

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

**of 13 June 2013**

**ON THE 2012 FINAL ACCOUNTS**

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

HAVING REGARD to Regulation (EC) No 713/2009 of the European Parliament and  
of the Council of 13 July 2009 establishing a European Agency for the Cooperation of  
Energy Regulators<sup>1</sup> (hereafter referred to as “the Agency”), and, in particular, Article  
24(5),

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

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

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

Whereas:

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

HAS ADOPTED a favourable opinion on the final accounts of the Agency for the  
financial year 2012 as presented in Annex I, but requests the Director to take  
immediate action to remedy the shortcomings identified by the European Court of

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

Auditors. The Administrative Board looks forward to receiving the final outcome of these observations in due course.

Done at Warsaw, on 13 June 2013

For the Administrative Board:

SIGNED

Piotr Woźniak

Chairman of the Administrative Board of the Agency

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



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

and

## **Report on Budgetary and Financial Management**

1 January 2012 – 31 December 2012



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## **CERTIFICATION OF ANNUAL ACCOUNTS**

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

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

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

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

3 June 2013

Signed

Rodica Mandroc,

Accounting and Budget Officer

## INTRODUCTION

### LEGAL BASIS

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

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

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

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

### BACKGROUND INFORMATION

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

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

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

The Administrative Board shall give an opinion on the final accounts of ACER as drawn up

by the Director in accordance with Article 24(4) and (5) of the founding Regulation.

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

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

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

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

**PART I – FINANCIAL STATEMENTS**

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

**ECONOMIC OUTTURN ACCOUNT**

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

**BALANCE SHEET**

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

**CASH FLOW STATEMENT**

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

**STATEMENT OF CHANGES IN NET ASSETS**

*as at 31 December 2012*

<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 2012</b>	926,930.83	0.00	926,930.83
Economic result of the year	0.00	1,207,956.02	1,207,956.02
<b>Balance as of 31 December 2012</b>	<b>926,930.83</b>	<b>1,207,956.02</b>	<b>2,134,886.85</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 ACER this objective is more specific as the information contained is used in the decision making process as well as to demonstrate the accountability of the agency towards the resources entrusted to it.

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

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

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

#### **Going concern basis**

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

#### **Principle of prudence**

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

#### **Principle of consistent accounting method**

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

### **Principle of comparability of information**

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

### **Materiality principle**

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

### **No-netting principle**

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

### **Principle of reality over appearance**

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

### **Accrual-based accounting principle**

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

## **CURRENCY AND BASIS FOR CONVERSION**

### **Functional and reporting currency**

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

### **Transactions**

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

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

## CHART OF ACCOUNTS

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

## ECONOMIC OUTTURN ACCOUNT

### Revenue

The 2012 revenues of ACER consist of

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

	<b>1 January - 31 December 2012</b>
	<b>€</b>
European Commission subsidy	6,549,243.89
Other operating revenue	71.09
	<u><b>6,549,314.98</b></u>

### Expenses

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

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

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

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

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

## BALANCE SHEET

### NON-CURRENT ASSETS

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

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

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

#### Intangible fixed assets

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

#### Tangible fixed assets

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

#### Amortisation and depreciation

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

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

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

**FIXED ASSETS**  
**01.01.2012-31.12.2012**

Account number	Asset category	Opening balance	Additions during the year	Disposals during the year	Closing balance	Depreciation Rate and Method	Depreciation				Closing book value
							Opening balance	Accumulated depreciation on disposal	Depreciation charge for the year	Accumulated Depreciation	
21001000	Computer software	36,573.02	600.00		37,173.02	L 25%	8,381.32	0.00	8,388.73	16,770.05	20,402.97
23001000	Plant, machinery and equipment	515.65	1,710.00		2,225.65	L 12.5%	59.09	0.00	456.34	515.43	1,710.22
24001000	Furniture and rolling stock	44,607.47	8,668.47		53,275.94	L 10%; 12.5%, 25%	3,425.22	0.00	5,581.62	9,006.84	44,269.10
24101000	Computer hardware	520,381.47	25,730.64	(1,403.32)	544,708.79	L 25%	104,099.31	(1,403.32)	134,085.42	236,781.41	307,927.38
24201000	Other fixtures and fittings	1,698.38	60,603.70		62,302.08	L 25%	308.03	0.00	14,836.59	15,144.62	47,157.46
	<b>Totals</b>	<b>603,775.99</b>	<b>97,312.81</b>	<b>(1,403.32)</b>	<b>699,685.48</b>		<b>116,272.97</b>	<b>(1,403.32)</b>	<b>163,348.70</b>	<b>278,218.35</b>	<b>421,467.13</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 ACER will not be able to collect all amounts due according to the original terms of the receivables, with the impaired amount being recognised in the economic outturn for the year.

### Short-term receivables

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

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

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

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

### Cash and cash equivalents

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

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

the European Union .

## **EQUITY AND LIABILITIES**

### **Current liabilities**

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

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

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

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

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

### **CONTINGENT ASSETS**

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

ACER has identified as contingent asset for the financial year 2012 the disputed salary indexation and coefficient correction for the period 1 July 2011 to 30 June 2012 under the proposed Council Regulation 2010/0329 and for the period 1 July 2012 to 30 June 2013

under the proposed Council Regulation 2011/0393. If the legal actions were to be successful, the impact for ACER in the financial year 2012 would be a receivable amount of €37,930.07 to be recuperated from a number of its staff members. The contingent asset recognised for the financial year 2011 for the same purpose remains at €14,608.77.

#### **CHANGES IN ACCOUNTING POLICIES**

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

#### **OTHER DISCLOSURE**

##### **Contribution in kind**

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

From the Council of European Energy Regulators:

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

From the Government of the Republic of Slovenia:

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

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

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

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

## PART II – REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT

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

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

Title Chapter	Heading	Appropriation (1)	Committed (2)	% Committed	Paid (3)	% Paid	Balance Commitment (1-2)	Balance Payment (2-3)
<b>TITLE 1</b>	<b>Expenditure relating to staff and resources</b>							
CHAPTER 11	Staff in active employment	4,493,250 00	4,137,028 85	92 07%	3,964,979 13	88 24%	356,221 15	172,049 72
CHAPTER 12	Missions and duty travel	231,307 00	199,307 00	86 17%	163,098 00	70 51%	32,000 00	36,209 00
CHAPTER 13	Socio medical infrastructure	23,500 00	13,968 39	59 44%	4,365 57	18 58%	9,531 61	9 602 82
CHAPTER 14	Social services	17,300 00	16,287 11	94 15%	15,134 60	87 48%	1,012 89	1,152 51
	<b>TOTAL TITLE 1</b>	<b>4,765,357.00</b>	<b>4,366,591.35</b>	<b>91.63%</b>	<b>4,147,577.30</b>	<b>87.04%</b>	<b>398,765 65</b>	<b>219,014.05</b>
<b>TITLE 2</b>	<b>Agency's building and associated costs</b>							
CHAPTER 20	Agency's premises costs	27,091 30	26,592 44	98 16%	24,493.27	90 41%	498 86	2,099 17
CHAPTER 21	Data processing	1,505,818 70	1,503,573 58	99 85%	100,067 89	6 65%	2,245 12	1,403,505 69
CHAPTER 22	Movable property and associated costs	149,500 00	149,498 72	100 00%	77,365 38	51 75%	1 28	72,133 34
CHAPTER 23	Current administrative expenditure	314,858 00	314,680 65	99 94%	180,356.62	57 28%	177.35	134,324 03
CHAPTER 24	Computer infrastructure, telecommunication and postage	105,100 00	104,931 84	99 84%	65,091.44	61 93%	168 16	39,840 40
	<b>TOTAL TITLE 2</b>	<b>2,102,368.00</b>	<b>2,099,277.23</b>	<b>99.85%</b>	<b>447,374.60</b>	<b>21.28%</b>	<b>3,090.77</b>	<b>1,651,902.63</b>
<b>TITLE 3</b>	<b>Operational expenditure</b>							
CHAPTER 30	Representation expenses	21,191 00	12,000 00	56 63%	6,138.75	28 97%	9,191 00	5 861 25
CHAPTER 31	Operational missions	145,739 00	145,739 00	100 00%	141,780.92	97 28%	0 00	3,958 08
CHAPTER 32	Stakeholder involvement, public relations and website	187,000 00	145,548 17	77 83%	81,720.28	43 70%	41,451 83	63,827 89
CHAPTER 33	Translations	15,000 00	15,000 00	100 00%	13,154 50	87 70%	0 00	1,845 50
CHAPTER 34	Professional indemnity	5,195 00	5,000 00	96 25%	0.00	0 00%	195 00	5,000.00
	<b>TOTAL TITLE 3</b>	<b>374,125.00</b>	<b>323,287.17</b>	<b>86.41%</b>	<b>242,794.45</b>	<b>64.90%</b>	<b>50,837.83</b>	<b>80,492.72</b>
	<b>GRAND TOTAL BUDGET 2012</b>	<b>7,241,850.00</b>	<b>6,789,155.75</b>	<b>93.75%</b>	<b>4,837,746.35</b>	<b>66.80%</b>	<b>452,694.25</b>	<b>1,951,409.40</b>

