the AB that in discussions leading to the draft EU 2016 budget the Agency was actively informing the EU institutions about its resource needs: On 24 April a letter was sent to the Commission Vice-President Georgieva asking for a meeting, a request which was however unsuccessful. The ITRE MEPs tabled an oral question to the Commission, it was replied on 21 May in the EP plenary. On 19 May, the Chair of the ITRE committee, Jerzy Buzek, wrote to the Vice-President Šefčovič and Commissioner Arias Cañete, highlighting the concern of the ITRE committee with the resourcing issues faced by ACER, particularly with regards to its REMIT obligations. On 5 May the ITRE ACER contact group meeting took place. And on 3 June a letter, signed by the Director and the 2 Board chairs, was sent to Mr Buzek thanking him for his support.

The Commission presented its draft budget on 27 May, ACER was allocated 10 additional staff members for the implementation of REMIT as well as the selection and monitoring of PCIs and a budget of €15 547 582.

The AB Vice-Chair congratulated the Commission, however the Director underlined that, while there was some reason for optimism, the allocated resources were not sufficient.

Lord Mogg, BoR representative, congratulated DG ENER, underlying the importance of the change of climate at the Commission and at the EP. On the oral question, 23 MEPs out of the 24 who spoke did so in favour of the Agency's resources. The security and the confidentiality of the data will be as strong as the weakest NRAs. One breach could really undermine the entire endeavour.



## **5. Evaluation under Article 16 of Regulation (EC) 713/2009**

The member appointed by the Commission informed the AB that, following the inter-service procedure, the Commission proposal concerning the extension of the Director's mandate should reach the AB Chairman on 18 June. The AB Chairman will then invite the BoR to provide an Opinion on that proposal, after which the AB would take a decision at its extraordinary meeting in Ljubljana on 8 July. The schedule was going to be tight.

## **6. Annual Activity Report for 2014**

In line with article 13 (12) of Regulation (EC) No 713/2009, the Agency prepared its fourth AAR. It contained a section on Policy Achievements, which represents the independent section concerning the regulatory activities of the Agency, approved by the BoR on 10 June 2015. The report followed the new template in line with the Common Approach.

Action: The Administrative Board adopted the Annual Activity report for 2014. It concluded that the Agency successfully implemented the Work Programme 2014 and that the resources assigned to the activities described in the report were used for their intended purpose in accordance with the principle of sound financial management, and underlined the need for adequate resources for the implementation of REMIT.

## **7. AB Rules of Procedure (RoPs)**

The Director proposed the amendment of the current RoPs in order to reflect:

- a) the new CoI Policy adopted in January 2015, and the related guidance received from the AB in March 2015; and
- b) the fact that the RoPs of the AB at that moment did not contain any provision as regards the signing of the acts of the AB. In order to remove any legal uncertainty, it was appropriate to introduce a general provision empowering the Chair or, where relevant, the Vice-Chair, to sign the acts as adopted or approved by the AB.

Action: The Board adopted the decision on the amendment of its Rules of Procedure (amending Decision AB n° 03/2010 of 6 May 2010 (ANNEX 1)). A consolidated version of the RoPs will be published on the internet.

## **8. Declarations of Interest**

The Vice-Chair underlined that according to the new CoI Policy, adopted at the end of January 2015, the declarations of interest this year needed to be submitted by the beginning of May. He noted that 5 declarations were still missing, even after a reminder had been sent. He reminded the AB about the seriousness of the CoI exercise. The Review panel will take place on 8 July, before the extraordinary AB meeting.

Lord Mogg, the BoR representative said that the entire BoR submitted their declarations of interests (only 1 was missing). The BoR Review Panel had taken place the day before and the AB could be very reassured as regards the CoI at the BoR.

## **9. Discharge 2013**

The Director informed the AB that on 29 April 2015 the EP granted him, as the Agency's director, a discharge for 2013.

In its discharge decision the EP called on the Agency: -to inform the discharge authority on the progress and results of the measures in order to improve the budget planning processes; - to ensure rigorous treasury management in the future; - to inform the discharge authority on the Court's opinion, as soon as it becomes available, on the recruitment procedures; and - to inform the discharge authority of the assessment of its CoI policy results once available.

The Commission appointed member requested that any letters to the EP on discharge should be copied to the Commission (SRD Director).

The Board took note of the discharge decision.

## **10. AB opinion on the 2014 Annual Accounts of ACER**

On 28 April 2015, the European Court of Auditors (ECA) issued its preliminary observations with a view to report on the annual accounts of the Agency for the financial year 2014. ECA audited the legality and regularity of the transactions underlying the accounts, whereas the reliability of the accounts was audited in March 2015 by an external audit firm contracted by the Agency, the work of which was reviewed by ECA. No observations or recommendations were issued by the external auditors. Two findings and related recommendations were issued by ECA, highlighting the fact that the high level of appropriation carried over into the following financial year related mainly to the REMIT project and delays in the approval of the Implementing Regulation for this project, as well as the absence of a European School in Slovenia four years after the Agency signed the Seat Agreement with the Republic of Slovenia, envisaging the European school set-up.

The Director illustrated the efforts the Agency had undertaken with the Slovenian government (several meetings had taken place with the Ministry of Foreign Affairs and the Ministry of Education, but so far none of them bore fruit). He reassured the AB that the Agency continues pressing. The ACER Staff Committee was also doing a survey among staff regarding their support for the establishment of the European school. Moreover, a Working Group of the Network of European schools has been set up and the Agency has taken part in it.

In ECA's opinion, the transactions underlying the annual accounts for the year that ended on 31 December 2014 are legal and regular in all material respects. All recommendations from previous years were marked as completed in the preliminary observations.

On 28 May 2015, the Director submitted to the Board the final accounts of the Agency for the financial year 2014. The Commission did not have any comments.

Action: The Board adopted the Opinion on the 2014 Annual Accounts of ACER (ANNEX 2).

## **11. Model decision laying down general implementing provisions on the procedure governing the engagement and use of temporary staff under Article 2(f) of the CEOS as regards decentralised agencies and joint undertakings**

The Director explained that the new Staff Regulations, in particular Article 2 of the CEOS, as amended, have introduced, in its paragraph (f), a new category of temporary staff which are exclusively engaged by the EU agencies. Each agency needed to adopt, in accordance with Article 110(2) of the Staff Regulations, general provisions on the procedures governing the engagement and use of temporary staff referred to in Article 2(f) of the CEOS. Taking into account the need to set out a consistent staff policy for temporary staff in Union agencies, it was necessary to lay down specific coherent rules for the engagement of such staff with a view to facilitating their mobility both within an agency and between agencies. For the sake of clarity and legal certainty, with respect to temporary staff under Article 2(f) of the CEOS, the Decision AB No 10/2011 of the Administrative Board of the Agency of 1 June 2011 on the adoption of general implementing provisions on the procedure governing the engagement and use of temporary agents at the Agency should no longer apply. The Staff Committee of the Agency gave its consent on 23 March 2015.

The Commission agreed with the decision, which is based on the model decision.

Action: The Board adopted the Decision laying down general implementing provisions on the procedure governing the engagement and use of temporary staff under Article 2(f) of the CEOS as regards decentralised agencies and joint undertakings (ANNEX 3).

## **12. Endorsement for a derogation from the Commission Decision of C(2013) 8967 of 16 December 2013 amending the Commission Decision C(2011) 1264 of 02/03/11 on Contract Agents.**

The Director explained that on 2 March 2011, the Commission adopted Decision C(2011) 1264 on the general provisions for implementing Article 79(2) of the Conditions of Employment of Other Servants of the European Union, governing the conditions of employment of contract staff employed by the Commission under the terms of Articles 3a and 3b of the said Conditions.

On 16 December 2013, in view of the entry into force of the new Staff Regulations on 1 January 2014, the Commission adopted Decision C(2013) 8967, amending the aforementioned Commission Decision of 2 March 2011.

Because the Commission Decision, as amended, did not correspond to the Agency's needs, derogation from the Commission Decision, as amended, was required. According to the Commission's guidance, the deadline for derogation was 25 June 2015.

The Agency's Staff Committee was consulted on the proposed derogation from the Commission Decision of C(2013) 8967 of 16 December 2013 amending the Commission Decision C(2011) 1264 of 2 March 2011 on Contract Agents and gave a favourable opinion on 3 June 2015. At the time of the AB meeting the Agency applied its AB Decision No 11/2011 on the adoption of general implementing provisions on the procedures governing the engagement and the use of contract staff at ACER. This Decision would remain in force whilst the Standing Working Party on Implementing Rules with the Commission developed a model decision on contract agents, tailored to the reality of the EU agencies. ACER intends to adopt the model Decision in due course.

Action: The Board endorsed the request for derogation from the Commission Decision of C(2013) 8967 of 16 December 2013 amending the Commission Decision C(2011) 1264 of 02/03/11 on Contract Agents.

## **13. Preliminary observations from the European Court of Auditors**

Discussion under this agenda item took place under agenda point 10.

## **14. 2015 AB Decisions, by delegation of the Administrative Board to the Chairman via Decision AB 05bis/2010 of 21 September 2010**

The Vice-Chair informed the Board that, by delegation of the Administrative Board to the Chairman via Decision AB 05bis/2010 of 21 September 2010, the Chairman took two BoR appointment decisions since the last AB meeting in March.

### **AOB**

#### **Annual Conference and the extraordinary 8 July AB meeting in Ljubljana**

The Vice-Chair informed the AB that an extraordinary AB meeting will take place on 8 July from 17-18.30. It will be preceded by the Review Panel (CoI Policy) starting at 16h.

The Director reminded the AB about the IV ACER Annual Conference to take place on 9 July at the Brdo Congress Centre near Kranj, Slovenia. The Director informed the AB that Vice-President Šefčovič and Commissioner Arias Cañete have confirmed their attendance at the conference. As the extraordinary AB is taking place on 8 July in the afternoon, members will be able to attend the conference.

#### **Third countries participation in the Agency's bodies and Working groups**

The Director also replied on a question regarding the participation of third countries in the Agency's Working Groups. In a recent reply from the Commission it was clarified that the Commission decides on the participation of third countries in the BoR, while the Agency decides on their participation in the ACER Working Groups.

The Director however replied to the above mentioned letter by underlining that even for the participation in the Agency's Working Groups the Agency would like to receive an indication on the third countries readiness to implementing the aquis (article 31 of the ACER Regulation).

A discussion had also taken place at the BoR. As regards the readiness of the countries participating in the Energy Community, the Agency intends to use the assessment of the EnC secretariat. An MoU on the participation cost would also need to be signed with the third country whose NRAs will be given observer status in the BoR.

One Board member asked whether the Board members are ensured when they are traveling for ACER.

Done at Ljubljana, on 17 September.

SIGNED

Razvan Eugen Nicolescu  
Chairman of the Administrative Board

**ANNEX 1 of the 21<sup>st</sup> AB minutes**

**DECISION AB n° 09/2015**

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

**of 11 June 2015**

**amending Decision AB n° 03/2010 of 6 May 2010 on the Rules of Procedure of the  
Administrative Board of the Agency for the Cooperation of Energy Regulators**

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 an Agency for the Cooperation of Energy Regulators<sup>1</sup>, and, in particular, to Articles 12(5), 12(7) and 13(13) thereof,

Having regard to the Decision of the Administrative Board of the Agency for the Cooperation of Energy Regulators No 03/2010 of 6 May 2010 on the Rules of Procedure of the Administrative Board of the Agency for the Cooperation of Energy Regulators, and, in particular, Article 17 thereof,

Whereas:

- (1) In light of the initiatives taken by the European Commission, the Council of the EU and the European Parliament, the Administrative Board for the Cooperation of Energy Regulators (hereinafter “the Administrative Board”) has laid down in Decision AB n° 02/2015 of 31 January 2015 a comprehensive and coherent policy for the prevention and management of conflicts of interest which, in the interest of internal consistency, should also be reflected in its Rules of Procedure.
- (2) The Rules of Procedure of the Administrative Board currently do not contain any provision as regards the signing of the acts of the Administrative Board. In order to remove any legal uncertainty, it is appropriate to introduce a general provision empowering the Chair or, where relevant, the Vice-Chair, to sign the acts as adopted or approved by the Administrative Board,

**HAS ADOPTED THIS DECISION:**

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<sup>1</sup> OJ L211, 14.8.2009, p.1.

## Article 1

In Article 2 of Decision AB n° 03/2010 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 6 May 2010 (hereinafter “Decision AB n° 03/2010), the following paragraph is inserted:

*“7. The Chair or, where relevant, the Vice-Chair, shall be mandated to sign the acts as adopted or approved by the Board. The signed copy of such acts shall be kept in the archives of the Agency.”*

## Article 2

Article 13 of Decision AB n° 03/2010 is replaced by the following:

### *“Article 13 Conflict of Interest*

*1. The members and alternates shall comply with the rules for the prevention and management of interest as laid down in chapter 4.2 of the Annex to Decision AB n° 02/2015 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 31 January 2015 laying down a policy for the prevention and management of conflicts of interest (hereinafter “Decision AB n° 02/2015”). They shall use the templates adopted in the framework of this Decision when submitting the written declarations as referred to in Art. 12(7) of the Regulation.*

*2. The appointed Board members of the review panels referred to in chapter 4.2.3.2 of the Annex to Decision AB n° 02/2015 shall be appointed at the Board meeting in December for the following year.*

*3. Any deliberations of the review panels under chapter 4.2.3.2 of the Annex to Decision AB n° 02/2015 shall take place by simple majority of its members.*

*4. If any member or alternate were subject to deliberations under chapters 4.2.4 or 4.2.5 of the Annex to Decision AB n° 02/2015, he/she shall not participate in the deliberations of the Board. Where possible, he/she shall be replaced for the deliberations on this point by his/her alternate.*

*5. At each meeting of the Board, members and observers, as well as advisors or experts, shall declare any interest which could be considered to be prejudicial to their independence with respect to any point on the agenda. Anyone declaring such interests shall not attend any deliberations of nor participate in any voting on the relevant point.”*

## Article 3

In Art.17(1) of Decision AB n° 03/2010, the following sentence is added:



*“Once amended, a consolidated version of the Rules of Procedure shall be published on the Agency’s website.”*

**Article 4**

This Decision shall enter into force on the day following that of its adoption.

Done at Brussels on 11 June 2015.

For the Administrative Board:

Piotr Grzegorz Woźniak

Vice-Chairman of the Administrative Board

**ANNEX 2 of the 21<sup>st</sup> AB minutes**

**OPINION AB 01/2015  
OF THE ADMINISTRATIVE BOARD  
OF THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS  
of 11 June 2015  
on the approval of the final accounts for the financial year 2014**

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 an Agency for the Cooperation of Energy Regulators<sup>2</sup>, and, in particular, Article 24(5) thereof,

Having regard to Decision AB No 22/2013 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 12 December 2013 on the adoption of the Financial Regulation of the Agency for the Cooperation of Energy Regulators, and, in particular, Article 99(2) and (3) thereof,

Whereas:

- (1) On 28 April 2015, the European Court of Auditors issued its preliminary observations with a view to report on the annual accounts of the Agency for the Cooperation of Energy Regulators (hereinafter referred to as the “Agency”) for the financial year 2014.
- (2) On 28 May 2015, the Director submitted to the Administrative Board the final accounts of the Agency for the financial year 2014.

**HAS ADOPTED THIS OPINION:**

**Article 1**

The Administrative Board takes note of the preliminary observations of the European Court of Auditors on the annual accounts of the Agency for the financial year 2014, attached as Annex I to this Opinion.

**Article 2**

The Administrative Board hereby endorses the final accounts of the Agency for the financial year 2014, attached as Annex II to this Opinion.

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<sup>2</sup> OJ L211, 14.8.2009, p.1.

### **Article 3**

The Administrative Board invites the Director to take immediate actions to address the comments made by the Court of Auditors in its preliminary observations, where relevant, and to report, in due course, on the actions taken.

### **Article 4**

This Opinion shall be communicated, together with the final accounts, to the accounting officer of the Commission, the Court of Auditors, the European Parliament, and the Council by 1 July 2015.

Done at Brussels, 11 June 2015.

For the Administrative Board

Piotr Grzegorz Woźniak

Vice-Chairman of the Administrative  
Board

**ANNEX 1**

**TO OPINION AB 01/2015**

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

Preliminary observations

with a view to a report on the annual accounts  
of the Agency for the Cooperation of Energy Regulators  
for the financial year 2014

These preliminary observations were adopted by Chamber IV at its meeting of 28 April 2015.

## **INTRODUCTION**

1. The Agency for the Cooperation of Energy Regulators (hereinafter “the Agency”, aka “ACER”), which is located in Ljubljana, was created by Regulation (EC) No 713/2009 of the European Parliament and of the Council<sup>3</sup>. The Agency's main task is to assist National Regulatory Authorities in exercising, at Union level, the regulatory tasks that they perform in the Member States and, where necessary, to coordinate their action. Under the REMIT regulation<sup>4</sup>, the Agency was given new additional responsibilities, together with national regulatory authorities, regarding the monitoring of the European wholesale energy market<sup>5</sup>.

