

1. European Parliament decision of 3 April 2014 on discharge in respect of the implementation of the budget of the European Agency for the Cooperation of Energy Regulators for the financial year 2012 (C7-0328/2013 – 2013/2240(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012,
- having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012, together with the Agency's replies⁽¹⁾,
- having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002⁽³⁾, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators⁽⁴⁾, and in particular Article 24 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁽⁵⁾,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁽⁶⁾, and in particular Article 108 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control ([A7-0208/2014](#)),

1. Grants the Director of the European Agency for the Cooperation of Energy Regulators discharge in respect of the implementation of the Agency's budget for the financial year 2012;

2. Sets out its observations in the resolution below;

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Agency for the Cooperation of Energy Regulators, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

- (1) OJ C 365, 13.12.2013, p. 1.
- (2) OJ L 248, 16.9.2002, p. 1.
- (3) OJ L 298, 26.10.2012, p. 1.
- (4) OJ L 211, 14.8.2009, p. 1.
- (5) OJ L 357, 31.12.2002, p. 72.
- (6) OJ L 328, 7.12.2013, p. 42.

2. European Parliament decision of 3 April 2014 on the closure of the accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012 (C7-0328/2013 – 2013/2240(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012,
- having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012, together with the Agency's replies⁽¹⁾,
- having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002⁽³⁾, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators⁽⁴⁾, and in particular Article 24 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁽⁵⁾,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁽⁶⁾, and in particular Article 108 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (**A7-0208/2014**),

1. Approves the closure of the accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012;

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

(1) OJ C 365, 13.12.2013, p. 1.

(2) OJ L 248, 16.9.2002, p. 1.

(3) OJ L 298, 26.10.2012, p. 1.

(4) OJ L 211, 14.8.2009, p. 1.

(5) OJ L 357, 31.12.2002, p. 72.

(6) OJ L 328, 7.12.2013, p. 42.

3. European Parliament resolution of 3 April 2014 with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Agency for the Cooperation of Energy Regulators for the financial year 2012 (C7-0328/2013 – 2013/2240(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012,
- having regard to the Court of Auditors' report on the annual accounts of the European Agency for the Cooperation of Energy Regulators for the financial year 2012, together with the Agency's replies⁽¹⁾,
- having regard to the Council's recommendation of 18 February 2014 (05849/2014 - C7-0054/2014),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁽²⁾, and in particular Article 185 thereof,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002⁽³⁾, and in particular Article 208 thereof,
- having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators⁽⁴⁾, and in particular Article 24 thereof,
- having regard to Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities⁽⁵⁾,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁽⁶⁾, and in particular Article 108 thereof,
- having regard to its previous discharge decisions and resolutions,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (**A7-0208/2014**),

A. whereas, according to its financial statements, the final budget of the European Agency for the Cooperation of Energy Regulators ('the Agency') for the financial year 2012 was EUR 7 241 850, representing an increase of 51, 11 % compared to 2011, which can be explained by the Agency's recently established nature; whereas the entire budget of the Agency derives from the Union budget,

B. whereas the Court of Auditors has stated that it has obtained reasonable assurances that the Agency's annual accounts for the financial year 2012 are reliable and that the underlying transactions are legal and regular,

Follow-up of 2011 discharge

1. Notes from the Court of Auditors' report that regarding the three comments made in 2011, two corrective actions taken in response to the previous year's comments are marked as 'ongoing' and one as 'completed';

2. Acknowledges from the Agency that:

- with regard to budgetary and financial management, detailed guidelines of the process for the establishment of the annual budget have been developed, containing a clear allocation of responsibilities, internal deadlines, expected outputs and methodological support to the actors involved; acknowledges that budget line managers are receiving extensive methodological reports in order to guarantee the effectiveness and consistency of the newly-introduced zero line item budgeting,
- the budgetary forecasting component has been introduced in the budget implementation report to provide the information needed for the monitoring of commitments and payments,
- the transparency of recruitment procedures has been improved by specifying in vacancy notices the maximum number of candidates to be put on a reserve list and by making a clear reference to the possibility of appeal, as well as by preparing the questions for written tests and interviews and their weightings before the examination of the applications;

