



TEXTS ADOPTED

Provisional edition

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Discharge 2016: European Insurance and Occupational Pensions Authority (EIOPA)

1. European Parliament decision of 18 April 2018 on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2016 (2017/2172(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016, together with the Authority's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2016 (05941/2018 – C8-0082/2018),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European

¹ OJ C 417, 6.12.2017, p. 126.

² OJ C 417, 6.12.2017, p. 126.

³ OJ L 298, 26.10.2012, p. 1.

Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC¹, and in particular Article 64 thereof,

- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council², and in particular Article 108 thereof,
 - 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 (A8-0088/2018),
1. Grants the Executive Director of the European Insurance and Occupational Pensions Authority discharge in respect of the implementation of the Authority's budget for the financial year 2016;
 2. Sets out its observations in the resolution below;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Executive Director of the European Insurance and Occupational Pensions Authority, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

¹ OJ L 331, 15.12.2010, p. 48

² OJ L 328, 7.12.2013, p. 42.

2. European Parliament decision of 18 April 2018 on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016 (2017/2172(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016,
- having regard to the Court of Auditors' report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016, together with the Authority's reply¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2016, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 20 February 2018 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2016 (05941/2018 – C8-0082/2018),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³, and in particular Article 208 thereof,
- having regard to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC⁴, and in particular Article 64 thereof,
- having regard to Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁵, and in particular Article 108 thereof,
- 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 (A8-0088/2018),

¹ OJ C 417, 6.12.2017, p. 126.

² OJ C 417, 6.12.2017, p. 126.

³ OJ L 298, 26.10.2012, p. 1.

⁴ OJ L 331, 15.12.2010, p. 48

⁵ OJ L 328, 7.12.2013, p. 42.

1. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2016;
2. Instructs its President to forward this decision to the Executive Director of the European Insurance and Occupational Pensions Authority, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the *Official Journal of the European Union* (L series).

3. European Parliament resolution of 18 April 2018 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 2016 (2017/2172(DEC))

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 2016,
 - 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 (A8-0088/2018),
- A. whereas, in the context of the discharge procedure, the discharge authority stresses the particular importance of further strengthening the democratic legitimacy of the Union institutions by improving transparency and accountability, and implementing the concept of performance-based budgeting and good governance of human resources;
- B. whereas, according to its statement of revenue and expenditure¹, the final budget of the European Insurance and Occupational Pensions Authority (the “Authority”) for the financial year 2016 was EUR 21 762 500, representing an increase of 7,67 % compared to 2015; whereas the Authority is financed by a contribution from the Union (EUR 8 461 389, representing 40 %) and contributions from national supervisory authorities from the Member States (EUR 13 301 111, representing 60 %);
- C. 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 2016 (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 that budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 99,68 %, reaching the Authority’s planned target and representing a decrease of 0,29 % compared to 2015; notes furthermore that the payment appropriations execution rate was at 88,97 %, reaching the Authority’s planned target and representing an increase of 5,22 % compared to 2015;
2. Notes the Authority’s efforts to reallocate the Authority’s budget and manpower internally, as the Authority’s workload is increasingly shifting from regulatory tasks to supervisory convergence and enforcement; regards it as essential that the Authority have sufficient resources to carry out its assignments in full, including dealing with any additional workload necessitated by such assignments, whilst ensuring an appropriate level of prioritisation as regards resource allocation and budgetary efficiency; in addition points out that any increase in the Authority’s workload may be dealt with internally through the reallocation of budgetary resources or manpower, provided that such

¹ OJ C 113, 30.03.2016, p.149.

reallocation does not impair the full exercise by the Authority of its mandate and ensures the Authority's independence in the performance of its supervisory tasks;

Commitments and carry-overs

3. Notes that the commitments carried forward to the following year reduced from 16,21 % in 2015 to 10,71 % in 2016, demonstrating the Authority's stricter budget monitoring; acknowledges that the carry-over of these funds was justified by contracts and obligations entered into in 2016; welcomes the fact that in 2016, the Authority achieved the lowest carry-forward percentage ever;
4. Notes that in 2016, 94,55 % of credits carried forward from 2015 to 2016 were consumed;
5. Points out that carry-overs are often partly or fully justified by the multiannual nature of the agencies' operational programmes and do not necessarily indicate weaknesses in budget planning and implementation nor are they always at odds with the budgetary principle of annuality, in particular if they are planned in advance by the Authority and communicated to the Court;
6. Calls for the continued reduction insofar as possible in the level of committed appropriations to be carried over to the following year by means of all available measures, for example by adopting best practices used by other agencies;

