

**OPINION No 1/2020**  
**OF THE ADMINISTRATIVE BOARD**  
**OF THE EUROPEAN UNION AGENCY FOR THE COOPERATION**  
**OF ENERGY REGULATORS**

**of 1 July 2020**

**on the final accounts for the financial year 2019**

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

Having regard to Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (recast)<sup>1</sup>, and, in particular, Article 35(4) thereof,

Having regard to Decision No 8/2019 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 21 June 2019 on the Financial Regulation of the Agency for the Cooperation of Energy Regulators, and, in particular, Article 102 (3) thereof,

Whereas:

- (1) The accounting officer of the European Union Agency for the Cooperation of Energy Regulators (hereinafter ‘the Agency’) has certified that the annual accounts of the Agency for the year 2019 have been prepared in accordance with Title IX of the Framework Financial Regulation and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.
- (2) The authorising officer of the Agency has provided to the accounting officer all the information necessary for the production of the accounts that show the Agency's assets, liabilities, and the budgetary implementation. The authorising officer of the Agency certified their reliability.
- (3) Based on the information reported to the accounting officer and the checks deemed necessary, the accounting officer declared to have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Agency.
- (4) On 3 June 2020, the Director submitted to the Administrative Board the final accounts of the Agency for the financial year 2019,

HAS ADOPTED THIS OPINION:

*Article 1*

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<sup>1</sup> OJ L158/22, 14.6.2019

The Administrative Board hereby endorses the final accounts of the Agency for the financial year 2019, as attached to this Opinion.

*Article 2*

The Administrative Board invites the Director to take immediate actions to address the comments to be made by the Court of Auditors in its final report and to provide adequate reporting on the actions taken.

*Article 3*

This Opinion shall be communicated, together with the final accounts, to the accounting officer of the Commission, the Court of Auditors, the European Parliament, and the Council by 1 July 2020.

Done at Ljubljana, 1 July 2020.

*For the Administrative Board*

*The Chair*

*Dr. J. PENKER*



Annual accounts of the  
Agency for the  
Cooperation of Energy  
Regulators

Financial year 2019

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## CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of ACER, the Agency for the Cooperation of Energy Regulators in accordance with Article 102 of the Framework Financial Regulation ('FFR')<sup>1</sup> and I hereby certify that the annual accounts of the ACER for the year 2019 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the ACER's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the ACER.

Rosa ALDEA BUSQUETS

**Accounting Officer of the Agency for the  
Cooperation of Energy Regulators**

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<sup>1</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

## BACKGROUND INFORMATION ON ACER

The Agency for the Cooperation of Energy Regulators (ACER) with seat in Ljubljana (Slovenia) has been established by Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009, amended by Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 (the "founding Regulation").

ACER's mission and tasks are defined by the Directives and Regulations of the Third Energy Package, especially Regulation (EC) 2019/942 establishing the Agency. In 2011, ACER received additional tasks under Regulation (EU) 838/2010 on guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging, under Regulation (EU) 543/2013 on submission and publication of data in electricity markets (amending Annex I to Regulation (EC) 714/2009), under Regulation (EU) No 1227/2011 on Wholesale Energy Market Integrity and Transparency (REMIT), and in 2013 under Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure, under Regulation (EU) 2017/1938 concerning measures to safeguard the security of gas supply, under Regulation (EU) 2019/943 on the internal market for electricity, under Regulation (EC) 715/2019 (repealing Regulation (EC) 1775/2005) on conditions for access to the natural gas transmission networks, and under Regulation (EU) 2019/941 on risk-preparedness in the electricity sector (repealing directive 2005/89/EC).

The overall mission of the Agency, according to its founding Regulation, is to complement and coordinate national regulatory authorities (NRAs) at the European Union level and to work towards the completion of the single EU energy market for electricity and natural gas.

Under the Regulation on Guidelines for trans-European energy infrastructure ("TEN-E Regulation"), the Agency contributes to the energy infrastructure challenge through its role in the process of identification and monitoring of Projects of Common Interest (PCIs). Furthermore, the Agency monitors the functioning of gas and electricity markets in general. In line with the REMIT, it monitors wholesale energy trading to detect and prevent trading based on inside information and market manipulation. Finally, additional specific tasks are assigned to the Agency by the Network Codes and Guidelines adopted as part of the secondary legislation required to implement the Internal Electricity and Gas Markets.

ACER plays a central role in the development of EU-wide network and market rules with a view to enhancing competition. The Agency coordinates regional and cross-regional initiatives, which favour market integration. It monitors the work of European Networks of Transmission System Operators (ENTSOs), and notably, their EU-wide network development plans. Finally, ACER monitors the functioning of gas and electricity markets in general, and of wholesale energy trading in particular.

Following Article 49 of the Framework Financial Regulation (FFR)<sup>2</sup> applicable to ACER, the Administrative Board appoints the Accounting Officer who is, amongst other tasks, responsible for the preparation of the annual accounts of ACER. Following Article 51 of the FFR the annual accounts shall be prepared in accordance with the accounting rules adopted by the Commission's Accounting Officer (EU Accounting Rules, EAR) that are based on the International Public Sector Accounting Standards (IPSAS). Following the decision of ACER's Governing Board of 21 September 2017, the Accounting Officer of the Commission acts, as of 1 October 2017, as the Accounting Officer of ACER.

### Highlights of the year

During the financial year 2019 and beyond, the Agency focusses on four strategic areas:

- Contribute to the completion of the Internal Energy Market and monitoring of its functioning;
- Contribute to the Infrastructure and Security of Supply Challenge;
- Increased integrity and transparency of wholesale energy markets;
- Contribute to address longer-term regulatory challenges, conditional on the available resources.

During 2019, the Agency continued the implementation of its main project, the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT). The published 8th Annual Market Monitoring Report on the remaining barriers to the Internal Energy market analyses the market performance. On average, over 3 million daily records are reported to the Agency, increasing substantially the number of

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<sup>2</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council

preliminary initial assessments of potential market abuse cases and the number of alerts transmitted by the Agency to the National Regulatory Authorities for further investigation. The Agency has issued during 2019 20 tariff reports checking compliance of national reference price methodologies with Gas Tariffs Network Code. The Agency issued 10 decisions on 'terms and conditions or methodologies' in the electricity sector.

These strategic areas are further broken down in the identified activities within the work programme for which the necessary funding was requested. From the initial budget request of kEUR 19 101, only kEUR 16 147 were finally approved.

The implementation rates of the 2019 appropriations reached a level of 99.50% for commitments and 81.35% for payments, well above the pre-set targets of 95% and 75% respectively.

In 2019 ACER received the entire Commission subsidy of kEUR 16 147 in two financial transfers (kEUR 8 094 in February and kEUR 8 053 in July). Eight additional staff members were hired in 2019. As a result, the staff costs and office maintenance related costs increased compared to 2018.

# FINANCIAL STATEMENTS AND EXPLANATORY NOTES

*It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.*

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**BALANCE SHEET**

EUR '000

	Note	31.12.2019	31.12.2018
<b>NON-CURRENT ASSETS</b>			
<i>Intangible assets</i>	2.1	–	1 272
<i>Property, plant and equipment</i>	2.2	941	278
		<b>941</b>	<b>1 550</b>
<b>CURRENT ASSETS</b>			
<i>Exchange receivables and non-exchange recoverables</i>	2.3	3 397	3 060
<i>Cash and cash equivalents</i>	2.4	2	0
		<b>3 399</b>	<b>3 060</b>
<b>TOTAL ASSETS</b>		<b>4 340</b>	<b>4 610</b>
<b>CURRENT LIABILITIES</b>			
<i>Payables and other liabilities</i>	2.5	(198)	(201)
<i>Accrued charges and deferred income</i>	2.6	(986)	(1 097)
		<b>(1 184)</b>	<b>(1 298)</b>
<b>TOTAL LIABILITIES</b>		<b>(1 184)</b>	<b>(1 298)</b>
<b>NET ASSETS</b>		<b>3 156</b>	<b>3 312</b>
<i>Accumulated surplus</i>		3 312	5 774
<i>Economic result of the year</i>		(155)	(2 462)
<b>NET ASSETS</b>		<b>3 156</b>	<b>3 312</b>

**STATEMENT OF FINANCIAL PERFORMANCE**

	Note	2019	2018
<i>EUR '000</i>			
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
<i>Funds from the Commission</i>	3.1	15 949	13 370
		<b>15 949</b>	<b>13 370</b>
<b>Revenue from exchange transactions</b>			
<i>Other</i>	3.2	30	100
		<b>30</b>	<b>100</b>
<b>Total revenue</b>		<b>15 979</b>	<b>13 470</b>
<b>EXPENSES</b>			
<i>Operating costs</i>	3.3	(2 555)	(3 111)
<i>Staff costs</i>	3.4	(8 331)	(7 500)
<i>Finance costs</i>		(0)	11
<i>Other expenses</i>	3.5	(5 248)	(5 333)
<b>Total expenses</b>		<b>(16 134)</b>	<b>(15 932)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(155)</b>	<b>(2 462)</b>

**CASHFLOW STATEMENT<sup>3</sup>**

	EUR '000	
	2019	2018
<i>Economic result of the year</i>	(155)	(2 462)
<b>Operating activities</b>		
<i>Depreciation and amortization</i>	1 455	1 413
<i>(Increase)/decrease in pre-financing</i>	-	160
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(337)	495
<i>Increase/(decrease) in payables</i>	(3)	(105)
<i>Increase/(decrease) in accrued charges &amp; deferred income</i>	(111)	526
<b>Investing activities</b>		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(846)	(28)
<b>NET CASHFLOW</b>	<b>2</b>	<b>(2)</b>
<i>Net increase/(decrease) in cash and cash equivalents</i>	2	(2)
<i>Cash and cash equivalents at the beginning of the year</i>	0	2
<i>Cash and cash equivalents at year-end</i>	2	0

<sup>3</sup> Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of ACER, the treasury of ACER was integrated into the Commission's treasury system. Because of this, ACER does not have any bank accounts of its own except for an imprest account. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.

**STATEMENT OF CHANGES IN NET ASSETS**

EUR '000

	Contribution from Members	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
<b>BALANCE AS AT 31.12.2017</b>	–	<b>10 568</b>	<b>(4 795)</b>	<b>5 774</b>
<i>Allocation 2017 economic result</i>	–	(4 795)	4 795	–
<i>Economic result of the year</i>	–	–	(2 462)	(2 462)
<b>BALANCE AS AT 31.12.2018</b>	–	<b>5 774</b>	<b>(2 462)</b>	<b>3 312</b>
<i>Allocation 2018 economic result</i>	–	(2 462)	2 462	–
<i>Economic result of the year</i>	–	–	(155)	(155)
<b>BALANCE AS AT 31.12.2019</b>	–	<b>3 312</b>	<b>(155)</b>	<b>3 156</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

# 1. SIGNIFICANT ACCOUNTING POLICIES

## 1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

## 1.2. BASIS OF PREPARATION

### 1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

### 1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

#### Euro exchange rates

Currency	31.12.2019	31.12.2018	Currency	31.12.2019	31.12.2018
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.2568</b>	4.3014
<b>CZK</b>	<b>25.4080</b>	25.7240	<b>RON</b>	<b>4.783</b>	4.6635
<b>DKK</b>	<b>7.4715</b>	7.4673	<b>SEK</b>	<b>10.4468</b>	10.2548
<b>GBP</b>	<b>0.8508</b>	0.8945	<b>CHF</b>	<b>1.0854</b>	1.1269
<b>HRK</b>	<b>7.4395</b>	7.4125	<b>JPY</b>	<b>121.9400</b>	125.8500
<b>HUF</b>	<b>330.5300</b>	320.9800	<b>USD</b>	<b>1.1234</b>	1.145

### 1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision

of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

## 1.3. BALANCE SHEET

### 1.3.1. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations).

Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

Intangible assets residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year.

### 1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land is not depreciated as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Space assets</i>	8 % to 25 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	0 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

Property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year.

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

## Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents shall be charged as expenses in the period in which they are incurred.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither a leased asset nor a leasing liability presented in the statement of financial position.

### 1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

### 1.3.4. Financial assets

Financial assets are classified in the following categories: 'financial assets at fair value through surplus or deficit', 'loans and receivables', 'held-to-maturity investments' and 'available for sale financial assets'. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

#### (i) *Financial assets at fair value through surplus or deficit*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also presented in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

#### (ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

#### (iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

(iv) *Available for sale financial assets*

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date. During this financial year, the entity did not hold any investments in this category.

