2014 discharge: European Securities and Markets Authority (ESMA)

2015/2190(DEC) - 07/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Derek VAUGHAN (S&D, UK) on discharge in respect of the implementation of the budget of the European Securities and Markets Authority (ESMA) for the financial year 2014.

The parliamentary committee calls on the European Parliament to grant the Executive Director of the Authority discharge in respect of the implementation of the Authority's budget for the financial year 2014.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Members call on 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:

- **Agency's financial statements:** Members noted that the final budget of the Agency for the financial year 2014 was EUR 33 267 143, representing an increase of 18.02% compared to 2013, which can be explained by the new tasks given to the Agency.

- **Legality and regularity of operations:** Members note that the Authority inherited a number of IT framework contracts from its predecessor body, the Committee of European Securities Regulators (CESR) and that those contracts were not replaced with timely calls for tender which led to two contracts being extended beyond their original duration. This resulted in the Authority procuring IT services, furniture and stationery for the amount of EUR 956 000 for 2014 which was not in compliance with the Financial Regulation.

Members also made a series of observations regarding payments, contract award and recruitment procedures, management of conflicts of interest, as well as in regard to internal audit.

They noted that the Authority has put in place different actions in order to tackle the issue of late payments, which in 2013 constituted 27 % of all payments for goods and services received. These actions resulted in the late payments rate being reduced to below 1 % in 2015.

Lastly, Members stress that when drafting implementing legislation or similar measures the Authority must always respect the mandate attributed by the Union legislator. They regret several cases where information from the Authority was available to Member States or third party stakeholders that was **not given to Parliament**. They call on ESMA to take effective measures to end this maladministration and to treat Parliament and Member States equally both regarding the content and timing of disclosed information.