## **INFORMATION IN SUPPORT OF THE STATEMENT OF ASSURANCE**

2. The audit approach taken by the Court comprises analytical audit procedures, direct testing of transactions and an assessment of key controls of the Agency's supervisory and control systems. This is supplemented by evidence provided by the work of other auditors and an analysis of management representations.

### **STATEMENT OF ASSURANCE**

3. Pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- (a) the annual accounts of the Agency, which comprise the financial statements<sup>6</sup> and the reports on the implementation of the budget<sup>7</sup> for the financial year ended 31 December 2014, and
- (b) the legality and regularity of the transactions underlying those accounts.

<sup>3</sup> OJ L 211, 14.8.2009, p. 1.

<sup>4</sup> Regulation No 1227/2011 of the European Parliament and of the Council (OJ L 326, 8.12.2011, p. 1), which assigns an important role to the Agency in supervising trading in wholesale energy markets across Europe.

<sup>5</sup> **Annex II** summarises the Agency's competences and activities. It is presented for information purposes.

<sup>6</sup> These include the balance sheet and the statement of financial performance, the cash flow table, the statement of changes in net assets and a summary of the significant accounting policies and other explanatory notes.

<sup>7</sup> These comprise the budgetary outturn account and the annex to the budgetary outturn account.

### ***The management's responsibility***

4. The management is responsible for the preparation and fair presentation of the annual accounts of the Agency and the legality and regularity of the underlying transactions<sup>8</sup>:
- (a) The management's responsibilities in respect of the Agency's annual accounts include designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies on the basis of the accounting rules adopted by the Commission's accounting officer<sup>9</sup>; making accounting estimates that are reasonable in the circumstances. The Director approves the annual accounts of the Agency after its accounting officer has prepared them on the basis of all available information and established a note to accompany the accounts in which he declares, inter alia, that he has reasonable assurance that they present a true and fair view of the financial position of the Agency in all material respects.
- (b) The management's responsibilities in respect of the legality and regularity of the underlying transactions and compliance with the principle of sound financial management consist of designing, implementing and maintaining an effective and efficient internal control system comprising adequate supervision and appropriate measures to prevent irregularities and fraud and, if necessary, legal proceedings to recover funds wrongly paid or used.

### ***The auditor's responsibility***

5. The Court's responsibility is, on the basis of its audit, to provide the European Parliament and the Council<sup>10</sup> with a statement of assurance as to the reliability of the annual accounts and the legality and regularity of the underlying transactions. The Court conducts its audit in accordance with the IFAC International Standards on Auditing and Codes of Ethics and the INTOSAI International Standards of Supreme Audit Institutions. These standards require the Court to plan and perform the audit to obtain reasonable assurance as to whether the annual accounts of the Agency are free from material misstatement and the transactions underlying them are legal and regular.

<sup>8</sup> Articles 39 and 50 of Commission Delegated Regulation (EU) No 1271/2013 (OJ L 328, 7.12.2013, p. 42).

<sup>9</sup> The accounting rules adopted by the Commission's accounting officer are derived from the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants or, where relevant, the International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

<sup>10</sup> Article 107 of Regulation (EU) No 1271/2013.

6. The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and the legality and regularity of the underlying transactions. The procedures selected depend on the auditor's judgement, which is based on an assessment of the risks of material misstatement of the accounts and material non-compliance by the underlying transactions with the requirements in the legal framework of the European Union, whether due to fraud or error. In assessing these risks, the auditor considers any internal controls relevant to the preparation and fair presentation of the accounts, as well as the supervisory and control systems that are implemented to ensure the legality and regularity of underlying transactions, and designs audit procedures that are appropriate in the circumstances. The audit also entails evaluating the appropriateness of accounting policies, the reasonableness of accounting estimates and the overall presentation of the accounts. In preparing this report and Statement of Assurance, the Court considered the audit work of the independent external auditor performed on the Agency's accounts as stipulated in Article 208(4) of the EU Financial Regulation<sup>11</sup>.

7. The Court considers that the audit evidence obtained is sufficient and appropriate to provide a basis for its statement of assurance.

**Opinion on the reliability of the accounts**

8. In the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

**Opinion on the legality and regularity of the transactions underlying the accounts**

9. In the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2014 are legal and regular in all material respects.

**Other matter**

10. Without calling into question the opinion expressed in paragraph 8, the Court draws attention to the fact that the annual accounts of the agency were verified by an independent external auditor and that the Court considered the verification results when preparing its own audit opinion, as it is stipulated in Article 208(4) of the EU Financial Regulation. Under International Standards on Auditing, an auditor making use of another auditor's results is required to review their reliability. This review work is ongoing and the Court's opinion on the reliability of the accounts is subject to confirmation of the reliability of the independent external auditor's results.

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<sup>11</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (OJ L 298, 26.10.2012, p. 1).



11. The comments which follow do not call the Court's opinions into question.

### **COMMENTS ON BUDGETARY MANAGEMENT**

12. The Agency carried over 1,57 million euro, i.e. 62 %, of committed appropriations for title III operational expenditure (2013: 3,1 million euro, i.e. 91 %). These carry-overs were mainly related to the implementation of REMIT, a complex multi-annual operational activity for which the Implementing Regulation was only adopted on 17 December 2014<sup>12</sup>. The Agency also carried over 0,98 million euro, i.e. 41 % (2013: 1,9 million euro, i.e. 56 %), of committed appropriations for title II administrative expenditure, mainly related to studies for the implementation of REMIT and annual contracts renewed towards the year end.

13. In October 2013, through a budget amendment, the Agency received an additional 3 million euro in appropriations to implement REMIT, which it carried over to 2014. However, according to the Implementing Regulation the REMIT framework will only become operational in October 2015. Part of the funds was spent in 2014 on preparation for the implementation of REMIT. At the end of 2014, the Agency made two pre-financing payments amounting to 1,56 million euro for contracts on REMIT-related services to be provided in the period 2015 to 2017, thereby avoiding an automatic return to the Commission of the unused funds<sup>13</sup>. Although this will allow the Agency to finance its future REMIT-related activities, this is in contradiction with the budgetary principle of annuality.

### **OTHER COMMENTS**

14. According to the Seat Agreement between the Agency and the Slovenian government a European School will be established in Slovenia. However, more than four years after the agreement no European School has been set up.

### **FOLLOW-UP OF PREVIOUS YEARS' COMMENTS**

15. An overview of the corrective actions taken in response to the Court's comments from the previous years is provided in **Annex I**.

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<sup>12</sup> Commission Implementing Regulation (EU) No 1348/2014 (OJ L 363, 18.12.2014, p. 121).

<sup>13</sup> Article 13 of the EU Financial Regulation stipulates that amounts can be carried over for one financial year only.



***Annex I***

**Follow-up of previous years' comments**

<b>Year</b>	<b>Court's comment</b>	<b>Status of corrective action (Completed / Ongoing / Outstanding / N/A)</b>
<b>2012</b>	The Agency held 4,2 million euro in cash at the year end, including the 2011 budget surplus of 1,6 million euro which resulted from an excessive call for funds in 2011 and was recovered by the Commission in January 2013. This is not consistent with a rigorous treasury management.	<b>Completed</b>
<b>2012</b>	The audited recruitment procedures revealed shortcomings affecting transparency and an equal treatment of candidates: questions for interviews and tests were not set before the examination of the applications. The conditions for admission to written tests and interviews and for being included in the list of suitable candidates were not specified in sufficient detail and the measures taken to ensure the anonymity of candidates sitting written tests were inadequate.	<b>Completed</b>
<b>2013</b>	The Agency carried over 1,9 million euro or 56 % of total committed title II appropriations (Agency's building and associated costs), mainly related to the implementation of the REMIT regulation. This is an operational, multiannual activity and should have been budgeted under title III, a shortcoming which was rectified in subsequent commitment appropriations.	<b>Completed</b>
<b>2013</b>	In addition, the Agency carried over 3,1 million euro or 91 % of total committed title III appropriations, also related to the implementation of the REMIT regulation. The exceptionally high rate of carry-over for title III is mainly due to some 3 million euro in additional funding received through an amended budget approved on 31 October 2013.	<b>N/A</b>
<b>2013</b>	The Agency held 5,5 million euro in cash at year-end, which included some 3 million euro relating to the late budget amendment. Nevertheless, average cash balances during the year were significantly higher than justified by operational requirements.	<b>Completed</b>

**Agency for the Cooperation of Energy Regulators**  
**(Ljubljana)**

**Competences and activities**

<p><b>Areas of Union competence deriving from the Treaty</b> <i>(Article 114 (ex Article 95 TEC) and Article 194 of the Treaty on the Functioning of the European Union)</i></p>	<p>The European Parliament and the Council shall, acting in accordance with the ordinary legislative procedure and after consulting the Economic and Social committee, adopt the measures for the approximation of the provisions laid down by law, regulation or administrative action in Member States which have as their object the establishment and functioning of the internal market.</p> <p>In the context of the establishment and functioning of the internal market and with regard for the need to preserve and improve the environment, Union policy on energy shall aim, in a spirit of solidarity between Member States to:</p> <ul style="list-style-type: none"><li>(a) ensure the functioning of the energy market;</li><li>(b) ensure security of energy supply in the Union;</li><li>(c) promote energy efficiency and energy saving and the development of new and renewable forms of energy; and</li><li>(d) promote the interconnection of energy networks.</li></ul> <p>The European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall establish the measures necessary to achieve these objectives. Such measures shall be adopted after consultation of the Economic and Social Committee and the Committee of the Regions.</p>
<p><b>Competences of the Agency</b> <i>(As specified in Regulation (EC) No 713/2009 of the European Parliament and of the Council; Commission Regulation (EU) No 838/2010; Regulation (EU) No 1227/2011 of the European Parliament and of the Council)</i></p>	<p><b>Objectives</b></p> <p>The purpose of the Agency is to assist National Regulatory Authorities in exercising, at Union level, the regulatory tasks that they perform in the Member States and, where necessary, to coordinate their action.</p> <p><b>Tasks</b></p> <ul style="list-style-type: none"><li>– Complement and coordinate the work of National Regulatory Authorities,</li><li>– participate in the creation of European network rules,</li><li>– take, under certain conditions, binding individual decisions on terms and conditions for access and operational security for cross border infrastructure,</li><li>– give advice on various energy-related issues to the European institutions,</li><li>– monitor and report on developments in the energy markets,</li><li>– formulate a proposal to the EU Commission on the annual cross-border infrastructure compensation sum for the ITC mechanism,</li><li>– participate in the process for the selection of Projects of Common Interest (PCIs), including by issuing opinions on the consistent application of the selection criteria and of the cost-benefit analysis across regions, and monitor the implementation of PCIs,</li></ul>

	<ul style="list-style-type: none"> <li>– take decisions on investment requests for PCIs, including on cross-border cost allocation, if the relevant national regulatory authorities for energy fail to reach an agreement,</li> <li>– monitor trading on EU wholesale energy markets to detect and prevent market abuse, in cooperation with national regulatory authorities for energy, ESMA, the competent financial authorities of the Member States and, where appropriate, national competition authorities,</li> <li>– assess the operation and transparency of different categories of market places and ways of trading,</li> <li>– make recommendations to the Commission as regards market rules, records of transactions, orders to trade, standards and procedures which could improve market integrity and the functioning of the internal market.</li> </ul>
<p><b>Governance</b></p>	<p><b>Administrative Board</b></p> <p>Composition:</p> <p>Two members appointed by the European Parliament, two members appointed by the Commission and five members appointed by the Council. Each member has an alternate.</p> <p>Tasks:</p> <p>The Administrative Board adopts the Agency's annual programme and budget and monitors their implementation.</p> <p><b>Director</b></p> <p>Appointed by the Administrative Board after a favourable opinion from the Board of Regulators and on the basis of a list of candidates proposed by the Commission.</p> <p><b>Board of Regulators</b></p> <p>Composition:</p> <p>A senior representative of the regulatory authorities from each Member State and one non-voting representative of the Commission. Each member has an alternate nominated by the national regulatory authority of each Member State.</p> <p>Tasks:</p> <p>The Board</p> <ul style="list-style-type: none"> <li>– provides opinions to the Director on many of the opinions, recommendations and decisions that are considered for adoption,</li> <li>– provides guidance to the Director in the execution of its tasks,</li> <li>– delivers an opinion to the Administrative Board on the candidate to be appointed as director,</li> <li>– approves the work programme of the Agency.</li> </ul> <p><b>External audit</b></p>

	<p>Court of Auditors.</p> <p><b>Discharge Authority</b></p> <p>European Parliament acting on a recommendation from the Council.</p>
<p><b>Resources made available to the Agency in 2014 (2013)</b></p>	<p><b>Final Budget 2014</b></p> <p>10,88 (11,9) million euro</p> <p><b>Staff as at 31 December 2014</b></p> <p>Posts listed in the establishment plan: 54 (49)</p> <p>Posts occupied on 31 December: 52 (49)</p> <p>Other staff: 18 (20)</p> <p>Total staff: 72 (69), of which assigned to:</p> <ul style="list-style-type: none"> <li>– operational tasks: 48 (41)</li> <li>– administrative tasks: 24 (28)</li> </ul>
<p><b>Products and services 2014</b></p>	<p>(a) Network codes: Two Opinions on Network Codes (Electricity: Network Code on High Voltage Direct Current Connections and DC-connected power park modules and Network Code on Electricity Balancing). Three Recommendations on Network Codes (Electricity: Network Code on Forward Capacity Allocation and Network Code on HVDC and DC-connected power park modules; and Gas: Network Code on Interoperability and Data Exchange Rules).</p> <p>(b) Nineteen Opinions related to ENTSOs: ENTSO-E Guideline for Cost Benefit Analysis of Grid Development Projects (CBA); Opinion on ENTSG's Winter Supply Outlook 2013/14; Opinion on the Proposal for Operation of the ENTSO-E Central Information Transparency Platform; Opinion on the ENTSG Cost-Benefit Analysis Methodology (CBA); Opinion on the ENTSO-E Winter Outlook Report 2013/14 and Summer Review 2013; Opinion on the Statutes and Rules of Procedure on the basis of the proposed amendments to the Articles of Association of ENTSG; Opinion on the National Ten-Year Electricity Network Development Plans pursuant to Article 8(11) of Regulation (EC) No 714/2009 - (TYNDP); Opinion on the Appropriate Range of Transmission Charges paid by Electricity Producers; Opinion on the Annual Report 2013 of ENTSG; Opinion on the ENTSO-E Implementation Plan 2015-2017 of the R&amp;D Roadmap 2013-2022; Opinion on the ENTSO-E Annual Report 2013; Opinion on ENTSG's Summer Supply Outlook 2014; Opinion on the ENTSO-E Summer Outlook Report 2014 and Winter Review 2013/2014; Opinion on the Implementation of Investments in Electricity Transmission Networks; Opinion on the ENTSO-E Incidents Classification Scale – Methodology 2014; Opinion on the ENTSG's 2015 Annual Work Programme; Opinion on ENTSG's Winter Supply Outlook 2014/15; Opinion on the draft ENTSO-E Work Programme 2014 through December 2015; Opinion on the draft ENTSO-E SOAF (Scenario Outlook and Adequacy Forecast) 2014-2030.</p> <p>(c) One decision on the investment request including cross-border cost allocation for the Gas Interconnection Poland-Lithuania Project of</p>

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	<p>Common Interest No 8.5 (GIPL).</p> <ul style="list-style-type: none"><li>(d) REMIT-related documents: Mechanisms for sharing information; Market Monitoring Handbook; Requirements for the registration of Registered Reporting Mechanisms (RRMs); Transaction Reporting User Manual; Manual of procedures, standards and electronic formats for the reporting of data; List of Organised Market Places.</li><li>(e) A Joint ACER-CEER Market Monitoring Report (Article 11 of Regulation (EC) No 713/2009) released on 22 October, public presentation in Brussels.</li><li>(f) The (Annual) Regional Initiative Status Review for 2013 published in January. Two on-line Gas Regional initiative (GRI) and two on-line Electricity Regional Initiative (ERI) progress reports also published.</li><li>(g) Agency's 3rd Annual Conference "REMITage: The age of REMIT?" in Ljubljana on 10 June 2014, with around 200 participants, and concurrent publication of the Agency's 2nd annual REMIT Report.</li></ul>
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*Source:* Annex provided by the Agency.

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# Final Accounts of the European Agency for the Cooperation of Energy Regulators and Report on Budgetary and Financial Management

1 January – 31 December 2014

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## **CERTIFICATION OF ANNUAL ACCOUNTS**

The annual accounts of the Agency for the Cooperation of Energy Regulators (hereinafter 'the Agency') for the year 2014 have been prepared in accordance with Title IX of the Agency'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 the Agency in accordance with Article 50 of the Agency'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 the Agency'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 the Agency.

