2013 discharge: European Securities and Markets Authority (ESMA)

2014/2122(DEC) - 30/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the European Securities and Markets Authority (ESMA) for the financial year 2013.

It called on the European Parliament to grant the Executive Director of the Authority discharge in respect of the implementation of its budget for the financial year 2013.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Members called on the Parliament to approve the closure of the Authority's 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.

- **Budget and financial management**: Members noted that the final budget of the Authority for the financial year 2013 was EUR 28 188 749, representing an increase of 39% compared to 2012, due to the additional tasks entrusted to the Authority;
- **Carry-overs**: Members noted that budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 93.18% and that the payment appropriations execution rate was 72.54%. In order to ensure that corrective actions related to the budget implementation were taken in due time, the Authority used a variety of methods, such as monthly reporting to the Executive Director and quarterly reporting to the Management Board. Members noted with concern that the level of committed appropriations carried over remains high for operational expenditure at 58%. This high level of carryovers results mainly from **delays in IT procurements** and from the multiannual nature of related IT projects. They called on the Authority to inform the discharge authority on the steps taken in order to reduce the level of carryovers to the lowest possible amount.

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

Lastly, they regretted that late payments constituted 27% of all payments for goods and services received, resulting in **paid interest** (average delays of 32 days).

Therefore, they called on the Authority to provide the discharge authority with detailed information on the steps taken in order to tackle this issue and to improve timeliness of payment processes.