Comments on the legality and regularity of transactions

3. Notes with concern that in order to cover higher school fees, the Agency grants staff whose children attend primary or secondary school a top-up allowance which amounted to some EUR 23 000 in 2012, in addition to the education allowances provided for in the Staff Regulations of the Officials of the European Communities ('the Staff Regulations'); notes that these allowances are not covered by the Staff Regulations and are, therefore, considered irregular by the Court of Auditors; acknowledges, however, that this situation is due to the lack of European Schools in the city the Agency is based in and that the purpose of these top-ups is to ensure equal treatment of the Agency's employees under the Staff Regulations;

Budget and financial management

4. Notes that budget monitoring efforts during the financial year 2012 resulted in a budget implementation rate of 93,75 % and that the payment appropriations execution rate was 66,8 %;

5. Regrets that the Agency carried over committed appropriations under title II (Agency's building and associated costs) of its budget amounting to EUR 1 700 000, representing 81 % of total committed title II appropriations; notes that these carry-overs mainly relate to the implementation of the REMIT regulation, which is on-going; draws the Agency's attention to the Court of Auditors' observation that since the implementation is linked to the Agency's operational activities, it should normally have been budgeted under title III;

6. Notes with concern that the Agency held EUR 4 200 000 in cash at the end of the year, including the 2011 budget surplus of EUR 1 600 000 resulting from an excessive call for funds in 2011, and that this surplus was recovered by the Commission in January 2013; is of the opinion that this is not consistent with rigorous treasury management;

7. Believes that while none of the problems mentioned in this resolution are of a serious nature in and of themselves, nevertheless, taken as a whole, there is obviously a clear need for improvement from the Agency's side as regards following basic guidelines in light of next year's procedure; calls on the

Agency to report on its progress within the framework of the 2012 discharge follow-up;

Transfers

8. Notes with concern that in 2012, the Agency made 20 budget transfers of some EUR 1 000 000, affecting 43 budget lines, which indicates weaknesses in budget planning;

Procurement and recruitment procedures

9. Notes with concern that the audited recruitment procedures revealed shortcomings affecting transparency and equal treatment of candidates, namely that 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 inclusion 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; calls on the Agency to remedy this situation and to inform the discharge authority on the progress in this regard within the framework of the 2012 discharge follow-up;

Prevention and management of conflicts of interests and transparency

10. Acknowledges that the Agency is reviewing its policy on the prevention and management of conflicts of interests on the basis of the Commission's Guidelines on the Prevention and Management of Conflict of Interest in EU Decentralised Agencies; calls on the Agency to inform the discharge authority of the assessment results once available;

11. Observes that the CVs and declarations of interests of the Board of Regulators' members, the Director, senior management and the experts participating in the Agency's expert groups, as well as the CVs of the Administrative Board and Board of Appeal's members are not publicly available; calls on the Agency to remedy the situation as a matter of urgency;

Internal audit

12. Acknowledges from the Agency that in 2012, the Agency signed a Mission Charter with the Commission's Internal Audit Service (IAS) and received its first visit in February 2012, when the IAS carried out a full risk assessment of the Agency's operational, administrative and support processes, with the aim of establishing the audit strategy of the IAS for 2013- 2015, as well as a limited review of the implementation of the Internal Control Standards; notes that during the risk analysis, the IAS identified processes of high inherent risk which still need to be improved, in particular planning and monitoring, performance appraisal and career development, document management and data management, facility management, logistics, security, stakeholder relations and communication, monitoring of the internal market, national regulatory authorities cooperation and monitoring the implementation of network codes; notes that the Agency submitted an action plan with the objective of improving the controls in those processes and that the plan has been endorsed by the IAS;

Performance

13. Requests that the Agency communicate the results and impact its work has on European citizens in an accessible way, mainly through its website;

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14. Refers, in respect of the other observations accompanying its Decision on discharge, which are of a horizontal nature, to its resolution of 3 April 2014⁽⁷⁾ on the performance, financial management and

control of the agencies.

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- (1) OJ C 365, 13.12.2013, p. 1.
 - (2) OJ L 248, 16.9.2002, p. 1.
 - (3) OJ L 298, 26.10.2012, p. 1.
 - (4) OJ L 211, 14.8.2009, p. 1.
 - (5) OJ L 357, 31.12.2002, p. 72.
 - (6) OJ L 328, 7.12.2013, p. 42.
 - (7) Texts adopted, **P7_TA-PROV(2014)0299**.