2016 discharge: European Banking Authority (EBA)

2017/2171(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European Banking Authority in respect of the implementation of the Agency's budget for the financial year 2016, and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the agency's annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 566 votes to 106 with 12 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

- **Authority's financial statements**: the final budget of the Authority for the financial year 2016 was EUR 36 491 378, representing an increase of 9.19 % compared to 2015. As a reminder, the Authority is financed by a contribution from the Union (EUR 14 071 959, representing 40 %), and contributions from national supervisory authorities of the Member States and observers (EUR 22 419 419, representing 60 %).
- **Budget and financial management**: Members acknowledged that the budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 96.76 %, representing a decrease of 2.58 % compared to 2015, and that the rate of execution of payment appropriations was 88.67 %, representing a decrease of 1.03 %. They acknowledged from the Authority that this continued high rate of execution is due to good budget planning and monitoring.
- They also noted that, due to the increase in the value of the Euro against the British Pound in 2016, the Authority requested a decreasing **amending budget** of EUR 1 572 000.
- **Commitments and carryovers**: the overall rate of committed appropriations carried over from 10 % in 2015 to 8% in 2016, its lowest level ever in the context of a 9% increase in total budget between the two years. Carry-overs are often justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding transfers, procurement, staff policy, the prevention and management of conflicts of interests and internal audits. They noted that the breakdown of the staff by gender is well balanced (50.3 % females and 49.7 % males) and called on the Authority to report to the discharge authority on future developments in its recruitment plans.

Conflicts of interests: 17 cases of conflicts of interest were reported those cases concerned two types of situations, the holding of shares and former employment. All members of staff who reported holding shares in institutions had acquired them before joining the Authority and were asked to divest themselves of those shares. Members insisted on the need to establish an independent body with sufficient budgetary resources to help **whistleblowers** to disclose information about possible irregularities affecting the Union's financial interests, while protecting their confidentiality.

Consequences of Brexit: the Court issued an emphasis of matter paragraph for the two London-based agencies, concerning the **United Kingdom's decision to withdraw from the Union.** Members noted that, in view of the decision on its future location, the Authority has disclosed as contingent liabilities in its financial statements the residual EUR 14 000 000 cost related to the office lease contract (assuming its cancellation by the end of 2020) and the fact that other potential costs associated with relocation, such as

the relocation of staff together with their families, cannot yet be estimated. A future **decrease in the Authority's revenue** resulting from the United Kingdom's decision to withdraw from the Union is possible. The EBA was called on to report to the discharge authority on the costs of the relocation.

Parliament stressed that, as the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying the Union law, the Authority's budget and manpower should be reallocated internally.