18 May 2015

*(signed electronically)*  
Rodica Mandroc,  
Accounting and Budget Officer

## **INTRODUCTION**

### ***LEGAL BASIS***

The Agency for the Cooperation of Energy Regulators with 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 the Agency, according to its founding Regulation, is to assist national regulatory authorities (NRAs) in exercising, at Union level, the regulatory tasks performed in the Member States and, where necessary, to coordinate their action.

The Agency's activities are also governed by the following regulations:

- Regulation (EU) No 838/2010 of 23 September 2010 of the European Parliament and of the Council on Inter-TSO Compensation Mechanism;
- Regulation (EU) No 1227/2011 of 25 October 2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency;
- Regulation (EU) No 347/2013 of 17 April 2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulation (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009.

### ***BACKGROUND INFORMATION***

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

The Director of the Agency, 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 Razvan Eugen Nicolescu, 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 Commission. Each member has an alternate.

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

The Agency's expenditures for 2014 were integrally financed through an annual subsidy from the general budget of the European Union.

In accordance with Article 43(1) of the Decision AB No. 22/2011 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 22 September

2011, Ms Rodica Mandroc was appointed on 22 September 2011 as the Accounting and Budget Officer of the Agency<sup>1</sup>.

The following accounts together with a report on budgetary and financial management have been drawn up in accordance with Articles 92 – 99 of Decision AB No 22/2013 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 12 December 2013 on the adoption of the Financial Regulation of the Agency for the Cooperation of Energy Regulators (“the Agency’s Financial Regulation”) and Article 24 of the founding Regulation.

## **PART I – FINANCIAL STATEMENTS**

The revenues of the Agency’s mainly comprise an annual subsidy from the general budget of the Union plus minor revenues recorded during the year steaming from disposal of fixed assets, foreign exchange gains and reversal of accrued income.

The subsidy for the financial year 2014 amounted to €10,880,000.

The Statement of Financial Performance for the year ending 31 December 2014 shows a significant lower result €0.5m compared to €4.7m at the end of 2013 when late receipt of the additional funding had to be carried forward in the 2014 financial year.

The impact on the budgetary result is presented and detailed in the second part of this annual accounts report.

The following financial statements and notes have been drawn up for the financial year ending 31 December 2014.

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<sup>1</sup> AB Decision No. 23/2011 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 22 September 2011.

**STATEMENT OF FINANCIAL PERFORMANCE***for the year ending 31 December 2014*

	Notes	1 January - 31 December 2014 €	1 January - 31 December 2013 €
<b>REVENUE</b>	1		
European Commission subsidy		10,174,912.15	11,514,296.22
Other operating revenue		(219,655.35)	222,373.08
<b>TOTAL OPERATING REVENUE</b>		<b>9,955,256.80</b>	<b>11,736,669.30</b>
<b>ADMINISTRATIVE AND OPERATIONAL EXPENSES</b>	2		
Staff expenses		4,789,856.17	4,474,523.55
Fixed asset related expenses		260,414.54	193,198.48
Other administrative expenses		2,166,182.44	1,524,328.50
Operational expenses		2,158,420.82	574,308.30
<b>TOTAL ADMINISTRATIVE AND OPERATIONAL EXPENSES</b>		<b>9,374,873.97</b>	<b>6,766,358.83</b>
<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>		<b>580,382.83</b>	<b>4,970,310.47</b>
<b>FINANCIAL OPERATIONS</b>	3		
Financial operations expenses		111.43	52.29
<b>SURPLUS/ (DEFICIT) FROM FINANCIAL ACTIVITIES</b>		<b>(111.43)</b>	<b>(52.29)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>580,271.40</b>	<b>4,970,258.18</b>

**BALANCE SHEET****ASSETS**

<i>as of 31 December 2014</i>	Notes	1 January - 31 December 2014 €	1 January - 31 December 2013 €
<b>NON-CURRENT ASSETS</b>			
<b>Intangible fixed assets</b>	4	<b>2,920,071.47</b>	<b>1,324,759.39</b>
<b>Tangible fixed assets</b>	5	<b>433,807.13</b>	<b>440,087.51</b>
Plant and equipment		726.31	1,218.27
Computer hardware		200,981.87	300,897.86
Furniture and vehicles		64,944.27	56,963.92
Other fixtures and fittings		167,154.68	81,007.46
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,353,878.60</b>	<b>1,764,846.90</b>
<b>CURRENT ASSETS</b>			
<b>Short-term receivables</b>	6	<b>2,156,703.33</b>	<b>798,136.14</b>
Current receivables		2,042,113.22	475,901.55
Sundry receivables		70,831.99	23,014.50
Prepaid expenses and accrued income		43,758.12	299,220.09
<b>Cash and cash equivalents</b>	7	<b>3,372,278.26</b>	<b>5,468,548.31</b>
<b>TOTAL CURRENT ASSETS</b>		<b>5,528,981.59</b>	<b>6,266,684.45</b>
<b>TOTAL CURRENT AND NON-CURRENT ASSETS</b>		<b>8,882,860.19</b>	<b>8,031,531.35</b>
<b>EQUITY AND LIABILITIES</b>			
		1 January - 31 December 2014 €	1 January - 31 December 2013 €
<b>EQUITY</b>			
Accumulated surplus/(deficit)		7,105,145.03	2,134,886.85
Economic result of the year		580,271.40	4,970,258.18
<b>TOTAL EQUITY</b>		<b>7,685,416.43</b>	<b>7,105,145.03</b>
<b>CURRENT LIABILITIES</b>			
<b>Accounts payable</b>	8	<b>1,197,443.76</b>	<b>926,386.32</b>
Current payables		348.38	0.00
Accrued expenses and deferred income		488,543.36	507,402.51
Accounts payable with consolidated entities		708,552.02	418,983.81
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,197,443.76</b>	<b>926,386.32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,882,860.19</b>	<b>8,031,531.35</b>

## CASH FLOW STATEMENT

	1 January - 31 December 2014 €	1 January - 31 December 2013 €
<b>Surplus/(deficit) from operating activities</b>	<b>580,382.83</b>	<b>4,970,310.47</b>
<b>Cash Flows from Operating Activities</b>		
<u>Adjustments</u>		
Amortization (intangible fixed assets)	9,311.56	8,932.22
Depreciation (tangible fixed assets)	251,704.81	184,266.26
Depreciation (transferred fixed assets)	0.00	748.96
Amount written off (tangible fixed assets)	0.00	0.00
(Increase)/decrease in Short term Receivables	(1,358,567.19)	(739,949.89)
(Increase)/decrease in Other Liabilities	(18,859.15)	238,152.05
Increase/(decrease) in Current payables	348.38	(8,948.77)
Increase/(decrease) in Liabilities related to consolidated entities	289,568.21	(1,862,588.74)
<b>Net Cash Flow from Operating Activities</b>	<b>246,110.55</b>	<b>2,790,922.56</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of tangible and intangible fixed assets	(1,850,048.07)	(1,537,327.21)
<b>Net Cash Flow from Investing Activities</b>	<b>(1,850,048.07)</b>	<b>(1,537,327.21)</b>
<b>Financing Activities</b>		
Financial operations revenues/expenses	(111.43)	(52.29)
<b>Net Cash Flow from Financing Activities</b>	<b>(111.43)</b>	<b>(52.29)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,096,270.05)</b>	<b>1,253,543.06</b>
Cash and cash equivalents at the beginning of the period	5,468,548.31	4,215,005.25
<b>Cash and cash equivalents at the end of the period</b>	<b>3,372,278.26</b>	<b>5,468,548.31</b>

**STATEMENT OF CHANGES IN NET ASSETS**

**as at 31 December 2014**

<b>Net Assets</b>	<b>Opening balance</b>	<b>Economic result of the year</b>	<b>Total Net Assets</b>
	€	€	€
<b>Balance as of 1 January 2014</b>	7,105,145.0 3	0.00	7,105,145.0 3
Economic result of the year	0.00	580,271.40	580,271.40
<b>Balance as of 31 December 2014</b>	<b>7,105,145.0 3</b>	<b>580,271.40</b>	<b>7,685,416.4 3</b>



## **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 the Agency 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 2014 were prepared on the basis of the Commission Accounting Rules as laid down by the accounting officer of the 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 annual accounts report.

The accounting system of the Agency 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 the Agency as at the end of the financial year.

### **CURRENCY AND BASIS FOR CONVERSION**

#### **Functional and reporting currency**

The functional and reporting currency used in the preparation of the financial statements for the Agency is euro.

#### **Transactions**

Foreign currency transactions were converted into euro in accordance with Article 6 of the Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union<sup>2</sup> using the official 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 Statement of Financial Performance.

### **CHART OF ACCOUNTS**

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<sup>2</sup> OJ L 362, 31/12/2012, p 1.

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

## STATEMENT OF FINANCIAL PERFORMANCE - NOTES

### 1. Revenue

The revenues of the Agency for the financial year 2014 consist of:

- the subsidy received from the general budget of the Union,
- income on fixed assets returned by the insurance for lost items,
- reversal of 2013 recognised income as a result of applied salary and country coefficient adjustments, and
- foreign exchange realised gains.

	<b>31 December 2014</b>	<b>31 December 2013</b>
	€	€
European Commission subsidy	10,174,912.15	11,514,296.22
Fixed assets income	411.62	962.99
Exchange rate gains	274.95	125.17
Other operating revenue	(220,341.92)	221,284.92
	<b>9,955,256.80</b>	<b>11,736,669.30</b>

### 2. Expenses

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

All salary calculations giving the total staff expenses included in the Statement of Financial Performance of the Agency are externalized to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO) which is a central office of the [Commission](#).

The PMO's mission is to manage the financial rights of permanent, temporary and contractual staff working at the Commission, to calculate and to pay their salaries and other financial entitlements. The PMO provides these services to the [Union's institutions](#) and other [agencies](#) of the European Union. The PMO is also responsible for managing the health insurance fund of the Union's institutions, together with processing and paying the claims of reimbursement from staff members. The PMO also manages the pension fund and pays the pensions of retired staff members. PMO is being audited by the Court of Auditors.

The Agency is only responsible for the communication to the PMO of reliable information allowing the calculation of the staff costs. It is also responsible to check that this information has been correctly handled in the monthly payroll report used for accounting payroll costs. It is not responsible for the calculation of the payroll costs performed by PMO.

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 2014.

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, REMIT project related costs and other operational expenditure incurred for the functioning of the Agency.

<b>Administrative and operational expenses</b>	<b>31 December 2014</b> €	<b>31 December 2013</b> €
Staff expenses	4,789,856.17	4,474,523.55
Fixed asset related expenses	260,414.54	193,198.48
Other administrative expenses	2,166,182.44	1,524,328.50
Operational expenses	2,158,420.82	574,308.30
	<b>9,374,873.97</b>	<b>6,766,358.83</b>

### **3. Financial expense**

Financial expenses relate to bank charges for operating the Agency bank accounts.

<b>Financial expenses</b>	<b>31 December 2014</b> €	<b>31 December 2013</b> €
Financial operations expenses	111.43	52.29

## **BALANCE SHEET - NOTES**

### **NON-CURRENT ASSETS**

Assets are resources controlled by the Agency 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 the Agency 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 the Agency 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.

### **4. Intangible fixed assets**

Intangible fixed assets recorded in the inventory of the Agency consist of assets without physical substance and are represented by acquisitioned software and internally generated intangible assets still under construction at year end. As intangible asset under construction the Agency records the relevant costs of the IT platform build to assist the Agency with the monitoring of the wholesale energy markets.

<b>Intangible assets at book value</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
	€	€
Intangible assets	5,800.33	15,111.89
Intangible assets under construction	2,914,271.14	1,309,647.50
	<b>2,920,071.47</b>	<b>1,324,759.39</b>

#### **5. Tangible fixed assets**

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

<b>Tangible fixed assets at book value</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
	€	€
Plant and equipment	726.31	1,218.27
Computer hardware	200,981.87	300,897.86
Furniture and vehicles	64,944.27	56,963.92
Other fixtures and fittings	167,154.68	81,007.46
	<b>433,807.13</b>	<b>440,087.51</b>

#### **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:

<b>Type of asset</b>	<b>Straight line depreciation and amortisation rate</b>
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 amounts of the fixed assets can be found in the following table:

**FIXED ASSETS**  
**01.01.2014-31.12.2014**

Account number	Asset category	Opening balance	Additions during the year	Closing balance	Depreciation Rate and Method	Depreciation		Accumulated Depreciation	Closing book value
						Opening balance	Depreciation charge for the year		
21001000	Computer software	40,814.16	0.00	40,814.16	L 25%	25,702.27	9,311.56	35,013.83	5,800.33
21400001	Intangible assets under construction	1,309,647.50	1,604,623.64	2,914,271.14	0.00%	0.00	0.00	0.00	2,914,271.14
23001000	Plant, machinery and equipment	2,225.65	0.00	2,225.65	L 12,5%	1,007.38	491.96	1,499.34	726.31
24001000	Furniture and rolling stock	72,063.38	16,570.14	88,633.52	L 10%; 12,5%, 25%	15,099.46	8,589.79	23,689.25	64,944.27
24101000	Computer hardware	692,558.11	91,104.49	783,662.60	L 25%	391,660.25	191,020.48	582,680.73	200,981.87
24201000	Other fixtures and fittings	119,703.89	137,749.80	257,453.69	L 25%	38,696.43	51,602.58	90,299.01	167,154.68
<b>Totals</b>		<b>2,237,012.69</b>	<b>1,850,048.07</b>	<b>4,087,060.76</b>		<b>472,165.79</b>	<b>261,016.37</b>	<b>733,182.16</b>	<b>3,353,878.60</b>

## 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 the Agency 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 Statement of Financial Performance.

#### 6. Short-term receivables

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

The advance payments made to contractors and recorded as short-term pre-financing relate to services derived from the long term project of REMIT expected to be provided in the course of 2015.

Salary advances paid to staff members are processed and/or recovered 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, recovery of overpaid salaries of staff members, and a deposit made for the rental of furnished offices from *Poslovni Center za Opravljanje Celovitih Pisarniskih Storitve d.o.o.*

	<b>31 December 2014</b>	<b>31 December 2013</b>
	€	€
VAT receivable	2,218.86	901.55
Short term pre-financing	2,039,894.36	475,000.00
Salary advances paid to staff	70,831.99	23,014.50
Deferred charges		
<i>Prepayments</i>	39,875.12	74,985.27
<i>Accrued income</i>	943	221,284.92
<i>Bank charges</i>	-	9.90
<i>Deposits and guarantees</i>	2,940.00	2,940.00
	<b>2,156,703.33</b>	<b>798,136.14</b>

#### 7. Cash and cash equivalents

The main bank account of the Agency and the imprest account are held with UniCredit AG Germany based on a banking services contract signed between the two parties. At 31 December 2014 the balance of the main bank account contained the related cash needed to honour the Agency's financial obligations carried over into 2015.

	<b>31 December 2014 €</b>	<b>31 December 2013 €</b>
Bank account	3,359,200.55	5,458,261.60
Imprest account	12,427.77	10,006.98
Petty cash	649.94	279.73
	<b>3,372,278.26</b>	<b>5,468,548.31</b>

## **EQUITY AND LIABILITIES**

### **8. Current liabilities**

As of 31 December 2014 the Agency settled most of its current obligations towards its suppliers apart from one minor payment to be executed at the beginning of 2015.

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 amounting to €389,797.65.

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 €98,745.71 has been calculated and recognised as accrued expenses for all untaken annual leave entitlements as at the end of the 2014 financial year.

The budgetary outturn result remains the property of the Commission and the Agency has an obligation to return the unused amount of the pre-financing. The 2014 related budgetary outturn will be returned during 2015 on the request of the Commission.

	<b>31 December 2014 €</b>	<b>31 December 2013 €</b>
Accounts payable	348.38	0.00
Accrued expenses	488,543.36	507,402.51
Repayable positive budgetary outturn	708,552.02	418,983.81
	<b>1,197,443.76</b>	<b>926,386.32</b>

## **FINANCIAL INSTRUMENTS**

Financial instruments held by the Agency are cash and cash equivalents, receivables and payables. The Agency has limited exposure to financial risks and it focuses on managing the risks identified below:

### **Credit risk**

Credit risk arises when there is the possibility of the Agency's receivables defaulting on their contractual obligations resulting in financial loss for the Agency.

The maximum exposure to credit risk at the end of the financial year 2014 is the carrying amount of the assets shown under the notes 6 'Short-term receivable', excluding the amount of short-term pre-financing that is already secured by bank guarantees, and note 7 'Cash and cash equivalents'.

Credit risk associated with the Agency's financial assets is minimal as the majority of them are held with institutions that have an external credit rating within the upper classes of the scale or are with debtors who never defaulted on their debt. The table below presents the credit quality of these assets that are neither impaired nor past due and that were grouped into two categories, with and without external credit rating, for the current and previous financial year.

