



2024/2277

10.10.2024

RESOLUTION (EU) 2024/2277 OF THE EUROPEAN PARLIAMENT

of 11 April 2024

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2022

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Banking Authority for the financial year 2022,
- having regard to Rule 100 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A9-0111/2024),
- A. whereas, according to its statement of revenue and expenditure⁽¹⁾, the final budget of the European Banking Authority (the 'Authority') for the financial year 2022 was EUR 50 315 014; whereas the Authority is primarily financed by a contribution from the Union (EUR 18 685 999), and contributions from national supervisory authorities of the Member States and observers (EUR 31 629 015);
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Banking Authority for the financial year 2022 (the 'Court's report'), states that it has obtained reasonable assurance that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that the budget monitoring efforts during the financial year 2022 resulted in a budget implementation rate of current year commitment appropriations of 99,56 %, representing an increase of 1,05 % compared to 2021; further notes that the rate of execution of current year payment appropriations was 87,00 %, representing an increase of 3,00 % compared to 2021;

Performance

2. Welcomes the fact that the Authority continues to use certain measures as key performance indicators to assess its activities and the results thereof with respect to achieving the objectives of the work programme; observes that for 2022, the Authority has defined five vertical priorities (e.g. monitoring and updating the prudential framework for supervision and resolution, revisiting and strengthening the EU-wide stress testing framework) and two horizontal priorities (providing tools to measure and manage environmental, social, and governance (ESG) risks and monitoring and mitigating the impact of COVID-19) for its work programme; notes that in 2022, the Authority executed 95 % of the approximately 250 tasks set out in its work programme, including 15 % of tasks which had to be added to the work in the course of the year; further recognises that this is an improvement compared to the previous year;
3. Is aware that Russia's unjustified war of aggression against Ukraine has led the Authority to consider challenges and uncertainties arising from that conflict for areas within its remit and to address them accordingly; welcomes the fact that, as a result, the Authority placed a significant focus on assessing the risks for banks and the financial sector, and took action to monitor that sector; notes furthermore that the Authority focused on efforts contributing to the application and enforcement of imposed sanctions and, on a level which is more immediately relevant for people affected by that conflict, welcomes the efforts of the Authority to provide guidance to facilitate access to the financial system;

⁽¹⁾ OJ C 73, 28.2.2023, p. 102.

4. Observes that some of the important drivers of the Authority's activity in 2022 were contributing to shaping the legislative procedures which led to the adopt of Regulation (EU) 2022/2554 of the European Parliament and of the Council ⁽²⁾ and Directive (EU) 2022/2556 of the European Parliament and of the Council ⁽³⁾ (the Digital Operational Resilience Regulation and Directive) and of Regulation (EU) 2023/1114 of the European Parliament and of the Council ⁽⁴⁾ (the Markets in Crypto-Assets Regulation) by way of the response provided to different calls for advice on digital finance and related issues; notes that another point of focus lied on preventing the use of the financial system for the purposes of money laundering and terrorist financing (ML/TF); further notes that developing a relevant environmental, social and governance (ESG) framework for banks, and monitoring the impact of COVID-19 on their balance sheets remained at the forefront of the Authority's work; acknowledges that the Authority also updated its Peer Review work plan for the period 2022-2023, in accordance with Regulation (EU) No 1093/2010 of the European Parliament and of the Council ⁽⁵⁾;

Efficiency and gains

5. Welcomes that in the area of procurement, the Authority takes the approach of inviting other agencies to participate in its open procurement procedures, whenever there is a possibility of interest by other agencies; notes that in 2022, the Authority was the lead agency on one inter-institutional procurement procedure in which the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA) participated; notes furthermore that the Authority has also participated in many inter-institutional procedures led by other Union institutions, bodies, offices or agencies, predominantly those run by the Commission; observes that in 2022, 77 % of the Authority's 96 framework contracts in force were procured by other Union institutions, bodies, offices or agencies;
6. Notes that the Joint Committee of the European Supervisory Authorities, which brings together the Authority, EIOPA, ESMA, the Commission and the European Systemic Risk Board, is a key forum to discuss common regulatory issues and agree joint initiatives; recalls that joint initiatives bring together diverse perspectives, reduce duplication of effort, enhance learning and strengthen relationships between the participants;
7. Welcomes the fact that the Authority engages in extensive cooperation and resource-sharing initiatives with various agencies, such as sharing accounting services with ESMA, sharing a security officer with EIOPA, joint IT projects, investment in career development and providing experiences to assist other agencies in obtaining EMAS certification; further emphasises the horizontal benefits of working together and adapting best practices;
8. Commends the Authority for having taken various initiatives such as process optimisation, resource management, digitalization, collaboration enhancement, and fostering a continuous improvement culture; notes that key strategies include process automation (financial paperless transactions, mass payment load, workflow tools), resource optimisation, data-driven decision-making, technology integration (cloud services, HR digitalization), collaboration through cross-functional teams and project management;
9. Underlines that the Authority is an active member of the EU Agencies Network, and synergies are constantly being developed with the other European Supervisory Authorities, such as the sharing of recruitment reserve lists between the Authority, ESMA and EIOPA;