Transfers

7. Notes that the variation between the initial and final budget allocated for Title I (staff costs) resulted in a slight decrease of 3,31 %, while the variation for Title II (administrative expenditure) resulted in an increase of 3,17 %; observes that, as a result of the budget amendment and transfers made, the budget under Title III (operational expenditure) increased by 9,21 %; acknowledges that the changes in the structure of the initial budget were generally smaller than in 2015; acknowledges furthermore that the level and nature of transfers remained within the limits of the financial rules;

Procurement and staff policy

8. Acknowledges that the Authority has been one of the first Union agencies 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;
9. Points out that 2016 marked the first phase of the move to open office: a quarter of the Authority's staff is now working in an open office environment; notes that that change was needed to accommodate the increase in staff within the existing premises and allowed for a more efficient use of office space, as well as a reduction in building related costs;
10. Notes that, according to the Authority, it ran 26 recruitment campaigns in 2016 and filled 95,7 % of its establishment plan positions at the year-end, lower than the Authority's target of 100 %; acknowledges from the Authority that the target was not reached mainly due to an unsatisfactorily high turnover rate, to unsuccessful recruitment campaigns and to non-acceptance of contract offers by selected candidates, in themselves all worrying factors that need examining and improving;

11. Observes from the establishment plan that 89 posts (out of 93 posts authorised under the Union budget) were occupied on 31 December 2016, compared to 86 in 2015; notes with satisfaction that, according to the number of posts occupied on 31 December 2016, gender balance has been met since the ratio is 53 % female to 47 % male;
12. Notes that in 2016 the Authority was employing 52,5 (FTEs) seconded national experts, contract staff, interim staff and consultants;
13. Notes that, according to the Authority, the issues with recruitment might be related to the high cost of housing in the Authority's seat in Frankfurt, as well as to the lack of financial attractiveness of the Authority compared to other European bodies such as the European Central Bank and the Single Supervisory Mechanism; acknowledges from the Authority that it revised the relevant human resources processes in order to make them more efficient; calls on the Authority to report to the discharge authority on the measures taken to address this issue;
14. Notes that, on average, each member of the Authority's staff was on sick leave for seven days in 2016; observes that the Authority organised info sessions, a stress and resilience workshop and medical check-ups for its staff;
15. Notes with satisfaction that in 2016 the Authority nominated additional counsellors to ensure adequate number of confidential counsellors and the further implementation of the informal procedure for the prevention of harassment;
16. Welcomes the fact that counselling and mediation sessions have been organised not only for the newly appointed confidential counsellors but also for the members of the staff committee and human resources staff and that awareness sessions on the prevention of harassment have been organised for management, where the whole management team attended, and for the whole staff, where 60 members of staff attended;
17. Notes that, according to the Authority, one case of alleged psychological harassment was internally investigated in 2016 and closed as a "non-case";
18. Notes with satisfaction that, in order to enhance the supervisory approach and to increase the efficiency of the processes and quality of the output, the Authority has undertaken its first re-organisation implemented as from 1 November 2016; calls on the Authority to report to the discharge authority on further details regarding the implementation of the re-organisation, and the benefits achieved;
19. Notes that the Authority does not use any official vehicles;

Prevention and management of conflicts of interest, transparency and democracy

20. Notes with satisfaction that minutes of all meetings with external stakeholders have been published on the Authority's website since January 2016;
21. Notes with satisfaction that the Authority's policy and procedures on whistleblowing has been adopted by the management board and are aligned with the Commission guidance on that issue;
22. Expresses the need to establish an independent disclosure, advice and referral body with sufficient budgetary resources, in order to help whistleblowers use the right channels to

disclose their information on possible irregularities affecting the financial interests of the Union, while protecting their confidentiality and offering needed support and advice;