### **Initial recognition and measurement**

Purchases and sales of financial assets at fair value through surplus or deficit, held-to-maturity and available for sale are recognised on their trade date, i.e. the date on which the entity commits to purchase or sell the asset. Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit, transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

### **Subsequent measurement**

Financial assets at fair value through surplus or deficit are subsequently carried at fair value, with gains and losses arising from changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial assets, calculated using the effective interest method, is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

#### **1.3.5. Pre-financing amounts**

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is presented as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

#### **1.3.6. Receivables and recoverables**

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly (see 1.3.4 above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

### 1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

### 1.3.8. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

### 1.3.9. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding.

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

### 1.3.10. Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

## 1.4. STATEMENT OF FINANCIAL PERFORMANCE

### 1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance it is distinguished between:

*(i) Revenue from non-exchange transactions*

Revenue from non-exchange transactions are taxes and transfers because the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability (pre-financing received).

*(ii) Revenue from exchange transactions*

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

### 1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at the original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

## **1.5. CONTINGENT ASSETS AND LIABILITIES**

### **1.5.1. Contingent assets**

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

### **1.5.2. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

## **1.6. CONSOLIDATION**

The accounts of this entity are fully consolidated in the EU consolidated annual accounts.

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. INTANGIBLE ASSETS

	EUR '000
	<b>TOTAL</b>
<i>Gross carrying amount at 31.12.2018</i>	5 127
<b>Gross carrying amount at 31.12.2019</b>	<b>5 127</b>
<i>Accumulated amortisation at 31.12.2018</i>	(3 856)
<i>Amortisation charge for the year</i>	(1 272)
<b>Accumulated amortisation at 31.12.2019</b>	<b>(5 127)</b>
<b>NET CARRYING AMOUNT AT 31.12.2019</b>	<b>-</b>
<i>NET CARRYING AMOUNT AT 31.12.2018</i>	1 272

The above amounts relate to the REMIT Portal, an IT platform built to assist the agency with the monitoring of the wholesale energy markets, and other computer software that is amortized at 25% amortisation rate per year.

#### 2.2. PROPERTY, PLANT AND EQUIPMENT

					EUR '000
	Plant and equipment	Furniture and vehicles	Computer hardware	Other	<b>TOTAL</b>
<i>Gross carrying amount at 31.12.2018</i>	2	126	1 335	261	1 724
<i>Additions</i>	-	26	818	3	846
<i>Disposals</i>	-	-	(39)	-	(39)
<b>Gross carrying amount at 31.12.2019</b>	<b>2</b>	<b>152</b>	<b>2 114</b>	<b>264</b>	<b>2 531</b>
<i>Accumulated depreciation at 31.12.2018</i>	(2)	(69)	(1 118)	(257)	(1 446)
<i>Depreciation charge for the year</i>	-	(16)	(164)	(3)	(183)
<i>Disposals</i>	-	-	39	-	39
<b>Accumulated depreciation at 31.12.2019</b>	<b>(2)</b>	<b>(85)</b>	<b>(1 244)</b>	<b>(260)</b>	<b>(1 590)</b>
<b>NET CARRYING AMOUNT AT 31.12.2019</b>	<b>-</b>	<b>67</b>	<b>870</b>	<b>4</b>	<b>941</b>
<i>NET CARRYING AMOUNT AT 31.12.2018</i>	-	57	217	4	278

During 2019 the Agency started preparing the infrastructure for its disaster recovery site by buying the necessary IT equipment (computer hardware for an amount of kEUR 818). The installation and start of operation will extend into 2020.

## 2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31 December 2019 ACER did not have any non-current receivables and recoverables. The amounts included under this heading are of a current nature and can be broken down as follows:

	<i>EUR '000</i>	
	31.12.2019	31.12.2018
<b>Recoverables from non-exchange transactions</b>		
<i>Member States</i>	34	68
	<b>34</b>	<b>68</b>
<b>Receivables from exchange transactions</b>		
<i>Customers</i>	-	3
<i>Central treasury liaison accounts</i>	3 117	2 778
<i>Deferred charges relating to exchange transactions</i>	233	197
<i>Other</i>	14	13
	<b>3 364</b>	<b>2 992</b>
<b>Total</b>	<b>3 397</b>	<b>3 060</b>

The heading recoverables from Member States contain VAT amounts to be recovered from the Republic of Slovenia. The Agency benefits from a direct exemption for VAT from the Republic of Slovenia for purchases above the threshold amount of EUR 60. For purchases where the direct exemption is impracticable to obtain, the VAT is refunded by the Republic of Slovenia on a quarterly basis.

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of ACER, the treasury of ACER was integrated into the Commission's treasury system. Except for imprest accounts (see note 2.4 below), ACER does not have any bank accounts of its own since 1 October 2017. All payments and receipts are processed via the Commission's treasury system and registered on inter-company accounts, which are presented under the heading Central treasury liaison accounts.

The deferred charges consist of pre-payments made during the year for services that will be delivered in 2020. They mainly relate to subscriptions, insurance premiums and school fees.

## 2.4. CASH AND CASH EQUIVALENTS

	<i>EUR '000</i>	
	31.12.2019	31.12.2018
<i>Imprest accounts</i>	2	0

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of ACER, the treasury of ACER was integrated into the Commission's treasury system. The majority of payments and receipts are processed via the Commission's treasury system and registered on liaison accounts, which are presented under heading receivables from exchange transactions (see note 2.3 above).

The amounts remaining under this heading relate to imprest account that are managed by ACER and reserved for small local payments where it would be impractical to process them through the central treasury system.

## LIABILITIES

### 2.5. PAYABLES

	<i>EUR '000</i>	
	31.12.2019	31.12.2018
<i>Commission subsidy</i>	198	192
<i>Sundry payables</i>	–	9
<b>Total</b>	<b>198</b>	<b>201</b>

The heading Commission subsidy comprises the unused pre-financing amounts received from the Commission in 2019, known as the balancing subsidy. The outstanding amount will be returned to the Commission upon request in the course of 2020.

The decrease of the sundry payables relates mainly to settlement of amounts due to staff which was done in 2019.

### 2.6. ACCRUED CHARGES

	<i>EUR '000</i>	
	31.12.2019	31.12.2018
<i>Accrued charges</i>	986	1 097

Accrued charges are the amounts estimated by the authorising officer of costs incurred for services and goods delivered in year 2019 but not yet invoiced or processed by the end of the year. The basis of the accruals calculation is the open amount of budgetary commitments at year end. The amount includes estimated operating expenses of kEUR 396, staff expenses of kEUR 331 and administrative expenses of kEUR 258.

The accrued staff expenses include accrued charges for untaken leave of kEUR 171.

The accrued administrative expenses are mainly composed of non-IT services (kEUR 137), office supplies and maintenance (kEUR 94), communications and publications (kEUR 16) and maintenance and security of buildings (kEUR 11).

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### REVENUE

#### NON-EXCHANGE REVENUE

#### 3.1. FUNDS FROM THE COMMISSION

	<i>EUR '000</i>	
	2019	2018
<i>Funds from the Commission</i>	15 949	13 370

In 2019 ACER received the Commission subsidy of kEUR 16 147 in two financial transfers (kEUR 8 094 in February and kEUR 8 053 in July).

The amounts included under this heading correspond to the amounts of the Commission subsidy used during 2019. Unused amounts are recorded under accounts payable (see note **2.5**) and will be reimbursed to the Commission in 2020. The corresponding accrued expenses will be recorded in the financial statements of the Commission.

#### EXCHANGE REVENUE

#### 3.2. OTHER EXCHANGE REVENUE

	<i>EUR '000</i>	
	2019	2018
<i>Property, plant and equipment related revenue</i>	–	100
<i>Other</i>	30	–
<b>Total</b>	<b>30</b>	<b>100</b>

Included under the heading there is a recovery order with E-Control Austria for the implementation of CEREMP IT solution as national register for market participants to E-Control.

In 2018 the amounts under Property, plant and equipment related revenue resulted from corrections of fixed assets purchased in 2017. No such corrections were needed in 2019.

#### EXPENSES

#### 3.3. OPERATING COSTS

	<i>EUR '000</i>	
	2019	2018
<i>Operating costs</i>	2 555	3 111

Included under this heading are operating expenses incurred in relation to operational missions, workshops, public hearings, REMIT project related costs and other operational expenditure incurred for the functioning of the Agency.

The reduction in operation costs by kEUR 556 as compared to 2018 is due to the fact that less budget has been approved in 2019 for the REMIT project than in 2018.

### 3.4. STAFF COSTS

EUR '000

	2019	2018
<i>Staff costs</i>	8 331	7 500

Included under this heading are salary expenses and other employment-related allowances and benefits. Calculations related to staff costs are, based on the service level agreement, entrusted to the European Commission's Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO).

The pensions of ACER staff members are covered by the Pensions Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit, an employee will receive on retirement, depends on factors such as age and years of service. Both ACER staff and the Commission contribute to the pension scheme and the contribution percentage is revised yearly to reflect the changes in the Staff Regulation. The cost to the Commission is not reflected in the ACER's accounts. Similarly, the future benefits, payable to the ACER staff, are accounted for in the liabilities of the Commission, as it is the Commission who will pay out these benefits. No provisions related to the future pensions are made in these accounts.

### 3.5. OTHER EXPENSES

EUR '000

	2019	2018
<i>Property, plant and equipment related expenses</i>	1 558	1 588
<i>External non IT services</i>	1 463	1 643
<i>Operating leasing expenses</i>	976	850
<i>Office Supplies &amp; maintenance</i>	428	496
<i>Administrative expenses with EU entities</i>	374	328
<i>Training costs</i>	157	124
<i>Missions</i>	97	103
<i>Recruitment costs</i>	38	60
<i>Communications &amp; publications</i>	68	58
<i>Experts and related expenditure</i>	22	24
<i>Other</i>	67	57
<b>Total</b>	<b>5 248</b>	<b>5 333</b>

Property, plant and equipment-related expenses are the maintenance and related service costs of the headquarters' premises in Ljubljana.

The heading operating leasing expenses includes the rental contract of the ACER offices. The future payments for this contract are as follows:

EUR '000

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	964	3 095		4 059

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

	31.12.2019	31.12.2018
<i>Outstanding commitments not yet expensed</i>	2 118	1 710

The outstanding commitments not yet expensed comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2019 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

### 4.2. SERVICES IN KIND

During 2019 ACER received from the Council of the European Energy Regulators offices space and logistical and secretarial support for the agency's liaison office in Brussels free of charge. The offered office space and share of common areas totalling to 32 m<sup>2</sup> cost approximately EUR 5 150 per year.

### 4.3. RELATED PARTIES

The related parties of ACER are the other EU consolidated entities and ACER key management personnel. Transactions between these parties take place as part of the normal ACER operations and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

### 4.4. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of ACER is the Director, who executes the role of the Authorising Officer.

	31.12.2019	31.12.2018
<i>Director</i>	AD 15	AD 15

The Director is remunerated in accordance with the Staff Regulation of the European Union that is published on the Europa website. The Staff Regulation is an official document describing the remuneration and other conditions of employment of all EU staff. The Director has not received any loans from ACER.

### 4.5. OTHER EVENTS

At the end of the financial year 2019 the Agency had six legal cases (T-735/18 – Aquind v ACER; T-283/19 – Germany v ACER; T-631/19 BNetzA v ACER; T-684/19 - Magyar Energetikai és Közműszabályozási Hivatal v ACER; T-704/19 FGSZ v ACER) ongoing before the General Court requesting annulment of decisions taken by the Agency and one case (T-513/19 Lux v Commission) where an application of intervention by ACER is requested. All cases are still ongoing. At this stage, any claim for damages against ACER is assessed as unlikely.

### 4.6. EVENTS AFTER REPORTING DATE

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures

reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. TYPES OF RISK

**Market risk** is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the ACER has no significant other price risk).

- (1) *Currency risk* is the risk that the ACER operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.
- (2) Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. ACER does not have any securities thus it is not exposed to the interest rate risk.

**Credit risk** is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

**Liquidity risk** is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

### 5.2. CURRENCY RISKS

#### Exposure to currency risk at year-end

At 31 December 2019 the financial assets are composed of current bank account (imprest account), exchange receivables and non-exchange recoverables. The financial liabilities comprise current payables and accrued charges. The ending balances of both financial liabilities and financial assets are mainly quoted in EUR. The impact of other currencies is individually immaterial. At the-year end ACER thus does not have any significant exposure to currency risks.

