Basic information

2012/2207(DEC) DEC - Discharge procedure	Procedure completed
2011 discharge: European Banking Authority (EBA) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	GERBRANDY Gerben-Jan (ALDE)	29/02/2012
	Shadow rapporteur SARVAMAA Petri (PPE) AYALA SENDER Inés (S&D) STAES Bart (Verts/ALE) BRADBOURN Philip (ECR) SØNDERGAARD Søren Bo (GUE/NGL) ANDREASEN Marta (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	LANGEN Werner (PPE)	26/10/2012

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
25/07/2012	Non-legislative basic document published	COM(2012)0436	Summary
13/09/2012	Committee referral announced in Parliament		

19/03/2013	Vote in committee		
25/03/2013	Committee report tabled for plenary	A7-0113/2013	Summary
16/04/2013	Debate in Parliament		
17/04/2013	Decision by Parliament	T7-0141/2013	Summary
17/04/2013	Results of vote in Parliament		
17/04/2013	End of procedure in Parliament		
16/11/2013	Final act published in Official Journal		

Technical information

Procedure reference	2012/2207(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/10611

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE497.816	18/01/2013	
Amendments tabled in committee		PE497.870	26/02/2013	
Committee opinion	ECON	PE501.886	01/03/2013	
Committee report tabled for plenary, single reading		A7-0113/2013	25/03/2013	Summary
Text adopted by Parliament, single reading		T7-0141/2013	17/04/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05753/2013	01/02/2013	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2012)0436	25/07/2012	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0013/2013 OJ C 388 15.12.2012, p. 0060	11/09/2012	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2013/0566 OJ L 308 16.11.2013, p. 0196	Summary

2011 discharge: European Banking Authority (EBA)

2012/2207(DEC) - 25/07/2012 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2011, as part of the 2011 discharge procedure.

Analysis of the accounts of the **European Banking Authority (EBA)** – new agency.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2011 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Banking Authority (EBA).

In 2011, the tasks and budget of this agency were as follows:

- **description of the EBA's tasks**: the Authority, which is located in London, was established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council and has the aim of protecting the public interest and contributing to the stability and efficiency of the banking system in the short, medium and long term for the economy of the European Union, its citizens and its businesses.
- **the EBA's budget for the 2011 financial year**: the EBA's budget for 2011, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:
    - forecasted income budget: EUR 13 million;
    - entitlements established: EUR 13 million;
    - amounts received: EUR 13 million;
    - outstanding: EUR 0 million.

The complete version of EBA's final accounts may be found at the following address:

http://www.eba.europa.eu/Aboutus/Budget---accounts.aspx

2011 discharge: European Banking Authority (EBA)

2012/2207(DEC) - 11/09/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Banking Authority for the financial year 2011, together with the Agency'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 concerned, amongst others, the annual accounts of the European Banking Authority (EBA).

In the Court's opinion, the **Authority's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2011** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that the **transactions underlying the annual accounts** of the Authority for the financial year ended 31 December 2011 are, in all material respects, **legal and regular**.

The report confirms that the Authority's 2011 budget amounted to EUR 12.7 million and that the number of staff employed by the Authority at the end of the year was 51.

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

Court's observations:

- execution rates: the Court states that the commitment rates were low especially for Administrative and operational expenditure. At the end of 2011, the Authority recorded a positive budget outturn of EUR 3.6 million. The full amount was then recorded in the accounts as a liability towards the European Commission;
- public procurement: the Court notes that not all the audited procurement procedures were fully consistent with the provisions of the general Financial Regulation;
- recruitment: the Authority needs to improve the transparency of recruitment procedures: weightings for selection criteria and threshold scores for being invited to interviews or for inclusion in the list of suitable candidates were not set before the examination of applications.

Agency's replies:

- the Agency states that 2011 was the first year of activity for the EBA, whose Founding Regulation was published only on 15 December 2010. The late publication did not allow for the timely recruitment of the necessary staff, and thus for the full implementation of the EBA's work programme;
- as regards procurement: the EBA states that it inherited the majority of its procurement arrangements from its predecessor, CEBS Secretariat Ltd. Due to the heavy workload and to the lack of resources during 2011, it was not possible to ensure full compliance with the EU procurement rules in the first year of the EBA's activity. The lack of full compliance with procurement rules in 2011 was acknowledged by the management, and appropriate exception notes were signed, where needed. A procurement plan setting priorities, has been drawn up, and the correction of the non compliance is a major objective for 2012;
- in terms of recruitment: the EBA agrees with the comments and has taken the necessary corrective measures by implementing weightings for the selection criteria and threshold scores for inclusion, in the list, of suitable candidates.

Lastly, the Court of Auditors' report contains a summary of the **Authority's activities in 2011**. This is focused on the following:

- EU-wide stress test of 90 banks across 21 countries;
- informal technical advice to the European Commission on its proposal for a single rule book in relation to Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR) and other legislative proposals;
- guidelines on Internal Governance aiming at enhancing and consolidating supervisory expectations;
- guidelines on data collection on remuneration practices;
- established a new Standing Committee for Financial Innovation to assist the Authority in fulfilling its tasks and responsibilities related to consumer protection;
- organised over 180 meetings with external participants.

