

BUDGET COMMITTEE REPORT ON AUDIT 2023

Background

This report represents a reporting obligation of the Budget Committee under Article 81(5) of the Budgetary Procedures in its latest version of 19 February 2024.

The Energy Community's annual accounts 2023 were audited by the Mazars Austria GmbH. The representatives of the audit company informed members of the Budget Committee about the audit process and results at a meeting on 05 July 2024.

Scope of Audit

The audit was conducted with interruptions from March 2024 to June 2024 mainly at the office of the Mazars Austria GmbH with documents uploaded via secure collaboration platform Signals. The project of auditing was performed on the basis of Title IX of the Energy Community Budgetary Procedures and in accordance with the defined service specifications (TOR), approved by the Budget Committee in advance in 2023, that included a review of accounting records and procedures in terms of accuracy and completeness of the records.

The scope of work of auditors comprised the revenues and expenditures, including extraordinary appropriations (donations and grants). The following items were included:

- Verification of the compliance of transactions carried out by the Energy Community with regard to all applicable rules
- Verification of bank account and cash reconciliations
- Inspection of accounting records and procedures of the Energy Community for the purpose of verifying the accuracy and completeness of records
- Overall validity of the financial statements
- Review and verification of Statement of Assets
- Revision of internal management rules of the Energy Community and its operational implementation
- Review of the functioning of internal control, in line with rules and procedures
- Compliance of applications of the Austrian Procurement Law
- Verification of the asset management and inventory procedures
- Reconciliation of revenue
- Reconciliation of unused budget appropriations
- Analysis of the correctness, relevance and application of the Energy Community Accounting Policy
- Review and verify the status update of open audit recommendations issued in the previous audit (s) relevant to financial management
- Issues recommendations as deemed necessary to the management for improvements in the area of budget implementation.

Key Findings

The key finding of the Auditor was as follows:

"In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Organization as at 31 December 2023, of the financial performance and of its cash flow for the financial year then ended in accordance with International Public Sector Accounting Standards (IPSAS). The Statement of Comparison of Budget and Actual Amounts for the Year 2023 is prepared, in all material respects, also in accordance with IPSAS."

Conclusion on the Audit 2023

The Budget Committee takes note that in accordance with the Audit Report 2023 financial statements comply with the legal requirements and give a true and fair view of the financial position of the Energy Community.

Therefore, and according to Article 83 of the Budgetary Procedures, the Budget Committee recommends to the Ministerial Council discharge the Directors of the Secretariat from his management and administrative responsibility for the financial year 2023.