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

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

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

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

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

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

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

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

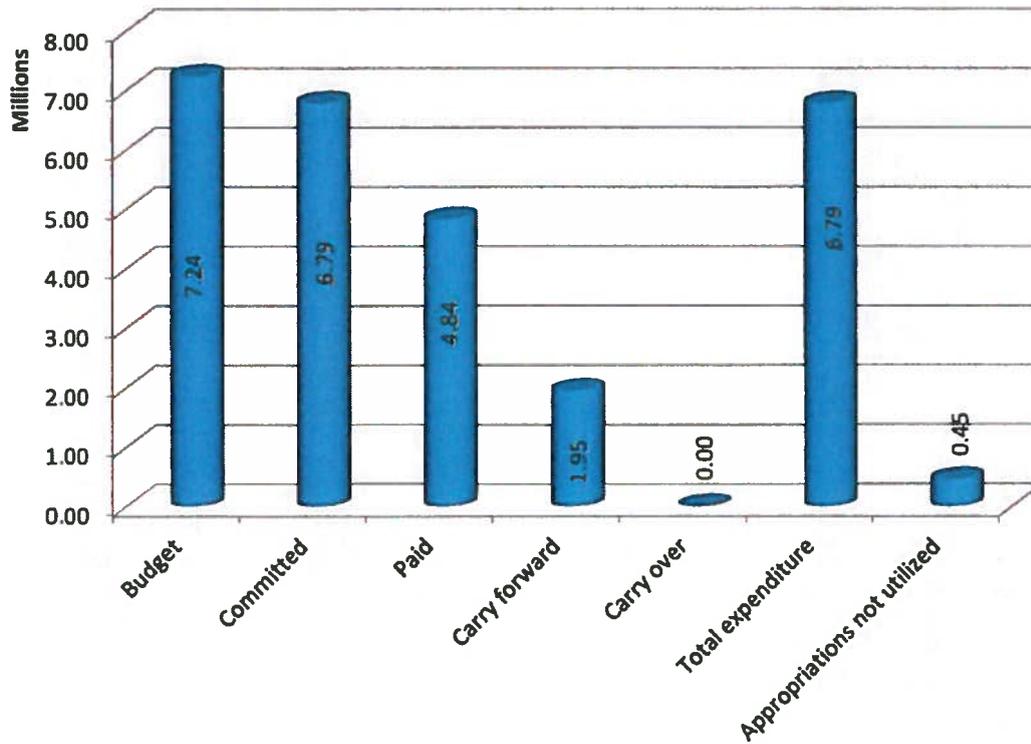
	1 January - 31 December 2012 €	8 March - 31 December 2011 €
<b>INCOME</b>		
Commission subsidy	7,241,850.00	4,371,199.15
EFTA contribution	0.00	119,000.00
Other income – assigned revenue	4,039.98	0.00
<b>TOTAL INCOME</b>	<b>7,245,889.98</b>	<b>4,490,199.15</b>
<b>EXPENSES</b>		
<b>Expenditure related to employees of the agency - Title I</b>		
Payments	4,150,059.22	1,915,262.83
Carry-forwards	219,014.05	192,258.32
<b>Agency's building and associated expenses - Title II</b>		
Payments	447,374.60	207,570.77
Carry-forwards	1,651,902.63	301,738.77
<b>Operational expenditure - Title III</b>		
Payments	244,352.51	258,730.87
Carry-forwards	80,492.72	336,840.56
<b>TOTAL EXPENSES</b>	<b>6,793,195.73</b>	<b>3,212,402.12</b>
Total appropriations not utilised	452,694.25	1,277,797.03
<b>BUDGETARY OUTTURN BEFORE SPECIAL ITEMS</b>	<b>452,694.25</b>	<b>1,277,797.03</b>
Cancelled carryovers	240,693.78	292,288.63
Correction from data migration	0.00	2,146.27
Exchange rate differences	(781.92)	(807.05)
<b>BUDGETARY OUTTURN</b>	<b>692,606.11</b>	<b>1,571,424.88</b>
Interest generated by the end of the financial year to be returned to the Commission	6,829.63	10711.93
<b>Total to be returned to the Commission</b>	<b>699,435.74</b>	<b>1,582,136.81</b>

## BUDGET IMPLEMENTATION

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

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

### Implementation of 2012 budget - fund source C1



Detailed budget implementation of current year appropriations – fund source C1

B.L.	Official Budget Item Desc	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1100	Basic Salaries and correction	2,193,765.00	2,193,569.23	99.99 %	2,193,569.23	99.99 %	215.77	0.00
A-1101	Family allowances	398,567.00	267,578.99	67.14 %	267,578.99	67.14 %	130,988.01	0.00
A-1102	Expatriation and foreign residence allowances	372,833.00	360,577.35	96.71 %	360,577.35	96.71 %	12,255.65	0.00
	Sum:	2,965,165.00	2,821,725.57	95.16 %	2,821,725.57	95.16 %	143,439.43	0.00
A-1110	Contract agents	183,592.00	183,226.01	99.80 %	183,226.01	99.80 %	365.99	0.00
A-1111	Seconded National Experts	415,572.00	337,215.78	81.14 %	337,215.78	81.14 %	78,356.22	0.00
	Sum:	599,164.00	520,441.79	86.86 %	520,441.79	86.86 %	78,722.21	0.00
A-1120	Training and information for staff	125,000.00	123,751.87	99.00 %	123,751.87	99.00 %	1,248.13	57,820.89
	Sum:	125,000.00	123,751.87	99.00 %	123,751.87	99.00 %	1,248.13	57,820.89
A-1130	Insurance against sickness	91,978.00	85,145.63	92.57 %	85,145.63	92.57 %	6,832.37	0.00
A-1131	Insurance against accidents and occupational disease	23,671.00	13,547.29	57.23 %	13,547.29	57.23 %	10,123.71	0.00
A-1132	Unemployment insurance for temporary staff	32,110.00	31,479.77	98.04 %	31,479.77	98.04 %	630.23	0.00
	Sum:	147,759.00	130,172.69	88.10 %	130,172.69	88.10 %	17,586.31	0.00
A-1140	Birth and death grants	1,963.00	463.62	23.38 %	463.62	23.38 %	1,519.38	0.00
A-1141	Annual travel expenses from the place of work to origin	61,349.00	50,051.66	81.59 %	50,051.66	81.59 %	11,297.34	0.00
A-1142	Schooling fees	113,614.00	113,614.00	100.00 %	113,614.00	100.00 %	0.00	82,476.41
	Sum:	176,946.00	164,129.28	92.76 %	164,129.28	92.76 %	12,816.72	82,476.41
A-1160	Expenditure related to recruitment	94,159.00	94,159.00	100.00 %	94,159.00	100.00 %	0.00	17,728.31
A-1161	Travel expense to take up duty	20,802.00	9,567.75	45.99 %	9,567.75	45.99 %	11,234.25	0.00
A-1162	Installation resettlement and transfer allowances	160,768.00	114,178.47	71.02 %	114,178.47	71.02 %	46,589.53	0.00
A-1163	Temporary daily subsistence allowances	102,782.00	73,623.09	71.63 %	73,623.09	71.63 %	29,158.91	0.00
	Sum:	378,509.00	291,528.31	77.02 %	291,528.31	77.02 %	86,980.69	17,728.31

