2020 discharge: European Banking Authority (EBA)

2021/2123(DEC) - 04/05/2022 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European Banking Authority (EBA) for the financial year 2020 and to approve the closure of the accounts for that year.

Noting that the Court of Auditors has stated that it has obtained reasonable assurance that the Authority's annual accounts for the financial year 2020 are reliable and that the underlying transactions are legal and regular, Parliament adopted, by 556 votes to 52, with 34 abstentions, a resolution containing a series of recommendations which form an integral part of the discharge decision and which complement the general recommendations contained in the resolution on the performance, financial management and control of EU agencies.

Authority's financial statements

The Authority's final budget for the financial year 2020 was EUR 46 715 822, representing an increase of 3.06 % compared to 2019.

Budgetary and financial management

The budget monitoring efforts during the financial year 2020 resulted in a budget implementation rate of 99.17 %, representing an increase of 1.88 % compared to 2019. The rate of execution of payment appropriations was 90.36 %, representing an increase of 4.48 % compared to the previous year.

Parliament welcomed that the Authority managed to definitively close its premises in the United Kingdom on 7 December 2020 complying with all legal obligations and that, as a consequence, the share of the related unused provisions active in the books at the reporting date have been reversed against revenue. It called for an audit on the move, both on the financial and operational aspects in order to draw lessons for improvement and identification of good practices that can be used across all Agencies in anticipation of making them more agile in order to respond to future challenges.

Other observations

Parliament also made a number of observations concerning performance, staff policy, public procurement and the prevention of conflicts of interest and Covid-19.

In particular, it noted that:

- the Authority has upgraded its key performance indicator framework from 2021 onwards creating more sophisticated indicators specific to each of the strategic and annual objectives;

- prepared guidelines on legislative and non-legislative moratoria on loan repayments that provided guidance to banks in supporting ongoing liquidity challenges faced by the Union businesses during the Covid-19 pandemic;

- on 31 December 2020, the establishment plan was 97.42 % implemented, with 151 temporary agents appointed out of 155 temporary agent posts authorised under the Union budget (compared to 145 authorised posts in 2019);

- the Authority completed six procurement procedures, two of which were tenders, with three other Agencies (ESMA, European Insurance and Occupational Pensions Authority and Single Resolution Board) participating alongside the Authority, and that the Authority cancelled one contract after award, due to the Covid-19 pandemic. It also participated in 33 inter-agency procurement procedures led by the Commission as well as other agencies. Parliament highlighted that certain procurement procedures of the Authority contravened the Financial Regulation, in particular those related to the signing of a short-term banking agreement with a bank. The Authority significantly underestimated the contract's value, resulting in the Authority using the wrong type of procurement procedure;

- the Authority should adopt a robust ethical framework in order to prevent conflicts of interest, revolving doors or harassment and properly assess and report on the implementation of the internal control framework;

- during the pandemic, the Authority devised a readiness plan aimed at demonstrating the Authority's active monitoring of the pandemic and its capability to provide clear guidance and measures aimed at protecting the wellbeing of its staff and the continuity of its operations. It also revised its recruitment procedures to recruit and integrate new staff remotely.