Basic information

2015/2189(DEC) DEC - Discharge procedure	Procedure completed
2014 discharge: European Insurance and Occupational Pensions Authority (EIOPA) **Subject** 8.70.03.04 2014 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	VAUGHAN Derek (S&D)	20/08/2015
	Shadow rapporteur DEUTSCH Tamás (PPE) VISTISEN Anders (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	FERBER Markus (PPE)	10/09/2015
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
		COM(2015)0377	Summary

23/07/2015	Non-legislative basic document published		
05/10/2015	Committee referral announced in Parliament		
04/04/2016	Vote in committee		
07/04/2016	Committee report tabled for plenary	A8-0091/2016	Summary
27/04/2016	Debate in Parliament		
28/04/2016	Decision by Parliament	T8-0174/2016	Summary
28/04/2016	Results of vote in Parliament		
28/04/2016	End of procedure in Parliament		
14/09/2016	Final act published in Official Journal		

Technical information

Procedure reference	2015/2189(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/04218

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE569.752	29/01/2016	
Committee opinion	ECON	PE572.995	25/02/2016	
Amendments tabled in committee		PE576.945	04/03/2016	
Committee report tabled for plenary, single reading		A8-0091/2016	07/04/2016	Summary
Text adopted by Parliament, single reading		T8-0174/2016	28/04/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05584/2016	27/01/2016	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0377	23/07/2015	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0135/2015 OJ C 409 09.12.2015, p. 0175	08/09/2015	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2016/1528 OJ L 246 14.09.2016, p. 0266	Summary

2014 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2015/2189(DEC) - 28/04/2016 - Final act

PURPOSE: to grant discharge to the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2014.

NON LEGISLATIVE ACT: Decision (EU) 2016/1528 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 2014.

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 2014.

This decision is in line with the European Parliament's resolution adopted on 28 April 2016 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 28 April 2016).

Amongst Parliament's main observations in the resolution accompanying the discharge decision, the latter called on the Authority to pay special attention to the protection of **whistleblowers** in the context of the soon-to-be-adopted Directive on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.

2014 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2015/2189(DEC) - 28/04/2016 - Text adopted by Parliament, single reading

The European Parliament decided to grant the Executive Director of the European Insurance and Occupational Pensions Authority (EIOPA) discharge in respect of the implementation of Authority's budget for the financial year 2014. The vote on the decision on discharge covers the closure of the accounts (in accordance with Annex 5, Article 5 (1) (a) to Parliament's Rules of Procedure.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Authority's annual accounts for the financial year 2014 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 511 votes to 112 with 11 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

- **Agency's financial statements:** Parliament noted that the final budget of the Agency for the financial year 2014 was EUR 21 582 772, representing an increase of 15% compared to 2013, which can be explained by the Agency's recently established nature.
- **Carryovers:** Parliament noted that the rate of carryovers of commitments amounted to 26% overall and 66% for operational expenses, in particular for multi-annual IT investments.

Parliament also made a series of observations regarding transfers, budgetary and financial management, contract award procedures, recruitment, as well as internal audit.

With regard to **prevention of conflicts of interest**, Parliament called on the Authority to pay special attention to the protection of whistle-blowers in the context of the forthcoming Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.

Transparency: Parliament stressed that, while making sure that all assignments are carried out in full, the Authority must carefully stick to the tasks assigned to it by the Union legislator and must not seek to de facto broaden its mandate beyond those assignments. It also stressed that when carrying out its work and in particular when drafting technical standards and technical advice, the Authority needs comprehensively to inform the European Parliament about its activities, regretting that this has not always been done in the past. It called on the Authority to supplement communication with the Parliament on draft advice or technical standards relating to the calibration of prudential formulae with a full description of the data and methodology used in such calibrations.

2014 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2015/2189(DEC) - 27/01/2016 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 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 2014, accompanied by the Authority's replies to the Court's observations, the Council recommended 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 2014.

The Council welcomed the Court's opinion that, in all material respects, the Authority's annual accounts present fairly its financial position as at 31 December 2014 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 2014 are legal and regular in all material respects.

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

- **financial programming**: while recognising the need to implement the Authority's multiannual IT strategy and its efforts to mitigate the shortfalls of its 2015 budget, the Council reiterated its concern that the level of commitments carried over to the following financial year was high and called on the Authority to pay due attention to proper financial programming and budget implementation in order to reduce the level of carry-overs of committed appropriations to the next financial year, in line with the budgetary principle of annuality.

2014 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2015/2189(DEC) - 07/04/2016 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Derek VAUGHAN (S&D, UK) on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2014.