B.L.	Official Budget Item Desc	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1170	Supplementary clerical and interim services	50,000.00	49,943.26	99.89 %	43,313.55	86.63 %	56.74	6,629.71
A-1171	Administrative publications and translations	20,000.00	4,658.08	23.29 %	658.08	3.29 %	15,341.92	4,000.00
A-1172	Administrative assistance	30,687.00	30,678.00	99.97 %	27,283.60	88.91 %	9.00	3,394.40
	Sum:	100,687.00	85,279.34	84.70 %	71,255.23	70.77 %	15,407.66	14,024.11
A-1200	Mission expenses ACER staff	231,307.00	199,307.00	86.17 %	163,098.00	70.51 %	32,000.00	36,209.00
	Sum:	231,307.00	199,307.00	86.17 %	163,098.00	70.51 %	32,000.00	36,209.00
A-1300	Medical services and equipment	23,500.00	13,968.39	59.44 %	4,365.57	18.58 %	9,531.61	9,602.82
	Sum:	23,500.00	13,968.39	59.44 %	4,365.57	18.58 %	9,531.61	9,602.82
A-1401	Social welfare of staff	12,800.00	11,800.00	92.19 %	10,647.49	83.18 %	1,000.00	1,152.51
	Sum:	12,800.00	11,800.00	92.19 %	10,647.49	83.18 %	1,000.00	1,152.51
A-1410	Staff Committee	4,500.00	4,487.11	99.71 %	4,487.11	99.71 %	12.89	0.00
	Sum:	4,500.00	4,487.11	99.71 %	4,487.11	99.71 %	12.89	0.00
A-2000	Rent	12,000.00	12,000.00	100.00 %	10,488.00	87.41 %	0.00	1,511.00
	Sum:	12,000.00	12,000.00	100.00 %	10,488.00	87.41 %	0.00	1,511.00
A-2020	Insurance	3,846.30	3,846.30	100.00 %	3,846.30	100.00 %	0.00	0.00
	Sum:	3,846.30	3,846.30	100.00 %	3,846.30	100.00 %	0.00	0.00
A-2030	Security and surveillance of buildings	0.00					0.00	
A-2031	Health and safety at work	1,000.00	501.14	50.11 %	501.14	50.11 %	498.86	0.00
	Sum:	1,000.00	501.14	50.11 %	501.14	50.11 %	498.86	0.00

B.L.	Official Budget Item Desc	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-2040	Other expenditure on buildings	10,245.00	10,245.00	100.00 %	9,656.83	94.26 %	0.00	588.17
A-2041	Audio & Video equipment-maintenance	0.00					0.00	
	Sum:	10,245.00	10,245.00	100.00 %	9,656.83	94.26 %	0.00	588.17
A-2100	Consumables	5,915.00	5,377.13	90.91 %	5,377.13	90.91 %	537.87	0.00
A-2101	Software	1,343,315.70	1,943,000.00	99.98 %			315.70	1,343,000.00
A-2102	Subscriptions IT	156,588.00	155,196.45	99.11 %	94,680.76	60.47 %	1,391.55	60,505.69
	Sum:	1,505,818.70	1,503,573.58	99.85 %	100,067.89	6.65 %	2,245.12	1,403,505.69
A-2210	Purchase of furniture	52,000.00	51,998.72	100.00 %			1.28	51,998.72
	Sum:	52,000.00	51,998.72	100.00 %			1.28	51,998.72
A-2220	Transportation costs	52,000.00	52,000.00	100.00 %	47,801.45	91.93 %	0.00	4,198.55
	Sum:	52,000.00	52,000.00	100.00 %	47,801.45	91.93 %	0.00	4,198.55
A-2230	Library acquisitions	45,500.00	45,500.00	100.00 %	29,563.93	64.98 %	0.00	15,936.07
	Sum:	45,500.00	45,500.00	100.00 %	29,563.93	64.98 %	0.00	15,936.07
A-2300	Stationery and office supplies	12,000.00	12,000.00	100.00 %	11,081.66	92.35 %	0.00	918.34
	Sum:	12,000.00	12,000.00	100.00 %	11,081.66	92.35 %	0.00	918.34
A-2310	Bank charges	300.00	300.00	100.00 %	153.55	51.18 %	0.00	146.45
	Sum:	300.00	300.00	100.00 %	153.55	51.18 %	0.00	146.45
A-2320	Legal expenses	0.00					0.00	
A-2321	Expert consultation	151,800.00	151,622.65	99.88 %	71,530.99	47.12 %	177.35	80,091.66
	Sum:	151,800.00	151,622.65	99.88 %	71,530.99	47.12 %	177.35	80,091.66

B.L.	Official Budget Item Desc	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-2330	Administrative Board meetings	25,000.00	25,000.00	100.00 %	12,402.33	49.61 %	0.00	12,597.67
A-2331	Board of Regulators meetings	120,758.00	120,758.00	100.00 %	83,713.74	69.32 %	0.00	37,044.26
A-2332	Board of Appeal meetings	0.00					0.00	
A-2333	External participants to meetings	5,000.00	5,000.00	100.00 %	1,474.35	29.49 %	0.00	3,525.65
	Sum:	150,758.00	150,758.00	100.00 %	97,590.42	64.73 %	0.00	53,167.58
A-2400	Postal charges	3,500.00	3,500.00	100.00 %	2,684.80	76.71 %	0.00	815.20
	Sum:	3,500.00	3,500.00	100.00 %	2,684.80	76.71 %	0.00	815.20
A-2410	Telecommunications subscriptions and charges	31,800.00	31,800.00	100.00 %	27,343.53	85.99 %	0.00	4,456.47
	Sum:	31,800.00	31,800.00	100.00 %	27,343.53	85.99 %	0.00	4,456.47
A-2420	Hardware and other equipment	69,800.00	69,631.84	99.76 %	35,063.11	50.23 %	168.16	34,568.73
	Sum:	69,800.00	69,631.84	99.76 %	35,063.11	50.23 %	168.16	34,568.73
B3-000	Representation expenses	21,191.00	12,000.00	56.63 %	6,138.75	28.97 %	9,191.00	5,861.25
	Sum:	21,191.00	12,000.00	56.63 %	6,138.75	28.97 %	9,191.00	5,861.25
B3-100	Operational Missions	145,739.00	145,739.00	100.00 %	141,780.92	97.28 %	0.00	3,958.08
	Sum:	145,739.00	145,739.00	100.00 %	141,780.92	97.28 %	0.00	3,958.08
B3-200	Public hearings workshops conferences	70,000.00	48,000.00	68.57 %	41,759.45	59.66 %	22,000.00	6,240.55
B3-201	Website set-up and maintenance	64,500.00	64,403.83	99.85 %	24,413.83	37.85 %	96.17	39,990.00
B3-202	Publications information material	15,000.00	13,277.84	88.52 %	11,947.00	79.65 %	1,722.16	1,330.84
B3-203	Reports production	37,500.00	19,866.50	52.98 %	3,600.00	9.60 %	17,633.50	16,286.50
	Sum:	187,000.00	145,546.17	77.83 %	81,720.28	43.70 %	41,451.83	63,827.89