### 5.3. CREDIT RISK

#### Financial assets that are neither past due nor impaired

At 31 December 2019 financial assets are neither past due nor impaired comprise of current bank account and current exchange receivables and non-exchange recoverables.

#### Financial assets by risk category

The financial assets comprise exchange receivables with debtors without external credit rating that have never defaulted in the past (kEUR 3 364), non-exchange VAT receivable (kEUR 34) from the Republic of Slovenia (lower medium investment grade) and imprest account in UniCredit bank AG of kEUR 2 (prime and high investment grade).

### 5.4. LIQUIDITY RISK

#### Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are composed of accounts payable with contractual maturity of less than 1 year and accrued charges that are also classified under current liabilities.

# THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

*It should be noted that due to the rounding of figures into thousands of euros, some financial data in the tables below may appear not to add-up.*

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# 1. BUDGETARY PRINCIPLES, STRUCTURE AND HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

## 1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the ACER budget is governed by the following basic principles set out in the Title II of the ACER Financial Regulation 2014:

### **Principles of unity and budget accuracy**

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the ACER budget. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

### **Principle of annuality**

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December.

### **Principle of equilibrium**

Revenue and payment appropriations shall be in balance.

### **Principle of unit of account**

The budget shall be drawn up and implemented in euros and the accounts shall be presented in euros.

### **Principle of universality**

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

### **Principle of specification**

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

### **Principle of sound financial management**

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

### **Principle of transparency**

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published in the Official Journal of the European Union within three months of their adoption.

## 1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

Following the provisions of the ACER Financial Regulation approved by Administrative Board decision No. 22/2013 of 12 December 2013, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The statement of expenditure must be set out on the basis of a nomenclature with a classification by purpose. That nomenclature shall be determined by ACER and shall make a clear distinction between administrative appropriations and operating appropriations:

**Title 1 budget lines** relate to staff expenditure such as salaries and allowances for personnel working with ACER. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

**Title 2 budget lines** relate to all buildings, equipment and miscellaneous administrative expenditure.

**Title 3 budget lines** provide for the implementation of the activities and tasks assigned to the ACER by its establishing Regulation (EU) No. 713/2009 of the European Parliament and of the Council of 13 July 2009.

**Assigned revenue budget lines** relate to financing of specific items of expenditure. They can be externally or internally assigned.

## 1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

During the financial year 2019, the operations of the Agency were fully subsidised from the general budget of the Union. The approved subsidy for the financial year 2019 amounted to kEUR 16 147 and there was no agreement reached for any contribution towards the Agency from the EFTA countries. The implementation rates of the 2019 appropriations reached a level of 99.50% for commitments and 81.35% for payments, well above the pre-set targets of 95 % and 75 % respectively. Commitment and payment appropriations amounting to kEUR 84 were cancelled mainly due to lower than expected mission orders, use of medical services, consultancy costs, participation to meetings, workshops expenditure and information material. An amount of kEUR 2 965 has been carried over to 2020 to cover contractual obligations that remained open at 31 December 2019.

During the financial year, the Agency collected assigned revenues amounting to a total of kEUR 96 stemming mainly from recovered damages, overpaid amounts and contribution to services provided to third parties. Only a small part of these were not consumed during the year (kEUR 4) and will be returned to the general budget.

Additional funding in 2019 for the implementation of its main project, the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) led to an increase in operational expenditure (Title 3) taking into account payments made from increased appropriations in 2019 and some carried-over from 2018.

In addition to the current year appropriations, an amount of kEUR 2 648 in payment appropriations was carried forward from the financial year 2018 to honour the open commitments estimated by the Agency at that point in time. By the end of the financial year 2019, out of this amount kEUR 2 534 was consumed, which brought the implementation rate of these funds to 95.70 %. The difference of kEUR 114 has been cancelled and will be returned to the general budget during 2020. The cancelled amount was mainly due to lower than expected value of claims for reimbursement for missions and organised meetings, actual consumption level of utilities, IT consultancy services and cancelled contracts for underperformance of contractor. Unused commitment appropriations of the year 2018 that were automatically carried over and amounting to kEUR 4 are also returned to the general budget.

The 2019 budget outturn amounts to kEUR 198 and will be returned to the Commission in the course of 2020.

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2019	2018
<b>Revenue</b>		<b>16 243</b>	<b>13 566</b>
of which:			
Revenue	9	16 243	13 566
<b>Expenditure</b>		<b>(13 198)</b>	<b>(10 813)</b>
of which:			
Staff expenditure	1	(9 033)	(8 276)
Administrative expenditure	2	(1 881)	(1 807)
Operational expenditure	3	(2 284)	(730)
<b>Payment appropriat. carried over to the following year</b>		<b>(2 932)</b>	<b>(2 648)</b>
of which:			
Staff expenditure	1	(215)	(176)
Administrative expenditure	2	(831)	(950)
Operational expenditure	3	(1 887)	(1 522)
<b>Cancellation of unused appropri. carried over from year n-1</b>		<b>114</b>	<b>87</b>
<b>Evolution of assigned revenue (B)-(A)</b>		<b>(29)</b>	<b>1</b>
Unused appropriations at the end of current year (A)		33	4
Unused appropriations at the end of previous year (B)		4	5
<b>Exchange rate differences</b>		<b>(0)</b>	<b>0</b>
<b>Budget result</b>		<b>198</b>	<b>192</b>

### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2019	2018
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(155)</b>	<b>(2 462)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>3 872</b>	<b>5 086</b>
<i>In-kind contributions validated in the year</i>		
<i>Adjustments for accrual cut-off (net)</i>	(144)	558
<i>Unpaid invoices at year end but booked in expenses</i>	30	-
<i>Depreciation of intangible and tangible assets</i>	1 455	1 426
<i>Recovery orders issued in the year and not yet cashed</i>	(3)	(11)
<i>Pre-financing paid in previous year and cleared in the year</i>	-	160
<i>Payments made from carry-over of payment appropriations</i>	2 534	2 953
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>(3 518)</b>	<b>(2 432)</b>
<i>Asset acquisitions (less unpaid amounts)</i>	(807)	(41)
<i>Payments made from non-budget lines</i>	-	100
<i>New pre-financing received in the year and remaining open as at 31 December</i>	80	105
<i>Payment appropriations carried over to next year</i>	(2 932)	(2 648)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	114	87
<i>Other individually immaterial</i>	27	(35)
<b>BUDGET RESULT OF THE YEAR</b>	<b>198</b>	<b>192</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1. Implementation of budget revenue – Title 9

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
901 Subsidy from the EU general budget	15 853	15 853	16 147	–	16 147	16 147	–	16 147	102 %	–
902 Others	294	294	93	3	96	93	3	96	33 %	–
Total Chapter 90	16 147	16 147	16 240	3	16 243	16 240	3	16 243	101 %	–
<b>Total Title 9</b>	<b>16 147</b>	<b>16 147</b>	<b>16 240</b>	<b>3</b>	<b>16 243</b>	<b>16 240</b>	<b>3</b>	<b>16 243</b>	<b>101 %</b>	<b>–</b>
<b>GRAND TOTAL</b>	<b>16 147</b>	<b>16 147</b>	<b>16 240</b>	<b>3</b>	<b>16 243</b>	<b>16 240</b>	<b>3</b>	<b>16 243</b>	<b>101 %</b>	<b>–</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1. Breakdown & changes in commitment appropriations

#### 5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total appror. available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100 Basic salaries and correction	4 560	-	(144)	4 416	-	-	-	4 416
1101 Family allowances	640	-	76	717	-	-	-	717
1102 Expatriation and foreign residence allowances	759	-	(43)	716	-	-	-	716
1110 Contract agents	1 276	-	197	1 473	-	-	-	1 473
1111 Seconded National Experts	191	-	(22)	169	-	3	3	172
1120 Training and information for staff	175	-	(65)	110	-	-	-	110
1130 Insurance against sickness	183	-	2	184	-	-	-	184
1131 Insurance against accidents and occupational disease	22	-	(1)	21	-	-	-	21
1132 Unemployment insurance for temporary staff	74	-	(4)	70	-	-	-	70
1140 Birth and death grants	1	-	0	1	-	-	-	1
1141 Annual travel expense from place of work to origin	83	-	(13)	70	-	-	-	70
1142 Schooling fees	285	-	25	310	-	1	1	312
1150 Overtime	43	-	(43)	-	-	-	-	-
1160 Expenditure related to recruitment	62	-	(24)	38	-	-	-	38
1161 Travel expenses taking up duty	8	-	(7)	1	-	-	-	1
1162 Installation, resettlement and transfer allowances	54	-	6	60	-	-	-	60
1163 Temporary daily subsistence allowances	79	-	(44)	35	-	-	-	35
1170 Supplementary clerical and interim services	431	-	(7)	423	-	-	-	423
1171 Administrative assistance	129	-	12	141	-	1	1	142
1172 Trainees	150	-	(27)	123	-	-	-	123
<b>Total Chapter 11</b>	<b>9 205</b>	<b>-</b>	<b>(125)</b>	<b>9 080</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>9 085</b>
1200 Mission expenses - Administrative staff	40	-	(5)	35	-	1	1	36
1201 Mission expenses - Director	30	-	-	30	-	-	-	30
1202 Mission expenses - Director office staff	30	-	-	30	-	-	-	30
<b>Total Chapter 12</b>	<b>100</b>	<b>-</b>	<b>(5)</b>	<b>95</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>96</b>
1300 Medical services and equipment	52	-	-	52	-	-	-	52
<b>Total Chapter 13</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52</b>
1401 Social welfare of staff	24	-	-	24	-	-	-	24
1410 Staff Committee	17	-	-	17	-	-	-	17
<b>Total Chapter 14</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>
<b>Total Title 1</b>	<b>9 397</b>	<b>-</b>	<b>(130)</b>	<b>9 267</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>9 274</b>

## 5.1.2. Breakdown &amp; changes in commitment appropriations – Title 2

*EUR '000*

Item	Initial adopted budget	Budget appropriations			Additional appropriations			Total approp. available
		Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	
2000 Rent	656	-	-	656	-	-	-	656
2001 Removal costs	12	-	(6)	6	-	-	-	6
2010 Utilities	160	-	(8)	152	-	-	-	152
2011 Cleaning and maintenance	165	-	(13)	153	-	-	-	153
2020 Insurance	12	-	(5)	7	-	-	-	7
2030 Security and surveillance of buildings	95	-	24	119	-	1	1	120
2031 Health and safety at work	3	-	-	3	-	-	-	3
2040 Other expenditure on buildings	20	-	8	28	-	-	-	28
<b>Total Chapter 20</b>	<b>1 123</b>	<b>-</b>	<b>0</b>	<b>1 124</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1 124</b>
2100 Consumables	10	-	-	10	-	-	-	10
2101 Software	30	-	(27)	3	-	-	-	3
2102 Subscriptions IT	300	-	34	334	-	-	-	334
2103 Disaster recovery site	45	-	(13)	32	-	-	-	32
<b>Total Chapter 21</b>	<b>385</b>	<b>-</b>	<b>(5)</b>	<b>380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>380</b>
2210 Purchase of furniture	10	-	2	12	-	-	-	12
2220 Transportation costs	175	-	(20)	155	-	-	-	155
2230 Library acquisitions	127	-	-	127	-	-	-	127
<b>Total Chapter 22</b>	<b>312</b>	<b>-</b>	<b>(18)</b>	<b>294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294</b>
2300 Stationery and office supplies	30	-	(9)	22	-	-	-	22
2310 Bank charges	0	-	-	0	-	-	-	0
2320 Legal expenses	65	-	-	65	-	-	-	65
2322 Expert consultations - Gas	80	-	67	147	-	-	-	147
2323 Expert consultations - Electricity	80	-	(55)	25	-	-	-	25
2324 Expert consultations - Administration	53	-	(29)	24	-	-	-	24
2325 External audit expenses	11	-	-	11	-	-	-	11
2326 Information security	45	-	0	45	-	-	-	45
2327 Expert consultations - MSC	25	-	-	25	-	-	-	25
2328 Data protection	30	-	-	30	-	-	-	30
2330 Administrative Board meetings	34	-	-	34	-	-	-	34
2331 Board of Regulators meetings	82	-	-	82	-	-	-	82
2332 Board of Appeal	130	-	34	164	-	-	-	164

