# Procedure file

## Basic information

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| DEC - Discharge procedure | 2012/2207(DEC) | Procedure completed |
| 2011 discharge: European Banking Authority (EBA)<br><br>Subject<br>8.70.03.07 Previous discharges | | |

## Key players

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|---|---|---|---|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | CONT Budgetary Control | | 29/02/2012 |
| | | ALDE GERBRANDY Gerben-Jan | |
| | | Shadow rapporteur | |
| | | PPE SARVAMAA Petri | |
| | | S&D AYALA SENDER Inés | |
| | | Verts/ALE STAES Bart | |
| | | ECR BRADBOURN Philip | |
| | | EFD ANDREASEN Marta | |
| | | NI EHRENHAUSER Martin | |
| | Committee for opinion | Rapporteur for opinion | Appointed |
| | ECON Economic and Monetary Affairs | | 26/10/2012 |
| | | PPE LANGEN Werner | |
| European Commission | Commission DG | Commissioner | |
| | Budget | ŠEMETA Algirdas | |

## Key events

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|---|---|---|---|
| 25/07/2012 | Non-legislative basic document published | COM(2012)0436 | Summary |
| 13/09/2012 | Committee referral announced in Parliament | | |
| 19/03/2013 | Vote in committee | | |
| 25/03/2013 | Committee report tabled for plenary | A7-0113/2013 | Summary |
| 16/04/2013 | Debate in Parliament | | |
| 17/04/2013 | Results of vote in Parliament | | |
| 17/04/2013 | Decision by Parliament | T7-0141/2013 | Summary |

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| 17/04/2013 | End of procedure in Parliament | | |
| 16/11/2013 | Final act published in Official Journal | | |

## Technical information

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| Procedure reference | 2012/2207(DEC) |
| Procedure type | DEC - Discharge procedure |
| Stage reached in procedure | Procedure completed |
| Committee dossier | CONT/7/10611 |

## Documentation gateway

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|---|---|---|---|---|---|
| Non-legislative basic document | | COM(2012)0436 | 25/07/2012 | EC | Summary |
| Court of Auditors: opinion, report | | N7-0013/2013<br>OJ C 388 15.12.2012, p. 0060 | 11/09/2012 | CofA | Summary |
| Committee draft report | | PE497.816 | 18/01/2013 | EP | |
| Document attached to the procedure | | 05753/2013 | 01/02/2013 | CSL | Summary |
| Amendments tabled in committee | | PE497.870 | 26/02/2013 | EP | |
| Committee opinion | ECON | PE501.886 | 01/03/2013 | EP | |
| Committee report tabled for plenary, single reading | | A7-0113/2013 | 25/03/2013 | EP | Summary |
| Text adopted by Parliament, single reading | | T7-0141/2013 | 17/04/2013 | EP | Summary |

## Final act

Decision 2013/566
OJ L 308 16.11.2013, p. 0196 Summary

# 2011 discharge: European Banking Authority (EBA)

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2011, as part of the 2011 discharge procedure.

Analysis of the accounts of the European Banking Authority (EBA) new agency.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2011 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Banking Authority (EBA).

In 2011, the tasks and budget of this agency were as follows:

- description of the EBAs tasks: the Authority, which is located in London, was established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council and has the aim of protecting the public interest and contributing to the stability and efficiency of the banking system in the short, medium and long term for the economy of the European Union, its citizens and its businesses.
- the EBAs budget for the 2011 financial year: the EBAs budget for 2011, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:
  - forecasted income budget: EUR 13 million;
  - entitlements established: EUR 13 million;
  - amounts received: EUR 13 million;
  - outstanding: EUR 0 million.

The complete version of EBA's final accounts may be found at the following address:

http://www.eba.europa.eu/Aboutus/Budget---accounts.aspx

# 2011 discharge: European Banking Authority (EBA)

PURPOSE: presentation of the EU Court of Auditors report on the annual accounts of the European Banking Authority for the financial year 2011, together with the Agencys reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Banking Authority (EBA).

In the Courts opinion, the Authoritys Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that the transactions underlying the annual accounts of the Authority for the financial year ended 31 December 2011 are, in all material respects, legal and regular.

The report confirms that the Authoritys 2011 budget amounted to EUR 12.7 million and that the number of staff employed by the Authority at the end of the year was 51.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latters response. The main observations may be summarised as follows:

Courts observations:

- execution rates: the Court states that the commitment rates were low especially for Administrative and operational expenditure. At the end of 2011, the Authority recorded a positive budget outturn of EUR 3.6 million. The full amount was then recorded in the accounts as a liability towards the European Commission;
- public procurement: the Court notes that not all the audited procurement procedures were fully consistent with the provisions of the general Financial Regulation;
- recruitment: the Authority needs to improve the transparency of recruitment procedures: weightings for selection criteria and threshold scores for being invited to interviews or for inclusion in the list of suitable candidates were not set before the examination of applications.