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

**BUDGET IMPLEMENTATION APPROPRIATION FUND SOURCE – C4**

**1 January -  
 31 December  
 2012  
 €**

**TITLE 1**

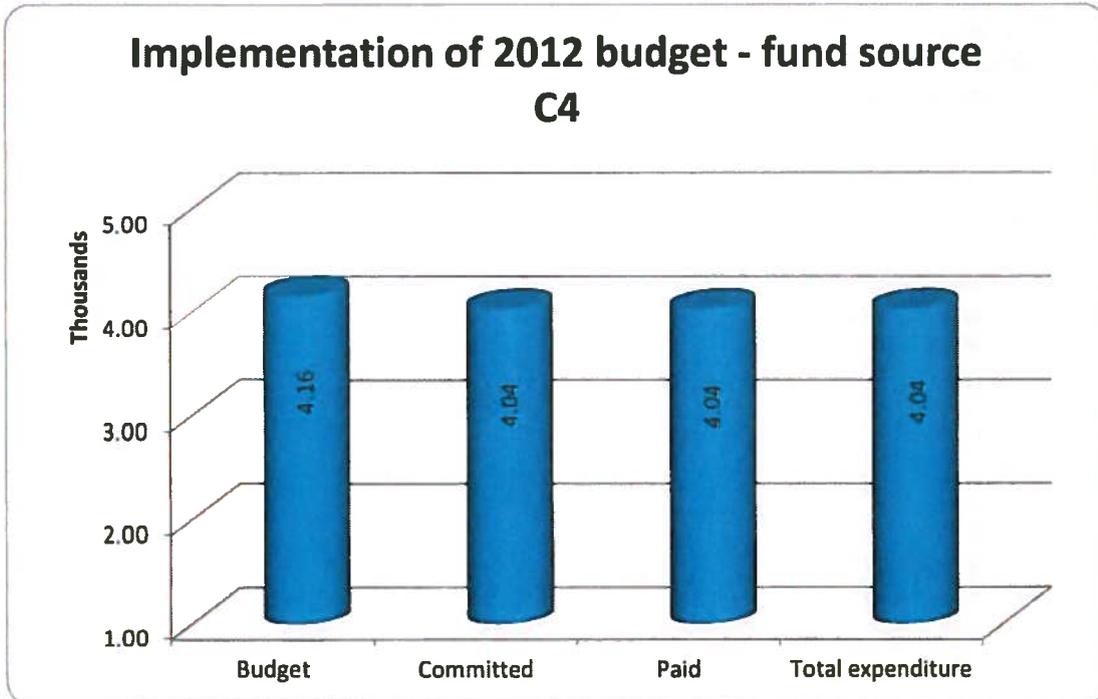
Budget	2,606.92
Committed	2,481.92
Paid	2,481.92
Total expenditure	2,481.92
Executed	95.21%

**TITLE 3**

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

**TOTAL**

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



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

**BUDGET IMPLEMENTATION APPROPRIATION FUND SOURCE – C8**

**1 January -  
 31 December  
 2012  
 €**

**TITLE 1**

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

**TITLE 2**

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

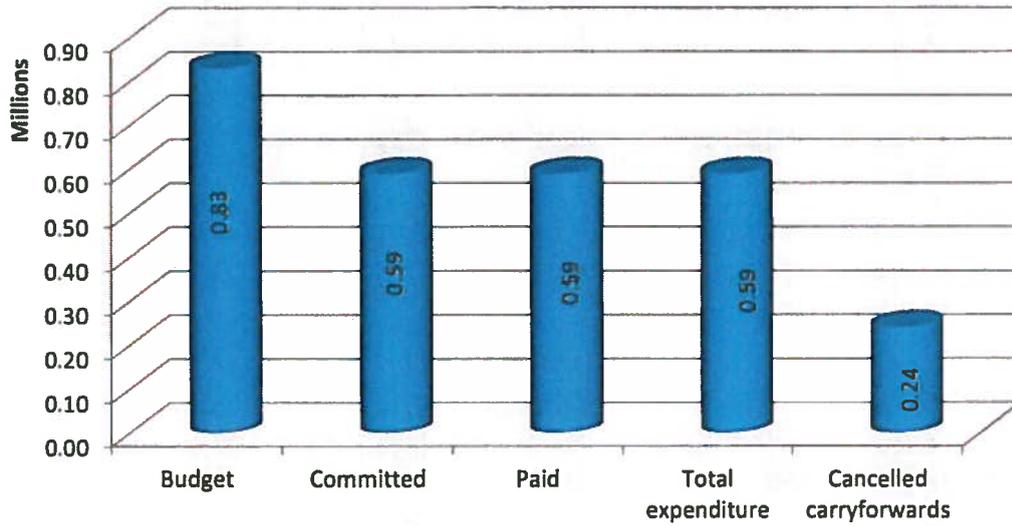
**TITLE 3**

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

**TOTAL**

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

### Implementation of 2012 budget - fund source C8



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

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

B.L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-2030	Security and surveillance of buildings	27,305.58	26,025.58	95.31 %	26,025.58	95.31 %	1,280.00	0.00
	Sum:	27,305.58	26,025.58	95.31 %	26,025.58	95.31 %	1,280.00	0.00
A-2040	Other expenditure on buildings	1,169.81	998.64	85.37 %	998.64	85.37 %	171.17	0.00
	Sum:	1,169.81	998.64	85.37 %	998.64	85.37 %	171.17	0.00
A-2101	Software	57,100.00	57,100.00	100.00 %	57,100.00	100.00 %	0.00	0.00
A-2102	Subscriptions IT	16,650.91	16,650.46	99.97 %	16,650.46	99.97 %	5.45	0.00
	Sum:	73,750.91	73,750.46	99.99 %	73,750.46	99.99 %	5.45	0.00
A-2210	Purchase of furniture	9,372.39	8,668.47	92.49 %	8,668.47	92.49 %	703.92	0.00
	Sum:	9,372.39	8,668.47	92.49 %	8,668.47	92.49 %	703.92	0.00
A-2220	Transportation costs	4,954.20	4,231.80	85.42 %	4,231.80	85.42 %	722.40	0.00
	Sum:	4,954.20	4,231.80	85.42 %	4,231.80	85.42 %	722.40	0.00
A-2230	Library acquisitions	805.29	622.81	77.34 %	622.81	77.34 %	182.48	0.00
	Sum:	805.29	622.81	77.34 %	622.81	77.34 %	182.48	0.00
A-2300	Stationery and office supplies	11,327.39	11,083.98	97.85 %	11,083.98	97.85 %	243.41	0.00
	Sum:	11,327.39	11,083.98	97.85 %	11,083.98	97.85 %	243.41	0.00
A-2310	Bank charges	37.85	0.00	0.00 %			37.85	0.00
	Sum:	37.85	0.00	0.00 %			37.85	0.00
A-2321	Expert consultation	78,184.00	76,145.41	97.39 %	76,145.41	97.39 %	2,038.59	0.00
	Sum:	78,184.00	76,145.41	97.39 %	76,145.41	97.39 %	2,038.59	0.00
A-2330	Administrative Board meetings	20,919.74	7,478.96	35.75 %	7,478.96	35.75 %	13,440.78	0.00
A-2331	Board of Regulators meetings	127,000.00	78,945.67	62.16 %	78,945.67	62.16 %	48,054.33	0.00
A-2332	Board of Appeal meetings	20,611.37	5,610.49	27.22 %	5,610.49	27.22 %	15,000.88	0.00
A-2333	External participants to meetings	7,500.00	6,166.55	82.22 %	6,166.55	82.22 %	1,333.45	0.00
	Sum:	176,031.11	98,201.67	55.79 %	98,201.67	55.79 %	77,829.44	0.00

