

## **ANNUAL ACTIVITY REPORT OF THE BUDGET COMMITTEE FOR 2020**

This Annual Activity Report ("the Report") follows the reporting requirements of the Budget Committee ["BC"] defined in item III.3 of the *"Internal Rules of Procedure of the Budget Committee" ("Rules")* of 16 December 2014<sup>1</sup>.

### **Activities 2020**

In 2020, the Budget Committee met two times (23 June and 3 December) to discuss topics of budgetary and/or financial relevance in the context of the implementation of the Energy Community budget. On the meeting in June the Budget Committee didn't have a quorum and therefore decisions were later adopted through a written procedure.

The Budget Committee was advising and supervising the Director in the financial management. During the year, it had the following topics on its agenda:

- Discussion about the Director's Report on the Execution of the Budget for the Year 2019,
- Discussion about the Audit Report as of 31 Dec 2019,
- Endorsement of the draft Decision on the discharge of the Director for the year 2019.
- Discussion on utilization of the current budget and on the preparatory process for planning the budget 2022-2023.

Budget Committee adopted also its Annual Activity Report for 2019.

### **Highlights from the discussion on Budget Committee meetings**

23 June 2020 (34th meeting)

Audit 2019-presentation of audit results.

The power point presentation showing the process of auditing of internal control system was not part of the Audit Report but Madame Chair was of an opinion that it would be beneficial for all recipients of the report to receive this presentation. Madame Chair also stressed a need to have better overview over the utilization of donations and grants.

Follow up:

-presentation of PWC was distributed to all Budget Committee members;  
-in monthly budget reports an amount for rent and consumables covered by EU4Energy project is regularly presented and in Director's Report on Budget Utilization for 2020 a more precise table showing expenses from extraordinary budget covered by donations is inserted.

Terms of Reference for the External Audit Services 2020/2021

Madame Chair proposed to make ToR more flexible to allow engagement of selected Auditor also on other potential projects/Grant Contracts which would perhaps be relevant in the forthcoming period. The discussion was not finished. Budget Committee members were invited to propose potential further improvements of the text.

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<sup>1</sup> Date of amendment of the Initial Rules of 30 Jan 2008

Follow up:

-since there were no new proposals submitted, by the time the new engagement had to be launched the Secretariat engaged PWC for another two years in accordance with the Budgetary rules.

3 December 2020 (35th meeting)

Establishment of the Budget 2022-2023

Madame Chair reflected on the blockade of the adoption of the EU budget 2021 and the MFF at that time and announced that a temporary budget would be in place as a back-up solution.

Follow up:

- The Energy Community Secretariat was ready to provide the draft budget and the working programme to the EC already in December 2020 following the Chair's advice

Some adjustments in the presentation of the budget were requested to guarantee the universality and transparency of the accounts.

## **Conclusion**

In 2020, the Energy Community annual accounts were audited and an unqualified audit opinion was issued.

Based on all reports related to the budget execution for 2019, the Budget Committee agreed to propose to the Ministerial Council of the Energy Community to decide on the financial discharge of the Director for the year 2019.