EUR '000

Item	Initial adopted budget	Budget appropriations			Final budget adopted	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
2333 External participants to meetings	8	-	-	8	-	-	-	8	
2334 EU Agencies Network	4	-	-	4	-	-	-	4	
<b>Total Chapter 23</b>	<b>677</b>	<b>-</b>	<b>9</b>	<b>686</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>686</b>	
2400 Postal charges	9	-	4	13	-	-	-	13	
2410 Telecommunications subscriptions and charges	75	-	(2)	73	-	-	-	73	
2420 Hardware and other equipment	80	-	96	176	-	-	-	176	
<b>Total Chapter 24</b>	<b>164</b>	<b>-</b>	<b>98</b>	<b>262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>262</b>	
<b>Total Title 2</b>	<b>2 661</b>	<b>-</b>	<b>84</b>	<b>2 745</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>2 745</b>	

## 5.1.3. Breakdown &amp; changes in commitment appropriations – Title 3

		Budget appropriations				Additional appropriations			EUR '000
Item	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	Total approp. available	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
3000 Representation expenses - Director office	3	-	-	3	-	-	-	3	
3001 Representation expenses - Administration	1	-	(0)	0	-	-	-	0	
3002 Representation expenses - Electricity	1	-	-	1	-	-	-	1	
3003 Representation expenses - MIT	1	-	(1)	-	-	-	-	-	
3004 Representation expenses - Gas	1	-	-	1	-	-	-	1	
3005 Representation expenses - MSC	1	-	(1)	-	-	-	-	-	
<b>Total Chapter 30</b>	<b>7</b>	<b>-</b>	<b>(2)</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	
3100 Operational Missions - Gas Department	60	-	(13)	47	-	0	0	47	
3101 Operational Missions - Electricity Department	60	-	30	90	-	0	0	90	
3102 Operational Missions - MIT	45	-	(19)	26	-	-	-	26	
3103 Operational Missions - MSC	25	-	(9)	16	-	-	-	16	
<b>Total Chapter 31</b>	<b>190</b>	<b>-</b>	<b>(11)</b>	<b>179</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>180</b>	
3200 Public hearings, workshops, conferences	70	-	(10)	60	-	-	-	60	
3201 Website set-up and maintenance	50	-	15	65	-	-	-	65	
3202 Publications, information material	39	-	(24)	15	-	-	-	15	
<b>Total Chapter 32</b>	<b>158</b>	<b>-</b>	<b>(19)</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140</b>	
3300 Translation at CDT	226	-	(39)	187	-	-	-	187	
<b>Total Chapter 33</b>	<b>226</b>	<b>-</b>	<b>(39)</b>	<b>187</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187</b>	
3400 Insurance	7	-	(3)	5	-	-	-	5	
<b>Total Chapter 34</b>	<b>7</b>	<b>-</b>	<b>(3)</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	
3500 Infrastructure, hardware licenses, deployment, service desk and operations	1 750	-	19	1 769	-	29	29	1 799	
3501 Software maintenance, development, testing and software licenses	800	-	-	800	-	63	63	863	
3502 Surveillance and BI tools customisation, licenses and consultancy	700	-	-	700	-	-	-	700	
3503 Studies, technical writing, coordination, QA and information security	250	-	100	350	-	-	-	350	
<b>Total Chapter 35</b>	<b>3 500</b>	<b>-</b>	<b>120</b>	<b>3 620</b>	<b>-</b>	<b>92</b>	<b>92</b>	<b>3 712</b>	
<b>Total Title 3</b>	<b>4 089</b>	<b>-</b>	<b>46</b>	<b>4 135</b>	<b>-</b>	<b>93</b>	<b>93</b>	<b>4 228</b>	
<b>GRAND TOTAL</b>	<b>16 147</b>	<b>-</b>	<b>(0)</b>	<b>16 147</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>16 248</b>	

## 5.2. Breakdown & changes in payment appropriations

### 5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Initial budget adopted	Budget appropriations			Final adopted budget	Additional appropriations			Total approp. available
		Amending budgets	Transfers			Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
1100 Basic salaries and correction	4 560	-	(144)	4 416	-	-	-	4 416	
1101 Family allowances	640	-	76	717	-	-	-	717	
1102 Expatriation and foreign residence allowances	759	-	(43)	716	-	-	-	716	
1110 Contract agents	1 276	-	197	1 473	-	-	-	1 473	
1111 Seconded National Experts	191	-	(22)	169	-	3	3	172	
1120 Training and information for staff	175	-	(65)	110	56	-	56	167	
1130 Insurance against sickness	183	-	2	184	-	-	-	184	
1131 Insurance against accidents and occupational disease	22	-	(1)	21	-	-	-	21	
1132 Unemployment insurance for temporary staff	74	-	(4)	70	-	-	-	70	
1140 Birth and death grants	1	-	0	1	-	-	-	1	
1141 Annual travel expense from place of work to origin	83	-	(13)	70	-	-	-	70	
1142 Schooling fees	285	-	25	310	-	1	1	312	
1150 Overtime	43	-	(43)	-	-	-	-	-	
1160 Expenditure related to recruitment	62	-	(24)	38	10	-	10	48	
1161 Travel expenses taking up duty	8	-	(7)	1	-	-	-	1	
1162 Installation, resettlement and transfer allowances	54	-	6	60	-	-	-	60	
1163 Temporary daily subsistence allowances	79	-	(44)	35	-	-	-	35	
1170 Supplementary clerical and interim services	431	-	(7)	423	59	-	59	482	
1171 Administrative assistance	129	-	12	141	26	1	27	168	
1172 Trainees	150	-	(27)	123	-	-	-	123	
<b>Total Chapter 11</b>	<b>9 205</b>	<b>-</b>	<b>(125)</b>	<b>9 080</b>	<b>151</b>	<b>5</b>	<b>156</b>	<b>9 236</b>	
1200 Mission expenses - Administrative staff	40	-	(5)	35	1	1	2	37	
1201 Mission expenses - Director	30	-	-	30	3	-	3	33	
1202 Mission expenses - Director office staff	30	-	-	30	1	-	1	31	
<b>Total Chapter 12</b>	<b>100</b>	<b>-</b>	<b>(5)</b>	<b>95</b>	<b>5</b>	<b>1</b>	<b>6</b>	<b>101</b>	
1300 Medical services and equipment	52	-	-	52	19	-	19	71	
<b>Total Chapter 13</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>19</b>	<b>-</b>	<b>19</b>	<b>71</b>	
1401 Social welfare of staff	24	-	-	24	0	-	0	24	
1410 Staff Committee	17	-	-	17	2	-	2	18	
<b>Total Chapter 14</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>42</b>	
<b>Total Title 1</b>	<b>9 397</b>	<b>-</b>	<b>(130)</b>	<b>9 267</b>	<b>176</b>	<b>6</b>	<b>182</b>	<b>9 450</b>	

## 5.2.2. Breakdown &amp; changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations			Final adopted budget	Additional appropriations			Total	Total appropriable
	Initial budget adopted	Amending budgets	Transfers		Carry-overs	Assigned revenue	Total		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
2000 Rent	656	-	-	656	-	-	-	656	
2001 Removal costs	12	-	(6)	6	5	-	5	11	
2010 Utilities	160	-	(8)	152	16	-	16	168	
2011 Cleaning and maintenance	165	-	(13)	153	12	-	12	164	
2020 Insurance	12	-	(5)	7	-	-	-	7	
2030 Security and surveillance of buildings	95	-	24	119	8	1	8	127	
2031 Health and safety at work	3	-	-	3	-	-	-	3	
2040 Other expenditure on buildings	20	-	8	28	2	-	2	30	
<b>Total Chapter 20</b>	<b>1 123</b>	<b>-</b>	<b>0</b>	<b>1 124</b>	<b>43</b>	<b>1</b>	<b>43</b>	<b>1 167</b>	
2100 Consumables	10	-	-	10	0	-	0	10	
2101 Software	30	-	(27)	3	26	-	26	29	
2102 Subscriptions IT	300	-	34	334	111	-	111	446	
2103 Disaster recovery site	45	-	(13)	32	22	-	22	54	
<b>Total Chapter 21</b>	<b>385</b>	<b>-</b>	<b>(5)</b>	<b>380</b>	<b>159</b>	<b>-</b>	<b>159</b>	<b>539</b>	
2210 Purchase of furniture	10	-	2	12	55	-	55	67	
2220 Transportation costs	175	-	(20)	155	0	-	0	155	
2230 Library acquisitions	127	-	-	127	6	-	6	133	
<b>Total Chapter 22</b>	<b>312</b>	<b>-</b>	<b>(18)</b>	<b>294</b>	<b>61</b>	<b>-</b>	<b>61</b>	<b>355</b>	
2300 Stationery and office supplies	30	-	(9)	22	9	-	9	30	
2310 Bank charges	0	-	-	0	-	-	-	0	
2320 Legal expenses	65	-	-	65	9	-	9	74	
2321 Expert consultations - MIT	-	-	-	-	190	-	190	190	
2322 Expert consultations - Gas	80	-	67	147	97	-	97	243	
2323 Expert consultations - Electricity	80	-	(55)	25	78	-	78	103	
2324 Expert consultations - Administration	53	-	(29)	24	-	-	-	24	
2325 External audit expenses	11	-	-	11	16	-	16	27	

Item	Budget appropriations				Additional appropriations			Total approp. available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2326 Information security	45	-	0	45	36	-	36	82
2327 Expert consultations - MSC	25	-	-	25	112	-	112	137
2328 Data protection	30	-	-	30	17	-	17	47
2330 Administrative Board meetings	34	-	-	34	17	-	17	51
2331 Board of Regulators meetings	82	-	-	82	27	-	27	109
2332 Board of Appeal	130	-	34	164	1	-	1	165
2333 External participants to meetings	8	-	-	8	3	-	3	11
2334 EU Agencies Network	4	-	-	4	-	-	-	4
<b>Total Chapter 23</b>	<b>677</b>	<b>-</b>	<b>9</b>	<b>686</b>	<b>613</b>	<b>-</b>	<b>613</b>	<b>1 298</b>
2400 Postal charges	9	-	4	13	2	-	2	14
2410 Telecommunications subscriptions and charges	75	-	(2)	73	9	-	9	82
2420 Hardware and other equipment	80	-	96	176	63	-	63	240
<b>Total Chapter 24</b>	<b>164</b>	<b>-</b>	<b>98</b>	<b>262</b>	<b>75</b>	<b>-</b>	<b>75</b>	<b>336</b>
<b>Total Title 2</b>	<b>2 661</b>	<b>-</b>	<b>84</b>	<b>2 745</b>	<b>950</b>	<b>1</b>	<b>951</b>	<b>3 696</b>

## 5.2.3. Breakdown &amp; changes in payment appropriations – Title 3

		Budget appropriations				Additional appropriations			EUR '000
Item	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	Total approp. available	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
3000 Representation expenses - Director office	3	-	-	3	1	-	1	3	
3001 Representation expenses - Administration	1	-	(0)	0	-	-	-	0	
3002 Representation expenses - Electricity	1	-	-	1	0	-	0	1	
3003 Representation expenses - MIT	1	-	(1)	-	-	-	-	-	
3004 Representation expenses - Gas	1	-	-	1	0	-	0	1	
3005 Representation expenses - MSC	1	-	(1)	-	-	-	-	-	
<b>Total Chapter 30</b>	<b>7</b>	<b>-</b>	<b>(2)</b>	<b>5</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>6</b>	
3100 Operational Missions - Gas Department	60	-	(13)	47	8	0	8	55	
3101 Operational Missions - Electricity Department	60	-	30	90	9	0	10	100	
3102 Operational Missions - MIT	45	-	(19)	26	3	-	3	29	
3103 Operational Missions - MSC	25	-	(9)	16	5	-	5	21	
<b>Total Chapter 31</b>	<b>190</b>	<b>-</b>	<b>(11)</b>	<b>179</b>	<b>26</b>	<b>1</b>	<b>27</b>	<b>206</b>	
3200 Public hearings, workshops, conferences	70	-	(10)	60	11	-	11	71	
3201 Website set-up and maintenance	50	-	15	65	88	-	88	153	
3202 Publications, information material	39	-	(24)	15	2	-	2	17	
<b>Total Chapter 32</b>	<b>158</b>	<b>-</b>	<b>(19)</b>	<b>140</b>	<b>101</b>	<b>-</b>	<b>101</b>	<b>240</b>	
3300 Translation at CDT	226	-	(39)	187	41	-	41	228	
<b>Total Chapter 33</b>	<b>226</b>	<b>-</b>	<b>(39)</b>	<b>187</b>	<b>41</b>	<b>-</b>	<b>41</b>	<b>228</b>	
3400 Insurance	7	-	(3)	5	-	-	-	5	
<b>Total Chapter 34</b>	<b>7</b>	<b>-</b>	<b>(3)</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	
3500 Infrastructure, hardware licenses, deployment, service desk and operations	1 750	-	19	1 769	810	29	840	2 609	
3501 Software maintenance, development, testing and software licenses	800	-	-	800	350	63	413	1 213	
3502 Surveillance and BI tools customisation, licenses and consultancy	700	-	-	700	84	-	84	784	
3503 Studies, technical writing, coordination, QA and information security	250	-	100	350	110	-	110	460	
<b>Total Chapter 35</b>	<b>3 500</b>	<b>-</b>	<b>120</b>	<b>3 620</b>	<b>1 354</b>	<b>92</b>	<b>1 446</b>	<b>5 066</b>	
<b>Total Title 3</b>	<b>4 089</b>	<b>-</b>	<b>46</b>	<b>4 135</b>	<b>1 522</b>	<b>93</b>	<b>1 615</b>	<b>5 750</b>	
<b>GRAND TOTAL</b>	<b>16 147</b>	<b>-</b>	<b>(0)</b>	<b>16 147</b>	<b>2 648</b>	<b>100</b>	<b>2 749</b>	<b>18 896</b>	