B.L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-2400	Postal charges	3,183.93	384.67	12.08 %	384.67	12.08 %	2,799.26	0.00
	Sum:	3,183.93	384.67	12.08 %	384.67	12.08 %	2,799.26	0.00
A-2410	Telecommunications subscriptions and charges	4,759.63	2,185.68	45.92 %	2,185.68	45.92 %	2,573.95	0.00
	Sum:	4,759.63	2,185.68	45.92 %	2,185.68	45.92 %	2,573.95	0.00
A-2420	Hardware and other equipment	86,801.66	69,157.98	79.67 %	69,157.98	79.67 %	17,643.68	0.00
	Sum:	86,801.66	69,157.98	79.67 %	69,157.98	79.67 %	17,643.68	0.00
B3-000	Representation expenses	12,596.14	7,747.41	61.51 %	7,747.41	61.51 %	4,848.73	0.00
	Sum:	12,596.14	7,747.41	61.51 %	7,747.41	61.51 %	4,848.73	0.00
B3-100	Operational Missions	35,758.58	21,984.10	61.48 %	21,984.10	61.48 %	13,774.48	0.00
	Sum:	35,758.58	21,984.10	61.48 %	21,984.10	61.48 %	13,774.48	0.00
B3-200	Public hearings workshops conferences	25,323.41	23,782.28	93.91 %	23,782.28	93.91 %	1,541.13	0.00
B3-201	Website set-up and maintenance	54,450.00	54,450.00	100.00 %	54,450.00	100.00 %	0.00	0.00
B3-202	Publications information material	16,128.00	15,822.16	98.10 %	15,822.16	98.10 %	305.84	0.00
B3-203	Reports production	16,553.32	16,043.32	96.92 %	16,043.32	96.92 %	510.00	0.00
	Sum:	112,454.73	110,097.76	97.90 %	110,097.76	97.90 %	2,356.97	0.00
	Sum:	830,637.65	590,143.87	71.03 %	590,143.87	71.03 %	240,693.78	0.00
	Average:		Average:		Average:			

## BUDGETARY OUTTURN RECONCILIATION

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

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

## BUDGETARY MANAGEMENT

### Budgetary principles

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

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

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

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

### Budget and accounting management systems

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

### Nomenclature

The nomenclature of appropriations is as follows:

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

## REVENUE

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

Non-budgetary revenue in the form of bank interest received on the daily account balance

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

## EXPENDITURE

### Current year appropriations – C1

Title	Heading	Original Budget	Final Budget	Commitments	Commitment execution	Payments	Payment execution
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	4,920,605.00	4,765,357.00	4,366,591.35	91.63%	4,147,577.30	87.04%
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	1,944,120.00	2,102,368.00	2,099,277.23	99.85%	447,374.60	21.29%
TITLE 3	OPERATIONAL EXPENDITURE	377,125.00	374,125.00	323,267.17	86.41%	242,794.45	64.90%
	<b>TOTAL BUDGET 2011</b>	<b>7,241,850.00</b>	<b>7,241,850.00</b>	<b>6,789,155.75</b>	<b>93.75%</b>	<b>4,837,746.35</b>	<b>66.80%</b>

#### Title 1

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

#### Title 2

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

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

#### Title 3

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

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

**Current year assigned revenue – C4**

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

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

**Budget transfers**

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

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

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

**BUDGET TRANSFERS 2012**

Budget Line	Fund source	Credit Local Key	Acceptance Date	Initial	Aménagements	Other Movements	Credit Available Com
A-1100	C1	ACR.318	10/02/2012		-9,805.00		-9,805.00
	C1	ACR.320	05/06/2012		-115,000.00		-115,000.00
	C1	ACR.345	11/12/2012		-58,700.00		-58,700.00
	C1	ACR.36	18/12/2011	2,377,290.00			2,377,290.00
A-1100				2,377,290.00	-183,505.00		2,193,785.00
A-1101	C1	ACR.332	04/10/2012		-17,500.00		-17,500.00
	C1	ACR.336	27/11/2012		-1,000.00		-1,000.00
	C1	ACR.339	04/12/2012			50,000.00	50,000.00
	C1	ACR.340	04/12/2012			-50,000.00	-50,000.00
	C1	ACR.341	04/12/2012			-50,000.00	-50,000.00
	C1	ACR.343	10/12/2012		-25,000.00		-25,000.00
	C1	ACR.345	11/12/2012		-16,000.00		-16,000.00
	C1	ACR.36	18/12/2011	508,067.00			508,067.00
A-1101				508,067.00	-59,500.00	-50,000.00	398,567.00
A-1102	C1	ACR.336	08/11/2012		-63,000.00		-63,000.00
	C1	ACR.345	11/12/2012		-30,000.00		-30,000.00
	C1	ACR.36	18/12/2011	465,833.00			465,833.00
A-1102				465,833.00	-93,000.00		372,833.00
A-1110	C1	ACR.320	05/06/2012		75,000.00		75,000.00
	C1	ACR.338	27/11/2012		4,000.00		4,000.00
	C1	ACR.36	18/12/2011	104,592.00			104,592.00
A-1110				104,592.00	79,000.00		183,592.00
A-1111	C1	ACR.320	05/06/2012		-50,000.00		-50,000.00
	C1	ACR.338	27/11/2012		-4,000.00		-4,000.00
	C1	ACR.339	04/12/2012			45,000.00	45,000.00
	C1	ACR.340	04/12/2012			-45,000.00	-45,000.00
	C1	ACR.341	04/12/2012			-45,000.00	-45,000.00
	C1	ACR.36	18/12/2011	514,572.00			514,572.00
A-1111				514,572.00	-54,000.00	-45,000.00	415,572.00
A-1120	C1	ACR.320	05/06/2012		50,000.00		50,000.00
	C1	ACR.36	18/12/2011	75,000.00			75,000.00
A-1120				75,000.00	50,000.00		125,000.00
A-1130	C1	ACR.36	18/12/2011	91,978.00			91,978.00
A-1130				91,978.00			91,978.00

