Basic information

2014/2121(DEC) DEC - Discharge procedure	Procedure completed
2013 discharge: European Insurance and Occupational Pensions Authority (EIOPA) **Subject** 8.70.03.03 2013 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	CZARNECKI Ryszard (ECR)	09/10/2014
	Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) VAUGHAN Derek (S&D) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	FERBER Markus (PPE)	21/10/2014
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
30/07/2014	Non-legislative basic document published	COM(2014)0510	Summary

20/10/2014	Committee referral announced in Parliament		
23/03/2015	Vote in committee		
30/03/2015	Committee report tabled for plenary	A8-0096/2015	Summary
28/04/2015	Debate in Parliament		
29/04/2015	Decision by Parliament	T8-0145/2015	Summary
29/04/2015	Results of vote in Parliament		
29/04/2015	End of procedure in Parliament		
30/09/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2121(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/01579

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE539.717	23/01/2015	
Committee opinion	ECON	PE544.163	26/02/2015	
Amendments tabled in committee		PE539.771	06/03/2015	
Committee report tabled for plenary, single reading		A8-0096/2015	30/03/2015	Summary
Text adopted by Parliament, single reading		T8-0145/2015	29/04/2015	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05304/2015	30/01/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0510	30/07/2014	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N8-0085/2014 OJ C 442 10.12.2014, p. 0174	08/07/2014	Summary

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

Final act	
Budget 2015/1661 OJ L 255 30.09.2015, p. 0256	Summary

2013 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2014/2121(DEC) - 29/04/2015 - Final act

PURPOSE: to grant discharge to the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2013.

NON LEGISLATIVE ACT: Decision (EU) 2015/1661 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 2013.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Insurance and Occupational Pensions Authority for the implementation of the latter's budget for the financial year 2013.

This decision is in line with the European Parliament's resolution adopted on 29 April 2015 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 29 April 2015).

Amongst Parliament's main observations, the latter noted that the Authority's mixed financing arrangement is inflexible, burdensome and a potential threat to its independence. It called therefore on the Commission to propose by 2017 **a financing system for the Authority solely based on the introduction of fees** by market participants.

2013 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2014/2121(DEC) - 30/07/2014 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2013, as part of the 2013 discharge procedure.

Analysis of the accounts of the **European Insurance and Occupational Pensions Authority (EIOPA)**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2013 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).

The document contains the figures on which the discharge procedure is based.

Discharge procedure of the EU agencies: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission carries out specific programmes, activities and projects in the field with the technical support of some specialised agencies.

The consolidated annual accounts of the EU provide information on the activities of the institutions, agencies and other bodies of the EU from a budgetary and accrual accounting perspective.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of all Institutions. **Agencies do not have a separate budget inside the EU budget**; and they are partially financed by a Commission budget subsidy.

Each agency is subject to its own discharge procedure.

EIOPA: in 2013, 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 2013 financial year**: EIOPA's budget for 2013, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

  § **Commitment appropriations** :

  - **committed** : EUR 19 million;

  - **paid** : EUR 18 million;

  - **carried-over** : 0.

  § **Payment appropriations** :

  - **committed** : EUR 22 million;

  - **paid** : EUR 16 million;

  - **carried-over** : EUR 5 million.

Please refer also to the final accounts of the Insurance and Occupational Pensions Authority.

2013 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2014/2121(DEC) - 30/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2013.

It called on the European Parliament to grant the Executive Director of the Authority discharge in respect of the implementation of its budget for the financial year 2013.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Members called on the Parliament 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 2013 was EUR 18 767 470, representing an increase of 19.88% compared to 2012, due to the Authority's recently established nature.

Carry-overs: Members noted with concern that the level of committed appropriations carried over was high at 85 % for operational expenditure. They acknowledged that the carryovers resulted from the multiannual IT strategy and implementation plan and from specific contracts with services to be provided in 2014. The extent to which 2013 appropriations were used to cover 2014 activities is at **odds with the budgetary principle of annuality** according to Members. They called on the Authority to inform the discharge authority on the actions it will take in order to reduce the amount of carryovers.

2013 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2014/2121(DEC) - 30/01/2015

Having examined the revenue and expenditure accounts for the financial year 2013 and the balance sheet at 31 December 2013 of the European Insurance and Occupational Pensions Authority (EIOPA), as well as the Court of Auditors' report on the annual accounts of the Authority for the financial year 2013, 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 2013.

The Council welcomes the Court's opinion that, in all material respects, the Authority's annual accounts fairly present the financial position as at 31 December 2013 and the results of operations and 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.

