

# Procedure file

Basic information		
DEC - Discharge procedure	<a href="#">2013/2237(DEC)</a>	Procedure completed
2012 discharge: European Banking Authority (EBA)		
Subject 8.70.03.07 Previous discharges		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CONT</b> Budgetary Control		10/10/2013
		PPE <a href="#">SARVAMAA Petri</a>	
		Shadow rapporteur	
		S&D <a href="#">KADENBACH Karin</a>	
		ALDE <a href="#">GERBRANDY Gerben-Jan</a>	
		Verts/ALE <a href="#">STAES Bart</a>	
		ECR <a href="#">ANDREASEN Marta</a>	
		EFD <a href="#">VANHECKE Frank</a>	
		NI <a href="#">EHRENHAUSER Martin</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ECON</b> Economic and Monetary Affairs		08/10/2013
		S&D <a href="#">SÁNCHEZ PRESEDO Antolín</a>	
European Commission	Commission DG <a href="#">Budget</a>	Commissioner ŠEMETA Algirdas	

Key events			
26/07/2013	Non-legislative basic document published	COM(2013)0570	Summary
22/10/2013	Committee referral announced in Parliament		
17/03/2014	Vote in committee		
21/03/2014	Committee report tabled for plenary	<a href="#">A7-0220/2014</a>	Summary
02/04/2014	Debate in Parliament		
03/04/2014	Results of vote in Parliament		
03/04/2014	Decision by Parliament	<a href="#">T7-0307/2014</a>	Summary
03/04/2014	End of procedure in Parliament		
05/09/2014	Final act published in Official Journal		

Technical information
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Procedure reference	2013/2237(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/14214

### Documentation gateway

Non-legislative basic document		COM(2013)0570	26/07/2013	EC	Summary
Court of Auditors: opinion, report		N7-0018/2014 <a href="#">OJ C 365 13.12.2013, p. 0080</a>	10/09/2013	CofA	Summary
Committee draft report		<a href="#">PE521.650</a>	27/01/2014	EP	
Document attached to the procedure		<a href="#">05849/2014</a>	05/02/2014	CSL	Summary
Committee opinion	ECON	<a href="#">PE524.722</a>	21/02/2014	EP	
Amendments tabled in committee		<a href="#">PE521.763</a>	25/02/2014	EP	
Committee report tabled for plenary, single reading		<a href="#">A7-0220/2014</a>	21/03/2014	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T7-0307/2014</a>	03/04/2014	EP	Summary

### Final act

Budget 2014/573  
[OJ L 266 05.09.2014, p. 0191](#) Summary

## 2012 discharge: European Banking Authority (EBA)

**PURPOSE:** presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2012, as part of the 2012 discharge procedure.

**Analysis of the accounts of the European Banking Authority (EBA).**

**CONTENT:** this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2012 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 2012, 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 2012 financial year: the EBAs budget for 2012, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

§ Commitment appropriations :

- committed : EUR 21 million;
- paid : EUR 18 million;
- carried-over : 0.

§ Payment appropriations :

- committed : EUR 22 million;
- paid : EUR 13 million;
- carried-over : EUR 7 million.

Please refer also to the [final accounts of the European Banking Authority](#)

## 2012 discharge: European Banking Authority (EBA)

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**PURPOSE:** presentation of the EU Court of Auditors report on the annual accounts of the European Banking Authority (EBA) for the year 2012, together with the EBAs 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 EBAs Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commissions accounting officer.

The Court also considers that the transactions underlying the annual accounts of the Authority for the financial year ended 31 December 2012 are, in all material respects, legal and regular.

The report confirms that the Authoritys 2012 budget amounted to EUR 20.7 million.

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

The Courts observations:

- internal controls: the EBAs IT core application systems were outsourced to an external IT provider until December 2013. This poses risks related to the Authoritys limited control and supervision over its IT systems;
- budgetary management: the Court notes large carry-overs;
- recruitment procedures: the Court identified weaknesses in the audited recruitment procedures affecting transparency and equal treatment:

The Authoritys reply:

- in case of IT related carry-overs, this can be attributed to the start up stage of the Authority;
- the EBA acknowledges the weaknesses identified by the Court and has promptly implemented the corrective measures. Since January 2013, candidates are given a score for each of the selection criteria and evidence that the questions and tests have been set before the date of the examinations is systematically included in the recruitment files.