⁽²⁾ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (OJ L 333, 27.12.2022, p. 1).

⁽³⁾ Directive (EU) 2022/2556 of the European Parliament and of the Council of 14 December 2022 amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, 2014/65/EU, (EU) 2015/2366 and (EU) 2016/2341 as regards digital operational resilience for the financial sector (OJ L 333, 27.12.2022, p. 153).

⁽⁴⁾ Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 (OJ L 150, 9.6.2023, p. 40).

⁽⁵⁾ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

Staff policy

10. Notes that, on 31 December 2022, the establishment plan was 98,14 % implemented, with 159 temporary agents appointed out of 162 temporary agent posts authorised under the Union budget (the same number of authorised posts as in 2021); notes that, in addition, 44 contract agents (out of 50 authorised) and 13 seconded national experts (out of 19 authorised plus six cost-free seconded national experts) worked for the Authority in 2022;
11. Observes that the overall turnover rate in 2022 was 11,5 % (compared to 12 % in 2021); notes that the overall turnover rate includes the end of contract of seconded national experts whose contracts run shorter term by nature whereas the staff turnover rate for statutory staff (temporary agents and contract agents) was 9 % (being slightly higher for contract agents than temporary agents); highlights that since 2020, the Authority has started enriching its talent management approach with further measures to empower staff and support long-term engagement (strong employee value proposition, tailored career development programmes such as mentoring, work-life initiatives such as social club, etc.);
12. Notes the gender distribution within the Authority's senior and middle management, with 16 out of 29 senior and middle management members being men (55 %), and within the Authority's overall staff, with 114 out of 222 members of staff being men (51 %); supports that the Authority has adopted the Charter on Diversity and Inclusion of the EU Agencies Network; notes that the Authority is member of the 'Choose Paris Region' network of international organisations promoting a diverse, inclusive and equitable workplace and provides specific accommodations to persons with disabilities as part of the recruitment process;
13. Is aware that a Staff Engagement Survey (SES) was launched in 2022 resulting in a response rate of 71 %; notes that the overall total favourable score which represents staff engagement was 65 % – higher by 1 % than in the previous SES of 2019 (despite the challenging COVID-19 period) and compared to the EU Interagency benchmark;

Prevention and management of conflicts of interest and transparency

14. Welcomes that in 2022 the Authority streamlined the ethics process, in particular through the introduction of an electronic workflow system including a closer and more efficient assessment of notifications regarding potential conflicts of interest of departing staff and notifications of post-employment activities;
15. Highlights that the guidelines on whistleblowing, encompassing anti-corruption guidelines, have been incorporated into the course material of the Authority's training programmes focusing on ethics and integrity;
16. Appreciates that in 2022, the Board of Supervisors adopted an amendment to its Rules of Procedure, as well as to those of the Management Board and to the mandates of the Standing Committees on resolution and on anti-money laundering and countering the financing of terrorism, obliging members who have declared a conflict of interest to be absent from both the vote and the discussion itself, without exception;
17. Notes that following the closure of an OLAF investigation with no indication of irregularities regarding compliance with the relevant legal framework, the Authority received a recommendation to take administrative actions, particularly concerning senior management employment contracts; observes that the investigation revealed a lack of contractual provisions related to gardening leave or a 'cooling-off' period; highlights that in response, the Authority introduced a new article in contracts for directors, advisers, and above in February 2022; notes that, due to limitations within the Staff Regulations legal framework, the Authority informed OLAF that it cannot impose requirements on staff outside that framework, such as providing compensation when a former staff member is restricted from pursuing an occupational activity or faces substantial conditions in doing so;
18. Welcomes that the Authority discloses all staff meetings with external private sector stakeholders within a period of two weeks following the meeting for the Chairperson, pursuant to Article 49a of Regulation (EU) No 1093/2010, and that this is applied in the same way to the Executive Director, although Article 52a of that Regulation requires meetings of the Executive Director to be made public but does not specify how soon after they are held; notes that in the meetings of other staff with private sector stakeholders, disclosure is done on a quarterly basis;
19. Draws attention to the closure of one whistleblowing case in 2022; notes that actions taken involved contacting a national competent authority to understand the allegations and actions being taken domestically, which resulted in the closure of the case without any action required from the Authority;