## 5.3. Implementation of commitment appropriations

### 5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1100 Basic salaries and correction	4 416	4 416	-	-	4 416	100 %	-	-	-	-	-	-	-
1101 Family allowances	717	717	-	-	717	100 %	-	-	-	-	-	-	-
1102 Expatriation and foreign residence allowances	716	716	-	-	716	100 %	-	-	-	-	-	-	-
1110 Contract agents	1 473	1 473	-	-	1 473	100 %	-	-	-	-	-	-	-
1111 Seconded National Experts	172	169	-	-	169	98 %	3	-	3	-	-	-	-
1120 Training and information for staff	110	110	-	-	110	100 %	-	-	-	-	-	-	-
1130 Insurance against sickness	184	184	-	-	184	100 %	-	-	-	-	-	-	-
1131 Insurance against accidents and occupational disease	21	21	-	-	21	100 %	-	-	-	-	-	-	-
1132 Unemployment insurance for temporary staff	70	70	-	-	70	100 %	-	-	-	-	-	-	-
1140 Birth and death grants	1	1	-	-	1	100 %	-	-	-	-	-	-	-
1141 Annual travel expense from place of work to origin	70	70	-	-	70	100 %	-	-	-	-	-	-	-
1142 Schooling fees	312	309	-	-	309	99 %	1	-	1	1	-	1	2
1160 Expenditure related to recruitment	38	38	-	-	38	100 %	-	-	-	-	-	-	-
1161 Travel expenses taking up duty	1	1	-	-	1	100 %	-	-	-	-	-	-	-
1162 Installation, resettlement and transfer allowances	60	60	-	-	60	100 %	-	-	-	-	-	-	-
1163 Temporary daily subsistence allowances	35	35	-	-	35	100 %	-	-	-	-	-	-	-
1170 Supplementary clerical and interim services	423	418	-	-	418	99 %	-	-	-	5	-	-	5
1171 Administrative assistance	142	141	-	-	141	99 %	-	-	-	-	-	1	1
1172 Trainees	123	123	-	-	123	100 %	-	-	-	-	-	-	-

Item	Total approp. available	Commitments made				Appropriations carried over to 2020			Appropriations lapsing				
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1100 Basic salaries and correction	4 416	4 416	-	-	4 416	100 %	-	-	-	-	-	-	-
1101 Family allowances	717	717	-	-	717	100 %	-	-	-	-	-	-	-
<b>Total Chapter 11</b>	<b>9 085</b>	<b>9 074</b>	<b>-</b>	<b>-</b>	<b>9 074</b>	<b>100 %</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>6</b>	<b>-</b>	<b>1</b>	<b>8</b>
1200 Mission expenses - Administrative staff	36	35	-	-	35	97 %	-	-	-	-	-	1	1
1201 Mission expenses - Director	30	30	-	-	30	100 %	-	-	-	-	-	-	-
1202 Mission expenses - Director office staff	30	30	-	-	30	99 %	-	-	-	0	-	-	0
<b>Total Chapter 12</b>	<b>96</b>	<b>95</b>	<b>-</b>	<b>-</b>	<b>95</b>	<b>99 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>1</b>	<b>1</b>
1300 Medical services and equipment	52	40	-	-	40	78 %	-	-	-	12	-	-	12
<b>Total Chapter 13</b>	<b>52</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>78 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>
1401 Social welfare of staff	24	22	-	-	22	91 %	-	-	-	2	-	-	2
1410 Staff Committee	17	16	-	-	16	99 %	-	-	-	0	-	-	0
<b>Total Chapter 14</b>	<b>41</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>94 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Total Title 1</b>	<b>9 274</b>	<b>9 247</b>	<b>-</b>	<b>-</b>	<b>9 247</b>	<b>100 %</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>20</b>	<b>-</b>	<b>3</b>	<b>23</b>

## 5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2000 Rent	656	656	-	-	656	100 %	-	-	-	0	-	-	0
2001 Removal costs	6	6	-	-	6	100 %	-	-	-	-	-	-	-
2010 Utilities	152	149	-	-	149	98 %	-	-	-	3	-	-	3
2011 Cleaning and maintenance	153	150	-	-	150	98 %	-	-	-	3	-	-	3
2020 Insurance	7	7	-	-	7	100 %	-	-	-	0	-	-	0
2030 Security and surveillance of buildings	120	119	-	-	119	99 %	-	-	-	-	-	1	1
2031 Health and safety at work	3	2	-	-	2	73 %	-	-	-	1	-	-	1
2040 Other expenditure on buildings	28	25	-	-	25	89 %	-	-	-	3	-	-	3
<b>Total Chapter 20</b>	<b>1 124</b>	<b>1 114</b>	<b>-</b>	<b>-</b>	<b>1 114</b>	<b>99 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>1</b>	<b>11</b>
2100 Consumables	10	10	-	-	10	100 %	-	-	-	0	-	-	0
2101 Software	3	3	-	-	3	97 %	-	-	-	0	-	-	0
2102 Subscriptions IT	334	334	-	-	334	100 %	-	-	-	-	-	-	-
2103 Disaster recovery site	32	32	-	-	32	100 %	-	-	-	0	-	-	0
<b>Total Chapter 21</b>	<b>380</b>	<b>379</b>	<b>-</b>	<b>-</b>	<b>379</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>
2210 Purchase of furniture	12	12	-	-	12	98 %	-	-	-	0	-	-	0
2220 Transportation costs	155	155	-	-	155	100 %	-	-	-	0	-	-	0
2230 Library acquisitions	127	126	-	-	126	100 %	-	-	-	1	-	-	1
<b>Total Chapter 22</b>	<b>294</b>	<b>293</b>	<b>-</b>	<b>-</b>	<b>293</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
2300 Stationery and office supplies	22	21	-	-	21	100 %	-	-	-	0	-	-	0
2310 Bank charges	0	0	-	-	0	100 %	-	-	-	-	-	-	-
2320 Legal expenses	65	65	-	-	65	100 %	-	-	-	0	-	-	0
2322 Expert consultations - Gas	147	146	-	-	146	99 %	-	-	-	1	-	-	1
2323 Expert consultations - Electricity	25	25	-	-	25	100 %	-	-	-	-	-	-	-
2324 Expert consultations - Administration	24	24	-	-	24	100 %	-	-	-	0	-	-	0

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing				
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total	
		1	2	3	4	5=2+3+ 4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
2325	External audit expenses	11	11	-	-	11	100 %	-	-	-	-	-	-	-
2326	Information security	45	45	-	-	45	100 %	-	-	-	0	-	-	0
2327	Expert consultations - MSC	25	25	-	-	25	100 %	-	-	-	-	-	-	-
2328	Data protection	30	30	-	-	30	100 %	-	-	-	-	-	-	-
2330	Administrative Board meetings	34	34	-	-	34	100 %	-	-	-	-	-	-	-
2331	Board of Regulators meetings	82	82	-	-	82	100 %	-	-	-	-	-	-	-
2332	Board of Appeal	164	149	-	-	149	91 %	-	-	-	15	-	-	15
2333	External participants to meetings	8	3	-	-	3	35 %	-	-	-	5	-	-	5
2334	EU Agencies Network	4	4	-	-	4	97 %	-	-	-	0	-	-	0
<b>Total Chapter 23</b>		<b>686</b>	<b>664</b>	<b>-</b>	<b>-</b>	<b>664</b>	<b>97 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>22</b>
2400	Postal charges	13	13	-	-	13	100 %	-	-	-	-	-	-	-
2410	Telecommunications subscriptions and charges	73	73	-	-	73	100 %	-	-	-	-	-	-	-
2420	Hardware and other equipment	176	176	-	-	176	100 %	-	-	-	0	-	-	0
<b>Total Chapter 24</b>		<b>262</b>	<b>262</b>	<b>-</b>	<b>-</b>	<b>262</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Total Title 2</b>		<b>2 745</b>	<b>2 712</b>	<b>-</b>	<b>-</b>	<b>2 712</b>	<b>99 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>1</b>	<b>33</b>

## 5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made				Appropriations carried over to 2020			Appropriations lapsing				
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
	1	2	3	4	5=2+3+ 4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
3000 Representation expenses - Director office	3	2	-	-	2	77 %	-	-	-	1	-	-	1
3001 Representation expenses - Administration	0	0	-	-	0	90 %	-	-	-	0	-	-	0
3002 Representation expenses - Electricity	1	1	-	-	1	97 %	-	-	-	0	-	-	0
3004 Representation expenses - Gas	1	1	-	-	1	100 %	-	-	-	-	-	-	-
<b>Total Chapter 30</b>	<b>5</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>87 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
3100 Operational Missions - Gas Department	47	47	-	-	47	99 %	-	-	-	-	-	0	0
3101 Operational Missions - Electricity Department	90	89	-	-	89	98 %	-	-	-	1	-	0	2
3102 Operational Missions - MIT	26	26	-	-	26	100 %	-	-	-	0	-	-	0
3103 Operational Missions - MSC	16	13	-	-	13	83 %	-	-	-	3	-	-	3
<b>Total Chapter 31</b>	<b>180</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>175</b>	<b>97 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>1</b>	<b>5</b>
3200 Public hearings, workshops, conferences	60	52	-	-	52	87 %	-	-	-	8	-	-	8
3201 Website set-up and maintenance	65	65	-	-	65	100 %	-	-	-	0	-	-	0
3202 Publications, information material	15	9	-	-	9	64 %	-	-	-	5	-	-	5
<b>Total Chapter 32</b>	<b>140</b>	<b>127</b>	<b>-</b>	<b>-</b>	<b>127</b>	<b>91 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>13</b>
3300 Translation at CDT	187	179	-	-	179	96 %	-	-	-	8	-	-	8
<b>Total Chapter 33</b>	<b>187</b>	<b>179</b>	<b>-</b>	<b>-</b>	<b>179</b>	<b>96 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>
3400 Insurance	5	5	-	-	5	100 %	-	-	-	-	-	-	-
<b>Total Chapter 34</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3500 Infrastructure, hardware licenses, deployment, service desk and operations	1 799	1 769	-	-	1 769	98 %	29	-	29	-	-	-	-
3501 Software maintenance,	863	800	-	63	863	100 %	-	-	-	-	-	-	-

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
development, testing and software licenses													
3502 Surveillance and BI tools customisation, licenses and consultancy	700	699	-	-	699	100 %	-	-	-	1	-	-	1
3503 Studies, technical writing, coordination, QA and information security	350	350	-	-	350	100 %	-	-	-	-	-	-	-
Total Chapter 35	3 712	3 619	-	63	3 682	99 %	29	-	29	1	-	-	1
<b>Total Title 3</b>	<b>4 228</b>	<b>4 108</b>	<b>-</b>	<b>63</b>	<b>4 171</b>	<b>99 %</b>	<b>29</b>	<b>-</b>	<b>29</b>	<b>27</b>	<b>-</b>	<b>1</b>	<b>28</b>
<b>GRAND TOTAL</b>	<b>16 248</b>	<b>16 067</b>	<b>-</b>	<b>63</b>	<b>16 130</b>	<b>99 %</b>	<b>33</b>	<b>-</b>	<b>33</b>	<b>80</b>	<b>-</b>	<b>4</b>	<b>84</b>

