Basic information

2012/2208(DEC) DEC - Discharge procedure	Procedure completed
2011 discharge: European Insurance and Occupational Pensions Authority (EIOPA) **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
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	

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	A7-0114/2013	Summary
16/04/2013	Debate in Parliament		
17/04/2013	Decision by Parliament	T7-0148/2013	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	2012/2208(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/10613

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE497.829	21/01/2013	
Amendments tabled in committee		PE497.877	26/02/2013	
Committee opinion	ECON	PE501.885	01/03/2013	
Committee report tabled for plenary, single reading		A7-0114/2013	25/03/2013	Summary
Text adopted by Parliament, single reading		T7-0148/2013	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	N7-0020/2013 OJ C 388 15.12.2012, p. 0104	11/09/2012	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2013/0580 OJ L 308 16.11.2013, p. 0241	Summary

2011 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2012/2208(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 Insurance and Occupational Pensions Authority (EIOPA)** – *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 Insurance and Occupational Pensions Authority (EIOPA).

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

- **description of EIOPA's tasks**: EIOPA, which is located in Frankfurt, was set up by Regulation (EU) No 1094/2010 of the European Parliament and of the Council with a view to protecting the public interest by contributing to the short, medium and long-term stability and efficiency of the financial system for the economy of the European Union, its citizens and its companies;
- **EIOPA's budget for the 2011 financial year**: EIOPA'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 11 million;
    - § entitlements established: EUR 9 million;
    - § amounts received: EUR 9 million;
    - § outstanding: EUR 0 million.

The complete version of EIOPA's final accounts may be found at the following address: https://eiopa.europa.eu/about-eiopa/budget-accounts/index.html

2011 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2012/2208(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 Insurance and Occupational Pensions Authority for the financial year 2011, together with the Authority's replies.

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 Insurance and Occupational Pensions Authority (EIOPA).

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 10.66 million. The number of staff employed by the Authority at the end of the year was 56.

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

Court's comments:

- budget implementation: the Court notes that the commitment rates were low. At the end of 2011 the Authority recorded a positive budget outturn of EUR 2.8 million. In compliance with its Financial Regulation the full amount was then recorded in the accounts as a liability towards the European Commission;
- public procurement: the Court states that the audited procurement procedures were not fully consistent with the provisions of the general Financial Regulation. The Authority should ensure that all new contracts are awarded in full compliance with the EU procurement rules;
- recruitment: the Authority needs to improve the transparency of recruitment procedures.

Authority's replies:

- the Authority confirms that during the first year of EIOPA the execution rate was low. The rationale for this was triggered by a conscious decision from the Executive Director of not committing (and not spending) the budgeted amount for IT (30 % of the total EIOPA budget), following a lack of a strategic orientation from EIOPA's Board of Supervisors during 2011. EIOPA acknowledges that the Financial Regulation requires the full surplus to be accounted as a liability towards the European Commission;
- it is taking all the measures needed to ensure that in the future all contracts are awarded in full compliance with the Financial Regulation;
- the Authority states that a procurement officer was recruited and that in general recruitment procedures will be further improved.

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

- regulatory and supervisory tasks;
- consumer protection and financial innovation and input to the Commission's revision of the Insurance Mediation Directive (IMD);
- common supervisory culture and a series of satellite exercises;
- setting up of a Pilot Risk Dashboard;
- crisis management;
- regulatory and supervisory dialogues with US National Association of Insurance Commissioners (NAIC), the China Insurance Regulatory Commission (CIRC), the Japanese Financial Services Authority (Japanese FSA), the Latin American Association of Insurance Supervisors (ASSAL), the Brazilian competent supervisory authority for the private insurance sector (SUSEP) and the US Federal Insurance Office (FIO);
- conferences and public events in 2011.

2011 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2012/2208(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 Insurance and Occupational Pensions 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 in the future;

- the Council calls on the Authority to take the necessary steps to validate its accounting system and regrets the irregularities found by the Court regarding the award criteria in the audited **procurement procedures**;
- lastly, it encourages the Authority to pursue its efforts to address the shortcomings detected by the Court in its staff recruitment procedures.

2011 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2012/2208(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 Insurance and Occupational Pensions Authority (EIOPA) 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 in accordance with its Founding Regulation, 55% of the 2011 budget was financed by contributions from the Member States and the European Free Trade Association (EFTA) countries, and 45% was financed from the Union budget. They note that the Authority's overall allocated budget for 2011 amounted to EUR 10 667 000. The Authority recorded a positive budget outturn of EUR 2 804 969, 812, which was recorded in the accounts as a liability towards the Commission. They note that 80% of the Member States budget cashed in 2011 and they invite the Member States to contribute their full share in the future. 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 Banking 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**: Members establish from the annual accounts that the Authority registered a budget execution ratio of 61.68% for commitments and of 58.84% for payments at the end of 2011. Members call on the Authority to inform the discharge authority of the actions taken to improve that ratio, as the low execution ratio 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 Insurance and Occupational Pensions Authority (EIOPA)

2012/2208(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 Insurance and Occupational Pensions Authority (EIOPA) 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 EIOPA 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 in accordance with its Founding Regulation, 55% of the 2011 budget was financed by contributions from the Member States and the European Free Trade Association (EFTA) countries, and 45% was financed from the Union budget. It notes that the Authority's overall allocated budget for 2011 amounted to EUR 10 667 000. The Authority recorded a positive budget outturn of EUR 2 804 969, 812, which was recorded in the accounts as a liability towards the Commission. It notes that 80% of the Member States budget cashed in 2011 and it invites the Member States to contribute their full share in the future. 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 Banking 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,** in the interests of safeguarding their independence.
- **Implementation rate of appropriations:** Parliament establishes from the annual accounts that the Authority registered a budget execution ratio of 61.68% for commitments and of 58.84% for payments at the end of 2011. It calls on the Authority to inform the discharge authority of the actions taken to improve that ratio, as the low execution ratio shows difficulties in budget planning and implementation.
- **Procurement procedures:** Parliament notes that the audited procurement procedures were not fully consistent with the provisions of the Financial Regulation. It calls on the Authority to ensure that all new contracts are awarded in full compliance with Union procurement rules.

Lastly, Parliament makes a series of observations as regards the accounting system and recruitment procedures of this Agency.

2011 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2012/2208(DEC) - 17/04/2013 - Final act

PURPOSE: to grant discharge to the European Insurance and Occupational Pensions Authority for the financial year 2011.

NON-LEGISLATIVE ACT: Decision 2013/580/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions 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 Insurance and Occupational Pensions 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, 2013/581/EU, adopted on the same day, approves the closure of the Authority’s accounts for the 2011 financial year.