Nevertheless, the Council has made some observations which may be summarised as follows:

- **legal commitments**: the Council urges the Authority to ensure that legal commitments made are in compliance with the Financial Regulation;
- **carry-overs**: the Council calls on the Authority to continue improving its financial management by systematically scrutinising carry-overs of appropriations to the following budgetary year and by limiting them to the minimum necessary, in line with the budgetary principle of annuality.

2013 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2014/2121(DEC) - 29/04/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 556 votes to 113, with 24 abstentions, a decision to grant discharge to the Executive Director of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2013. The vote on the discharge decision approved the closure of the accounts (in accordance with Annex VI, Article 5(1) of the Rules of Procedure of the European Parliament).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2013 are reliable, and that the underlying transactions are legal and regular, Parliament adopted by 564 votes to 87, with 35 abstentions, a resolution containing a number of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in the resolution on performance, financial management and control of EU agencies.

- **Authority's financial statements**: Parliament noted that the final budget of the Authority for the financial year 2013 was EUR 18 767 470, representing an increase of 19.88% compared to 2012, due to the Authority's recently established nature.
- **Carry-overs**: Parliament noted with concern that the level of committed appropriations carried over was high at 85% for operational expenditure. It acknowledged that the carry-overs resulted from the multiannual IT strategy and implementation plan and from specific contracts with services to be provided in 2014. The extent to which 2013 appropriations were used to cover 2014 activities is at **odds with the budgetary principle of annuality** according to Members. It called on the Authority to inform the discharge authority on the actions it will take in order to reduce the amount of carryovers.

Parliament also called on the Authority, given its limited resources, to stick to the tasks assigned to it by Parliament and the Council. It should carry out those assignments in full, but that it must not seek to go beyond its mandate, and that it must remain independent.

Parliament also made a series of observations on procurement, recruitment procedures as well as comments on internal controls.

2013 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2014/2121(DEC) - 08/07/2014 - 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 (EIOPA) for the year 2013, together with the EIOPA'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 Insurance and Occupational Pensions Authority (EIOPA).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Authority, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Authority's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

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:

The Court's observations:

- **internal controls**: the Court noted that legal commitments were not always authorised by officers with a proper delegation and were not always preceded by a properly authorised budgetary commitment. This shows the need to improve the definition of, and compliance with, financial circuits in accordance with the Financial Regulation;
- **budgetary management**: the level of committed appropriations carried over further increased as compared with previous years and was high at EUR 5.2 million (28%). This mainly resulted from specific contracts with a cumulative value of EUR 3 million signed late in the year, particularly for the development and maintenance of a European database and other IT services to be provided in 2014. Although the related commitments are legal and regular and low cancellation rates for carry-overs from 2012 confirmed sound estimations, the extent to which 2013 appropriations were used to cover 2014 activities is at odds with the budgetary principle of annuality.

The Authority's reply:

- **internal controls**: with regard to the legal commitments, EIOPA has put in place extra approval arrangements taking away any ambiguity regarding the duly authorisation of these commitments. The corrective measures that have been taken are: regular revisions of EIOPA's financial circuits, strengthened finance and budget processes with a focus on compliance to the financial circuits as well as, in regular intervals, specific finance and procurement training for all EIOPA officials involved in the financial circuits;
- **budgetary management**: the Authority has developed a multi-annual IT strategy and implementation plan (including data standardisation, data collection, storage and analysis solutions as well as online communication and collaboration tools). Yet, as these carried over commitments are critical to the further implementation of the IT plan in accordance with the agreed timing, their execution rate will be again very high. Measures are needed to reduce the carry-over percentages in the next years.

Lastly, the Court of Auditors' report contains **a summary of the Authority's activities in 2013**. This is focused on the following:

Budget: EUR 18 767 470.

Activities:

- regulatory tasks: Quantitative impact study in the area of occupational pensions, professional secrecy & gap analysis reports for Australia, Chile, China, Hong Kong, Israel, Mexico, Singapore, South Africa;
- supervisory tasks: collection and dissemination of practical solutions and practical examples (PSEs), Action Plan for Colleges;
- consumer protection and financial innovation: reports on best practices by Insurance Intermediaries in handling complaints;
- common supervisory culture: peer reviews;
- financial stability: completion of the Long-Term Guarantee Assessment exercise;
- crisis management: finalisation of a comprehensive, decision-making framework setting out in detail the processes that the Authority will follow in discharging its crisis pre-emption and management responsibilities;
- conferences/other public events.