## 5.4. Implementation of payment appropriations

### 5.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item	Total approp. availab.	Payments made				Appropriations carried over to 2020					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1100 Basic salaries and correction	4 416	4 416	-	-	4 416	100 %	-	-	-	-	-	-	-	-
1101 Family allowances	717	717	-	-	717	100 %	-	-	-	-	-	-	-	-
1102 Expatriation and foreign residence allowances	716	716	-	-	716	100 %	-	-	-	-	-	-	-	-
1110 Contract agents	1 473	1 473	-	-	1 473	100 %	-	-	-	-	-	-	-	-
1111 Seconded National Experts	172	169	-	-	169	98 %	-	-	3	3	-	-	-	-
1120 Training and information for staff	167	83	50	-	132	80 %	28	-	-	28	-	7	-	7
1130 Insurance against sickness	184	184	-	-	184	100 %	-	-	-	-	-	-	-	-
1131 Insurance against accidents and occupational disease	21	21	-	-	21	100 %	-	-	-	-	-	-	-	-
1132 Unemployment insurance for temporary staff	70	70	-	-	70	100 %	-	-	-	-	-	-	-	-
1140 Birth and death grants	1	1	-	-	1	100 %	-	-	-	-	-	-	-	-
1141 Annual travel expense from place of work to origin	70	70	-	-	70	100 %	-	-	-	-	-	-	-	-
1142 Schooling fees	312	211	-	-	211	68 %	98	-	1	99	1	-	1	2
1160 Expenditure related to recruitment	48	32	10	-	42	88 %	6	-	-	6	-	0	-	0
1161 Travel expenses taking up duty	1	1	-	-	1	100 %	-	-	-	-	-	-	-	-
1162 Installation, resettlement and transfer allowances	60	60	-	-	60	100 %	-	-	-	-	-	-	-	-
1163 Temporary daily subsistence allowances	35	35	-	-	35	100 %	-	-	-	-	-	-	-	-
1170 Supplementary clerical and interim services	482	398	57	-	454	94 %	20	-	-	20	5	2	-	7
1171 Administrative assistance	168	106	26	-	132	79 %	35	-	-	35	-	-	1	1
1172 Trainees	123	123	-	-	123	100 %	-	-	-	-	-	-	-	-

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
Total Chapter 11	9 236	8 887	142	-	9 029	98 %	187	-	4	191	6	9	1	17
1200 Mission expenses - Administrative staff	37	33	1	-	34	92 %	2	-	-	2	-	0	1	1
1201 Mission expenses - Director	33	30	2	-	32	98 %	-	-	-	-	-	1	-	1
1202 Mission expenses - Director office staff	31	30	1	-	30	98 %	0	-	-	0	0	0	-	0
Total Chapter 12	101	93	4	-	97	96 %	2	-	-	2	0	1	1	3
1300 Medical services and equipment	71	20	17	-	38	54 %	20	-	-	20	12	1	-	13
Total Chapter 13	71	20	17	-	38	54 %	20	-	-	20	12	1	-	13
1401 Social welfare of staff	24	16	0	-	17	69 %	5	-	-	5	2	-	-	2
1410 Staff Committee	18	16	1	-	17	93 %	1	-	-	1	0	0	-	1
Total Chapter 14	42	32	1	-	34	79 %	6	-	-	6	2	0	-	3
<b>Total Title 1</b>	<b>9 450</b>	<b>9 033</b>	<b>164</b>	<b>-</b>	<b>9 197</b>	<b>97 %</b>	<b>215</b>	<b>-</b>	<b>4</b>	<b>219</b>	<b>20</b>	<b>12</b>	<b>3</b>	<b>35</b>

## 5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry- overs	from assign. rev.	Total
		1	2	3	4	5=2+3+ 4	6=5/1	7	8	9	10=7+8 +9	11	12	13
2000 Rent	656	656	-	-	656	100 %	-	-	-	-	0	-	-	0
2001 Removal costs	11	4	5	-	8	78 %	2	-	-	2	-	0	-	0
2010 Utilities	168	133	14	-	147	87 %	16	-	-	16	3	3	-	6
2011 Cleaning and maintenance	164	134	11	-	145	89 %	15	-	-	15	3	1	-	4
2020 Insurance	7	7	-	-	7	100 %	-	-	-	-	0	-	-	0
2030 Security and surveillance of buildings	127	93	6	-	99	78 %	26	-	-	26	-	1	1	2
2031 Health and safety at work	3	2	-	-	2	73 %	-	-	-	-	1	-	-	1
2040 Other expenditure on buildings	30	10	2	-	13	42 %	15	-	-	15	3	-	-	3
<b>Total Chapter 20</b>	<b>1 167</b>	<b>1 040</b>	<b>38</b>	<b>-</b>	<b>1 078</b>	<b>92 %</b>	<b>74</b>	<b>-</b>	<b>-</b>	<b>74</b>	<b>10</b>	<b>5</b>	<b>1</b>	<b>15</b>
2100 Consumables	10	5	0	-	5	54 %	5	-	-	5	0	-	-	0
2101 Software	29	3	26	-	28	100 %	-	-	-	-	0	-	-	0
2102 Subscriptions IT	446	118	93	-	211	47 %	217	-	-	217	-	18	-	18
2103 Disaster recovery site	54	10	22	-	32	59 %	22	-	-	22	0	-	-	0
<b>Total Chapter 21</b>	<b>539</b>	<b>136</b>	<b>141</b>	<b>-</b>	<b>277</b>	<b>51 %</b>	<b>243</b>	<b>-</b>	<b>-</b>	<b>243</b>	<b>0</b>	<b>18</b>	<b>-</b>	<b>18</b>
2210 Purchase of furniture	67	5	55	-	60	89 %	7	-	-	7	0	-	-	0
2220 Transportation costs	155	155	0	-	155	100 %	-	-	-	-	0	-	-	0
2230 Library acquisitions	133	95	6	-	101	76 %	31	-	-	31	1	0	-	1
<b>Total Chapter 22</b>	<b>355</b>	<b>255</b>	<b>61</b>	<b>-</b>	<b>316</b>	<b>89 %</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>1</b>	<b>0</b>	<b>-</b>	<b>1</b>
2300 Stationery and office supplies	30	18	9	-	27	87 %	4	-	-	4	0	0	-	0
2310 Bank charges	0	0	-	-	0	66 %	0	-	-	0	-	-	-	-
2320 Legal expenses	74	60	9	-	69	93 %	5	-	-	5	0	0	-	0
2321 Expert consultations - MIT	190	-	190	-	190	100 %	-	-	-	-	-	-	-	-
2322 Expert consultations - Gas	243	57	97	-	154	63 %	88	-	-	88	1	-	-	1
2323 Expert consultations - Electricity	103	-	78	-	78	76 %	25	-	-	25	-	-	-	-

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
2324 Expert consultations - Administration	24	-	-	-	-	0 %	24	-	-	24	0	-	-	0	
2325 External audit expenses	27	-	16	-	16	60 %	11	-	-	11	-	-	-	-	
2326 Information security	82	26	36	-	62	76 %	20	-	-	20	0	-	-	0	
2327 Expert consultations - MSC	137	15	111	-	127	92 %	10	-	-	10	-	1	-	1	
2328 Data protection	47	10	17	-	27	58 %	20	-	-	20	-	-	-	-	
2330 Administrative Board meetings	51	23	17	-	40	78 %	11	-	-	11	-	0	-	0	
2331 Board of Regulators meetings	109	43	24	-	67	61 %	39	-	-	39	-	3	-	3	
2332 Board of Appeal	165	119	-	-	119	72 %	30	-	-	30	15	1	-	16	
2333 External participants to meetings	11	1	-	-	1	7 %	2	-	-	2	5	3	-	8	
2334 EU Agencies Network	4	4	-	-	4	97 %	-	-	-	-	0	-	-	0	
<b>Total Chapter 23</b>	<b>1 298</b>	<b>376</b>	<b>604</b>	<b>-</b>	<b>980</b>	<b>76 %</b>	<b>288</b>	<b>-</b>	<b>-</b>	<b>288</b>	<b>22</b>	<b>8</b>	<b>-</b>	<b>30</b>	
2400 Postal charges	14	9	0	-	9	65 %	4	-	-	4	-	1	-	1	
2410 Telecommunications subscriptions and charges	82	44	9	-	53	65 %	29	-	-	29	-	0	-	0	
2420 Hardware and other equipment	240	22	63	-	85	36 %	154	-	-	154	0	-	-	0	
<b>Total Chapter 24</b>	<b>336</b>	<b>75</b>	<b>73</b>	<b>-</b>	<b>148</b>	<b>44 %</b>	<b>187</b>	<b>-</b>	<b>-</b>	<b>187</b>	<b>0</b>	<b>1</b>	<b>-</b>	<b>2</b>	
<b>Total Title 2</b>	<b>3 696</b>	<b>1 881</b>	<b>918</b>	<b>-</b>	<b>2 799</b>	<b>76 %</b>	<b>831</b>	<b>-</b>	<b>-</b>	<b>831</b>	<b>33</b>	<b>32</b>	<b>1</b>	<b>66</b>	

## 5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
3000 Representation expenses - Director office	3	2	0	-	2	60 %	0	-	-	0	1	1	-	1	
3001 Representation expenses - Administration	0	0	-	-	0	90 %	-	-	-	-	0	-	-	0	
3002 Representation expenses - Electricity	1	1	0	-	1	98 %	-	-	-	-	0	-	-	0	
3004 Representation expenses - Gas	1	1	0	-	1	75 %	0	-	-	0	-	-	-	-	
<b>Total Chapter 30</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>72 %</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	
3100 Operational Missions - Gas Department	55	44	6	-	50	92 %	3	-	-	3	-	1	0	2	
3101 Operational Missions - Electricity Department	100	82	9	-	91	91 %	7	-	-	7	1	0	0	2	
3102 Operational Missions - MIT	29	21	2	-	23	78 %	5	-	-	5	0	1	-	1	
3103 Operational Missions - MSC	21	13	5	-	18	84 %	0	-	-	0	3	0	-	3	
<b>Total Chapter 31</b>	<b>206</b>	<b>159</b>	<b>23</b>	<b>-</b>	<b>182</b>	<b>89 %</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>8</b>	
3200 Public hearings, workshops, conferences	71	35	10	-	45	64 %	17	-	-	17	8	0	-	8	
3201 Website set-up and maintenance	153	-	88	-	88	57 %	65	-	-	65	0	-	-	0	
3202 Publications, information material	17	7	2	-	9	52 %	3	-	-	3	5	-	-	5	
<b>Total Chapter 32</b>	<b>240</b>	<b>42</b>	<b>100</b>	<b>-</b>	<b>142</b>	<b>59 %</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>13</b>	<b>0</b>	<b>-</b>	<b>13</b>	
3300 Translation at CDT	228	118	41	-	159	70 %	61	-	-	61	8	-	-	8	
<b>Total Chapter 33</b>	<b>228</b>	<b>118</b>	<b>41</b>	<b>-</b>	<b>159</b>	<b>70 %</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>61</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>	
3400 Insurance	5	5	-	-	5	100 %	-	-	-	-	-	-	-	-	
<b>Total Chapter 34</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3500 Infrastructure, hardware licenses, deployment, service desk and operations	2 609	756	789	-	1 544	59 %	1 014	-	29	1 043	-	22	-	22	
3501 Software maintenance, development, testing and	1 213	642	307	63	1 012	83 %	158	-	-	158	-	43	-	43	

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
software licenses															
3502 Surveillance and BI tools customisation, licenses and consultancy	784	496	82	-	579	74 %	202	-	-	202	1	2	-	3	
3503 Studies, technical writing, coordination, QA and information security	460	-	110	-	110	24 %	350	-	-	350	-	0	-	0	
Total Chapter 35	5 066	1 894	1 288	63	3 245	64 %	1 725	-	29	1 754	1	66	-	67	
<b>Total Title 3</b>	<b>5 750</b>	<b>2 221</b>	<b>1 452</b>	<b>63</b>	<b>3 736</b>	<b>65 %</b>	<b>1 887</b>	<b>-</b>	<b>29</b>	<b>1 916</b>	<b>27</b>	<b>70</b>	<b>1</b>	<b>98</b>	
<b>GRAND TOTAL</b>	<b>18 896</b>	<b>13 135</b>	<b>2 534</b>	<b>63</b>	<b>15 732</b>	<b>83 %</b>	<b>2 932</b>	<b>-</b>	<b>33</b>	<b>2 965</b>	<b>80</b>	<b>114</b>	<b>4</b>	<b>198</b>	

