

# Regional Workshop on Uniform System of Accounts and Regulatory Reporting

State Electricity Regulatory  
Commission

Bosnia and Herzegovina

# Summary of the power sector organization and its regulation

- A complex organization of the power sector and its regulation is a result of a complex organization of our country. Consequently, we have three companies for electricity generation, distribution and supply, one company for transmission of electricity (all these are profitable companies) and an independent system operator as a non-profitable organization.
- Three regulatory bodies have been established to regulate these companies, two being at the entity level and our Commission as a state organization. The entity commissions regulate the operation of the three companies for generation, distribution and supply as well as domestic trade, while the state commission regulates the operation of the transmission company and the Independent System Operator and international trade in electricity and ancillary services.
- Additionally, we should mention the power sector reform which is in progress and which deals with the positioning of coal mines and gas sector.

# Applicable primary and secondary accounting legislation

- The Law on Accounting and Auditing of BiH was adopted in 2004, and the entity parliaments adopted their laws based on the state one in the following year. They provided for the implementation of the International Financial Reporting Standards (IFRS) which include the international accounting standards (IAS), and consequently by their transposition, they were included in the reports for 2006.
- Besides the standards, the laws provided for common forms for financial reporting, as well as official accounting frameworks. This secondary legislation was a competence of the Commission for Accounting and Auditing at the state level, which delegated it to the entity level tasking professional entity bodies with it (associations of accountants and auditors). Notwithstanding the above-mentioned legal framework for common regulations, the entity bodies adopted different mandatory accounting frameworks and financial reporting forms at the end of 2006 and the beginning of 2007.

# Regulatory legislation

- Each regulatory commission in this sector approached the development of its acts even without international regulatory accounting standards.
- Consequently, this Commission, in addition to other documents, adopted the Rules of Tariff Proceedings setting the obligation to develop a regulatory chart of accounts using the basic classification of the official chart of accounts. Additionally, reporting forms for regulated companies were also prescribed relying on the structure of the main official financial reporting forms. By these definitions we enabled easier control of analytical data provided by an applicant which we process in tariff proceedings.
- Since official forms changed in the meantime and we realized that there is a need for some amendments, the adoption of new reporting forms is our next task together with the development of the regulatory chart of accounts.

# Regulatory charts of accounts

- From the data presented so far it can be concluded that we have not adopted regulatory charts of accounts yet, but we plan to incorporate analytical accounts for regulatory needs within the existing charts of accounts used by the regulated companies which should be innovated by new requirements of international accounting standards. The reason for this is to reduce the accounting records workload of the regulated companies, which are burdened with official accountancy and taxation records; hence we will try to obtain the data that we need through a wider use of the existing reporting platform to the extent possible.
- In direct cooperation with the regulated companies, in addition to analytical accounts, we will prescribe their contents as well, thus trying to reduce questionability of entering some changes into the relevant accounts.
- An additional complication in the realization of these activities stems from the fact we have one profitable and one non-profitable company, which use different official accounting frameworks and forms, but we will try to adjust our requirements to each company individually and, at the same time, to obtain specific information we need.