Budget Line	Fund source	Credit Local Key	Acceptance Date	Initial	Aménagements	Other Movements	Credit Available Com
A-1131	C1	ACR36	16/12/2011	23,671.00			23,671.00
A-1131				23,671.00			23,671.00
A-1132	C1	ACR338	27/11/2012		1,000.00		1,000.00
	C1	ACR36	16/12/2011	31,110.00			31,110.00
A-1132				31,110.00	1,000.00		32,110.00
A-1140	C1	ACR36	16/12/2011	1,983.00			1,983.00
A-1140				1,983.00			1,983.00
A-1141	C1	ACR332	04/10/2012		2,500.00		2,500.00
	C1	ACR36	16/12/2011	58,849.00			58,849.00
A-1141				58,849.00	2,500.00		61,349.00
A-1142	C1	ACR36	16/12/2011	113,614.00			113,614.00
A-1142				113,614.00			113,614.00
A-1160	C1	ACR332	04/10/2012		15,000.00		15,000.00
	C1	ACR343	10/12/2012		25,000.00		25,000.00
	C1	ACR36	16/12/2011	54,159.00			54,159.00
A-1160				54,159.00	40,000.00		94,159.00
A-1161	C1	ACR320	05/06/2012		10,000.00		10,000.00
	C1	ACR36	16/12/2011	10,802.00			10,802.00
A-1161				10,802.00	10,000.00		20,802.00
A-1162	C1	ACR339	04/12/2012			83,483.00	83,483.00
	C1	ACR340	04/12/2012			-83,483.00	-83,483.00
	C1	ACR341	04/12/2012			-83,483.00	-83,483.00
	C1	ACR36	16/12/2011	244,249.00			244,249.00
A-1162				244,249.00		-83,483.00	160,766.00
A-1163	C1	ACR320	05/06/2012		30,000.00		30,000.00
	C1	ACR36	16/12/2011	72,782.00			72,782.00
A-1163				72,782.00	30,000.00		102,782.00
A-1170	C1	ACR36	16/12/2011	50,000.00			50,000.00
A-1170				50,000.00			50,000.00
A-1171	C1	ACR36	16/12/2011	20,000.00			20,000.00
A-1171				20,000.00			20,000.00
A-1172	C1	ACR36	16/12/2011	30,687.00			30,687.00
A-1172				30,687.00			30,687.00
A-1200	C1	ACR336	06/11/2012		63,000.00		63,000.00
	C1	ACR36	16/12/2011	168,307.00			168,307.00
A-1200				168,307.00	63,000.00		231,307.00
A-1300	C1	ACR36	16/12/2011	23,500.00			23,500.00
A-1300				23,500.00			23,500.00

Budget Line	Fund source	Credit Local Key	Acceptance Date	Initial	Aménagements	Other Movements	Credit Available Com
A-1401	C1	ACR36	18/12/2011	12,800.00			12,800.00
A-1401				12,800.00			12,800.00
A-1410	C1	ACR36	18/12/2011	4,500.00			4,500.00
A-1410				4,500.00			4,500.00
A-2000	C1	ACR320	05/08/2012		20,000.00		20,000.00
	C1	ACR345	11/12/2012		-8,000.00		-8,000.00
A-2000					12,000.00		12,000.00
A-2020	C1	ACR345	11/12/2012		-6,153.70		-6,153.70
	C1	ACR36	18/12/2011	10,000.00			10,000.00
A-2020				10,000.00	-6,153.70		3,846.30
A-2030	C1	ACR345	11/12/2012		-10,000.00		-10,000.00
	C1	ACR36	18/12/2011	10,000.00			10,000.00
A-2030				10,000.00	-10,000.00		0.00
A-2031	C1	ACR345	11/12/2012		-9,000.00		-9,000.00
	C1	ACR36	18/12/2011	10,000.00			10,000.00
A-2031				10,000.00	-9,000.00		1,000.00
A-2040	C1	ACR345	11/12/2012		-9,755.00		-9,755.00
	C1	ACR36	18/12/2011	20,000.00			20,000.00
A-2040				20,000.00	-9,755.00		10,245.00
A-2041	C1	ACR320	05/08/2012		-4,000.00		-4,000.00
	C1	ACR330	30/08/2012		-1,000.00		-1,000.00
	C1	ACR36	18/12/2011	5,000.00			5,000.00
A-2041				5,000.00	-5,000.00		0.00
A-2100	C1	ACR320	05/08/2012		-5,000.00		-5,000.00
	C1	ACR334	08/11/2012		-3,800.00		-3,800.00
	C1	ACR345	11/12/2012		-285.00		-285.00
	C1	ACR36	18/12/2011	15,000.00			15,000.00
A-2100				15,000.00	-9,085.00		5,915.00
A-2101	C1	ACR343	10/12/2012		57,000.00		57,000.00
	C1	ACR345	11/12/2012		296,315.70		296,315.70
	C1	ACR36	18/12/2011	990,000.00			990,000.00
A-2101				990,000.00	353,315.70		1,343,315.70
A-2102	C1	ACR320	05/08/2012		57,000.00		57,000.00
	C1	ACR330	30/08/2012		3,000.00		3,000.00
	C1	ACR334	08/11/2012		-15,000.00		-15,000.00
	C1	ACR343	10/12/2012		29,200.00		29,200.00
	C1	ACR36	18/12/2011	82,388.00			82,388.00
A-2102				82,388.00	74,200.00		156,588.00
A-2210	C1	ACR330	30/08/2012		38,000.00		38,000.00
	C1	ACR345	11/12/2012		-1,000.00		-1,000.00
	C1	ACR36	18/12/2011	15,000.00			15,000.00
A-2210				15,000.00	37,000.00		52,000.00

Budget Line	Fund source	Credit Local Key	Acceptance Date	Initial	Aménagements	Other Movements	Credit Available Com
A-2220	C1	ACR345	11/12/2012		-3,000.00		-3,000.00
	C1	ACR36	16/12/2011	55,000.00			55,000.00
A-2220				55,000.00	-3,000.00		52,000.00
A-2230	C1	ACR330	30/08/2012		37,500.00		37,500.00
	C1	ACR345	11/12/2012		-22,000.00		-22,000.00
	C1	ACR36	16/12/2011	30,000.00			30,000.00
A-2230				30,000.00	15,500.00		45,500.00
A-2300	C1	ACR345	11/12/2012		-13,000.00		-13,000.00
	C1	ACR36	16/12/2011	25,000.00			25,000.00
A-2300				25,000.00	-13,000.00		12,000.00
A-2310	C1	ACR345	11/12/2012		-5,700.00		-5,700.00
	C1	ACR36	16/12/2011	6,000.00			6,000.00
A-2310				6,000.00	-5,700.00		300.00
A-2320	C1	ACR332	04/10/2012		-20,000.00		-20,000.00
	C1	ACR36	16/12/2011	20,000.00			20,000.00
A-2320				20,000.00	-20,000.00		0.00
A-2321	C1	ACR332	04/10/2012		55,000.00		55,000.00
	C1	ACR343	10/12/2012		-57,000.00		-57,000.00
	C1	ACR36	16/12/2011	153,800.00			153,800.00
A-2321				153,800.00	-2,000.00		151,800.00
A-2330	C1	ACR332	04/10/2012		-15,000.00		-15,000.00
	C1	ACR345	11/12/2012		-24,000.00		-24,000.00
	C1	ACR36	16/12/2011	64,000.00			64,000.00
A-2330				64,000.00	-39,000.00		25,000.00
A-2331	C1	ACR320	05/06/2012		-20,000.00		-20,000.00
	C1	ACR330	30/08/2012		-75,500.00		-75,500.00
	C1	ACR343	10/12/2012		-24,000.00		-24,000.00
	C1	ACR345	11/12/2012		-38,500.00		-38,500.00
	C1	ACR36	16/12/2011	278,758.00			278,758.00
A-2331				278,758.00	-158,000.00		120,758.00
A-2332	C1	ACR332	04/10/2012		-16,000.00		-16,000.00
	C1	ACR345	11/12/2012		-22,400.00		-22,400.00
	C1	ACR36	16/12/2011	38,400.00			38,400.00
A-2332				38,400.00	-38,400.00		0.00
A-2333	C1	ACR332	04/10/2012		-19,000.00		-19,000.00
	C1	ACR345	11/12/2012		-16,322.00		-16,322.00
	C1	ACR36	16/12/2011	40,322.00			40,322.00
A-2333				40,322.00	-35,322.00		5,000.00
A-2400	C1	ACR345	11/12/2012		-2,500.00		-2,500.00
	C1	ACR36	16/12/2011	6,000.00			6,000.00
A-2400				6,000.00	-2,500.00		3,500.00