The parliamentary committee calls 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 2014.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Members call 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 Agency for the financial year 2014 was EUR 21 582 772, representing an increase of 15% compared to 2013, which can be explained by the Agency’s recently established nature.
- **Carryovers:** Members noted that the rate of carryovers of commitments amounted to 26% overall and 66% for operational expenses, in particular for multi-annual IT investments.

Members also made a series of observations regarding contract award procedures, recruitment, as well as internal audit.

Lastly, as regards **preventing conflicts of interest**, Members point out that the Authority needs to pay particular attention to upholding the safety and soundness of the financial sector, ensuring compatibility with Union law, respecting the principle of proportionality and complying with the fundamental principles of the internal market for financial services. They underline, that EIOPA, on that basis, must strive to achieve outcomes that are unambiguous, consistent, coherent and free of superfluous complexity.

2014 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2015/2189(DEC) - 08/09/2015 - 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 2014, 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 Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2014, and
- 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 2014 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 2014 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:

- **budgetary management**: the level of committed appropriations carried over also remained high (26 %) particularly for the operational budget related to specific contracts with a cumulative value of EUR 2.4 million signed late in the year, particularly for the on-going development and maintenance of a database and other IT services to be provided in 2015. The transfers were intended to compensate for shortfalls in the Authority's 2015 budget following substantial budget cuts decided by the discharge authorities. The transfers were intended to compensate for shortfalls in the Authority's 2015 budget following substantial budget cuts decided by the discharge authorities. These shortfalls would not have allowed the Authority to continue implementing its multiannual IT strategy, which was one of its core operational activities. Although budget transfers, carry-overs and related commitments are in line with the specific provisions of the EU Financial Regulation and were executed following Management Board decisions, the extent to which 2015 activities will be covered by 2014 appropriations is at odds with the budgetary principle of annuality. There is a need to better align the funds made available in the agency's annual budgets with the financial needs for the implementation of its multiannual IT strategy.

The Authority's reply:

- **budgetary management**: EIOPA acknowledged that the percentage of carried-over appropriations from 2013 to 2014 and from 2014 to 2015 for operational expenditure was high due to the multiannual nature of the work, the challenging time frame (mainly driven by the Solvency II calendar with the preparatory phase starting in 2015 and full implementation in 2016). EIOPA is also aware that part of the 2015 activities are covered by a relatively high proportion of carried-over appropriations from 2014. This is explained by the need to finance its complex and multiannual IT plan, ensuring a proper implementation of Solvency II. In addition, in order to better align the budgetary funds available for the given year, EIOPA's budget and procurement processes have already been revised to guarantee a full integration into the overall planning and coordination processes of EIOPA.

Lastly, the Court of Auditors' report contains a summary of the **Authority's activities in 2014**. This is focused on the following:

Budget: EUR 21 595 704.

Activities:

- **regulatory tasks**: amongst others, 18 drafts implementing technical standards prepared on Solvency II and the finalisation of around 500 guidelines relating to Solvency II, report on an EU single market in personal pensions;
- **supervisory tasks**: excellent examples of an approach to forming a shared view have been observed in 6 different National Competent Authorities;
- consumer protection and financial innovation: consultation papers on cross selling, product oversight and governance arrangements by insurance undertakings; Key Information Documents (KIDs) and insurance-based investment products;
- **common supervisory culture**;
- **financial stability**: two bi-annual Financial Stability Reports, completion of quantitative tools for modelling reserves and premiums;
- crisis management: implementation of process for regular consideration of the need for EIOPA preventive action in response to adverse developments and risks;
- **external relations**: number of dialogues with important third countries including US and China and professional secrecy & gap analysis reports for Isle of Man, Canada, Albania, FYR Macedonia, Montenegro and Turkey;
- **conferences and other public events**.

2014 discharge: European Insurance and Occupational Pensions Authority (EIOPA)

2015/2189(DEC) - 23/07/2015 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2014, as part of the 2014 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 2014 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.

On this basis, the Financial Controller of the European Commission ensures the certification of the consolidated accounts as declared by the institutions, agencies and bodies of the European Union.

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.

This document sets out how the Agencies spent and implemented their budget in 2014. Each agency is subject to its own discharge procedure.

EIOPA: in 2014, the tasks and budget of this agency were as follows:

- **description of EIOPA's tasks**: EIOPA, which is located in Frankfurt (DE), 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;
- **EIOPA's budget for the 2014 financial year**: EIOPA’s budget for 2014, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

Commitment appropriations :

- **committed** : EUR 22 million;

- **paid** : EUR 22 million;

- **carried-over** : 0.

Payment appropriations :

- **committed** : EUR 22 million;

- **paid** : EUR 21 million;

- **carried-over** : EUR 6 million.

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