## 6. OUTSTANDING COMMITMENTS

### 6.1. Outstanding commitments – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1100 Basic salaries and correction	-	-	-	-	4 416	4 416	-	-	-
1101 Family allowances	-	-	-	-	717	717	-	-	-
1102 Expatriation and foreign residence allowances	-	-	-	-	716	716	-	-	-
1110 Contract agents	-	-	-	-	1 473	1 473	-	-	-
1111 Seconded National Experts	-	-	-	-	169	169	-	-	-
1120 Training and information for staff	56	(7)	50	-	110	83	-	28	28
1130 Insurance against sickness	-	-	-	-	184	184	-	-	-
1131 Insurance against accidents and occupational disease	-	-	-	-	21	21	-	-	-
1132 Unemployment insurance for temporary staff	-	-	-	-	70	70	-	-	-
1140 Birth and death grants	-	-	-	-	1	1	-	-	-
1141 Annual travel expense from place of work to origin	-	-	-	-	70	70	-	-	-
1142 Schooling fees	-	-	-	-	309	211	-	98	98
1160 Expenditure related to recruitment	10	(0)	10	-	38	32	-	6	6
1161 Travel expenses taking up duty	-	-	-	-	1	1	-	-	-
1162 Installation, resettlement and transfer allowances	-	-	-	-	60	60	-	-	-
1163 Temporary daily subsistence allowances	-	-	-	-	35	35	-	-	-
1170 Supplementary clerical and interim services	59	(2)	57	-	418	398	-	20	20
1171 Administrative assistance	26	-	26	-	141	106	-	35	35

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1172 Trainees	-	-	-	-	123	123	-	-	-
<b>Total chapter 11</b>	<b>151</b>	<b>(9)</b>	<b>142</b>	<b>-</b>	<b>9 074</b>	<b>8 887</b>	<b>-</b>	<b>187</b>	<b>187</b>
1200 Mission expenses - Administrative staff	1	(0)	1	-	35	33	-	2	2
1201 Mission expenses - Director	3	(1)	2	-	30	30	-	-	-
1202 Mission expenses - Director office staff	1	(0)	1	-	30	30	-	0	0
<b>Total chapter 12</b>	<b>5</b>	<b>(1)</b>	<b>4</b>	<b>-</b>	<b>95</b>	<b>93</b>	<b>-</b>	<b>2</b>	<b>2</b>
1300 Medical services and equipment	19	(1)	17	-	40	20	-	20	20
<b>Total chapter 13</b>	<b>19</b>	<b>(1)</b>	<b>17</b>	<b>-</b>	<b>40</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>20</b>
1401 Social welfare of staff	0	-	0	-	22	16	-	5	5
1410 Staff Committee	2	(0)	1	-	16	16	-	1	1
<b>Total chapter 14</b>	<b>2</b>	<b>(0)</b>	<b>1</b>	<b>-</b>	<b>38</b>	<b>32</b>	<b>-</b>	<b>6</b>	<b>6</b>
<b>Total Title 1</b>	<b>176</b>	<b>(12)</b>	<b>164</b>	<b>-</b>	<b>9 247</b>	<b>9 033</b>	<b>-</b>	<b>215</b>	<b>215</b>

## 6.2. Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	
2000 Rent	-	-	-	-	656	656	-	-	-
2001 Removal costs	5	(0)	5	-	6	4	-	2	2
2010 Utilities	16	(3)	14	-	149	133	-	16	16
2011 Cleaning and maintenance	12	(1)	11	-	150	134	-	15	15
2020 Insurance	-	-	-	-	7	7	-	-	-
2030 Security and surveillance of buildings	8	(1)	6	-	119	93	-	26	26
2031 Health and safety at work	-	-	-	-	2	2	-	-	-
2040 Other expenditure on buildings	2	-	2	-	25	10	-	15	15
<b>Total chapter 20</b>	<b>43</b>	<b>(5)</b>	<b>38</b>	<b>-</b>	<b>1 114</b>	<b>1 040</b>	<b>-</b>	<b>74</b>	<b>74</b>
2100 Consumables	0	-	0	-	10	5	-	5	5
2101 Software	26	-	26	-	3	3	-	-	-
2102 Subscriptions IT	111	(18)	93	-	334	118	-	217	217
2103 Disaster recovery site	22	-	22	-	32	10	-	22	22
<b>Total chapter 21</b>	<b>159</b>	<b>(18)</b>	<b>141</b>	<b>-</b>	<b>379</b>	<b>136</b>	<b>-</b>	<b>243</b>	<b>243</b>
2210 Purchase of furniture	55	-	55	-	12	5	-	7	7
2220 Transportation costs	0	-	0	-	155	155	-	-	-
2230 Library acquisitions	6	(0)	6	-	126	95	-	31	31
<b>Total chapter 22</b>	<b>61</b>	<b>(0)</b>	<b>61</b>	<b>-</b>	<b>293</b>	<b>255</b>	<b>-</b>	<b>38</b>	<b>38</b>
2300 Stationery and office supplies	9	(0)	9	-	21	18	-	4	4
2310 Bank charges	-	-	-	-	0	0	-	0	0
2320 Legal expenses	9	(0)	9	-	65	60	-	5	5
2321 Expert consultations - MIT	190	-	190	-	-	-	-	-	-
2322 Expert consultations - Gas	97	-	97	-	146	57	-	88	88

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end	
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end		
	1	2	3	4=1+2-3	5	6	7	8=5-6-7		9=4+8
2323	Expert consultations - Electricity	78	-	78	-	25	-	-	25	25
2324	Expert consultations - Administration	-	-	-	-	24	-	-	24	24
2325	External audit expenses	16	-	16	-	11	-	-	11	11
2326	Information security	36	-	36	-	45	26	-	20	20
2327	Expert consultations - MSC	112	(1)	111	-	25	15	-	10	10
2328	Data protection	17	-	17	-	30	10	-	20	20
2330	Administrative Board meetings	17	(0)	17	-	34	23	-	11	11
2331	Board of Regulators meetings	27	(3)	24	-	82	43	-	39	39
2332	Board of Appeal	1	(1)	-	-	149	119	-	30	30
2333	External participants to meetings	3	(3)	-	-	3	1	-	2	2
2334	EU Agencies Network	-	-	-	-	4	4	-	-	-
<b>Total chapter 23</b>		<b>613</b>	<b>(8)</b>	<b>604</b>	<b>-</b>	<b>664</b>	<b>376</b>	<b>-</b>	<b>288</b>	<b>288</b>
2400	Postal charges	2	(1)	0	-	13	9	-	4	4
2410	Telecommunications subscriptions and charges	9	(0)	9	-	73	44	-	29	29
2420	Hardware and other equipment	63	-	63	-	176	22	-	154	154
<b>Total chapter 24</b>		<b>75</b>	<b>(1)</b>	<b>73</b>	<b>-</b>	<b>262</b>	<b>75</b>	<b>-</b>	<b>187</b>	<b>187</b>
<b>Total Title 2</b>		<b>950</b>	<b>(32)</b>	<b>918</b>	<b>-</b>	<b>2 712</b>	<b>1 881</b>	<b>-</b>	<b>831</b>	<b>831</b>

### 6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year					Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end		
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8	
3000 Representation expenses - Director office	1	(1)	0	-	2	2	-	0	0	
3001 Representation expenses - Administration	-	-	-	-	0	0	-	-	-	
3002 Representation expenses - Electricity	0	-	0	-	1	1	-	-	-	
3004 Representation expenses - Gas	0	-	0	-	1	1	-	0	0	
<b>Total chapter 30</b>	<b>1</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>0</b>	<b>0</b>	
3100 Operational Missions - Gas Department	8	(1)	6	-	47	44	-	3	3	
3101 Operational Missions - Electricity Department	9	(0)	9	-	89	82	-	7	7	
3102 Operational Missions - MIT	3	(1)	2	-	26	21	-	5	5	
3103 Operational Missions - MSC	5	(0)	5	-	13	13	-	0	0	
<b>Total chapter 31</b>	<b>26</b>	<b>(3)</b>	<b>23</b>	<b>-</b>	<b>175</b>	<b>159</b>	<b>-</b>	<b>15</b>	<b>15</b>	
3200 Public hearings, workshops, conferences	11	(0)	10	-	52	35	-	17	17	
3201 Website set-up and maintenance	88	-	88	-	65	-	-	65	65	
3202 Publications, information material	2	-	2	-	9	7	-	3	3	
<b>Total chapter 32</b>	<b>101</b>	<b>(0)</b>	<b>100</b>	<b>-</b>	<b>127</b>	<b>42</b>	<b>-</b>	<b>85</b>	<b>85</b>	
3300 Translation at CDT	41	-	41	-	179	118	-	61	61	
<b>Total chapter 33</b>	<b>41</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>179</b>	<b>118</b>	<b>-</b>	<b>61</b>	<b>61</b>	
3400 Insurance	-	-	-	-	5	5	-	-	-	
<b>Total chapter 34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3500 Infrastructure, hardware licenses, deployment, service desk and operations	810	(22)	789	-	1 769	756	-	1 014	1 014	
3501 Software maintenance, development, testing and software licenses	350	(43)	307	-	863	705	-	158	158	

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3502 Surveillance and BI tools customisation, licenses and consultancy	84	(2)	82	-	699	496	-	202	202
3503 Studies, technical writing, coordination, QA and information security	110	(0)	110	-	350	-	-	350	350
Total chapter 35	1 354	(66)	1 288	-	3 682	1 957	-	1 725	1 725
<b>Total Title 3</b>	<b>1 522</b>	<b>(70)</b>	<b>1 452</b>	<b>-</b>	<b>4 171</b>	<b>2 284</b>	<b>-</b>	<b>1 887</b>	<b>1 887</b>
<b>GRAND TOTAL</b>	<b>2 648</b>	<b>(114)</b>	<b>2 534</b>	<b>-</b>	<b>16 130</b>	<b>13 198</b>	<b>-</b>	<b>2 932</b>	<b>2 932</b>

## 7. GLOSSARY

### ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

### Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

### Accounting Officer

The role, powers and responsibilities of the accounting officer are set out in the Financial Regulation:

- proper implementation of payments,
- collection of revenue,
- recovery of amounts and offsetting,
- keeping, preparing and presenting the accounts,
- laying down the accounting rules and methods and the chart of accounts,
- laying down and validating the accounting systems and validating systems laid down by the authorising officer to supply or justify accounting information (local systems),
- treasury management,
- designation of the Imprest Administrators,
- opening and closing bank accounts in the name of the Institution.

### Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

### Adjustment

Amending budget or transfer of funds from one budget item to another.

### Adopted budget

Draft budget becomes the adopted budget as soon as approved by the Budgetary Authority.

Cf. Budget

### Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

### Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

### Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

### Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual

programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

#### Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure.

Main sources of external assigned revenue are *financial contributions from third countries to programmes financed by the Union*.

*Main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request, revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.*

The complete list of items constituting assigned revenue is given in the Financial Regulation Art. 21.

#### Authorising Officer by Delegation (AOD)

The AOD is responsible in each entity for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

The AOD is responsible for taking all financial decision concerning actions under his/her responsibility. Particularly, he/she must take decisions to implement the budget based on his/her risk analysis.

#### Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

#### Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences.

For agencies, the resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for agencies.

#### Budget implementation

Consumption of the budget through expenditure and revenue operations.

#### Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature, which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

#### Budgetary authority

Institutions with decisional powers on budgetary matters: for the EU institutions, the European Parliament and the Council of Ministers.

For the agencies and joint undertakings, their board is the budgetary authority.

#### Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

#### Cancellation of appropriations

Unused appropriations that may no longer be used.

#### Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

### Commitment appropriations

Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Financial Regulation Art. 7: *Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.*

### De-commitment

Cancellation of a reservation of appropriations.

### Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Financial Regulation Art. 7: *Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.*

### Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution.

Cf. Assigned revenue

### Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

### Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

### Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.

### Expenditure

Term used to describe spending the budget from all types of funds sources.

### Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union.

