

RESOLUTION (EU) 2019/1480 OF THE EUROPEAN PARLIAMENT**of 26 March 2019****with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2017**

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2017,
 - having regard to Rule 94 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Economic and Monetary Affairs (A8-0137/2019),
- A. whereas, according to its statement of revenue and expenditure ⁽¹⁾, the final budget of the European Insurance and Occupational Pensions Authority (the 'Authority') for the financial year 2017 was EUR 23 999 257, representing an increase of 10,28 % compared to 2016; whereas the Authority is financed by a contribution from the Union (EUR 8 946 404, representing 37 %) and contributions from national supervisory authorities from the Member States (EUR 15 052 852, representing 63 %);
- B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2017 (the 'Court's report'), has stated that it has obtained reasonable assurances that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with appreciation that budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99,79 %, reaching the Authority's planned target and representing an increase of 0,11 % compared to 2016; notes furthermore that the payment appropriations execution rate was at 88,09 %, representing a slight decrease of 0,88 % compared to 2016;
2. Takes note of the Authority's efforts to reallocate internally the Authority's budgetary and personnel resources, as the Authority's workload is increasingly shifting from regulatory tasks to supervisory convergence and enforcement; stresses, in this respect, the need to ensure an appropriate level of prioritisation as regards resource allocation;

Cancellation of carry-overs

3. Notes with concern that the cancellation of carry-overs from 2016 to 2017 amounted to EUR 127 694, representing 5,47 % of the total amount carried over, a rate similar to 2016;

Performance

4. Notes with satisfaction that the Authority has set 13 strategic level targets measured with Key Performance Indicators (KPIs) which are divided between its three operational strategic objectives to assess the added value provided by its activities, and to improve its budget management, in addition to other indicators used internally;
5. Notes that the Authority achieved its target for eight KPIs; acknowledges that it was only close to achieve the target for the remaining five KPIs, some of which were rather ambitious and were missed only marginally;
6. Underlines the central role of the Authority in contributing to high quality common regulatory and supervisory standards and practices, to the consistent application of legally binding Union acts, to stimulate and facilitate the delegation of tasks and responsibilities among competent authorities, to monitor and assess market developments within the scope of its competence and to foster the protection of policy holders, pension scheme members and beneficiaries;

⁽¹⁾ OJ C 84, 17.3.2017, p. 179.

7. Highlights the role of the Authority in facilitating and promoting the coordination between national supervisory authorities and, where appropriate, with institutions responsible for international supervision;
8. Notes, however, that the European Insurance and Occupational Pensions Authority faced limitations in terms of the architecture of the supervision system, scarcity of resources and, in some instances, insufficient support and collaboration from National Competent Authorities (NCAs); points out that much still needs to be done by the European Insurance and Occupational Pensions Authority, legislators and NCAs to achieve supervisory convergence;
9. Stresses that, while making sure that all assignments are carried out in full and within deadline, the Authority should fulfil the tasks and the mandate assigned to it by the European Parliament and the Council and should stay within the mandate of those assignments; calls on the Authority to ensure a proper follow-up and implementation of the Court's recommendations;
10. Considers that, while carrying out its work and in particular when drafting implementing measures, the Authority needs to regularly and comprehensively inform the European Parliament and Council about its activities; stresses that it is essential for the Authority, in view of the nature of its assignments, to exhibit transparency not only to the European Parliament and the Council, but to the Union citizens as well;
11. Stresses that the Authority should pay particular attention to the principle of proportionality in carrying out its mandate; underlines that, in particular when formulating Level 2 and Level 3 measures, attention should be devoted to specific features of national financial markets;
12. Stresses the need to allocate sufficient resources, to address existing anti money laundering competences and to ensure a swift exchange with the European Banking Authority ('EBA') regarding money laundering and countering the financing of terrorism;
13. Welcomes in the context of the Authority's oversight function with regards to AML and CFT the adoption of a whistleblowing policy and stresses the need for national supervisory authorities to adopt similar policies;
14. Notes with satisfaction that the Authority is proactive in identifying opportunities for efficiency and synergies with other agencies, in particular with EBA and the European Securities and Markets Authority ('ESMA'), through the European Supervisory Authorities' Joint Committee and through joint procurements; asks the Authority to develop common guidance in exchange with EBA and ESMA on how to integrate AML/CFT risks in prudential supervision;
15. Warmly welcomes the Authority's reorganisation aimed, among other matters, at obtaining cost savings and efficiency gains by merging or increasing the coordination of its departments, by introducing a rolling budget forecast process or by implementing new financial circuits;
16. Notes that the Authority is replacing its current e-human resources management system with Sysper, which is provided by the Commission; acknowledges that the Authority will allow the organisation to benefit from lower costs, synergies and efficiency; calls on the Authority to report to the discharge authority on the concrete results in this regard;
17. Notes, in addition, that according to the Court, the shift of the Authority from regulation to supervision is especially challenging, due to limited resources for supervision tasks (14 % of the Authority's staff), in particular for supervision of cross-border business and internal models;
18. Notes, however, that the Court's assessment is very brief and offers few suggestions for improving the efficiency of the Authority's financial management; calls on the Authority to ensure a proper follow-up and implementation of the Court's recommendations;
19. Notes that an external evaluation of the three European Supervisory Authorities was carried out in 2017; calls on the Authority to report to the discharge authority on the measures taken (by the Authority) to address the shortcomings identified by the external evaluation;