Budget Line	Fund source	Credit Local Key	Acceptance Date	Initial	Aménagements	Other Movements	Credit Available Com
A-2410	C1	ACR.320	05/06/2012		-23,000.00		-23,000.00
	C1	ACR.343	10/12/2012		-5,200.00		-5,200.00
	C1	ACR.36	16/12/2011	60,000.00			60,000.00
A-2410				60,000.00	-28,200.00		31,800.00
A-2420	C1	ACR.320	05/06/2012		-25,000.00		-25,000.00
	C1	ACR.330	30/08/2012		1,000.00		1,000.00
	C1	ACR.332	04/10/2012		15,000.00		15,000.00
	C1	ACR.334	06/11/2012		18,800.00		18,800.00
	C1	ACR.36	16/12/2011	60,000.00			60,000.00
A-2420				60,000.00	9,800.00		69,800.00
B3-000	C1	ACR.36	16/12/2011	21,191.00			21,191.00
B3-000				21,191.00			21,191.00
B3-100	C1	ACR.318	10/02/2012		9,805.00		9,805.00
	C1	ACR.36	16/12/2011	135,934.00			135,934.00
B3-100				135,934.00	9,805.00		145,739.00
B3-200	C1	ACR.336	08/11/2012		-25,000.00		-25,000.00
	C1	ACR.36	16/12/2011	95,000.00			95,000.00
B3-200				95,000.00	-25,000.00		70,000.00
B3-201	C1	ACR.330	30/08/2012		-3,000.00		-3,000.00
	C1	ACR.336	08/11/2012		37,500.00		37,500.00
	C1	ACR.36	16/12/2011	30,000.00			30,000.00
B3-201				30,000.00	34,500.00		64,500.00
B3-202	C1	ACR.36	16/12/2011	15,000.00			15,000.00
B3-202				15,000.00			15,000.00
B3-203	C1	ACR.336	08/11/2012		-12,500.00		-12,500.00
	C1	ACR.36	16/12/2011	50,000.00			50,000.00
B3-203				50,000.00	-12,500.00		37,500.00
B3-300	C1	ACR.36	16/12/2011	15,000.00			15,000.00
B3-300				15,000.00			15,000.00
B3-400	C1	ACR.339	04/12/2012			9,805.00	9,805.00
	C1	ACR.340	04/12/2012			-9,805.00	-9,805.00
	C1	ACR.341	04/12/2012			-9,805.00	-9,805.00
	C1	ACR.36	16/12/2011	15,000.00			15,000.00
B3-400				15,000.00		-9,805.00	5,195.00
			Sum:	7,430,138.00	0.00	-188,288.00	7,241,850.00

**Carry forward appropriation – fund source C8**

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

**Title 1**

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

**Title 2**

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

**Title 3**

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

**PART III – ESTABLISHMENT PLAN**

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

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

ЕВРОПЕЙСКА СМЕТНА ПАЛАТА  
TRIBUNAL DE CUENTAS EUROPEO  
EVROPSKÝ ÚČETNÍ DVŮR  
DEN EUROPÆISKE REVISIONSRET  
EUROPÄISCHER RECHNUNGSHOF  
EUROOPA KONTROLLIKODA  
ΕΤΡΩΠΑΪΚΟ ΕΛΕΓΚΣΙΚΟ ΣΤΝΕΔΡΙΟ  
EUROPEAN COURT OF AUDITORS  
COUR DES COMPTES EUROPÉENNE  
CÚIRT INIÚCHÓIRÍ NA HEORPA



CORTE DEI CONTI EUROPEA  
EIROPAS REVÍZIJAS PALĀTA  
EUROPOS AUDITO RŪMAI

EURÓPAI SZÁMVEVŐSZÉK  
IL-QORTI EWROPEA TAL-AWDITURI  
EUROPESE REKENKAMER  
EUROPEJSKI TRYBUNAL OBRACHUNKOWY  
TRIBUNAL DE CONTAS EUROPEU  
CURTEA DE CONTURI EUROPEANĂ  
EURÓPSKY DVOR AUDÍTOROV  
EVROPSKO RAČUNSKO SODIŠČE  
EUROOPAN TILINTARKASTUSTUOMIOISTUIN  
EUROPEISKA REVISIONSRÄTTEN

**Preliminary observations with a view to a report on the annual accounts  
of the European Agency for Cooperation of Energy Regulators  
for the financial year 2012**

These preliminary observations were adopted by Chamber IV at its meeting of 16 April 2013.

## **INTRODUCTION**

1. The European Agency for 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>1</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>2</sup>, the Agency was given new additional responsibilities, together with national regulatory authorities, regarding the monitoring of the European wholesale energy market<sup>3</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 (where relevant) 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:

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

<sup>2</sup> Regulation No 1227/2011 of the European Parliament and of the Council of 25 October 2011, 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>3</sup> **Annex II** summarises the Agency's competences and activities. It is presented for information purposes.

- (a) the annual accounts of the Agency, which comprise the financial statements<sup>4</sup> and the reports on the implementation of the budget<sup>5</sup> for the financial year ended 31 December 2012, and
- (b) the legality and regularity of the transactions underlying those accounts.

*The management's responsibility*

4. In accordance with Articles 33 and 43 of Commission Regulation (EC, Euratom) No 2343/2002<sup>6</sup>, 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:

- (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>7</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

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<sup>4</sup> These include the balance sheet and the economic outturn account, the cash flow table, the statement of changes in net assets and a summary of the significant accounting policies and other explanatory notes.

<sup>5</sup> These comprise the reports on implementation of the budget and a summary of budgetary principles and other explanatory notes.

<sup>6</sup> OJ L 357, 31.12.2002, p. 1.

<sup>7</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.

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>8</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.

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

<sup>8</sup> Article 185(2) of Council Regulation (EC, Euratom) No 1605/2002 (OJ L 248, 16.9.2002, p. 1).

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.

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 2012 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 2012 are legal and regular in all material respects.

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

## **COMMENTS ON THE LEGALITY AND REGULARITY OF TRANSACTIONS**

11. In order to cover higher school fees, the Agency grants staff whose children attend primary or secondary school a top up allowance in addition to the education allowances provided for in the Staff Regulations<sup>9</sup>. Total 2012 top up allowances amounted to some 23 000 euro. They are not covered by the Staff Regulations and are therefore irregular.

## **COMMENTS ON BUDGETARY MANAGEMENT**

12. The Agency carried over committed appropriations under title II (Agency's building and associated costs) of its budget amounting to 1,7 million euro, representing 81 % of total committed title II appropriations. These carry-overs mainly relate to the implementation of the REMIT regulation which is ongoing. Since the implementation is linked to the Agency's operational activities, it should normally have been budgeted under title III.

13. In 2012, the Agency made 20 budget transfers of some 1 million euro and affecting 43 budget lines. This indicates weaknesses in budget planning.

## **OTHER COMMENTS**

14. 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.

15. 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

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<sup>9</sup> Article 3 of Annex VII provides for twice the basic allowance of 252,81 euro = 505,62 euro.

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.