For reference, Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

### Funds Source

Type of appropriations

### Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body, which pursues an aim of general European interest or has an objective forming part of an EU policy.

### Implementation

Cf. Budget implementation

### Income

Cf. Revenue

### Joint Undertakings (JUs)

A legal EU-body established under the Treaty on the Functioning of the European Union. The term can be used to describe any collaborative structure proposed for the *"efficient execution of Union research, technological development and demonstration programmes"*.

### Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. *Lapsing* means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities, which is represented by an appropriation.

Only for joint undertakings, as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called "N+3" rule). Hence, lapsing appropriations for JUs could be re-activated until financial year "N+3".

### Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty on the Functioning of the European Union giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain articles from the treaty authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

### Legal commitment

A legal commitment establishes a legal obligation towards third parties.

### Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Financial Regulation Art. 9). In the EU Budget, non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments.

### Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

### Outstanding commitment

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid or legal commitments having not fully given rise to liquidation by payments. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

### Outturn

Cf. Budget result

### Payment

A payment is a disbursement to honour legal obligations.

### Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Financial Regulation Art. 7).

### RAL

Sum of outstanding commitments. Cf. Outstanding commitments

### Recovery

The recovery order is the procedure by which the Authorising officer by Delegation (AOD) registers an entitlement by the Commission in order to retrieve the amount, which is due. The entitlement is the right that the Commission has to claim the sum, which is due by a debtor, usually a beneficiary.

### Result

Cf. Budget result

### Revenue

Term used to describe income from all sources financing the budget.

### Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

## Surplus

Positive difference between revenue and expenditure (Cf. Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

## Transfer

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. However, they are expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The Financial Regulation identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.



EUROPEAN  
COURT  
OF AUDITORS

# **Preliminary observations with a view to a report on the annual accounts of the Agency for the Cooperation of Energy Regulators (ACER) for the financial year 2019**

These preliminary observations were adopted by Chamber IV at its meeting of 12 May 2020.

# Introduction

**01** The Agency for the Cooperation of Energy Regulators (hereinafter “the Agency”, or “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 additional responsibilities, together with national regulatory authorities, regarding the monitoring of the European wholesale energy market.

**02** *Graph 1* presents key figures for the Agency<sup>3</sup>.

## Graph 1: Key figures for the Agency



\* Budget figures are based on the total payment appropriations available during the financial year.

\*\* Staff includes EU officials, EU temporary agents, EU contract staff and seconded national experts, not interim workers and consultants.

*Source:* Staff figures provided by the Agency; Consolidated annual accounts of the European Union for the financial year 2018 and Provisional consolidated annual accounts of the European Union Financial year 2019.

## Information in support of the statement of assurance

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

<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 (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> More information on the Agency's competences and activities is available on its website: [www.acer.europa.eu](http://www.acer.europa.eu).

## The Court's statement of assurance provided to the European Parliament and the Council – Independent auditor's report

### Opinion

**04** We have audited:

- (a) the 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 2019 and
  - (b) the legality and regularity of the transactions underlying those accounts,
- as required by Article 287 of the Treaty on the Functioning of the European Union (TFEU).

### Reliability of the accounts

#### Opinion on the reliability of the accounts

**05** In our opinion, the accounts of the Agency for the year ended 31 December 2019 present fairly, in all material respects, the financial position of the Agency at 31 December 2019, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer. These are based on internationally accepted accounting standards for the public sector.

#### [Other matter

**06** In relation to the events occurred and the facts known after the date of the transmission of the Provisional annual accounts by the Office relating to the effects of the crisis arising from the Covid-19, the Office should make appropriate disclosures in the final annual accounts on the impact of Covid-19 measures on

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<sup>4</sup> The financial statements comprise the balance sheet, the statement of financial performance, the cash flow statement, the statement of changes in net assets and a summary of significant accounting policies and other explanatory notes.

<sup>5</sup> The reports on implementation of the budget comprise the reports which aggregate all budgetary operations and the explanatory notes.

the Office's current and anticipated operations, as reasonably known at the date of the transmission of the final annual accounts.

**07** Without calling into question the opinion expressed above, the Court draws attention to the fact that the annual accounts of the Agency were verified by an independent external auditor and that the Court considered the verification results when preparing its own audit opinion, as stipulated in Article 70(6) of the EU Financial Regulation. Under International Standards on Auditing, an auditor making use of another auditor's results is required to review their reliability. This review work is ongoing and the Court's opinion on the reliability of the accounts is subject to confirmation of the reliability of the independent external auditor's results.]

## **Legality and regularity of the transactions underlying the accounts**

### **Revenue**

#### **Opinion on the legality and regularity of revenue underlying the accounts**

**08** In our opinion, revenue underlying the accounts for the year ended 31 December 2019 is legal and regular in all material respects.

### **Payments**

#### **Basis for a qualified opinion on the legality and regularity of the payments underlying the accounts**

**09** In 2018, the Agency signed a framework contract in cascade, in two lots, for a maximum amount of 25 million euros and with a maximum duration of 6 years. Lot 1 was for the provision of IT system integration services. Lot 2 was for IT consultancy. We audited two payments under these contracts, with a total value of 160 699 euros. The costs of items audited under specific contract 3 in lot 1, were not in fact covered by the competitive procurement procedure. In other words, they were not covered by the price lists of the bids submitted for the contract. Within the framework contract, the effect of this was particularly evident in lot 1, where payments for items not covered by the competitive procedure amounted to 61,3 % of all payments made under the lot. In such cases, the Agency is required under the Financial Regulation to re-open the competition and conclude a specific contract. In this case, it failed to do so. The specific contracts under lot 1 of the FWC that were concluded so far are therefore irregular.

Irregular payments for items not covered by the price lists under lot 1 of the framework contract in 2019 amounted to 975 708,35 euros.

**10** The Agency signed a framework contract for the operation of its data centre through a negotiated procedure, without a contract notice having been published beforehand. No reasonable explanations were given for using a negotiated procedure, and there was no legal requirement to use the specific contractor that was awarded the contract. ACER did not carry out a competitive procurement procedure before signing the direct contract, nor did it carry out any market research. We therefore conclude that the procedure was not in compliance with the Financial Regulation, and was thus irregular. Payments made under this contract in 2019 amounted to 12 430 euros.

**11** The total amount paid out irregularly by ACER in 2019 was 988 138,35 euros. This represents 6,3 % of all payments made by ACER in 2019. These irregular amounts exceed the materiality threshold set for this audit.

#### **Qualified opinion on the legality and regularity of payments underlying the accounts**

**12** In our opinion, except for the issues explained in the “Basis for a qualified opinion on the legality and regularity of payments” paragraph, payments underlying the accounts for the year ended 31 December 2019 are legal and regular in all material respects.

#### **Basis for opinions**

**13** We conducted our audit in accordance with the IFAC International Standards on Auditing (ISAs) and Codes of Ethics and the INTOSAI International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the 'Auditor's responsibilities' section of our report. We are independent, in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and with the ethical requirements that are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management and those charged with governance

**14** In accordance with Articles 310 to 325 of the TFEU and the Agency's Financial Regulation, management is responsible for the preparation and presentation of their accounts on the basis of internationally accepted accounting standards for the public sector and for the legality and regularity of the transactions underlying them. This includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them. The Agency's management bears the ultimate responsibility for the legality and regularity of the transactions underlying the accounts of the Agency.

**15** In preparing the accounts, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

**16** Those charged with governance are responsible for overseeing the Agency's financial reporting process.

## The auditor's responsibilities for the audit of the accounts and underlying transactions

**17** Our objectives are to obtain reasonable assurance about whether the accounts of the Agency are free from material misstatement and the transactions underlying them are legal and regular, and to provide, on the basis of our audit, the European Parliament and the Council or the other respective discharge authorities with statements of assurance as to the reliability of the Agency's accounts and the legality and regularity of the transactions underlying them. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit will always detect a material misstatement or non-compliance when it exists. These can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

**18** For revenue, we verify subsidies received from the Commission or cooperating countries and assess the Agency's' procedures for collecting fees and other income, if any.

**19** For expenditure, we examine payment transactions when expenditure has been incurred, recorded and accepted. This examination covers all categories of payments (including those made for the purchase of assets) other than advances at the point they are made. Advance payments are examined when the recipient of funds provides justification for their proper use and the Agency accepts the justification by clearing the advance payment, whether in the same year or later.

**20** In accordance with ISAs and ISSAIs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the accounts and of material non-compliance of the underlying transactions with the requirements of the legal framework of the European Union, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement or non-compliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the accounts, including the disclosures, and whether the accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Agency to express an opinion on the accounts and transactions underlying them. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
- Considered the audit work of the independent external auditor performed on the Agency's accounts as stipulated in Article 70(6) of the EU Financial Regulation, where applicable.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit. From the matters on which we communicated with the Agency, we determine those matters that were of most significance in the audit of the accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**21** The observations which follow do not call the Court's opinion into question.

## **Observations on the legality and regularity of transactions**

**22** We audited recruitment procedures at ACER, and found various weaknesses which affected the candidate evaluation process. In one case, candidates had been assigned a score based on their merits, and this score had been recorded in a table, but a mathematical error had been made in calculating the total number of points assigned to each candidate. Some candidates were not assessed by one of the members of the selection committee, even though they should have been. Also, the Director of the Agency had issued a decision concerning the number of candidates invited to attend interviews and a written test. But this decision was not applied by the selection committee. As a result of these errors, 3 of the 16 candidates should not have been invited to interview, but were invited anyway. A further candidate should have been invited, but was not. Finally, the candidate who was recruited following the procedure did not fulfil the minimum eligibility requirements as set out in the

Director's decision. We therefore conclude that the selection procedure was irregular, and that ACER did not comply with the principle of equal treatment and failed to apply effective internal controls. This may expose ACER to high reputational and financial risks, especially if unsuccessful candidates lodge appeals or start legal actions.

## Observations on budgetary management

**23** ACER signed a framework contract with a temporary-work agency for the use of temporary-agency workers, or interim workers. In 2019, ACER had 20 interim workers in addition to 92 directly employed staff members. Interim workers can be used to perform specific tasks for a temporary period. We found evidence to suggest that the Agency had been using interim workers to make up for shortages in directly employed staff members. All but one of the interim workers working at ACER were performing long-term tasks, such as secretarial work and office management. ACER should rely less on interim workers and should make sure that permanent ongoing tasks are performed by directly employed members of staff.

**24** The Agency has had high levels carry-overs for several years; however, there have been slight improvements on the overall rate since 2018. In 2019, carry-overs of committed appropriations were high for two budget titles: Title II (building and associated costs) and Title III (operating expenditure). For Title II, carry-overs were 0,8 million euros or 31 % of the total amount of the Title (0,9 million euros or 35 % in 2018). For Title III, carry-overs were 1,9 million euros or 46 % (1,5 million euros, or 68 % in 2018). The carry-overs are mainly accounted for by IT hardware and consultancy services. They are also partially explained by the nature of the Agency's core activities: these include the maintenance, operation, support and development of the REMIT IT systems, tasks which span several months and can extend beyond the end of the year. However, a significant part (25 %) of Title II carry-overs to 2020 were committed in December 2019; this was only partially justified. This is indicative of a structural issue. To resolve it, the Agency should further improve its budget planning and its implementation cycles.

## Observations on internal controls

**25** ACER did not comply with internal control principle 12 of its own internal control framework, under which the Agency must record deviations from the rules and procedures in its register of exceptions. In our audit, we identified some deviations from established procedures that should have been recorded. However, the register of

exceptions had not been filled in. This undermines the transparency and the effectiveness of the Agency's internal control systems.

### **Follow-up of previous years' observations**

**26** An overview of the corrective action taken in response to the Court's observations from previous years is provided in the ***Annex***.

## Annex - Follow-up of previous years' observations

Year	Court's observations	Action taken to respond to Court's observations (Completed / Ongoing / Outstanding / N/A)
2016	The Agency may consider introducing differentiated budget appropriations to better reflect the multiannual nature of operations.	<b>Ongoing</b>
2017	The Agency's disaster data recovery site is located at the same place as the original data.	<b>Ongoing</b>
2017	The Agency publishes vacancy notices on its own website and on social media, but usually not on the website of the European Personnel Selection Office (EPSO).	<b>Completed</b>
2017	E-procurement: by the end of 2017, the Agency had not yet introduced any of the IT tools developed by the Commission.	<b>Ongoing</b>

## The Agency's reply