20. Recalls that CVs of members of governing bodies and alternate members, senior managers and directors are published on the Authority's websites; notes that those CVs include information regarding professional experience and education; notes furthermore that as regards experts, the Authority publishes the CVs of the Banking Stakeholder Group;

Procurement

21. Notes that according to the Court the Authority sought to procure services in two open tenders, one for market research for financial services and another for consultation on data protection; notes that in one tender there was an overlap between the selection and award criteria; highlights that such an overlap goes against Article 167 of the Financial Regulation, which stipulates that there must be complete separation between selection and award criteria; states that selection criteria are used to evaluate the capacity of the tenderers and award criteria are used to evaluate the price and quality of the offers; notes with regret that in both cases, the Authority overestimated the maximum value of the contracts because of shortcomings in the research on market prices it had carried out before launching the tender;
22. Notes that according to the Court the procurement weakness affecting two separate negotiated procedures reported in 2021 have been corrected as the Authority is now using the Commission's templates, thereby bringing its procedures in line with the Court's observation;
23. Highlights that since the 2020 financial year, the Court has raised new procurement-related observations every year for four agencies, including the Authority; recalls that the objective of public procurement rules is to enable procuring entities to obtain the goods and services they need at the best price, while ensuring fair competition between tenderers and compliance with the principles of transparency, proportionality, equal treatment and non-discrimination; calls on the Authority to ensure full compliance with the applicable procurement rules to achieve the best possible value for money;

Internal control

24. Recalls that the Authority started to work with a dedicated risk management partner to enhance the compatibility of the Authority's current risk management programme with the COSO Enterprise Risk Management (ERM) framework in 2021 and continued that work in 2022; notes that in order to further strengthen internal controls, the Authority plans to integrate its risk management programme into the COSO ERM framework, intensify ethics-related activities, and provide tailored internal controls training in 2023 with the goal of upholding and enhancing the effectiveness of the overall internal controls system;
25. Notes that according to the Court the internal control weaknesses affecting recruitment procedures reported in 2021 have been corrected as the Authority modified its procedures accordingly;

Other comments

26. Welcomes that in 2022, the Authority continued to promote its work and deliverables via a wide range of communication channels such as the corporate website, press interviews and social media platforms; notes that the Authority also increased the number of dynamic data visualisations aimed at presenting large amounts of data in a more comprehensive and digestible manner and published 149 press releases and news items, promoted the Authority's work in the press and media, conducting 74 interviews and briefings with the press, and responded to 706 queries via email;
27. Welcomes that in 2022, the Authority was awarded the Eco-Management and Audit Scheme (EMAS) certificate and successfully achieved its 2022 environmental objectives and targets in the areas of travel, energy, waste, procurement, and core business; highlights that those achievements include a reduction of at least 50 % in travel-related activities, a 10 % decrease in building energy consumption, a commitment to recycling at least 70 % of waste, and consideration of the environmental impact in 100 % of contracts procured by the Authority;

28. Commends the Authority for undertaking to reduce energy consumption by 10 % in 2022 (compared to 2019); points out that in order to achieve that target, the Authority has introduced measures such as shifting heating schedules and decreasing setpoint temperatures on thermostats, switching energy supply fully to renewable energy sources, monitoring of meters on a daily basis to evaluate the results of the action taken, and conducting an energy saving awareness campaign for staff; notes that the energy reduction achieved by the end of 2022 (compared to 2019) was 16,4 %;
29. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 11 April 2024 ⁽⁶⁾ on the performance, financial management and control of the agencies.

⁽⁶⁾ Texts adopted, P9 TA(2024)0280.