23. Notes with satisfaction that the Authority has published the CVs, declarations of intention and declarations of interest of the members of the management board and the board of supervisors of the Authority on the Authority's website;
24. Regrets that declarations of conflicts of interest of management board members and senior managers are outstanding; notes that such practice does not further transparency and that the remaining declarations should therefore be published without delay;
25. Notes that in 2016 the Authority received six requests for access to documents; notes that the Authority granted a full access to five documents under two requests, while three documents under one request were granted only partial access and the request for access for one document was refused;
26. Asks the Authority to inform the discharge authority about alleged and confirmed infringements of ethics rules, about how it has dealt with these infringements, and how it will avoid them in the future;
27. Considers that the minutes of meetings of the board of supervisors and of the stakeholder groups, which are publicly available, should be published more swiftly to further reduce the current time lag as well as to provide better insight into the discussions held, what stances members have taken and voting behaviour; stresses that it is essential for the Authority, in view of the nature of its assignments, to exhibit transparency, not only to Parliament and the Council, but to Union citizens; believes that outreach to the public could be enhanced by web streaming events; points out that access to documents and information relating to internal meetings should also be facilitated; recalls the importance of the protection of whistle-blowers for enhancing transparency, democratic accountability and public control.

Main achievements

28. Welcomes the three main achievements and successes identified by the Authority in 2016, namely:
 - it implemented the necessary measures to successfully assume its role as set out in Directive 2009/138/EC¹; notes that the Authority delivered the mandated tasks and provided support for the Directive's implementation at a national level, working closely with the national competent authorities, including specific exercises such as the balance sheet review of the Bulgarian insurance market;
 - it contributed to legislative developments in the field of pensions including advice to the Commission on issues including the development of a Pan-European Personal Pension product and of the key information documents for the packaged retail investment and insurance products; notes that, regarding occupational pensions, it published its opinion on a Common Framework for Risk Assessment and Transparency;

¹ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).

- it contributed to strengthen the conduct of business supervision and the capacity of the supervisory community to maintain pace with key developments such as FinTech, in particular InsurTech;

Internal controls

29. Notes that the Authority's Internal Control Standards (ICS) are based on the ICS of the Commission; notes moreover that all the ICS were duly implemented by the end of 2016;

Internal audit

30. Notes that an audit on 'Oversight Capability' was performed by the Internal Audit Service (IAS) in 2016; notes with satisfaction that none of the recommendations made by the IAS were categorised as critical or very important; acknowledges - also with satisfaction - from the Authority that, in response to the audit report, it developed an action plan, which was subsequently adopted by its Management Board, in order to address all recommendations made by the IAS;
31. Notes that in December 2016 the IAS undertook a risk assessment of the Authority's processes and that its outcome will lead to a new audit strategy for the Authority for the period 2017-2019;

Other comments

32. Notes with great satisfaction that in 2016 the Authority was engaged in ensuring a cost-effective and environment-friendly working place and in reducing or offsetting CO2 emissions;
33. Welcomes the fact that the Authority proactively engages with its members to understand the extent of the impact of the United Kingdom's decision to withdraw from the Union on the supervision of insurance and pension activity as well as the impact on the Authority as an institution; notes furthermore that the Authority is in contact and exchanges informally with the Commission;
34. Notes that a future decrease in the Authority's revenue resulting from the United Kingdom's decision to withdraw from the Union is likely;
35. Notes that the review of Authority's website has been completed and that the redesign is planned to be implemented by the end of 2018 with the aim of making information about the Authority's activities more accessible to a broader audience;
36. Observes that the Court is currently auditing the Authority's supervisory activities and stress tests; welcomes the fact that that audit is one of the priorities of the Court for 2018;
37. Stresses that, while making sure that all assignments resulting from the regulatory framework laid down by Parliament and the Council are carried out in full and within deadline, the Authority should carefully adhere to the tasks, should not go beyond the mandate assigned to it by Parliament and the Council and should pay particular attention to the principle of proportionality, so as to optimise the use of resources and to achieve the objectives mandated to it by Parliament and the Council;

38. Points to the central role of the Authority in ensuring better oversight of the Union financial system to ensure financial stability, the necessary transparency and greater security for the Union financial market in particular by coordinating supervision between national supervisory authorities, by cooperating where necessary with institutions responsible for international supervision, as well as by overseeing consistent application of the Union law; emphasises that such cooperation should be based on an atmosphere of trust; underlines the work of national supervisory authorities given the important size of the Union insurance market; underlines the role of the Authority in contributing to and promoting convergent supervisory practices at a high-level in the area of consumer protection;

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39. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 18 April 2018¹ on the performance, financial management and control of the agencies.

¹ Texts adopted, P8_TA-PROV(2018)0133.