<b>Category:</b>	<b>Financial Assets</b>	<b>2014</b>
<b>Counterparties with external credit rating</b>		
<i>Prime and high grade</i>		
<i>Upper medium grade</i>	Cash and cash equivalents	3,372,278.26
<i>Lower medium grade</i>	Refund of VAT from Slovenian customs office	2,218.86
<b>Counterparties without external credit rating</b>		
<i>Debtors who never defaulted</i>	Receivables, accruals and deferrals	114,590.11
<b>TOTAL</b>		<b>3,489,087.23</b>

<b>Category:</b>	<b>Financial Assets</b>	<b>2013</b>
<b>Counterparties with external credit rating</b>		
<i>Prime and high grade</i>	Cash and cash equivalents	5,468,548.31
<i>Upper medium grade</i>	Refund of VAT from Slovenian customs office	901.55
<i>Lower medium grade</i>		
<b>Counterparties without external credit rating</b>		
<i>Debtors who never defaulted</i>	Receivables, accruals and deferrals	322,234.59
<b>TOTAL</b>		<b>5,791,684.45</b>

**Liquidity risk**



Liquidity risk arises when the Agency is unable to meet its financial obligations as they fall due.

The Agency is exposed to liquidity risk through its trading in the normal course of business but has appropriate treasury management procedures in place to monitor forecast cash flows and ensure that sufficient funds are available to meet its legal commitments as they fall due.

The Agency's liabilities have remaining contractual maturities as shown in the following table:

<b>At 31 December</b>	<b>2014</b>	<b>2013</b>
Payables with third parties		
<i>Less than one year</i>	348.38	0.00
Payables with consolidated entities		
<i>Less than one year</i>	708,900.40	418,983.81
<b>TOTAL</b>	<b>709,248.78</b>	<b>418,983.81</b>

### **Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Agency's income or the value of its holdings of financial instruments.

The Agency does not have any borrowings and as such no exposure to risks due to interest rate fluctuations nor does it have any exposure to foreign exchange rates as all its holdings of financial instruments are hold in euro as functional currency.

The following table shows a summary of all financial assets expressed in euro.

<b>Exposure to euro at 31 December</b>	<b>2014</b>	<b>2013</b>
<b>Monetary assets</b>		
<i>Cash and cash equivalents</i>	3,372,278.26	5,468,548.31
<i>Receivables with member States</i>	2,218.86	901.55
<b>Monetary liabilities</b>		
<i>Payables with third parties</i>	348.38	0.00
<i>Payables with consolidated entities</i>	708,552.02	418,983.81
<b>Net position</b>	<b>2,780,186.83</b>	<b>5,050,466.05</b>

### **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies for the financial year 2014.

### **OTHER DISCLOSURE**

#### **Contribution in kind**

During the financial year 2014 the following contribution in kind has been accepted:

a) 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.

Neither the legal title nor the economic ownership has passed to the Agency, therefore the non-exchange component of these transactions is not accounted for in the accounts of the Agency.

#### **EVENTS AFTER BALANCE SHEET DATE**

The Agency 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 subsidy from the Union for the Agency for the financial year 2014 amounted to €10,880,000. There was 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 and 31 December 2014:

Title Chapter	Heading	Appropriation	Committed	% Committed	Paid	% Paid	Balance commitments	Balance payments
		(1)	(2)		(3)		(1-2)	(2-3)
<b>TITLE 1</b>	<b>Expenditure relating to staff and resources</b>							
CHAPTER 11	Staff in active employment	5,615,187.00	5,215,688.44	92.89%	5,073,773.76	90.36%	399,498.56	141,914.68
CHAPTER 12	Missions and duty travel	120,644.00	85,539.32	70.90%	77,601.70	64.32%	35,104.68	7,937.62
CHAPTER 13	Socio-medical infrastructure	41,160.00	38,666.30	93.94%	8,731.10	21.21%	2,493.70	29,935.20
CHAPTER 14	Social services	27,200.00	23,919.38	87.94%	21,350.44	78.49%	3,280.62	2,568.94
	<b>TOTAL TITLE 1</b>	<b>5,804,191.00</b>	<b>5,363,813.44</b>	<b>92.41%</b>	<b>5,181,457.00</b>	<b>89.27%</b>	<b>440,377.56</b>	<b>182,356.44</b>
<b>TITLE 2</b>	<b>Agency's building and associated costs</b>							
CHAPTER 20	Agency's premises costs	972,395.00	948,847.85	97.58%	883,272.99	90.83%	23,547.15	65,574.86
CHAPTER 21	Data processing	332,600.00	331,444.97	99.65%	105,882.04	31.83%	1,155.03	225,562.93
CHAPTER 22	Movable property and associated costs	234,220.00	227,293.73	97.04%	153,487.16	65.53%	6,926.27	73,806.57
CHAPTER 23	Current administrative expenditure	782,940.00	772,748.68	98.70%	238,282.84	30.43%	10,191.32	534,465.84
CHAPTER 24	Computer infrastructure, telecommunication and postage	145,100.00	143,748.32	99.07%	58,820.22	40.54%	1,351.68	84,928.10
	<b>TOTAL TITLE 2</b>	<b>2,467,255.00</b>	<b>2,424,083.55</b>	<b>98.25%</b>	<b>1,439,745.25</b>	<b>58.35%</b>	<b>43,171.45</b>	<b>984,338.30</b>
<b>TITLE 3</b>	<b>Operational expenditure</b>							
CHAPTER 30	Representation expenses	16,591.64	12,175.19	73.38%	12,075.19	72.78%	4,416.45	100.00
CHAPTER 31	Operational missions	231,646.36	216,041.77	93.26%	191,697.09	82.75%	15,604.59	24,344.68
CHAPTER 32	Stakeholder involvement, public relations and website	138,698.00	108,630.20	78.32%	98,283.14	70.86%	30,067.80	10,347.06
CHAPTER 33	Translations	37,700.00	30,920.35	82.02%	26,920.35	71.41%	6,779.65	4,000.00
CHAPTER 34	Professional indemnity	5,000.00	5,000.00	100.00%	5,000.00	100.00%	0.00	0.00
CHAPTER 35	REMIT operations	2,178,918.00	2,174,832.01	99.81%	643,808.64	29.55%	4,085.99	1,531,023.37
	<b>TOTAL TITLE 3</b>	<b>2,608,554.00</b>	<b>2,547,599.52</b>	<b>97.66%</b>	<b>977,784.41</b>	<b>37.48%</b>	<b>60,954.48</b>	<b>1,569,815.11</b>
	<b>GRAND TOTAL BUDGET 2014</b>	<b>10,880,000.00</b>	<b>10,335,496.51</b>	<b>95.00%</b>	<b>7,598,986.66</b>	<b>69.84%</b>	<b>544,503.49</b>	<b>2,736,509.85</b>

A detailed description of the 2014 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 €12,496.29 resulted from recovered overpaid amounts during the financial year 2014 related to:

- adjustment of the salaries correction coefficient applied to allowances paid to seconded national experts;
- recovery of one cancelled mission for reasons other than professional;
- recovery of one overpaid mission for participation to a board meeting, and
- receipt of insurance payment for one lost inventory item.

None of these assigned revenues have been consumed during the financial year 2014 and are therefore to be returned to the general budget.

The following table presents the implementation of these appropriations for the period between 1 January and 31 December 2014:

Title Chapter	Heading	Appropriation	Committed	% Committed	Paid	% Paid	Balance commitments	Balance payments
		(1)	(2)		(3)		(1-2)	(2-3)
CHAPTER 11	Staff in active employment	10,845.06	-	-	-	-	10,845.06	-
CHAPTER 12	Missions and duty travel	500.00	-	-	-	-	500.00	-
CHAPTER 23	Current administrative expenditure	739.61	-	-	-	-	739.61	-
CHAPTER 24	Postal charges, telecommunication and computer infrastr.	411.62	-	-	-	-	411.62	-
	<b>TOTAL FUND SOURCE C4</b>	<b>12,496.29</b>	-	-	-	-	<b>12,496.29</b>	-

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 €5,075,002.75 was carried forward from the financial year 2013 to honour the payment appropriations from the commitments estimated by the Agency at that point in time. An amount of €4,926,158.68 was consumed by the end of the financial year 2014 with the minor difference of €148,844.07 to be returned to the Commission during the financial year 2015.

The following table presents the implementation of these appropriations for the period between 1 January and 31 December 2014:

Title Chapter	Heading	Appropriation	Committed	% Committed	Paid	% Paid	Balance commitments	Balance payments
		(1)	(2)		(3)		(1-2)	(2-3)
<b>TITLE 1</b>	<b>Expenditure related to employees of the agency</b>							
CHAPTER 11	Staff in active employment	61,588.45	52,870.26	85.84%	52,870.26	85.84%	8,718.19	0.00
CHAPTER 12	Missions and duty travel	19,840.06	15,815.82	79.72%	15,815.82	79.72%	4,024.24	0.00
CHAPTER 13	Socio-medical infrastructure	16,838.55	9,354.75	55.56%	9,354.75	55.56%	7,483.80	0.00
CHAPTER 14	Social services	3,826.04	3,820.44	99.85%	3,820.44	99.85%	5.60	0.00
	<b>TOTAL TITLE 1</b>	<b>102,093.10</b>	<b>81,861.27</b>	<b>80.18%</b>	<b>81,861.27</b>	<b>80.18%</b>	<b>20,231.83</b>	<b>0.00</b>
<b>TITLE 2</b>	<b>Agency's building and associated costs</b>							
CHAPTER 20	Agency premises costs	118,475.06	112,922.69	95.31%	112,922.69	95.31%	5,552.37	0.00
CHAPTER 21	Data processing	32,897.77	32,099.95	97.57%	32,099.95	97.57%	797.82	0.00
CHAPTER 22	Movable property and associated costs	72,600.27	34,991.97	48.20%	34,991.97	48.20%	37,608.30	0.00
CHAPTER 23	Current administrative expenditure	121,344.72	74,420.86	61.33%	74,420.86	61.33%	46,923.86	0.00
CHAPTER 24	Postal charges, telecommunication and computer infrastr.	142,897.84	138,165.42	96.69%	138,165.42	96.69%	4,732.42	0.00
	<b>TOTAL TITLE 2</b>	<b>488,215.66</b>	<b>392,600.89</b>	<b>80.42%</b>	<b>392,600.89</b>	<b>80.42%</b>	<b>95,614.77</b>	<b>0.00</b>
<b>TITLE 3</b>	<b>Operational expenditure</b>							
CHAPTER 30	Representation expenses	10,535.57	415.00	3.94%	415.00	3.94%	10,120.57	0.00
CHAPTER 31	Operational missions	35,095.90	18,562.89	52.89%	18,562.89	52.89%	16,533.01	0.00
CHAPTER 32	Stakeholder involvement, public relations and website	60,965.00	60,382.91	99.05%	60,382.91	99.05%	582.09	0.00
CHAPTER 33	Translations	5,761.80	0.00	0.00%	0.00	0.00%	5,761.80	0.00
CHAPTER 35	REMIT operations	4,372,335.72	4,372,335.72	100.00%	4,372,335.72	100.00%	0.00	0.00
	<b>TOTAL TITLE 3</b>	<b>4,484,693.99</b>	<b>4,451,696.52</b>	<b>99.26%</b>	<b>4,451,696.52</b>	<b>99.26%</b>	<b>32,997.47</b>	<b>0.00</b>
	<b>TOTAL AMOUNT OF CARRIED OVER BUDGET</b>	<b>5,075,002.75</b>	<b>4,926,158.68</b>	<b>97.07%</b>	<b>4,926,158.68</b>	<b>97.07%</b>	<b>148,844.07</b>	<b>0.00</b>

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.

	<b>31 December 2014 €</b>	<b>31 December 2013 €</b>
<b>INCOME</b>		
Commission subsidy	10,880,000.00	11,930,220.00
Other income - assigned revenue	15,960.46	4,198.52
<b>TOTAL INCOME</b>	<b>10,895,960.46</b>	<b>11,934,418.52</b>
<b>EXPENSES</b>		
<b>Expenditure related to employees of the agency - Title I</b>		
Payments	5,181,457.00	4,762,240.75
Carry-forwards and carry-overs	182,356.44	102,093.10
<b>Agency's building and associated expenses - Title II</b>		
Payments	1,439,745.25	1,495,346.94
Carry-forwards and carry-overs	984,338.30	1,871,815.48
<b>Operational expenditure - Title III</b>		
Payments	977,784.41	304,246.59
Carry-forwards and carry-overs	1,569,815.11	3,101,094.17
<b>TOTAL EXPENSES</b>	<b>10,335,496.51</b>	<b>11,636,837.03</b>
Total appropriations not utilised	560,463.95	297,581.49
<b>BUDGETARY OUTTURN BEFORE SPECIAL ITEMS</b>	<b>560,463.95</b>	<b>297,581.49</b>
Cancelled carry-overs	148,844.07	118,814.39
Exchange rate differences	(756.01)	(472.10)
<b>BUDGETARY OUTTURN</b>	<b>708,552.01</b>	<b>415,923.78</b>
Interest generated by the end of the financial year to be returned to the Commission	0.00	3,060.03
<b>Total to be returned to the Commission</b>	<b>708,552.01</b>	<b>418,983.81</b>

## **BUDGET IMPLEMENTATION**

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

**31 December  
2014  
€**

**TITLE 1**

Budget	5,804,191.00
Committed	5,363,813.44
Paid	5,181,457.00
Carry forward	182,356.44
Carry over	0.00
Total expenditure	5,363,813.44
Appropriations not utilized	440,377.56
Executed	92.41%

**TITLE 2**

Budget	2,467,255.00
Committed	2,424,083.55
Paid	1,439,745.25
Carry forward	984,338.30
Carry over	0.00
Total expenditure	2,424,083.55
Appropriations not utilized	43,171.45
Executed	98.25%

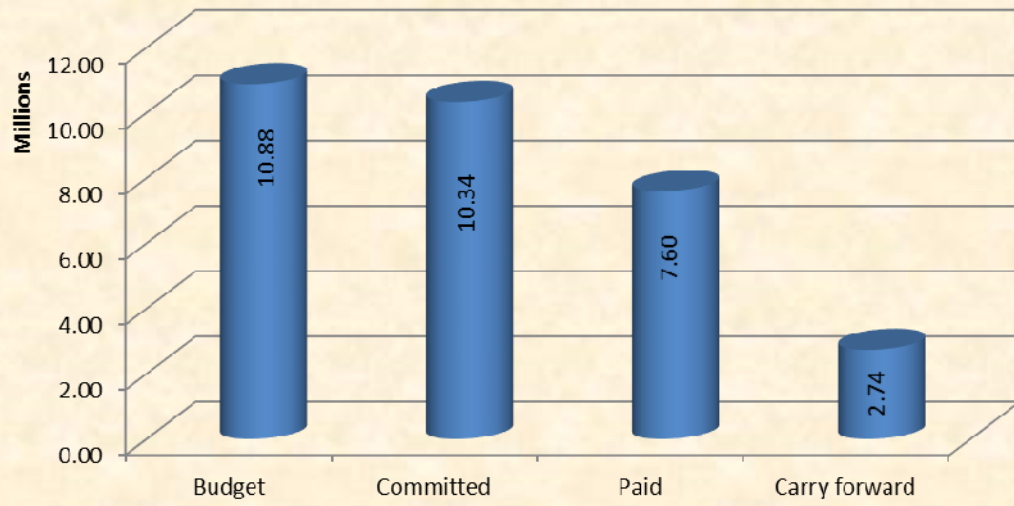
**TITLE 3**

Budget	2,608,554.00
Committed	2,547,599.52
Paid	977,784.41
Carry forward	1,569,815.11
Carry over	0.00
Total expenditure	2,547,599.52
Appropriations not utilized	60,954.48
Executed	97.66%

**TOTAL**

Budget	10,880,000.00
Committed	10,335,496.51
Paid	7,598,986.66
Carry forward	2,736,509.85
Carry over	0.00
Total expenditure	10,335,496.51
Appropriations not utilized	544,503.49
Executed	<b>95.00%</b>