Agencys replies:

- the Agency states that 2011 was the first year of activity for the EBA, whose Founding Regulation was published only on 15 December 2010. The late publication did not allow for the timely recruitment of the necessary staff, and thus for the full implementation of the EBAs work programme;
- as regards procurement: the EBA states that it inherited the majority of its procurement arrangements from its predecessor, CEBS Secretariat Ltd. Due to the heavy workload and to the lack of resources during 2011, it was not possible to ensure full compliance with the EU procurement rules in the first year of the EBAs activity. The lack of full compliance with procurement rules in 2011 was acknowledged by the management, and appropriate exception notes were signed, where needed. A procurement plan setting priorities, has been drawn up, and the correction of the non compliance is a major objective for 2012;
- in terms of recruitment: the EBA agrees with the comments and has taken the necessary corrective measures by implementing weightings for the selection criteria and threshold scores for inclusion, in the list, of suitable candidates.

Lastly, the Court of Auditors report contains a summary of the Authoritys activities in 2011. This is focused on the following:

- EU-wide stress test of 90 banks across 21 countries;
- informal technical advice to the European Commission on its proposal for a single rule book in relation to Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR) and other legislative proposals;
- guidelines on Internal Governance aiming at enhancing and consolidating supervisory expectations;
- guidelines on data collection on remuneration practices;
- established a new Standing Committee for Financial Innovation to assist the Authority in fulfilling its tasks and responsibilities related to consumer protection;
- organised over 180 meetings with external participants.

# 2011 discharge: European Banking Authority (EBA)

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge to be granted to the Director of the European Banking Authority (EBA) in respect of the implementation of the Agency's budget for the financial year 2011.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2011 are reliable and that the underlying transactions are legal and regular, Members approve the closure of the Authoritys accounts. However, they make a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- Financing, budget and financial management: Members recall that 60% of the 2011 budget was financed by contributions from the Member States and the European Free Trade Association (EFTA) countries, and 40 % was financed by the Union budget. They also recall that the annual accounts that the Authority's overall budget for 2011 amounted to EUR 12 865 000. The report notes that the two rented offices, with a total area of 1 089 m2, incurred expenditure of EUR 1 016 512.64 and calls on the Authority to ensure that office rentals and expenditure do not exceed normal local market prices (London). Given that the Authority is an integral part of the European System of Financial Supervisors and works in close cooperation with its sister authorities, the European Insurance and

Occupational Pensions Authority and the European Securities and Markets Authority, within a Joint Committee, and with the European Systemic Risks Board, Members call on the Commission to evaluate the possibility of coming up with a proposal ensuring that the budgets of the three European Supervisory Authorities (ESAs) are fully funded by the Union budget.

- Implementation rate of appropriations: the report observes that the Authority registered a budget execution ratio of 71% for commitments and of 59% for payments at the end of 2011. Members call on the Authority to inform the discharge authority of the measures taken to improve these rates, as the low execution rates shows difficulties in budget planning and implementation.

Lastly, Members made a series of observations as regards the accounting system, procurement and recruitment procedures of this Agency.

## 2011 discharge: European Banking Authority (EBA)

PURPOSE: to grant discharge to the European Banking Authority for the financial year 2011.

NON-LEGISLATIVE ACT: Decision 2013/566/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2011.

CONTENT: with the present decision, and in accordance with Article 319 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament grants discharge to the Executive Director of the European Banking Authority in respect of its budget for the financial year 2011.

This decision is in line with the European Parliament's resolution adopted on 17 April 2013 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 17 April 2013).

A parallel decision, 2013/567/EU, adopted on the same day, approves the closure of the Authoritys accounts for the 2011 financial year.

## 2011 discharge: European Banking Authority (EBA)

The European Parliament adopted a decision on discharge to be granted to the Director of the European Banking Authority (EBA) in respect of the implementation of the Agency's budget for the financial year 2011. The vote on the decision to grant discharge covers the closure of the accounts (in accordance with Annex VI, Article 5(1) of the European Parliaments Rules of Procedure).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2011 are reliable and that the underlying transactions are legal and regular, Parliament adopted a resolution containing a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- Financing, budget and financial management: Parliament recalls that 60% of the 2011 budget was financed by contributions from the Member States and the European Free Trade Association (EFTA) countries, and 40 % was financed by the Union budget. It also recalls that the annual accounts that the Authority's overall budget for 2011 amounted to EUR 12 865 000. Members note that the two rented offices, with a total area of 1 089 m2, incurred expenditure of EUR 1 016 512.64 and call on the Authority to ensure that office rentals and expenditure do not exceed normal local market prices (London). Given that the Authority is an integral part of the European System of Financial Supervisors and works in close cooperation with its sister authorities, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority, within a Joint Committee, and with the European Systemic Risks Board, Parliament calls on the Commission to evaluate the possibility of coming up with a proposal ensuring that the budgets of the three European Supervisory Authorities (ESAs) are fully funded by the Union budget.
- Implementation rate of appropriations: Parliament observes that the Authority registered a budget execution ratio of 71% for commitments and of 59% for payments at the end of 2011. It calls on the Authority to inform the discharge authority of the measures taken to improve these rates, as the low execution rates shows difficulties in budget planning and implementation.
- Recruitment procedures: Parliament takes note from the Court of Auditors that the Authority needs to improve the transparency of recruitment procedures and simplify its Staff Regulation.

Lastly, Parliament made a series of observations as regards the accounting system and procurement issues of this Agency.