

EUROSAI WGEA – TRAINING SEMINAR ON SUSTAINABLE ENERGY

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AUDITING SUSTAINABLE ENERGY

Case study

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- **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?



Step 2



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



Step 2



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



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.



Step 3



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



Step 4

 **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?