### **FOLLOW-UP OF PREVIOUS YEAR'S COMMENTS**

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

*Follow-up of previous year's comments*

Year	Court's comment	Status of corrective action (Completed / Ongoing / Outstanding / N/A)
<b>2011</b>	The high level of appropriations not used and of carry-overs as well as the low level of payments indicate shortcomings in budget planning and implementation and are at odds with the budgetary principle of annuality.	<b>Ongoing</b>
<b>2011</b>	There is room to improve the transparency of recruitment procedures. As an example, vacancy notices did not specify the maximum number of candidates to be put on a reserve list and made no reference to the possibility of appeal. Moreover the questions for written tests and interviews and their weightings were not prepared before the examination of the applications.	<b>Ongoing</b>
<b>2011</b>	In 2011 the Agency paid subsistence allowances amounting to 10 839 euro to seconded experts who were nationals of the State where the Agency is situated. This payment conflicts with the Rules on the Secondment of National Experts adopted by the Administrative Board of the Agency, which provide for the granting of such allowances only to temporary staff who are not nationals of the Member State where they are employed; such payments are irregular.	<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></p> <p><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></p> <p><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 developments on 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>– cooperate with the national regulatory authorities, ESMA, competent financial authorities of the Member States and where appropriate with national competition authorities to monitor the wholesale energy markets,</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><i>Composition:</i></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 alternated as nominated by the national regulatory authority from each Member State.</p> <p><i>Tasks:</i></p> <ul style="list-style-type: none"> <li>- the Board shall provide opinions to the Director on the opinions, recommendations and decisions that are considered for adoption,</li> <li>- provide guidance to the Director in the execution of its tasks,</li> <li>- deliver an opinion to the Administrative Board on the candidate to be appointed as Director, and</li> <li>- approve the work programme of the Agency.</li> </ul> <p><b>External audit</b></p> <p>European 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 2012 (2011)</b></p>	<p><b>Budget 2012 (2011)</b></p> <p>7,2 (4,8) million euro</p> <p><b>Staff as at 31 December 2012 (2011)</b></p> <p>Posts listed in the establishment plan: 43 (40)</p> <p>Posts occupied on 31 December: 42 (39)</p> <p>Other staff: 14 (12)</p> <p>Total staff: 57 (39), of which assigned to:</p> <ul style="list-style-type: none"> <li>- operational tasks: 34 (28)</li> <li>- administrative tasks: 23 (11)</li> </ul>
<p><b>Products and services 2012</b></p>	<ul style="list-style-type: none"> <li>- Two Framework guidelines (Electricity: FG on Balancing; Gas: FG on Interoperability). Public consultations organised as required under Article 10 of Regulation (EC) No 713/2009, including workshops.</li> <li>- Network codes       <ul style="list-style-type: none"> <li>(a) Three Reasoned Opinions on Network Codes (Electricity: Network Code for Requirements for Grid Connection Applicable to all Generators and Network Code on Capacity Allocation and Congestion Management; Gas: Network Code on Capacity Allocation Mechanism).</li> <li>(b) Two Qualified Recommendations on Network Codes (both on Gas Network Code on Capacity Allocation Mechanism).</li> </ul> </li> <li>- Opinion on ENTSOG Work Programme for 2012.</li> <li>- Opinion on ENTSOG's 2011-2012 Winter Supply Outlook.</li> <li>- Opinion on ENTSOG's 2012 Summer Supply Outlook.</li> <li>- Opinion on ENTSOG's 2013 Annual Work Programme.</li> <li>- Opinion on ENTSO-E TYNDP 2012.</li> <li>- Opinion on the ENTSO-E Summer Outlook Report 2012 and Winter Review 2011/2012.</li> <li>- Opinion on ENTSO-E Annual Report 2011.</li> <li>- A Joint ACER-CEER Market Monitoring Report (Article 11 of Regulation (EC) No 713/2009) was issued on 29 November; a presentation took place in Brussels.</li> <li>- Recommendation on Article 2(1)(n) of the Commission proposal for a Directive of the European Parliament and of the Council on markets in financial instruments repealing Directive 2004/39/EC of the European Parliament and of the Council (COM(2011) 656 final).</li> <li>- Recommendation on the Records of Transactions of Regulation (EU) No 1227/2011 (REMIT) was adopted.</li> <li>- Decision relating to the Registration Format Pursuant to Article 9(3) of Regulation (EU) No 1227/2011 was adopted.</li> <li>- Second edition of the Guidance on the application of the definitions listed in Article 2 of REMIT was issued on 28 September 2012.</li> </ul>

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| <ul style="list-style-type: none"><li>- Successful conclusion of the three framework contracts regarding the implementation of REMIT.</li><li>- The Regional Initiatives Status Review for 2011 was published in March.</li><li>- Three On-line Gas Regional Initiatives (GRIs) and Four On-line Electricity Regional Initiatives (ERIs) quarterly reports were published.</li><li>- Two new Agency Working Groups established (Implementation, Monitoring and Procedures Working Group (AIMPWG) and a Market Integrity and Transparency Working Group (AMITWG), and the Rules for the functioning of the Working Groups were updated.</li><li>- On 14 March 2012 the Agency organised its Annual Conference "Making the Internal Energy Market a reality – which role for ACER?"; 220 participants attended.</li></ul> |
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Source: Information provided by the Agency.

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## THE AGENCY'S REPLY

Para 11: In the absence of a European School in Slovenia and the need of a measure of social nature to pair the unequal working conditions (in line with Article 1(e) of the Staff Regulation) to which Agency staff is subject to, compared with staff working in other European Union institutions, where European Schools are available, the Administrative Board adopted decision AB n° 01/2011 of 11 February 2011 "on the support granted to ACER staff members in respect to kindergarten and school fees". The maximum level of support granted to eligible staff members, in respect to each eligible child, does not exceed the level of fees paid for the European School in Brussels.

Para 12: The Agency has been advised by the Commission to use Title II for the REMIT project as most of the start-up costs relate to IT applications. The Agency has decided to use Title III for recording REMIT-related expenditure as from 2014 when the energy market monitoring by the Agency is expected to start.

Para 13: Upon a comprehensive assessment, the Agency has been fully aware, that the budget envisaged in the financial statement of REMIT, has turned out to be insufficient to develop a fully-effective IT system for the implementation of the Regulation (EU) 1227/2011. Therefore, the Agency tried, already in 2012, to identify where additional resources could be found in its budget to be dedicated to REMIT. As the budget of the Agency was already tight, only minor amounts could have been transferred from other budget lines. This exercise was carried out systematically and resulted in a high number of low-amount budget transfers.

Para 14: The €4.2m cash balance held in the Agency's bank account at year-end included the 2011 budgetary surplus of €1.6m paid back in January 2013, as the Agency received the request from the Commission only on 8 January 2013, the 2012 budgetary surplus of €0.6m to be paid back to the Commission when requested and the amount of €1.9m to settle the legal obligations entered into by the Agency before the year-end and which were carried forward into 2013. The Agency is applying a well-planned cash management ensuring that funds are available to cover outstanding liabilities as they occur.

Para 15: The Agency is strictly following the interview and written test procedures as established in detail in the relevant Director decision 2012-17 on Guidelines on recruitment procedures and work of the Selection Committees on 20 March 2012, ensuring questions and assessment criteria are fixed before the start of the testing and interviews. In order to take account of the auditors comments The Agency agrees to revise the current procedure. The Agency considers that the anonymity of tests is not crucial for the overall objectivity of the selection procedure. The marking criteria to assess the test are established by the selection panel beforehand in order to assure the objective scoring of the written tests. Furthermore, some tests cannot be organised anonymously, since candidates are either requested to present their experience in the answer or they need to prepare a presentation which they deliver to the selection panel at the beginning of the interview.