2011 discharge: European Securities and Markets Authority (ESMA)

2012/2209(DEC) - 25/03/2013 - Committee report tabled for plenary, single reading

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 Securities and Markets Authority in respect of the implementation of the 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 Authority's 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**: in accordance with its Founding Regulation, 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 note that at the end of 2011, the Authority recorded a positive budget outturn of EUR 4 457 244,822, which was then recorded in the accounts as a liability towards the Commission. The Commission is called upon to explore all the options for a new long term sustainable financing of the Authority that safeguards its independence. 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 Banking Authority and the European Insurance and Occupational Pensions 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**: Members recall that according to the Court, the Authority registered a budget execution ratio of 75.7% for commitments and 62.5% for payments at the end of 2011. Members call on the Authority to inform the discharge authority of the actions taken to improve that ratio, as the low execution ratio shows difficulties in budget planning and implementation. The report notes that according to the Authority, the above mentioned issues and the limited preparation time setting up its operations explain the budgetary under spending in 2011.

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