

## **SAO audited support programmes for energy saving and renewable energy resources**

**From November 2008 to June 2009, auditors from the Supreme Audit Office (SAO) performed an audit of state budget funds, which were allotted for programmes of energy saving and renewable energy resources from 2005 to 2008 that amounted to more than CZK 2 milliard. Among the audited bodies were Ministry of Industry and Trade, Ministry of Environment, State Environmental Fund of the Czech Republic, Investment and Business Development Agency CzechInvest, Pardubice Region, and the municipalities of Litvínov, Hrušovany, Kněžmost, and Zdíkov. When comparing the pre-set parameters with achieved goals, the auditors concluded there had been only minimum discrepancy between arguments put in the decrees and actually achieved parameters.**

“The recipients of the support used most of the funds efficiently. The auditors found only one exceptional case of violation of the budgetary discipline and the information about the case to the competent authority“, said president of the SAO František Dohnal.

The auditors ascertained that an evaluation of up-to-date documents submitted by the audited bodies revealed that the indicative target of 8% of gross domestic electricity consumption in 2010 being accounted for by renewable energy resources in 2010 was unattainable. The SAO had already drawn attention to this risk in audit No. 05/08 (the audit conclusion was published in Issue 4/2005 of the SAO Bulletin). Ministry of Industry and Trade, which holds the key competences in the state energy policy, and the Ministry of the Environment failed to draft a conceptual solution that would lead to an improvement in this indicator’s development. The Czech Republic has no current national concept that would set priorities for the use of different kinds of renewable energy resources and would enable support to be precisely targeted.

“According to some analyses, we should produce more energy from biomass and it needs to be grown in a larger scale. That is why the audited programmes aimed at increasing the extent of production fields. Cost-effectiveness has been guaranteed by the regulation of redemption prices with electric power that is produced from renewable energy resources. But the ultimate consumers have been gaining photovoltaic energy for increased prices because of the capital intensity. We lack a detailed national conception of the renewable energy resources’ usage, which would ensure a targeted utilisation of the allotments“, said Dohnal.

The auditing operation was included into the 2008 Audit Plan of the SAO under No. 08/38. Zdeněk Brandt, Member of the SAO Board, controlled the operation and prepared the audit conclusion as well.