## Implementation of 2012 budget - fund source C1



### Detailed budget implementation of current year appropriations – fund source C1

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-1100	Basic Salaries and correction	2,637,832.00	2,512,230.43	95.24%	2,512,230.43	95.24%	125,601.57	-
A-1101	Family allowances	486,171.00	433,005.57	89.06%	433,005.57	89.06%	53,165.43	-
A-1102	Expatriation and foreign residence allowances	497,208.00	481,983.23	96.94%	481,983.23	96.94%	15,224.77	-
	<b>Sum:</b>	<b>3,621,211.00</b>	<b>3,427,219.23</b>	<b>94.64%</b>	<b>3,427,219.23</b>	<b>94.64%</b>	<b>193,991.77</b>	<b>-</b>
A-1110	Contract agents	442,325.00	345,639.20	78.14%	345,639.20	78.14%	96,685.80	-
A-1111	Seconded National Experts	520,188.00	513,705.47	98.75%	513,705.47	98.75%	6,482.53	-
	<b>Sum:</b>	<b>962,513.00</b>	<b>859,344.67</b>	<b>89.28%</b>	<b>859,344.67</b>	<b>89.28%</b>	<b>103,168.33</b>	<b>-</b>
A-1120	Training and information for staff	171,793.00	166,459.68	96.90%	94,404.24	54.95%	5,333.32	72,055.44
	<b>Sum:</b>	<b>171,793.00</b>	<b>166,459.68</b>	<b>96.90%</b>	<b>94,404.24</b>	<b>54.95%</b>	<b>5,333.32</b>	<b>72,055.44</b>
A-1130	Insurance against sickness	114,323.00	114,322.91	100.00%	114,322.91	100.00%	0.09	-
A-1131	Insurance against accidents and occupational disease	26,235.00	19,199.45	73.18%	19,199.45	73.18%	7,035.55	-
A-1132	Unemployment insurance for temporary staff	41,536.00	41,536.00	100.00%	41,536.00	100.00%	-	-
	<b>Sum:</b>	<b>182,094.00</b>	<b>175,058.36</b>	<b>96.14%</b>	<b>175,058.36</b>	<b>96.14%</b>	<b>7,035.64</b>	<b>-</b>
A-1140	Birth and death grants	1,984.00	396.62	19.99%	396.62	19.99%	1,587.38	-
A-1141	Annual travel expenses from the place of work to origin	71,345.00	63,726.30	89.32%	63,726.30	89.32%	7,618.70	-
A-1142	Schooling fees	156,868.00	156,359.41	99.68%	156,359.41	99.68%	508.59	-
	<b>Sum:</b>	<b>230,197.00</b>	<b>220,482.33</b>	<b>95.78%</b>	<b>220,482.33</b>	<b>95.78%</b>	<b>9,714.67</b>	<b>-</b>
A-1160	Expenditure related to recruitment	122,853.00	85,768.56	69.81%	41,785.68	34.01%	37,084.44	43,982.88
A-1161	Travel expense to take up duty	23,000.00	2,046.13	8.90%	2,046.13	8.90%	20,953.87	-
A-1162	Installation resettlement and transfer allowances	58,020.00	58,019.49	100.00%	58,019.49	100.00%	0.51	-
A-1163	Temporary daily subsistence allowances	55,736.00	50,935.92	91.39%	50,935.92	91.39%	4,800.08	-
	<b>Sum:</b>	<b>259,609.00</b>	<b>196,770.10</b>	<b>75.79%</b>	<b>152,787.22</b>	<b>58.85%</b>	<b>62,838.90</b>	<b>43,982.88</b>
A-1170	Supplementary clerical and interim services	137,000.00	120,859.58	88.22%	100,903.59	73.65%	16,140.42	19,955.99
A-1171	Administrative assistance	50,770.00	49,494.49	97.49%	43,574.12	85.83%	1,275.51	5,920.37
	<b>Sum:</b>	<b>187,770.00</b>	<b>170,354.07</b>	<b>90.72%</b>	<b>144,477.71</b>	<b>76.94%</b>	<b>17,415.93</b>	<b>25,876.36</b>



Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-1200	Mission expenses Administrative staff	46,364.00	19,527.58	42.12%	18,016.32	38.86%	26,836.42	1,511.26
A-1201	Mission expenses Director	27,000.00	26,731.74	99.01%	23,865.35	88.39%	268.26	2,866.39
A-1202	Mission expenses Director Office staff	47,280.00	39,280.00	83.08%	35,720.03	75.55%	8,000.00	3,559.97
	<b>Sum:</b>	<b>120,644.00</b>	<b>85,539.32</b>	<b>70.90%</b>	<b>77,601.70</b>	<b>64.32%</b>	<b>35,104.68</b>	<b>7,937.62</b>
A-1300	Medical services and equipment	41,160.00	38,666.30	93.94%	8,731.10	21.21%	2,493.70	29,935.20
	<b>Sum:</b>	<b>41,160.00</b>	<b>38,666.30</b>	<b>93.94%</b>	<b>8,731.10</b>	<b>21.21%</b>	<b>2,493.70</b>	<b>29,935.20</b>
A-1401	Social welfare of staff	18,000.00	18,000.00	100.00%	15,431.06	85.73%	-	2,568.94
	<b>Sum:</b>	<b>18,000.00</b>	<b>18,000.00</b>	<b>100.00%</b>	<b>15,431.06</b>	<b>85.73%</b>	<b>-</b>	<b>2,568.94</b>
A-1410	Staff Committee	9,200.00	5,919.38	64.34%	5,919.38	64.34%	3,280.62	-
	<b>Sum:</b>	<b>9,200.00</b>	<b>5,919.38</b>	<b>64.34%</b>	<b>5,919.38</b>	<b>64.34%</b>	<b>3,280.62</b>	<b>-</b>
A-2000	Rent	578,495.00	578,493.36	100.00%	578,493.36	100.00%	1.64	-
A-2001	Removal costs	5,000.00	3,480.00	69.60%	180.00	3.60%	1,520.00	3,300.00
	<b>Sum:</b>	<b>583,495.00</b>	<b>581,973.36</b>	<b>99.74%</b>	<b>578,673.36</b>	<b>99.17%</b>	<b>1,521.64</b>	<b>3,300.00</b>
A-2010	Utilities	105,500.00	105,500.00	100.00%	100,591.32	95.35%	-	4,908.68
A-2011	Cleaning and maintenance	88,000.00	88,000.00	100.00%	81,860.77	93.02%	-	6,139.23
	<b>Sum:</b>	<b>193,500.00</b>	<b>193,500.00</b>	<b>100.00%</b>	<b>182,452.09</b>	<b>94.29%</b>	<b>-</b>	<b>11,047.91</b>
A-2020	Insurance	5,000.00	3,167.89	63.36%	3,167.89	63.36%	1,832.11	-
	<b>Sum:</b>	<b>5,000.00</b>	<b>3,167.89</b>	<b>63.36%</b>	<b>3,167.89</b>	<b>63.36%</b>	<b>1,832.11</b>	<b>-</b>
A-2030	Security and surveillance of buildings	47,000.00	47,000.00	100.00%	27,678.44	58.89%	-	19,321.56
A-2031	Health and safety at work	8,400.00	3,718.39	44.27%	2,620.47	31.20%	4,681.61	1,097.92
	<b>Sum:</b>	<b>55,400.00</b>	<b>50,718.39</b>	<b>91.55%</b>	<b>30,298.91</b>	<b>54.69%</b>	<b>4,681.61</b>	<b>20,419.48</b>
A-2040	Other expenditure on buildings	130,000.00	114,517.20	88.09%	86,559.39	66.58%	15,482.80	27,957.81
A-2041	Audio & Video equipment-maintenance	5,000.00	4,971.01	99.42%	2,121.35	42.43%	28.99	2,849.66
	<b>Sum:</b>	<b>135,000.00</b>	<b>119,488.21</b>	<b>88.51%</b>	<b>88,680.74</b>	<b>65.69%</b>	<b>15,511.79</b>	<b>30,807.47</b>
A-2100	Consumables	11,948.00	11,659.22	97.58%	10,663.97	89.25%	288.78	995.25
A-2101	Software	34,364.00	33,836.81	98.47%	32,765.57	95.35%	527.19	1,071.24
A-2102	Subscriptions IT	200,288.00	199,954.71	99.83%	62,452.50	31.18%	333.29	137,502.21
A-2103	Disaster recovery site	86,000.00	85,994.23	99.99%			5.77	85,994.23
	<b>Sum:</b>	<b>332,600.00</b>	<b>331,444.97</b>	<b>99.65%</b>	<b>105,882.04</b>	<b>31.83%</b>	<b>1,155.03</b>	<b>225,562.93</b>

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-2210	Purchase of furniture	33,700.00	26,773.73	79.45%	11,777.48	34.95%	6,926.27	14,996.25
	<b>Sum:</b>	<b>33,700.00</b>	<b>26,773.73</b>	<b>79.45%</b>	<b>11,777.48</b>	<b>34.95%</b>	<b>6,926.27</b>	<b>14,996.25</b>
A-2220	Transportation costs	102,000.00	102,000.00	100.00%	99,487.76	97.54%	-	2,512.24
	<b>Sum:</b>	<b>102,000.00</b>	<b>102,000.00</b>	<b>100.00%</b>	<b>99,487.76</b>	<b>97.54%</b>	<b>-</b>	<b>2,512.24</b>
A-2230	Library acquisitions	98,520.00	98,520.00	100.00%	42,221.92	42.86%	-	56,298.08
	<b>Sum:</b>	<b>98,520.00</b>	<b>98,520.00</b>	<b>100.00%</b>	<b>42,221.92</b>	<b>42.86%</b>	<b>-</b>	<b>56,298.08</b>
A-2300	Stationery and office supplies	31,500.00	31,500.00	100.00%	27,268.79	86.57%	-	4,231.21
	<b>Sum:</b>	<b>31,500.00</b>	<b>31,500.00</b>	<b>100.00%</b>	<b>27,268.79</b>	<b>86.57%</b>	<b>-</b>	<b>4,231.21</b>
A-2310	Bank charges	240.00	121.53	50.64%	121.53	50.64%	118.47	-
	<b>Sum:</b>	<b>240.00</b>	<b>121.53</b>	<b>50.64%</b>	<b>121.53</b>	<b>50.64%</b>	<b>118.47</b>	<b>-</b>
A-2320	Legal expenses	15,000.00	13,500.00	90.00%	3,375.00	22.50%	1,500.00	10,125.00
A-2321	Expert consultation	560,600.00	559,205.29	99.75%	110,408.29	19.69%	1,394.71	448,797.00
	<b>Sum:</b>	<b>575,600.00</b>	<b>572,705.29</b>	<b>99.50%</b>	<b>113,783.29</b>	<b>19.77%</b>	<b>2,894.71</b>	<b>458,922.00</b>
A-2330	Administrative Board meetings	20,000.00	20,000.00	100.00%	16,244.72	81.22%	-	3,755.28
A-2331	Board of Regulators meetings	120,000.00	120,000.00	100.00%	53,442.65	44.54%	-	66,557.35
A-2332	Board of Appeal meetings	20,000.00	15,695.51	78.48%	15,695.51	78.48%	4,304.49	-
A-2333	External participants to meetings	5,500.00	3,546.69	64.49%	3,546.69	64.49%	1,953.31	-
A-2334	EU Agencies Network	10,100.00	9,179.66	90.89%	8,179.66	80.99%	920.34	1,000.00
	<b>Sum:</b>	<b>175,600.00</b>	<b>168,421.86</b>	<b>95.91%</b>	<b>97,109.23</b>	<b>55.30%</b>	<b>7,178.14</b>	<b>71,312.63</b>
A-2400	Postal charges	10,000.00	10,000.00	100.00%	7,783.49	77.83%	-	2,216.51
	<b>Sum:</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>100.00%</b>	<b>7,783.49</b>	<b>77.83%</b>	<b>-</b>	<b>2,216.51</b>
A-2410	Telecommunications subscriptions and charges	47,300.00	46,550.00	98.41%	40,736.14	86.12%	750.00	5,813.86
	<b>Sum:</b>	<b>47,300.00</b>	<b>46,550.00</b>	<b>98.41%</b>	<b>40,736.14</b>	<b>86.12%</b>	<b>750.00</b>	<b>5,813.86</b>
A-2420	Hardware and other equipment	87,800.00	87,198.32	99.31%	10,300.59	11.73%	601.68	76,897.73
	<b>Sum:</b>	<b>87,800.00</b>	<b>87,198.32</b>	<b>99.31%</b>	<b>10,300.59</b>	<b>11.73%</b>	<b>601.68</b>	<b>76,897.73</b>

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
B3-000	Representation expenses - director	3,000.00	2,267.22	75.57%	2,167.22	72.24%	732.78	100.00
B3-001	Representation expenses - Administration	5,000.00	2,828.41	56.57%	2,828.41	56.57%	2,171.59	-
B3-002	Representation expenses - Electricity	3,000.00	2,742.71	91.42%	2,742.71	91.42%	257.29	-
B3-003	Representation expenses - MMD	2,591.64	2,591.64	100.00%	2,591.64	100.00%	-	-
B3-004	Representation expenses - Gas	3,000.00	1,745.21	58.17%	1,745.21	58.17%	1,254.79	-
	<b>Sum:</b>	<b>16,591.64</b>	<b>12,175.19</b>	<b>73.38%</b>	<b>12,075.19</b>	<b>72.78%</b>	<b>4,416.45</b>	<b>100.00</b>
B3-100	Operational Missions Gas Department	70,000.00	60,734.37	86.76%	58,900.79	84.14%	9,265.63	1,833.58
B3-101	Operational Missions Electricity Department	84,238.00	78,030.75	92.63%	62,969.00	74.75%	6,207.25	15,061.75
B3-102	Operational Missions Market Monitoring Department	77,408.36	77,276.65	99.83%	69,827.30	90.21%	131.71	7,449.35
	<b>Sum:</b>	<b>231,646.36</b>	<b>216,041.77</b>	<b>93.26%</b>	<b>191,697.09</b>	<b>82.75%</b>	<b>15,604.59</b>	<b>24,344.68</b>
B3-200	Public hearings workshops conferences	82,698.00	75,396.00	91.17%	66,128.94	79.96%	7,302.00	9,267.06
B3-201	Website set up and maintenance	-	-	0.00%	-	-	-	-
B3-202	Publications information material	31,000.00	16,786.20	54.15%	16,786.20	54.15%	14,213.80	-
B3-203	Reports production	25,000.00	16,448.00	65.79%	15,368.00	61.47%	8,552.00	1,080.00
	<b>Sum:</b>	<b>138,698.00</b>	<b>108,630.20</b>	<b>78.32%</b>	<b>98,283.14</b>	<b>70.86%</b>	<b>30,067.80</b>	<b>10,347.06</b>
B3-300	Translation at CDT	37,700.00	30,920.35	82.02%	26,920.35	71.41%	6,779.65	4,000.00
	<b>Sum:</b>	<b>37,700.00</b>	<b>30,920.35</b>	<b>82.02%</b>	<b>26,920.35</b>	<b>71.41%</b>	<b>6,779.65</b>	<b>4,000.00</b>
B3-400	Insurance	5,000.00	5,000.00	100.00%	5,000.00	100.00%	-	-
	<b>Sum:</b>	<b>5,000.00</b>	<b>5,000.00</b>	<b>100.00%</b>	<b>5,000.00</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>
B3-500	Hosting deployment and operations	400,000.00	399,937.01	99.98%	149,989.81	37.50%	62.99	249,947.20
B3-501	ARIS development licenses subscriptions and fees	911,700.00	911,700.00	100.00%	348,201.39	38.19%	-	563,498.61
B3-502	SMARTS development licenses and consultancy	-	-	0.00%	-	-	-	-
B3-503	IT and expert consultancy	867,218.00	863,195.00	99.54%	145,617.44	16.79%	4,023.00	717,577.56
	<b>Sum:</b>	<b>2,178,918.00</b>	<b>2,174,832.01</b>	<b>99.81%</b>	<b>643,808.64</b>	<b>29.55%</b>	<b>4,085.99</b>	<b>1,531,023.37</b>
	<b>Sum:</b>	<b>10,880,000.00</b>	<b>10,335,496.51</b>	<b>95.00%</b>	<b>7,598,986.66</b>	<b>69.84%</b>	<b>544,503.49</b>	<b>2,736,509.85</b>

