

2015 discharge: European Banking Authority (EBA)

2016/2186(DEC) - 13/09/2016 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Banking Authority (EBA) for the financial year 2015, together with the Authority's 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 focused on the annual accounts of the European Banking Authority (EBA). In brief, the Authority's task is to contribute to the establishment of high-quality common regulatory and supervisory standards and practices, to contribute to the consistent application of legally binding Union acts, to stimulate and facilitate the delegation of tasks and responsibilities among competent authorities, to monitor and assess market developments in the area of its competence and to foster depositor and investor protection.

Statement of Assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Authority, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Authority's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015 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 Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: the Court considers that the transactions underlying the annual accounts for the year ended 31 December 2015 are legal and regular in all material respects.

The report made a series of observations on the budgetary and financial management of the Authority, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **budgetary management:** the Court noted that carry-overs of committed appropriations for administrative expenditure were high at EUR 1 487 794. They mainly concerned an unresolved issue regarding the outstanding VAT to be paid on the balancing charge of the Authority's new building and an invoice concerning business rates by the UK Valuations Office. Weaknesses were also noted in the estimation of IT needs, in particular concerning outsourced services, which affect the Authority's budgetary management of related expenses.

The Authority's reply:

- **budgetary management:** the Authority stated that it puts considerable effort into minimising carry-overs for justified needs. Moreover, it noted that outsourced services are governed by properly procured framework contracts. The EBA has further improved the documentation of its estimation of needs for procurement procedures and has reduced the IT appropriations by just EUR 4.3 % over the course of the year.

Lastly, the Court of Auditors' report also contained a **summary of the key figures in 2015:**

- **Budget:** EUR 33.4 million (in payment appropriations).
- **Staff:** 156 including officials, temporary and contract staff and seconded national experts.