2011 discharge: European Banking Authority (EBA)

2012/2207(DEC) - 01/02/2013

Having examined the revenue and expenditure accounts for the financial year 2011 and the balance sheet at 31 December 2011 of the European Banking Authority, as well as the Court of Auditors' report on the annual accounts of the Authority for the financial year 2011, accompanied by the Authority's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Authority in respect of the implementation of the budget for the financial year 2011.

The observations in the Court of Auditors' report in relation to the financial year 2011 call for some comments by the Council, which may be summarised as follows:

- the Council welcomes the Court's opinion that, in all material respects, the Authority's annual accounts present fairly its financial position as at 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Authority's Financial Regulation, and that the underlying transactions for that financial year are legal and regular;
- in line with the budgetary principle of annuality, the Council calls on the Authority to pay due attention to a proper budget planning and implementation in order to **improve the low implementation rate of commitments**;
- furthermore, the Council urges the Authority to **correct weaknesses in its public procurement procedures** and to ensure their compliance with the provisions of the Financial Regulation;
- lastly, the Council calls on the Authority to speed up the validation process of its accounting system and to address the weaknesses identified in its staff selection and recruitment procedures.

2011 discharge: European Banking Authority (EBA)

2012/2207(DEC) - 25/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge to be granted to the Director of the European Banking Authority (EBA) in respect of the implementation of the Agency's budget for the financial year 2011.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2011 are reliable and that the underlying transactions are legal and regular, Members approve the closure of the Authority's accounts. However, they make a number of recommendations that need 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:

- **Financing, budget and financial management**: Members recall that 60% of the 2011 budget was financed by contributions from the Member States and the European Free Trade Association (EFTA) countries, and 40 % was financed by the Union budget. They also recall that the annual accounts that the Authority's overall budget for 2011 amounted to EUR 12 865 000. The report notes that the two rented offices, with a total area of 1 089 m2, incurred expenditure of EUR 1 016 512.64 and calls on the Authority to ensure that office rentals and expenditure do not exceed normal local market prices (London). Given that the Authority is an integral part of the European System of Financial Supervisors and works in close cooperation with its sister authorities, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority, within a Joint Committee, and with the European Systemic Risks Board, Members call on the Commission to evaluate the possibility of coming up with a proposal ensuring that the **budgets of the three European Supervisory Authorities (ESAs) are fully funded by the Union budget**.
- **Implementation rate of appropriations**: the report observes that the Authority registered a budget execution ratio of 71% for commitments and of 59% for payments at the end of 2011. Members call on the Authority to inform the discharge authority of the measures taken to improve these rates, as the low execution rates shows difficulties in budget planning and implementation.

Lastly, Members made a series of observations as regards the accounting system, procurement and recruitment procedures of this Agency.

2011 discharge: European Banking Authority (EBA)

2012/2207(DEC) - 17/04/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a decision on discharge to be granted to the Director of the European Banking Authority (EBA) in respect of the implementation of the Agency's budget for the financial year 2011. The vote on the decision to grant discharge covers the closure of the accounts (in accordance with Annex VI, Article 5(1) of the European Parliament's Rules of Procedure).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2011 are reliable and that the underlying transactions are legal and regular, Parliament adopted a resolution containing a number of recommendations that need 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:

- **Financing, budget and financial management**: Parliament recalls that 60% of the 2011 budget was financed by contributions from the Member States and the European Free Trade Association (EFTA) countries, and 40 % was financed by the Union budget. It also recalls that the annual accounts that the Authority's overall budget for 2011 amounted to EUR 12 865 000. Members note that the two rented offices, with a total area of 1 089 m2, incurred expenditure of EUR 1 016 512.64 and call on the Authority to ensure that office rentals and expenditure do not exceed normal local market prices (London). Given that the Authority is an integral part of the European System of Financial Supervisors and works in close cooperation with its sister authorities, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority, within a Joint Committee, and with the European Systemic Risks Board, Parliament calls on the Commission to evaluate the possibility of coming up with a proposal ensuring that the **budgets of the three European Supervisory Authorities (ESAs) are fully funded by the Union budget**.
- **Implementation rate of appropriations**: Parliament observes that the Authority registered a budget execution ratio of 71% for commitments and of 59% for payments at the end of 2011. It calls on the Authority to inform the discharge authority of the measures taken to improve these rates, as the low execution rates shows difficulties in budget planning and implementation.
- **Recruitment procedures**: Parliament takes note from the Court of Auditors that the Authority needs to improve the transparency of recruitment procedures and simplify its Staff Regulation.

Lastly, Parliament made a series of observations as regards the accounting system and procurement issues of this Agency.

2011 discharge: European Banking Authority (EBA)

2012/2207(DEC) - 17/04/2013 - Final act

PURPOSE: to grant discharge to the European Banking Authority for the financial year 2011.

NON-LEGISLATIVE ACT: Decision 2013/566/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2011.

CONTENT: with the present decision, and in accordance with Article 319 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament grants discharge to the Executive Director of the European Banking Authority in respect of its budget for the financial year 2011.

This decision is in line with the European Parliament's resolution adopted on 17 April 2013 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 17 April 2013).

A parallel decision, 2013/567/EU, adopted on the same day, approves the closure of the Authority’s accounts for the 2011 financial year.