Staff policy

20. Notes that, on 31 December 2017, the establishment plan was 99,01 % executed, with 100 temporary agents appointed out of 101 temporary agents authorised under the Union budget (compared with 93 authorised posts in 2016); notes that, in addition, 34 contract agents and 17 seconded national experts worked for the Authority in 2017;
21. Notes that the Authority has adopted a policy on protecting the dignity of the person and preventing harassment;
22. Welcomes the suggestion of the Court to publish vacancy notices on the website of the European Personnel Selection Office in order to increase publicity; understands the Authority's reply concerning the high translation costs triggered by such publication;

Procurement

23. Notes with satisfaction that the Authority has been one of the first agencies in the Union to launch a project delivering an e-procurement solution; welcomes the fact that the solution provides a more efficient and transparent procurement process benefiting both the Authority and its potential suppliers;

Prevention and management of conflicts of interest and transparency

24. Acknowledges the measures the Authority already has in place and its ongoing efforts to secure transparency, to prevent and manage conflicts of interests, and to protect whistleblowers; welcomes the fact that the Authority publishes a register of meetings with external stakeholders on its website;
25. Notes that, according to the Court's report, there is a need to strengthen the accounting officer's independence by making him directly responsible to the Authority's director and management board; notes with satisfaction the measures already taken in order to strengthen that independence;
26. Notes that a dedicated ethics officer for the Authority's Staff was appointed in early 2017 supporting the strengthening of the ethics officer function; calls on the Authority to report to the discharge authority on the progress made in that field;

Internal controls

27. Notes that the Commission's Internal Audit Service performed an audit to assess the effectiveness of the management controls in the stress test process of the Authority; calls on the Authority to report to the discharge authority about the results of that audit;
28. Welcomes the fact that the Authority introduced two new supervisory departments on processes and convergence to strengthen its focus on supervision;

Other comments

29. Notes that a future decrease in the Authority's revenue resulting from the United Kingdom's decision to withdraw from the Union is possible; notes that other risks related to that fact are the continuity of contracts and the consistency of approaches to the Union oversight cross-border banking groups; calls on the Authority to remain aware of those risks and to prepare to mitigate them;
30. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 26 March 2019 ⁽²⁾ on the performance, financial management and control of the agencies.

⁽²⁾ Texts adopted, P8_TA-PROV(2019)0254. See page 361 of this Official Journal.