Lastly, the Court of Auditors report contains a summary of the Authoritys activities in 2012. This is focused on the following:

- public consultations on 23 draft regulatory and implementing technical standards;
- submission to the Commission of the first draft regulatory technical standards on capital requirements for central counterparties under European Market Infra-structure Regulation ;
- issuance of six Guidelines, four Discussion Papers and 14 Consultation Papers ;
- provision of 7 Opinions addressed to the Commission, European Parliament and Council, three comment letters on accounting issues to the IASB/IFRS Foundation ;
- drawing-up expert reports ;
- performance of risk analysis, assessment and monitoring, and presenting risk reports to a wide range of stakeholders.

## 2012 discharge: European Banking Authority (EBA)

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The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) in which it recommended the European Parliament to grant discharge to the Executive Director of the European Banking Authority (EBA) in respect of the implementation of the Authoritys budget for the financial year 2012.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2012 are reliable, and that the underlying transactions are legal and regular, Members approved the closure of the Authoritys accounts. They made, however, a number of recommendations that needed 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](#).

- Legality and regularity of transactions: Members noted that the Authority grants staff whose children attend primary or secondary school a top-up allowance, which amounted to some EUR 76 000 in 2012. They noted that these allowances are not covered by the Staff Regulations and are, therefore, considered irregular by the Court of Auditors. They acknowledged, however, that this situation is due to the lack of European Schools in the city where the Authority is based.
- Budget and financial management: Members noted that the overall level of appropriations committed was 89%, but carry-overs of committed appropriations were high at 45% which was mainly due to reasons beyond the Authoritys control, such as the unsuccessful attempt to find new premises and delays in the implementation of some IT projects for which it was difficult to obtain the information needed from the predecessor organisation. Improvements should be made in the area of budgetary planning.

Members also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

Lastly, they welcomed the adoption of Ethics Guidelines by the Authority and acknowledged that it is finalising the preparation of its conflicts of interests policy. They called on the Authority to inform the discharge authority of the adoption of that policy.

## 2012 discharge: European Banking Authority (EBA)

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The European Parliament adopted a decision concerning the discharge to be granted to the Executive Director of the European Banking Authority (EBA) in respect of the implementation of the Authority's budget for the financial year 2012. The vote on the discharge decision approved the closure of the accounts (in accordance with Annex VI, Article 5(1) of the Rules of Procedure of the European Parliament).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2012 are reliable, and that the underlying transactions are legal and regular, Parliament adopted by 506 votes to 77, with 15 abstentions, a resolution containing a series of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in the [draft resolution on performance, financial management and control of EU agencies](#).

These recommendations are summarised as follows:

- **Legality and regularity of transactions:** Parliament noted that the Authority grants staff whose children attend primary or secondary school a top-up allowance, which amounted to some EUR 76 000 in 2012. It noted that these allowances are not covered by the Staff Regulations and are, therefore, considered irregular by the Court of Auditors. It acknowledged, however, that this situation is due to the lack of European Schools in the city where the Authority is based.
- **Budget and financial management:** Parliament noted that the overall level of appropriations committed was 89%, but carry-overs of committed appropriations were high at 45% which was mainly due to reasons beyond the Authority's control, such as the unsuccessful attempt to find new premises and delays in the implementation of some IT projects for which it was difficult to obtain the information needed from the predecessor organisation. Improvements should be made in the area of budgetary planning.
- **Performance:** Parliament requested that the Authority communicate the results and impact its work has on European citizens in an accessible way, mainly through its website.

Parliament also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

Lastly, it welcomed the adoption of Ethics Guidelines by the Authority and acknowledged that it is finalising the preparation of its conflicts of interests policy. It called on the Authority to inform the discharge authority of the adoption of that policy.

## 2012 discharge: European Banking Authority (EBA)

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**PURPOSE:** to grant discharge to the European Banking Authority for the financial year 2012.

**NON-LEGISLATIVE ACT:** Decision 2014/573/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2012.

**CONTENT:** with the present decision, the European Parliament grants discharge to the Executive Director of the European Banking Authority in respect of its budget for the financial year 2012.

This decision is in line with the European Parliament's resolution adopted on 3 April 2014 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 3 April 2014).

Amongst the main observations made, Parliament regretted the observations made by the Court of Auditors on the legality and regularity of the transactions (statements of unauthorised school fees) and called on the Authority to improve the situation.