**BUDGET IMPLEMENTATION CURRENT YEAR – FUND SOURCE C4**

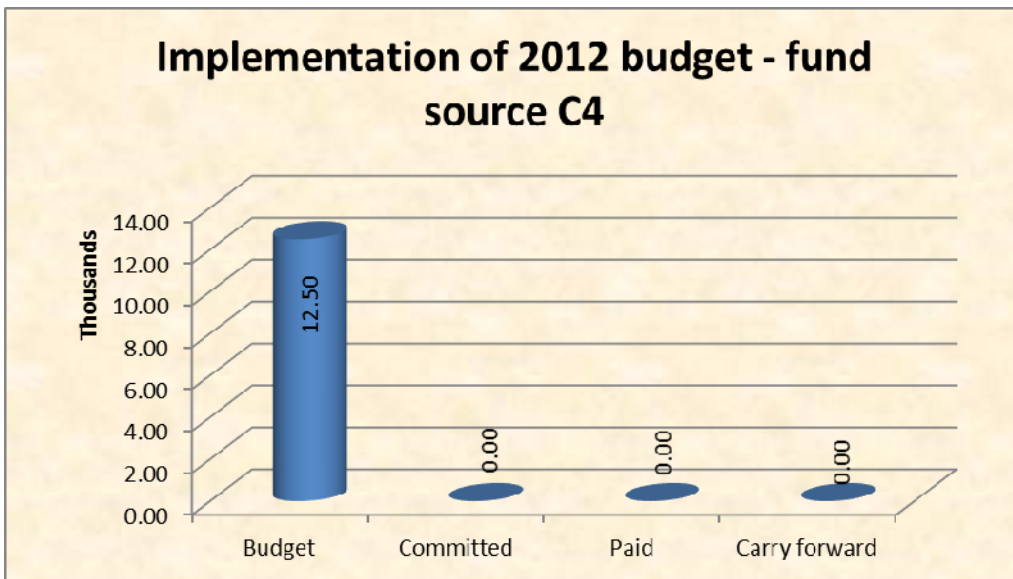
**31  
December  
2014  
€**

**TITLE 1**

Budget	11,345.06
Appropriations not utilized	11,345.06
Executed	0.00%

**TITLE 2**

Budget	1,151.23
Appropriations not utilized	1,151.23
Executed	0.00%

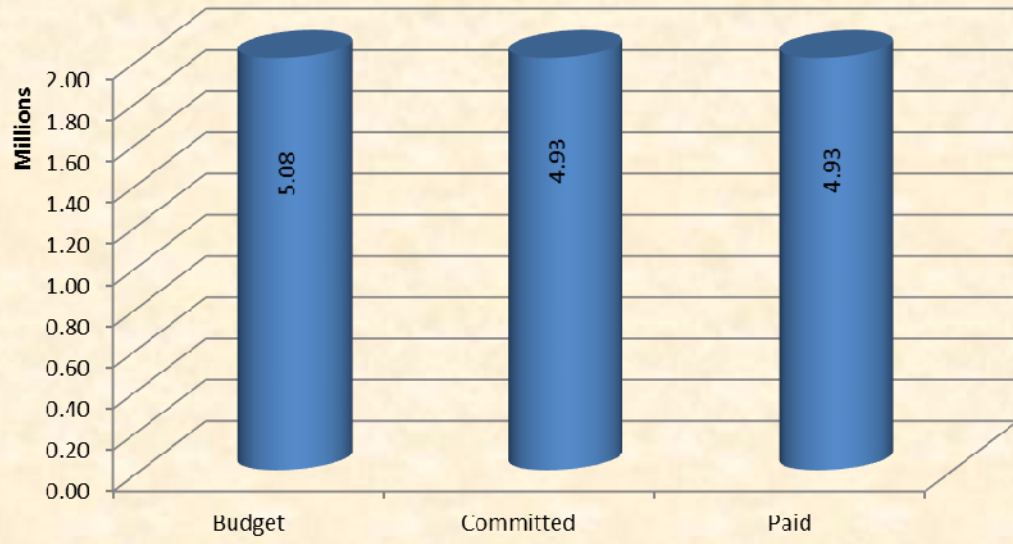


Title	Heading	Assigned revenue €	Commitments €	Commitment execution %	Payments €	Payment execution %
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	11,345.06	-	0.00	-	0.00
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	1,151.23	-	0.00	-	0.00
	<b>TOTAL</b>	<b>12,496.29</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>

**BUDGET IMPLEMENTATION APPROPRIATION FUND SOURCE – C8**

	<b>31 December 2014 €</b>
<b>TITLE 1</b>	
Budget	102,093.10
Committed	81,861.27
Paid	81,861.27
Total expenditure	81,861.27
Cancelled carry-forwards	20,231.83
Executed	80.18%
<b>TITLE 2</b>	
Budget	488,215.66
Committed	392,600.89
Paid	392,600.89
Total expenditure	392,600.89
Cancelled carry-forwards	95,614.77
Executed	80.42%
<b>TITLE 3</b>	
Budget	4,484,693.99
Committed	4,451,696.52
Paid	4,451,696.52
Total expenditure	4,451,696.52
Cancelled carry-forwards	32,997.47
Executed	99.26%
<b>TOTAL</b>	
Budget	5,075,002.75
Committed	4,926,158.68
Paid	4,926,158.68
Total expenditure	4,926,158.68
Cancelled carry-forwards	148,844.07
Executed	<b>97.07%</b>

## Implementation of 2012 budget - fund source C8



**Detailed budget implementation of appropriations carried forward – fund source C8**

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-1120	Training and information for staff	29,753.18	28,693.26	96.44%	28,693.26	96.44%	1,059.92	0
	<b>Sum:</b>	<b>29,753.18</b>	<b>28,693.26</b>	<b>96.44%</b>	<b>28,693.26</b>	<b>96.44%</b>	<b>1,059.92</b>	<b>0</b>
A-1142	Schooling fees	3,400.00	3,400.00	100.00%	3,400.00	100.00%	-	0
	<b>Sum:</b>	<b>3,400.00</b>	<b>3,400.00</b>	<b>100.00%</b>	<b>3,400.00</b>	<b>100.00%</b>	<b>-</b>	<b>0</b>
A-1160	Expenditure related to recruitment	9,329.67	4,414.84	47.32%	4,414.84	47.32%	4,914.83	0
	<b>Sum:</b>	<b>9,329.67</b>	<b>4,414.84</b>	<b>47.32%</b>	<b>4,414.84</b>	<b>47.32%</b>	<b>4,914.83</b>	<b>0</b>
A-1170	Supplementary clerical and interim services	15,964.01	15,318.21	95.95%	15,318.21	95.95%	645.80	0
A-1171	Administrative assistance	3,141.59	1,043.95	33.23%	1,043.95	33.23%	2,097.64	0
	<b>Sum:</b>	<b>19,105.60</b>	<b>16,362.16</b>	<b>85.64%</b>	<b>16,362.16</b>	<b>85.64%</b>	<b>2,743.44</b>	<b>0</b>
A-1200	Mission expenses Administrative staff	6,029.15	4,868.59	80.75%	4,868.59	80.75%	1,160.56	0
A-1201	Mission expenses Director	3,472.59	2,709.73	78.03%	2,709.73	78.03%	762.86	0
A-1202	Mission expenses Director Office staff	10,338.32	8,237.50	79.68%	8,237.50	79.68%	2,100.82	0
	<b>Sum:</b>	<b>19,840.06</b>	<b>15,815.82</b>	<b>79.72%</b>	<b>15,815.82</b>	<b>79.72%</b>	<b>4,024.24</b>	<b>0</b>
A-1300	Medical services and equipment	16,838.55	9,354.75	55.56%	9,354.75	55.56%	7,483.80	0
	<b>Sum:</b>	<b>16,838.55</b>	<b>9,354.75</b>	<b>55.56%</b>	<b>9,354.75</b>	<b>55.56%</b>	<b>7,483.80</b>	<b>0</b>
A-1401	Social welfare of staff	1,649.62	1,644.29	99.68%	1,644.29	99.68%	5.33	0
	<b>Sum:</b>	<b>1,649.62</b>	<b>1,644.29</b>	<b>99.68%</b>	<b>1,644.29</b>	<b>99.68%</b>	<b>5.33</b>	<b>0</b>
A-1410	Staff Committee	2,176.42	2,176.15	99.99%	2,176.15	99.99%	0.27	0
	<b>Sum:</b>	<b>2,176.42</b>	<b>2,176.15</b>	<b>99.99%</b>	<b>2,176.15</b>	<b>99.99%</b>	<b>0.27</b>	<b>0</b>
A-2000	Rent	69,086.14	68,481.58	99.12%	68,481.58	99.12%	604.56	0
A-2001	Removal costs	1,915.00	1,500.00	78.33%	1,500.00	78.33%	415.00	0
	<b>Sum:</b>	<b>71,001.14</b>	<b>69,981.58</b>	<b>98.56%</b>	<b>69,981.58</b>	<b>98.56%</b>	<b>1,019.56</b>	<b>0</b>
A-2010	Utilities	12,095.38	12,095.38	100.00%	12,095.38	100.00%	-	0
A-2011	Cleaning and maintenance	5,491.98	4,150.57	75.58%	4,150.57	75.58%	1,341.41	0
	<b>Sum:</b>	<b>17,587.36</b>	<b>16,245.95</b>	<b>92.37%</b>	<b>16,245.95</b>	<b>92.37%</b>	<b>1,341.41</b>	<b>0</b>

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-2030	Security and surveillance of buildings	15,118.94	12,121.59	80.17%	12,121.59	80.17%	2,997.35	0
	<b>Sum:</b>	<b>15,118.94</b>	<b>12,121.59</b>	<b>80.17%</b>	<b>12,121.59</b>	<b>80.17%</b>	<b>2,997.35</b>	<b>0</b>
A-2040	Other expenditure on buildings	14,767.62	14,573.57	98.69%	14,573.57	98.69%	194.05	0
	<b>Sum:</b>	<b>14,767.62</b>	<b>14,573.57</b>	<b>98.69%</b>	<b>14,573.57</b>	<b>98.69%</b>	<b>194.05</b>	<b>0</b>
A-2100	Consumables	2,171.60	1,921.60	88.49%	1,921.60	88.49%	250.00	0
A-2102	Subscriptions IT	30,726.17	30,178.35	98.22%	30,178.35	98.22%	547.82	0
	<b>Sum:</b>	<b>32,897.77</b>	<b>32,099.95</b>	<b>97.57%</b>	<b>32,099.95</b>	<b>97.57%</b>	<b>797.82</b>	<b>0</b>
A-2210	Purchase of furniture	16,137.89	16,105.30	99.80%	16,105.30	99.80%	32.59	0
	<b>Sum:</b>	<b>16,137.89</b>	<b>16,105.30</b>	<b>99.80%</b>	<b>16,105.30</b>	<b>99.80%</b>	<b>32.59</b>	<b>0</b>
A-2220	Transportation costs	1,646.98	460.40	27.95%	460.40	27.95%	1,186.58	0
	<b>Sum:</b>	<b>1,646.98</b>	<b>460.40</b>	<b>27.95%</b>	<b>460.40</b>	<b>27.95%</b>	<b>1,186.58</b>	<b>0</b>
A-2230	Library acquisitions	54,815.40	18,426.27	33.62%	18,426.27	33.62%	36,389.13	0
	<b>Sum:</b>	<b>54,815.40</b>	<b>18,426.27</b>	<b>33.62%</b>	<b>18,426.27</b>	<b>33.62%</b>	<b>36,389.13</b>	<b>0</b>
A-2300	Stationery and office supplies	6,409.72	6,409.72	100.00%	6,409.72	100.00%	-	0
	<b>Sum:</b>	<b>6,409.72</b>	<b>6,409.72</b>	<b>100.00%</b>	<b>6,409.72</b>	<b>100.00%</b>	<b>-</b>	<b>0</b>
A-2310	Bank charges	121.26	9.90	8.16%	9.90	8.16%	111.36	0
	<b>Sum:</b>	<b>121.26</b>	<b>9.90</b>	<b>8.16%</b>	<b>9.90</b>	<b>8.16%</b>	<b>111.36</b>	<b>0</b>
A-2321	Expert consultation	15,927.74	6,400.40	40.18%	6,400.40	40.18%	9,527.34	0
	<b>Sum:</b>	<b>15,927.74</b>	<b>6,400.40</b>	<b>40.18%</b>	<b>6,400.40</b>	<b>40.18%</b>	<b>9,527.34</b>	<b>0</b>
A-2330	Administrative Board meetings	19,611.44	10,403.69	53.05%	10,403.69	53.05%	9,207.75	0
A-2331	Board of Regulators meetings	68,613.64	47,447.97	69.15%	47,447.97	69.15%	21,165.67	0
A-2332	Board of Appeal meetings	10,328.92	3,419.18	33.10%	3,419.18	33.10%	6,909.74	0
A-2334	EU Agencies Network	332.00	330.00	99.40%	330.00	99.40%	2.00	0
	<b>Sum:</b>	<b>98,886.00</b>	<b>61,600.84</b>	<b>62.29%</b>	<b>61,600.84</b>	<b>62.29%</b>	<b>37,285.16</b>	<b>0</b>
A-2400	Postal charges	1,458.33	204.98	14.06%	204.98	14.06%	1,253.35	0
	<b>Sum:</b>	<b>1,458.33</b>	<b>204.98</b>	<b>14.06%</b>	<b>204.98</b>	<b>14.06%</b>	<b>1,253.35</b>	<b>0</b>
A-2410	Telecommunications subscriptions and charges	6,556.21	3,077.14	46.93%	3,077.14	46.93%	3,479.07	0
	<b>Sum:</b>	<b>6,556.21</b>	<b>3,077.14</b>	<b>46.93%</b>	<b>3,077.14</b>	<b>46.93%</b>	<b>3,479.07</b>	<b>0</b>



Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-2420	Hardware and other equipment	134,883.30	134,883.30	100.00%	134,883.30	100.00%	-	0
	<b>Sum:</b>	<b>134,883.30</b>	<b>134,883.30</b>	<b>100.00%</b>	<b>134,883.30</b>	<b>100.00%</b>	<b>-</b>	<b>0</b>
B3-001	Representation expenses - Administration	10,535.57	415.00	3.94%	415.00	3.94%	10,120.57	0
	<b>Sum:</b>	<b>10,535.57</b>	<b>415.00</b>	<b>3.94%</b>	<b>415.00</b>	<b>3.94%</b>	<b>10,120.57</b>	<b>0</b>
B3-100	Operational Missions Gas Department	12,900.47	4,520.02	35.04%	4,520.02	35.04%	8,380.45	0
B3-101	Operational Missions Electricity Department	14,618.90	11,532.00	78.88%	11,532.00	78.88%	3,086.90	0
B3-102	Operational Missions Market Monitoring Department	7,576.53	2,510.87	33.14%	2,510.87	33.14%	5,065.66	0
	<b>Sum:</b>	<b>35,095.90</b>	<b>18,562.89</b>	<b>52.89%</b>	<b>18,562.89</b>	<b>52.89%</b>	<b>16,533.01</b>	<b>0</b>
B3-200	Public hearings workshops conferences	4,536.00	4,536.00	100.00%	4,536.00	100.00%	-	0
B3-201	Website set up and maintenance	44,680.00	44,680.00	100.00%	44,680.00	100.00%	-	0
B3-202	Publications information material	2,677.00	2,677.00	100.00%	2,677.00	100.00%	-	0
B3-203	Reports production	9,072.00	8,489.91	93.58%	8,489.91	93.58%	582.09	0
	<b>Sum:</b>	<b>60,965.00</b>	<b>60,382.91</b>	<b>99.05%</b>	<b>60,382.91</b>	<b>99.05%</b>	<b>582.09</b>	<b>0</b>
B3-300	Translation at CDT	5,761.80	-	0.00%	-	-	5,761.80	0
	<b>Sum:</b>	<b>5,761.80</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>5,761.80</b>	<b>0</b>
B3-500	Hosting deployment and operations	2,188,696.32	2,188,696.32	100.00%	2,188,696.32	100.00%	-	0
B3-501	ARIS development licenses subscriptions and fees	870,002.40	870,002.40	100.00%	870,002.40	100.00%	-	0
B3-502	SMARTS development licenses and consultancy	900,000.00	900,000.00	100.00%	900,000.00	100.00%	-	0
B3-503	IT and expert consultancy	413,637.00	413,637.00	100.00%	413,637.00	100.00%	-	0
	<b>Sum:</b>	<b>4,372,335.72</b>	<b>4,372,335.72</b>	<b>100.00%</b>	<b>4,372,335.72</b>	<b>100.00%</b>	<b>-</b>	<b>0</b>
	<b>Sum:</b>	<b>5,075,002.75</b>	<b>4,926,158.68</b>	<b>97.07%</b>	<b>4,926,158.68</b>	<b>97.07%</b>	<b>148,844.07</b>	<b>0</b>

## **BUDGETARY OUTTURN RECONCILIATION**

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

<b>RECONCILIATION BETWEEN ACCRUAL BASED ECONOMIC RESULT AND CASH BASED BUDGET RESULT</b>		
	<b>2014</b>	<b>2013</b>
<b>Economic result for the year</b>	<b>580,271.40</b>	<b>4,970,258.18</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>		
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	(432,417.24)	(230,468.58)
Adjustments for Accrual Cut-off (cut-off 31.12.N)	453,702.51	432,417.24
Amount from liaison account with Commission booked in the Economic Outturn Account	(7,022.50)	(6,232.24)
Unpaid invoices at year end but booked in charges	0.00	0.00
Depreciation of intangible and tangible assets	261,016.37	193,198.48
Accrued income	220,341.92	(221,284.92)
Payments made from carry over of payment appropriations	4,926,158.68	1,832,595.01
Interest received at year end	0.00	(3,069.93)
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>		
Asset acquisitions	(1,850,048.07)	(1,536,578.25)
New pre-financing paid in the year 2014 and remaining open as at 31.12.2014	(1,564,894.36)	(475,000.00)
New pre-financing received in the year 2014 and remaining open as at 31.12.2014	708,552.01	415,923.78
Payment appropriations carried over to N+1	(2,736,509.85)	(5,075,002.75)
Cancellation of unused carried over payment appropriations from previous year	148,844.07	118,814.39
Other non-reconciled items	(198.94)	(118.73)
<b>total</b>	<b>707,796.00</b>	<b>415,451.68</b>
<b>Budgetary result</b>	<b>708,552.01</b>	<b>415,923.78</b>
<b>Including amount of exchange rate differences</b>	<b>(756.01)</b>	<b>(472.10)</b>
Amount not explained	0.00	0.00

## **BUDGETARY MANAGEMENT**

### **Budgetary principles**

The budget of the Agency 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 the Agency's Financial Regulation.

