EUROSAI WGEA – TRAINING SEMINAR ON SUSTAINABLE ENERGY
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AUDITING SUSTAINABLE ENERGY

Case study

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Details on audit

• Title of the audit:
  Financial means allotted to support programmes for energy production from renewable energy resources

• Year of publication: 2009
Audit steps

• **Step 1** – Understand the sustainable energy issue and its influence on society, economy, and the environment

• **Step 2** – Understand the governmental response to sustainable energy issue

• **Step 3** – How to choose audit topics

• **Step 4** – Design the audit

• **Step 5** – Audit execution and reporting
Step 1

What energy resources are used in my country?

What is the situation of energy distribution in my country?

Do I have basic information on energy consumption, energy savings and energy efficiency?
Are there any provisions following from international agreements that are obligatory for my country?

- The United Nations Framework Convention on Climate Change
- UNFCCC Kyoto Protocol
How is the field of sustainable energy regulated by national legislation in my country?

- **EU Directive 2001/77/EC**, on the promotion of electricity produced from renewables in the internal electricity market

- **Act No. 180/2005 Coll.**, on the Promotion of the electricity production from renewables
Step 2

Does my country have policies / programmes regarding sustainable energy?

• State Energy Policy

• The National Programme for Economical Energy Management and Use of Renewable and Secondary Energy Sources
Step 2

What instruments does my country use to manage the energy policy/programme?

- The State Programme in Support of energy savings and use of renewables – Part A, administered by Ministry of Industry and Trade
- The State Programme in Support of energy savings and use of renewables – Part B, administered by Ministry of the Environment
- EU-funded operation programmes

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Step 2

Who are main players in the energy sector in my country and what are their roles and responsibilities?

- Ministry of Industry and Trade of the CR;
- Ministry of the Environment of the CR;
- State Environmental Fund of the CR;
- CzechInvest, the Investment and Business Development Agency;
- Selected beneficiaries of financial assistance.
What to focus on when auditing energy generation instruments?

- e.g., when auditing the state programmes, a SAI may audit:
  - specification of the programme objective and their compliance with the strategic objective of the state energy policy
Step 3

- e.g., when auditing the state programmes, a SAI may audit:
  - quantifying the needs, and the ways of satisfying such need
  - setting up steering documents for the programmes
  - quantitative and qualitative characteristics
  - setting up efficient internal control and audit systems by the administrators of the programmes …
Step 4

What are the most relevant audit objectives?

- Review the spending of funds earmarked for support of the use of renewable energy
Can the SAI in my country determine the framework scope of the audit?

- The State Programme in Support of energy savings and use of renewables
- EU-funded operation programmes
- The audit covered the 2005 - 2008 period

How does my audit team identify the auditees in my country?

- Main players in the energy sector
Step 5

• Has the system of state support been so adjusted as to ensure the maximum possible benefits to be derived from the implemented programmes?

• Has there been any disbursement (of public funds) from the state budget in support of science and research focused on the area of renewables?

• Is there any support available for projects geared to advance education and to raise awareness in the area of renewables?
Step 5

• Has there been an effective use of tax instruments, price regulation, sales prices, and other potential instruments applicable to the area of renewables?

• Has there been sufficient coordination in this area among the ministries concerned?

• In the cases where the government has accepted a commitment to raise the percentage share of renewables has this commitment been fulfilled, or to what degree has it been met?
Audit findings

• Inapproachability of the aim of 8% share of electricity generation from renewables on gross domestic electricity consumption in 2010.

• Audited programme contributes only a little to increase of volume of energy production from renewables.

• Existing analysis reveal that biomass has the biggest potential in the Czech Republic.
Audit findings

- The price regulation guarantees profitability of all kinds of renewables.
- The support of resources with the highest investment demands increases significantly the price of electricity.
- State policy aiming at setting priorities for using renewables and at targeted funding is missing.
Thank you for your attention!
What are your comments?