2011 discharge: European Securities and Markets Authority (ESMA)

2012/2209(DEC) - 01/02/2013

Having examined the revenue and expenditure accounts for the financial year 2011 and the balance sheet at 31 December 2011 of the European Securities and Markets Authority, as well as the Court of Auditors' report on the annual accounts of the Authority for the financial year 2011, accompanied by the Authority's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Authority in respect of the implementation of the budget for the financial year 2011.

The observations in the Court of Auditors' report in relation to the financial year 2011 call for some comments by the Council, which may be summarised as follows:

- the Council welcomes the Court's opinion that, in all material respects, the Authority's annual accounts present fairly its financial position as at 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Authority's Financial Regulation, and that the underlying transactions for that financial year are legal and regular;
- in line with the budgetary principle of annuality, the Council calls on the Authority to pay due attention to proper budget planning and implementation in order to **improve the low implementation rate of commitments in the future**. Furthermore, the Council notes with concern the irregular nature of some appropriations carried over to 2012 and urges the Authority to remedy this situation without delay;
- it also notes, however, that after one year of activity the Authority has not yet formalised all necessary supervisory and control systems in line with the provisions of the Financial Regulation. In this respect, it urges the Authority to remedy the weaknesses identified by **adopting internal control standards and by improving its management of fixed assets**;
- it also urges the Authority to conclude an interinstitutional agreement with the European Anti-Fraud Office, in full compliance with the Financial Regulation;
- lastly, the Council urges the Authority to adopt its Implementing Rules to the Staff Regulations and to address the weaknesses identified by the Court in its recruitment procedures.