### **Subsidy from the general budget of the Union**

Commitment and payment appropriations amounting to €10,880,000 were allocated to the Agency in 2014 from the general budget of the Union. These resources were allocated by the Agency among its Titles as follows:

<b>ACER Budget 2014</b>	<b>€</b>
Title I	5,804,191
Title II	2,467,255
Title III	2,608,554
<b>Total</b>	<b><u>10,880,000</u></b>

### **Budget and accounting management systems**

In order to record and keep track of the budgetary transactions, the Agency uses ABAC, the same financial system used by the Commission, 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 the Agency 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 2014 the Agency's revenues comprised a subsidy from the general budget of the Union amounting to €10,880,000.

On top of the annual subsidy an amount of €15,960.46 was recognised under the fund source IC4 as assigned revenue stemming from recovered overpaid amounts.

Appropriations not used at the end of the financial year 2014 amounting to €708,552.01 and made up from:

- unused 2014 appropriations amounting to €560,463.95,
- cancelled appropriations carried over from 2013 amounting to €148,844.07, and
- losses from transactions involving exchange rate operations amounting to €756.01

will be returned to the Commission in the course of 2015.

## EXPENDITURE

### Current year appropriations – C1

Title	Heading	Original budget €	Commitments €	Commitment execution %	Payments €	Payment execution %
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	5,804,191.00	5,363,813.44	92.41%	5,181,457.00	89.27%
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	2,467,255.00	2,424,083.55	98.25%	1,439,745.25	58.35%
TITLE 3	OPERATIONAL EXPENDITURE	2,608,554.00	2,547,599.52	97.66%	977,784.41	37.48%
	<b>TOTAL BUDGET 2011</b>	<b>10,880,000.00</b>	<b>10,335,496.51</b>	<b>95.00%</b>	<b>7,598,986.66</b>	<b>69.84%</b>

### Title 1

The budget allocated under Title 1 was implemented to a level of 92.41% during the financial year 2014. The slightly low implementation of commitment appropriations level is a result of vacancy gaps during the year and the retrospective applications of:

- Regulation (EU) No 422/2014 of the European Parliament and of the Council of 16 April 2014 adjusting, with effect from 1 July 2011, the remuneration and pensions of officials and other servants of the European Union and the correction coefficients, and,
- Regulation (EU) No 423/2014 of the European Parliament and of the Council of 16 April 2014 adjusting, with effect from 1 July 2012, the remuneration and pensions of officials and other servants of the European Union and the correction coefficients.

The correction coefficients applied for the Republic of Slovenia from both these regulations resulted in budgetary savings.

### Title 2

The Agency managed to finalise most of the tender procedures launched during the financial year 2014 and this resulted in a high implementation of the allocated budget under Title 2.

The renewal of few large contracts that expired towards the year-end led 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 Agency managed to place all the planned orders before the end of the year, which resulted in a high implementation of the commitment appropriation. However, the low implementation of the payment appropriations was influenced by the nature of the REMIT project that extends over several years whereas the IT infrastructure and afferent user licences need to be contracted in advance to ensure a smooth transition to the go-live stage expected during 2015.

### Current year assigned revenue – C4

Title	Heading	Assigned revenue €	Commitments €	Commitment execution %	Payments €	Payment execution %
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	11,345.06	-	0.00	-	0.00
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	1,151.23	-	0.00	-	0.00
	<b>TOTAL</b>	<b>12,496.29</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>

The total amount of €12,496.29 recorded as assigned revenue for the financial year 2014 related to recovered overpaid amounts and insurance refunds has not been used during the year and will be returned to the Commission during 2015 as part of the total unused funds for the year 2014.

### Carry forward appropriation – fund source C8

Title	Heading	Budget carried forward from 2012 €	Commitments €	Commitment execution %	Payments €	Payment execution %
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	102,093.10	81,861.27	80.18	81,861.27	80.18
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	488,215.66	392,600.89	80.42	392,600.89	80.42
TITLE 3	OPERATIONAL EXPENDITURE	4,484,693.99	4,451,696.52	99.26	4,451,696.52	99.26
	<b>TOTAL</b>	<b>5,075,002.75</b>	<b>4,926,158.68</b>	<b>97.07</b>	<b>4,926,158.68</b>	<b>97.07</b>

### Title 1

Appropriations carried forward under Title 1 related mainly to recruitment costs for the vacant positions published during 2012, staff training costs, schooling fees and missions expenditure. The cancelled amounts will be returned to the Commission during 2014.

### Title 2

Most of the appropriations carried forward under this title were consumed in order to honour obligations the Agency had towards its suppliers. The unused portion was cancelled and is to be returned to the Commission.

### **Title 3**

Appropriations carried forward under this Title were to a high extent used to cover the contracted obligations the Agency entered into the year before. The minor savings will be returned to the Commission during 2015.

#### **Budget transfers**

During the financial year 2014 a number of budgetary transfers took place in order to reallocate resources from areas where budgetary savings were identified towards areas of scarce resources to ensure the achievement of the year's objectives.

There were three lots of approved budgetary transfers made within and between titles including one budget transfer above the 10% limit as approved by the Administrative Board.

The following table presents the detailed budgetary transfers made during the financial year.

			Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	
	Acceptance Date		12/12/2013	12/12/2013	12/08/2014	10/11/2014	18/11/2014	10/12/2014	
Budget Line	Description	Fund Source	Initial Budget	Initial Budget/ Assigned revenue	Normal Transfer	Normal Transfer	Normal Transfer	Normal Transfer	Credit Available Commitment and Payments Amount
A01100	Basic Salaries and correction	C1	2,760,642.00	230,020.00	-312,830.00		-40,000.00		2,637,832.00
A01101	Family allowances	C1	560,933.00	46,738.00	-56,500.00		-65,000.00		486,171.00
A01102	Expatriation and foreign residence allowances	C1	528,198.00	44,010.00			-75,000.00		497,208.00
A01110	Contract agents	C1	500,613.00	41,712.00			-100,000.00		442,325.00
A01111	Seconded National Experts	C1	480,179.00	40,009.00					520,188.00
A01120	Training and information for staff	C1	195,503.00	16,290.00			-40,000.00		171,793.00
A01130	Insurance against sickness	C1	113,356.00	9,444.00				-8,477.00	114,323.00
A01131	Insurance against accidents and occupational disease	C1	29,756.00	2,479.00			-6,000.00		26,235.00
A01132	Unemployment insurance for temporary staff	C1	38,341.00	3,195.00					41,536.00
A01140	Birth and death grants	C1	1,831.00	153.00					1,984.00
A01141	Annual travel expenses from the place of work to o	C1	73,175.00	6,097.00		-5,000.00		-2,927.00	71,345.00
A01142	Schooling fees	C1	144,803.00	12,065.00					156,868.00
A01160	Expenditure related to recruitment	C1	131,866.00	10,987.00			-20,000.00		122,853.00
A01161	Travel expense to take up duty	C1	25,846.00	2,154.00			-5,000.00		23,000.00
A01162	Installation resettlement and transfer allowances	C1	56,742.00	4,728.00				-3,450.00	58,020.00
A01163	Temporary daily subsistence allowances	C1	60,680.00	5,056.00			-10,000.00		55,736.00
A01170	Supplementary clerical and interim services	C1	118,155.00	9,845.00	9,000.00				137,000.00
A01171	Administrative assistance	C1	46,865.00	3,905.00					50,770.00
A01200	Mission expenses Administrative staff	C1	52,029.00	4,335.00			-10,000.00		46,364.00
A01201	Mission expenses Director	C1	46,154.00	3,846.00			-23,000.00		27,000.00
A01202	Mission expenses Director Office staff	C1	43,644.00	3,636.00					47,280.00

			Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	
	Acceptance Date		12/12/2013	12/12/2013	12/08/2014	10/11/2014	18/11/2014	10/12/2014	
Budget Line	Description	Fund Source	Initial Budget	Initial Budget/ Assigned revenue	Normal Transfer	Normal Transfer	Normal Transfer	Normal Transfer	Credit Available Commitment and Payments Amount

A01300	Medical services and equipment	C1	37,995.00	3,165.00					41,160.00
A01401	Social welfare of staff	C1	11,077.00	923.00	6,000.00				18,000.00
A01410	Staff Committee	C1	8,492.00	708.00					9,200.00
A02000	Rent	C1	516,929.00	43,071.00	18,495.00				578,495.00
A02001	Removal costs	C1	4,615.00	385.00					5,000.00
A02010	Utilities	C1	124,617.00	10,383.00	-20,000.00	-9,500.00			105,500.00
A02011	Cleaning and maintenance	C1	72,001.00	5,999.00	10,000.00				88,000.00
A02020	Insurance	C1	7,385.00	615.00	-3,000.00				5,000.00
A02030	Security and surveillance of buildings	C1	22,154.00	1,846.00	16,000.00	7,000.00			47,000.00
A02031	Health and safety at work	C1	7,754.00	646.00					8,400.00
A02040	Other expenditure on buildings	C1	36,923.00	3,077.00	60,000.00	30,000.00			130,000.00
A02041	Audio & Video equipment-maintenance	C1	4,615.00	385.00					5,000.00
A02100	Consumables	C1	12,462.00	1,038.00			-1,400.00	-152.00	11,948.00
A02101	Software	C1	55,385.00	4,615.00		-21,000.00		-4,636.00	34,364.00
A02102	Subscriptions IT	C1	166,156.00	13,844.00		14,000.00		6,288.00	200,288.00
A02103	Disaster recovery site	C1	84,924.00	7,076.00				-6,000.00	86,000.00
A02210	Purchase of furniture	C1	32,308.00	2,692.00				-1,300.00	33,700.00
A02220	Transportation costs	C1	78,462.00	6,538.00	17,000.00				102,000.00
A02230	Library acquisitions	C1	87,693.00	7,307.00	3,520.00				98,520.00
A02300	Stationery and office supplies	C1	32,308.00	2,692.00				-3,500.00	31,500.00
A02310	Bank charges	C1	222.00	18.00					240.00
A02320	Legal expenses	C1	18,462.00	1,538.00				-5,000.00	15,000.00
A02321	Expert consultation	C1	456,928.00	38,072.00		10,200.00		55,400.00	560,600.00
A02330	Administrative Board meetings	C1	27,693.00	2,307.00				-10,000.00	20,000.00
A02331	Board of Regulators meetings	C1	154,788.00	12,897.00	-47,685.00				120,000.00
A02332	Board of Appeal meetings	C1	40,616.00	3,384.00				-24,000.00	20,000.00
A02333	External participants to meetings	C1	18,462.00	1,538.00				-14,500.00	5,500.00



			Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	
Budget Line	Acceptance Date	Fund Source	12/12/2013	12/12/2013	12/08/2014	10/11/2014	18/11/2014	10/12/2014	Credit Available Commitment and Payments Amount
	Description		Initial Budget	Initial Budget/ Assigned revenue	Normal Transfer	Normal Transfer	Normal Transfer	Normal Transfer	
A02334	EU Agencies Network	C1	11,077.00	923.00				-1,900.00	10,100.00
A02400	Postal charges	C1	9,231.00	769.00					10,000.00
A02410	Telecommunications subscriptions and charges	C1	78,462.00	6,538.00		-37,700.00			47,300.00
A02420	Hardware and other equipment	C1	75,693.00	6,307.00		6,000.00		-200.00	87,800.00
B03000	Representation expenses - director	C1	5,000.00			-2,000.00			3,000.00
B03001	Representation expenses - Administration	C1	5,000.00						5,000.00
B03002	Representation expenses - Electricity	C1	5,000.00					-2,000.00	3,000.00
B03003	Representation expenses - MMD	C1	5,000.00					-2,408.36	2,591.64
B03004	Representation expenses - Gas	C1	5,000.00					-2,000.00	3,000.00
B03100	Operational Missions Gas Department	C1	145,000.00			-30,000.00		-45,000.00	70,000.00
B03101	Operational Missions Electricity Department	C1	111,200.00					-26,962.00	84,238.00
B03102	Operational Missions Market Monitoring Department	C1	100,000.00					-22,591.64	77,408.36
B03200	Public hearings workshops conferences	C1	153,600.00			-50,000.00		-20,902.00	82,698.00
B03201	Website set up and maintenance	C1	50,000.00			-50,000.00			0.00
B03202	Publications information material	C1	71,000.00			-40,000.00			31,000.00
B03203	Reports production	C1	30,000.00			-5,000.00			25,000.00
B03300	Translation at CDT	C1	90,000.00			-52,300.00			37,700.00
B03400	Insurance	C1	7,000.00					-2,000.00	5,000.00
B03500	Hosting deployment and operations	C1	300,000.00		100,000.00				400,000.00

			Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	
Budget Line	Acceptance Date Description	Fund Source	12/12/2013 Initial Budget	12/12/2013 Initial Budget/ Assigned revenue	12/08/2014 Normal Transfer	10/11/2014 Normal Transfer	18/11/2014 Normal Transfer	10/12/2014 Normal Transfer	Credit Available Commitment and Payments Amount
B03501	ARIS development licenses subscriptions and fees	C1	350,000.00			241,300.00	320,400.00		911,700.00
B03502	SMARTS development licenses and consultancy	C1	75,000.00					-75,000.00	0.00
B03503	IT and expert consultancy	C1	375,000.00		200,000.00		75,000.00	217,218.00	867,218.00
			10,188,000.00	692,000.00	0.00	0.00	0.00	0.00	10,880,000.00

### **PART III – ESTABLISHMENT PLAN**

The number of temporary posts as authorised under the 2014 budget is as follows:

Function group and grade	2014	
	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	6
AD 6	0	4
AD 5	0	16
<b>AD total</b>	<b>0</b>	<b>39</b>
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	14
AST 2	0	0
AST 1	0	0
<b>AST total</b>	<b>0</b>	<b>15</b>
<b>TOTAL</b>	<b>0</b>	<b>54</b>
<b>GRAND TOTAL</b>	<b>54</b>	

## **ANNEX 3**

**DECISION AB 08/2015**  
**OF THE ADMINISTRATIVE BOARD**  
**OF THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS**  
**of 11 June 2015**

**laying down general implementing provisions on the procedure governing the engagement and use of temporary staff under Article 2(f) of the Conditions of Employment of Other Servants of the European Union**

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

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Staff Regulations of Officials of the European Union ('Staff Regulations') and the Conditions of Employment of Other Servants of the European Union ('CEOS'), laid down by Council Regulation (EEC, Euratom, ECSC) No 259/68<sup>16</sup>, and in particular Articles 2(f) and 56 of the CEOS,

Having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators<sup>17</sup>, and, in particular, Article 28(2) thereof,

Having regard to the Communication C(2014)6543 final of 26 September 2014 from Vice-President Šefčovič to the Commission on the guidelines on the implementation of Article 110(2) of the Staff Regulations with regard to the implementing rules applicable in the agencies, and in particular Point 2.B thereof,

Having regard to Decision AB No 03/2010 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 6 May 2010 on the Rules of Procedure of the Administrative Board, and, in particular, Article 8 thereof,

Having regard to the agreement of the European Commission pursuant to Article 110(2) of the Staff Regulations C(2015)1509 final of 4 March 2015,

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<sup>16</sup> OJ L 56, 4.3.1968, p. 1, as last amended by Regulation (EU, Euratom) No 1023/2013 of the European Parliament and of the Council of 22 October 2013, OJ L 287, 29.10.2013, p.15.

<sup>17</sup> OJ L211, 14.8.2009, p.1.

Having regard to the opinion of the Staff Committee of the Agency of 23 March 2015 on the proposed draft decision laying down general implementing provisions on the procedure governing the engagement and use of temporary staff under Article 2(f) of the Conditions of Employment of Other Servants of the European Union,

Whereas:

- (1) Article 2 of the CEOS, as amended, has introduced in its paragraph (f) a new category of temporary staff which is exclusively engaged by the agencies of the Union.
- (2) Article 56 of the CEOS requires each agency to adopt, in accordance with Article 110(2) of the Staff Regulations, general provisions on the procedures governing the engagement and use of temporary staff referred to in Article 2(f) of the CEOS.
- (3) Taking into account the need to set out a consistent staff policy for temporary staff in Union agencies, it is necessary to lay down specific coherent rules for the engagement of such staff with a view to facilitating their mobility both within an agency and between agencies,
- (4) For the sake of clarity and legal certainty, with respect to temporary staff under Article 2(f) of the CEOS, the Decision AB No 10/2011 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 01 June 2011 on the adoption of general implementing provisions on the procedure governing the engagement and use of temporary agents at the Agency should no longer apply,

**HAS ADOPTED THIS DECISION:**

## **Chapter I – General provisions**

### **Article 1 – Scope**

This Decision shall apply to temporary staff engaged pursuant to Article 2(f) of the CEOS ('temporary staff 2(f)') by the Agency for the Cooperation of Energy Regulators (hereinafter referred to as the "Agency") without prejudice to specific provisions concerning middle managers which are laid down in (a) separate Decision(s).

### **Article 2 – Options for filling a post**

1. A vacant post may be filled by internal mobility, by mobility between Union agencies or through engagement following an external selection procedure. The authority authorised to conclude contracts of employment ('AACC') may establish an order of priority between those options.
2. Without prejudice to Article 3, each time the AACC decides to fill a post, the post shall be published internally in the Agency.

