

The Romanian Court of Accounts

During the period of 2017-2019, the Romanian Court of Accounts carried out audit missions in areas that are included in the objectives of sustainable development, respectively:

- ❖ Performance of social assistance benefits for preventing and combating poverty, child and family support
- ❖ Performance audit on water quality and management
- ❖ Performance audit on the natural gas market (SDG 7)
- ❖ Performance audit on monitoring air quality and efficient management of greenhouse gas emission certificates, allocated to Romania by the Kyoto Protocol (parallel audit)
- ❖ Performance audit on the use of public funds allocated during the period of 2002-2016 for the construction of sports halls, both in urban and rural areas, in order to guarantee access to modern sports facilities
- ❖ Performance audit on the use of funds allocated from the state budget for the acquisition and implementation/operationalization of studies, projects and software, purchased at MSI, for its own activities and those of other institutions, but also for monitoring their implementation at the level of other beneficiary institutions and from the perspective of achieving interoperability.

Summary of the audit report on SDG 7

Performance audit on the natural gas market in the period 2012-2016

The objective of the audit mission was to evaluate the implementation of Government policies and strategies in the field of natural gas, as well as the functioning of the natural gas market from the perspective of economy, efficiency and effectiveness of activities carried out by economic operators participating in this market.

The Court's main findings showed the following:

- although more than 10 years have passed since the approval of Romania's Energy Strategy, by the end of 2016, most of the investments have not been made, some of them not yet started, and others being in the project stage;
- if during the period of 2012-2015, the import of natural gas registered a significant decrease due to the decrease of the total consumption of natural gas, in 2016, the quantity of natural gas purchased from imports had an increase of about 7%, this evolution being influenced by the decrease of purchase prices for the quantities of natural gas imported, as well as the additional taxation of revenues obtained by natural gas producers from domestic production;

- during the period of 2014-2015, the obligation to make available to suppliers the quantities of natural gas resulting from the production activity in order to ensure the necessary consumption for the regulated market was not complied with by all producers present on the market;
- during the period of 2012-2016, ANRE did not approve or monitor the investment plans of the transmission system operator nor did it provide, through the annual public activity reports, information on the evaluation of those plans;
- the natural gas distribution networks had a high degree of wear of the pipes and connections, about 40% having the normalized lifespan exceeded. Thus, as of December 31, 2016, steel pipes and connections with a standard life expectancy exceeded (over 18 years) accounted for 57% of the total.

The Court of Accounts has made a number of recommendations, including:

- *“Natural gas production in Romania”*: monitoring the activity of natural gas producers in order to identify those that do not comply with the regulations issued by ANRE, as well as the elaboration of regulations specific to the field;
- *“Natural gas consumption in Romania”*: performing an analysis on the quantities of natural gas used by natural gas producers, holders of oil agreements, for the production of electricity in their own power plants, in order to identify those producers who did not deliver electricity in a regulated regime, at the level established by ANRE;
- *“Sales of natural gas to non-EU countries and to EU countries”*: monitoring of virtual exchanges to identify natural gas suppliers that do not comply with the regulations developed by ANRE;
- *“Licenses and authorizations”*: an analysis of the licenses issued in the field of natural gas to identify those for which “conditions of validity” have not been approved and granted and of the economic operators that supply natural gas to identify those who have performed such activities without a valid license;
- *“Situation and evolution of natural gas transmission, storage and distribution capacities”*: carrying out investment works, leading to the increase of the refurbishment / modernization of the gas transmission and distribution networks, as well as to the increase of the degree of security, reliability and efficiency of gas networks; conducting a rigorous analysis of the technical condition of natural gas transmission and distribution networks to identify vulnerable areas and prioritize repairs and rehabilitation.