2017 discharge: European Securities and Markets Authority (ESMA)

2018/2204(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 Securities and Markets Authority (ESMA) 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 Authority'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:

Agency's financial statements

Members noted that the final budget of the Authority for the financial year 2017 was EUR 42 076 719, representing an increase of 6.37 % compared to 2016. The Authority is financed by a contribution from the Union (EUR 11 019 552), contributions from national supervisory authorities of the Member States (EUR 18 584 866) and fees received from supervised entities (EUR 11 831 781).

Budget and financial management

The budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, representing an increase of 0.03 % compared to 2016. Payment appropriations execution rate was at 89.76 %, representing an increase of 2.47 % compared to the previous year.

The cancellation of carry-overs from 2016 to 2017 amounted to EUR 164 310, representing 3.51 % of the total amount carried over, and a decrease of 3.65 % in comparison 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 completed 90 % of the activities included in its annual work programme;

- 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;

- sufficient resources should be allocated to address existing anti-money laundering competences and to ensure a swift exchange EBA regarding money laundering and countering the financing of terrorism. A common guidance should be developed in exchange with EBA 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 97.33 % executed, with 146 temporary agents appointed out of 150 temporary agents authorised under the Union budget;

- 28 % of the Authority's budget came from fees charged to the entities it supervises. Members are pleased that measures have been implemented in order to mitigate any conflicts of interests, and that those structures and processes have been audited;

- when drafting implementing measures, the Authority needs to regularly and comprehensively inform the European Parliament and Council about its activities;

- the United Kingdom's decision to withdraw from the European Union might affect the Authority's activities since the most significant supervised entities are currently located there. A future decrease of the Authority's revenue resulting from the United Kingdom's decision to withdraw from the European Union is possible.