## **Chapter II – Filling a post by means of internal mobility**

### **Article 3 – Reassignment in the interest of the service**

1. The AACC may fill a post in the interest of the service by reassignment of a member of temporary staff 2(f) of the Agency in accordance with Article 7 of the Staff Regulations, applicable by analogy to the temporary staff pursuant to Article 10(1) of the CEOS.
2. The reassigned member of staff is assigned to the new post by written decision of the AACC, without impact on the current contract of employment with the Agency.

### **Article 4 – Internal publication of a post**

1. The AACC may also decide to fill a post following internal publication. The means of publication, whether by intranet, internal notice, or another means, shall ensure the transparency of the procedure.
2. The post shall be published at the range of grades within a function group (grade bracket) corresponding to the type of post<sup>18</sup> to be filled.
  3. The internal publication shall specify *inter alia*:
    - a) the function group, the type of post<sup>19</sup> and grade bracket;
    - b) the type of duties to be performed;
    - c) the general conditions and qualifications required for the post (including those referred to in Article 12(2) of the CEOS);
    - d) the specific conditions required for the post;
    - e) the closing date for applications.

### **Article 5 – Eligibility**

Internal mobility is reserved for temporary staff 2(f) who, on the closing date for applications and on the day of filling the post, are engaged within the Agency in the function group and grade belonging to the grade bracket indicated in the internal publication.

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<sup>18</sup> And where relevant post title and/or job type.

<sup>19</sup> See footnote 2.

## **Article 6 – Selection procedure in the case of internal publication**

1. The AACC shall issue an internal notice describing the process applicable to all internal selection procedures.

However, the AACC may decide to apply a selection procedure that better suits the interest of the service. Such a decision shall be justified and registered in a central record by the AACC.

2. The selected member of temporary staff 2(f) shall be assigned to the new post by written decision of the AACC without impact on his/her current contract of employment with the Agency.

## **Chapter III**

### **Filling a post by means of mobility between Union agencies**

#### **Article 7 – Interagency publication of a post**

1. The AACC may also decide to advertise a vacant post for temporary staff 2(f) by means of interagency publication, with a view to attracting temporary staff 2(f) that are employed by all other agencies referred to in Article 1a(2) of the Staff Regulations. That publication may be done at the same time as or following the internal publication.
2. The interagency publication for the post shall be published at the same grade bracket as the internal publication. However, the upper grade of the bracket may be reduced to comply with constraints deriving from the Agency's establishment plan.
3. Interagency publication shall specify *inter alia*:
  - a) the nature of the selection (interagency selection);
  - b) the function group, the type of post<sup>20</sup> and grade bracket;
  - c) the type of duties to be performed;
  - d) the general conditions and qualifications required for the post (including those referred to in Article 12(2) of the CEOS);
  - e) the specific conditions required for the post;

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<sup>20</sup> See footnote 2.

f)the closing date for applications.

The elements in points (a) to (f) shall be the same as the elements indicated in the internal publication, without prejudice, as far as the grade is concerned, to Article 7(2). The closing date for applications may be also adapted if interagency publication takes place after internal publication.

### **Article 8 – Selection procedure**

1. Article 6(1) shall apply *mutatis mutandis* to all interagency selection procedures.
2. The conclusion of contracts with staff in grades AD9 to AD12 pursuant to Article 55 of the CEOS in the framework of interagency mobility shall not be taken into account for calculating the total number of engagements in those grades referred to in the second paragraph of Article 53 of the CEOS.

### **Article 9 – Eligibility**

1. Mobility between agencies shall be reserved for temporary staff 2(f) who, on the closing date for applications and on the day of filling the vacant post, are employed within their agency in a grade and function group corresponding to the published grade bracket and function group.
2. In addition, members of temporary staff 2(f) referred to in paragraph 1 should, as a general rule,
  - a) have at least two years' service within their agency before moving and any decision derogating from that principle shall be taken jointly by the two agencies concerned, having regard to the interest of the service of both agencies;
  - b) have successfully completed the probationary period provided for in Article 14 of the CEOS, in the relevant function group. Where, in exceptional circumstances, the Agency engages a member of temporary staff 2(f) who does not meet that condition<sup>21</sup>, such a member shall serve a full probationary period with the new agency in accordance with Article 14 of the CEOS and the new contract is not considered as a renewal of contract but an *ex novo* contract.

### **Article 10 – Contract and transfer of the personal file**

1. The Agency and the selected staff member shall conclude a contract of employment which ensures continuation of the person's employment and career in the category of

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<sup>21</sup> That is to say has not successfully completed the probationary period.



temporary staff 2(f). That contract shall be concluded without interruption of the contract concluded with the agency of origin ('the preceding contract') and shall fulfil the following requirements, in particular:

- a) the same grade and the same seniority in the grade as the preceding contract;
  - b) the same step and the same seniority in the step as the preceding contract.
2. As a general rule, the end dates of the contract concluded in accordance with paragraph 1 and of the preceding contract shall be the same. If the contract with the agency of origin was for an indefinite period, the member of temporary staff 2(f) shall also be engaged by the new agency for an indefinite period.  
In the event that the preceding contract comes to its natural end on the day of the move, the duration of the contract concluded in accordance with paragraph 1 shall be the same as that the new agency would have set in case of a renewal of contract of one of its agents.
  3. Without prejudice to Article 9(2)(b), the member of temporary staff 2(f) shall not serve a probationary period in the new agency.
  4. The selected staff member shall take up duty in the new agency in principle three months after the job offer, unless it is otherwise agreed between the two agencies and the staff member concerned.
  5. The agency of origin shall transfer the personal file to the new agency no later than 30 days after the date of the move.

## **Chapter IV – Filling a post through engagement following external selection**

### **Article 11 – General provisions**

1. The AACC may also decide to fill a post by engaging a successful candidate from an external selection procedure. To that end, the AACC may either select a candidate from an existing reserve list, in which case external publication of the vacant post is not required or may decide to organise an *ex novo* selection procedure, in which case the AACC shall launch an external publication procedure.

Before organising an *ex novo* selection procedure, the AACC shall examine the existing reserve list(s) in order to ascertaining the need for a new selection.

2. If the AACC decides to organise an *ex novo* selection procedure, external publication may take place at the same time as internal and, if relevant, interagency publication or at a later stage.
3. Any selection procedure shall be organised at one single grade.
4. The selection procedure shall be carried out in accordance with the Annex.

### **Article 12 – Engagement**

1. The AACC shall engage the member of temporary staff 2(f) by means of a contract concluded pursuant to Article 2(f) of the CEOS.
2. The contract referred to in paragraph 1 is always considered as the initial contract, even if the successful candidate from the external selection procedure is already a member of temporary staff 2(f) in the relevant function group or another function group. However, in the former case, the Agency shall offer the person, in writing, the opportunity to be assigned to the post by means of mobility under the provisions of Article 6(2) or, subject to the establishment plan availabilities, Article 10 respectively, if the person prefers to ensure continuity of contracts.

### **Article 13 – Eligibility for external engagement**

1. A member of temporary staff 2(f) may be engaged only on condition that he or she:
  - a) fulfils the requirements referred to in Article 12(2) of the CEOS;
  - b) possesses the minimum qualifications required by Article 5(3) of the Staff Regulations<sup>22</sup>, applicable by analogy to the temporary staff pursuant to Article 10(1) of the CEOS;
  - c) has been successful in a selection procedure set out in the Annex or, by way of derogation and where justified in the interests of the service, has passed a recruitment competition for officials organised by the European Personnel Selection Office ('EPSO').

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<sup>22</sup> For the purposes of this Article, only diplomas that have been awarded in EU Member States or that are the subject of equivalence certificates issued by the authorities in the said Member States shall be taken into consideration. In the latter case, the AACC reserves the right to request proof of such equivalence.

2. The grade of the selection<sup>23</sup> must belong to the grade bracket of the internal publication of the post to be filled. It must also comply with the Agency's establishment plan.

#### **Article 14 – Grading**

The member of temporary staff 2(f) shall be engaged in the function group and at the grade indicated in the selection notice.<sup>24</sup>

#### **Article 15 – Probationary period**

The member of temporary staff 2(f) shall serve a probationary period in accordance with Article 14 of the CEOS.

### **Chapter V – Common provisions concerning the application of Article 8(1) of the CEOS**

#### **Article 16 – Duration of contracts**

1. The Director of the Agency shall establish the policy that the Agency will apply on the duration of contracts, within the limits provided for in the CEOS. This policy shall be communicated to staff.
2. Where justified in the interest of the service, the AACC may decide to conclude contracts of a different duration to those set out in the policy referred to in paragraph 1. Those exceptions shall be recorded in the central record referred to in Article 6(1).
3. The policy referred to in paragraph 1 may contain provisions on temporary and specific needs. In particular, in duly justified cases, the AACC may decide to conclude contracts with a limited perspective in time. Such contracts are justified in particular for projects of limited duration, for cases where the Agency needs to avail itself of up-to-date knowledge in a specific area (and accordingly, to renew staff) or for replacement of absences. In such cases, the AACC shall clearly inform the candidate, in the offer letter, contract, any potential renewal of contract and where relevant in the selection notice, that the contractual relationship with the Agency has a limited perspective in time.

Such contracts may be concluded for a fixed period, or, only in duly justified cases, for a limited period. In the latter case, the contract is concluded for the duration of the particular task and shall be recorded in the central record referred to in Article 6(1).

#### **Article 17 – Succession of contracts in case of interagency mobility**

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<sup>23</sup> The grade the competition when the candidate is drawn from an EPSO reserve list for officials.

<sup>24</sup> The grade of the competition when the candidate is drawn from an EPSO reserve list for officials.

1. For the purposes of Article 8(1) of the CEOS the following principles shall apply:
  - a) without prejudice to Article 9(2)(b), all the contracts or renewals of contracts as temporary agent 2(f) are taken into account regardless of the agency granting the initial contract or the renewal;
  - b) a contract of employment concluded following interagency mobility shall not be considered as a renewal unless it ends at a later date than the previous contract, in which case it shall be treated as a renewal.

## **Chapter VI – Transitional and final provisions**

### **Article 18 – Final provisions**

1. Decision AB No 10/2011 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 01 June 2011 on the adoption of general implementing provisions on the procedure governing the engagement and use of temporary agents at the Agency is no longer applicable to temporary staff 2(f).
2. The general implementing provisions in this Decision shall take effect on the day following that of their adoption.

Done at Brussels, on 11 June 2015.

For the Administrative Board

Piotr Grzegorz Woźniak  
Vice-Chairman of the ACER Administrative Board

## ANNEX

### External selection procedure

#### Article 1 – General principles

1. An external selection procedure may be organised either to fill one or more similar posts or to constitute a reserve list of successful candidates.
2. The selection procedure shall be launched by publication of the selection notice, which specifies *inter alia*:
  - a) the nature of the selection (external selection to fill one or more similar post(s)/to constitute a reserve list), including the profile and the number of persons to be selected,
  - b) the function group, the type of post/post title and grade;
  - c) the type of tests;
  - d) the type of duties to be performed;
  - e) the general and specific conditions and qualifications required for the post;
  - f) the required knowledge of languages;
  - g) the closing date for applications;
  - h) the validity of the reserve list;
  - i) the agency or agencies involved.
3. The selection notice shall be published in all working languages of the Agency<sup>25</sup> on the website of the agency or agencies concerned, on the EPSO website and, additionally if deemed appropriate, on the EU CV-Online website, as well as, if appropriate, on internet job boards and/or in the international, local and specialist press. The Permanent Representations of the Member States to the European Union

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<sup>25</sup> If the working languages are not established, the selection notice shall be published in all official languages of the European Union.

and representatives of Member States who sit on the Management Board of the agency or agencies concerned may also be used as communication channels.

## **Article 2 – The selection procedure**

1. The selection procedure shall be conducted to the same standards of EPSO's competitions organised for officials with equivalent profiles and number of applicants.
2. When an agency or group of agencies is not in a position to meet the standards referred to in paragraph 1, the agency or group of agencies shall seek EPSO's endorsement of the selection procedure before launching it. EPSO shall respond within the deadline agreed with the agency or agencies concerned.
3. In both cases, the selection procedure shall rely, in addition to examination of the applications, on one or more written<sup>26</sup> and oral test(s). Such test(s) shall involve at least:
  - a) an anonymous qualifying part;
  - b) a part aimed at assessing the specific competencies required for the post(s);
  - c) a part aimed at assessing the general competencies required of European Union temporary staff 2(f).

The elements in points (a) to (c) may be grouped in one or more parts.

4. The selection procedure shall be conducted by a selection committee appointed by the AACC<sup>27</sup> and composed of at least three members consisting of one chair and at least one member from the administration of the Agency and one member designated by the Staff Committee.

In specific cases, in particular for selection procedures of experts, additional members may be designated from the agency or agencies concerned, from outside the Agency or from outside the Union institutions.

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<sup>26</sup> If the AACC decides, in exceptional cases, not to organise a written test, that decision should be duly justified in the central record as referred to in Article 6(1).

<sup>27</sup> In the case of a selection procedure organised by a group of agencies, a selection committee shall be designated by agreement between the authorities authorised to conclude contracts of employment of agencies concerned.

The members<sup>28</sup> of the selection committee shall be chosen from officials or temporary agents whose function group and grade is at least equal to that of the post to be filled. When there are no officials or temporary agents in the Agency fulfilling the requirement of function group and grade, the authority or authorities authorised to conclude contracts of employment may decide to designate officials or temporary agents from another agency or institution who fulfils that condition.

5. The selection procedure shall be organised by one of the following entities:

- a) EPSO<sup>29</sup>, at the request of one or more agencies;
- b) Group of agencies<sup>30</sup>; or
- c) One agency<sup>31</sup>.

### **Article 3 – Grading of the selection procedure**

#### 1. Admissible grades

Temporary staff 2(f) selection procedures shall be organised at one of the following grades:

- a) AST/SC 1 to AST/SC 2 for the function group AST/SC;
- b) AST 1 to AST 4 for function group AST; or
- c) AD 5 to AD 8 for function group AD.

#### 2. Grade of the selection

Each time a selection procedure is organised, the AACC shall explain in writing the choice of the grade. Such explanation cannot refer to the place of assignment.

- 3. The selection notice shall require a minimum number of years of professional experience acquired after the award of the qualification certifying the completion of the level of studies required as a condition of eligibility for the selection procedure. That minimum requirement shall be set by reference to

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<sup>28</sup> The names of the selection committee members shall be disclosed to the candidates invited to interview or made public before the selection tests via the same website or websites on which the selection notice is published.

<sup>29</sup> This option is in particular appropriate for general profiles such, but not limited to, human resources officers/assistants, EU lawyers/assistants, economists, IT officers/assistants, finance officers/assistants, secretary.

<sup>30</sup> This option is in particular appropriate for specialist profiles common to several agencies, such as lawyers/assistants, programme officers/assistants, economists, researchers, in a particular area of agencies' activities.

<sup>31</sup> This option is in particular appropriate for specific profiles limited to the area of an agency's activity.

the latest competition organised by EPSO for a similar profile. In the absence of such reference, the minimum number of years of professional experience set out in Table 1 shall apply.

Table 1

Grade of engagement	Number of years of professional experience
AD 5	0 years
AD 6	3 years
AD 7	6 years
AD 8	9 years
AST 1	0 years
AST 2	3 years
AST 3	6 years
AST 4	9 years
AST/SC1	0 years
AST/SC2	4 years



Any deviation from the requirements set out in subparagraph 1 of this paragraph shall be justified in writing and registered in the central record provided for in Article 6(1). This justification cannot refer to the place of assignment.

4. Highly specialised positions

- a) Subject to the limits established by Article 53 of the CEOS, and by derogation from the requirements of paragraph 1, an agency may engage a member of temporary staff 2(f) at grades AD 9, AD 10, AD 11, or on an exceptional basis at grade AD12. Those engagements shall be exceptional and shall be duly justified by the agency or agencies in the central record referred to in Article 6(1). This justification shall, *inter alia*, give the reasons for requiring such a high grade. This justification cannot refer to the place of assignment.
- b) Engagement at the grades referred to in the subparagraph (a) shall require completed university studies of at least four years attested by a diploma<sup>32</sup> and a minimum number of years of professional experience as set out in Table 2, both acquired in positions corresponding to the nature of duties of the vacant post(s).
- c) The minimum number of years of professional experience referred to in subparagraph (b) shall be required after the award of the qualification certifying the completion of the level of studies required as a condition of eligibility for the selection procedure.

Table 2

Grade of engagement	Number of years of professional experience
AD 9/10	12 years
AD 11/12	15 years

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<sup>32</sup> Or completed university studies attested by a diploma and appropriate professional experience of at least one year when the normal period of university studies is at least three years.

Any deviation from the requirements set out in subparagraphs (b) and (c) shall be justified in writing and registered in the central record provided for in Article 6(1). This justification cannot refer to the place of assignment.