2017 discharge: European Banking Authority (EBA)

2018/2202(DEC) - 01/03/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) on discharge in respect of the implementation of the budget of the European Banking Authority (EBA) for the financial year 2017.

The committee called on the European Parliament to grant the Executive Director of the Authority discharge in respect of the implementation of the EBA's budget for the financial year 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Authority for the financial year 2017 were reliable and that the underlying transactions were legal and regular, Members called 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:

Authority's financial statements

Members noted that the final budget of the Authority for the financial year 2017 was EUR 38 419 554 representing an increase of 5.28 % compared to 2016. The Authority is financed by a contribution from the Union (EUR 14 543 000, representing 38 %), and contributions from national supervisory authorities of the Member States and observers (EUR 23 876 555 representing 62 %).

Budget and financial management

Members acknowledged that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 95.90 %, representing a decrease of 0.85 % compared to 2016. The rate of execution of payment appropriations was 87.27 %, representing a decrease of 1.41 % compared to the previous year.

As the Authority's workload is increasingly shifting from regulatory tasks to enforcing and applying the Union law, the Authority's budgetary and personnel resources should be reallocated internally. They need to ensure an appropriate level of prioritisation as regards resource allocation.

The cancellation of carry-overs from 2016 to 2017 amounted to EUR 76 566, representing 2.6 % of the total amount carried over, showing a notable decrease of 7.13 % compared to 2016.

Members also made a series of observations regarding performance, staff policy, procurement and conflicts of interest.

In particular, they noted that:

- the Authority should fulfil the tasks and the mandate assigned to it by the European Parliament and the Council and should stay within the mandate of those assignments, so as to achieve optimal use of resources and achievement of objectives;

- more resources should be allocated to anti-money laundering tasks to fulfil the Authority’s oversight functions and inquiries into national institutions;

- that competent authorities and credit and financial institutions apply the European Anti-Money Laundering and Countering the Financing of Terrorism (the ‘AML/CFT’) legislation effectively and consistently;

- the EBA should develop common guidance in cooperation with the European Securities and Markets Authority (‘ESMA’) and the European Insurance and Occupational Pensions Authority (‘EIOPA’) on how to integrate AML/CFT risks in prudential supervision;

- on 31 December 2017, the establishment plan was 100 % executed, with 134 temporary agents authorised under the Union budget, compared with 127 authorised posts in 2016;

- the EBA has developed an Anti-Fraud Strategy for the period 2015–2017;

- the Authority’s revenue will decrease as a result of the United Kingdom’s decision to withdraw from the Union, and stresses the need to find adequate arrangements for its funding, that would allow the Authority to fulfil its mandate consistently, independently and efficiently;

- due to the United Kingdom`s decision to withdraw from the Union, the seat of the Authority will be moved to Paris, France at the beginning of 2019. The Authority’s accounts include provisions for related costs amounting to EUR 6.7 million and disclose EUR 11.2 million remaining future contractual payments as scheduled for the office in London. Building costs include inter alia the continued payment of rent and building charges for the London offices until the break of the lease at the end of 2020, whereas the Authority intends to offset those costs by capitalisation of the rent-free period received from the landlord and by using the French government contribution to ensure that the Authority pays rent and charges on only one office in 2019 and 2020.