



Plenary sitting

A9-0103/2023

3.4.2023

REPORT

on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2021 (2022/2106(DEC))

Committee on Budgetary Control

Rapporteur: Gilles Boyer

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION.....	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION.....	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	7
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE.....	14
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	15

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2021 (2022/2106(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies¹,
- 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 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0088/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012³, and in particular Article 70 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) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁵, and in particular Article 105 thereof,

¹ OJ C 412, 27.10.2022, p. 12.

² OJ C 412, 27.10.2022, p. 12.

³ OJ L 193, 30.7.2018, p. 1.

⁴ OJ L 331, 15.12.2010, p. 48

⁵ OJ L 122, 10.5.2019, p. 1.

- 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 (A9-0103/2023),
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 2021;
 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).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2021 (2022/2106(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2021,
- having regard to the Court of Auditors' annual report on EU agencies for the financial year 2021, together with the agencies' replies¹,
- 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 2021, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendation of 28 February 2023 on discharge to be given to the Authority in respect of the implementation of the budget for the financial year 2021 (06248/2023 – C9-0088/2023),
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012³, and in particular Article 70 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) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁵, and in particular Article 105 thereof,

¹ OJ C 412, 27.10.2022, p. 12.

² OJ C 412, 27.10.2022, p. 12.

³ OJ L 193, 30.7.2018, p. 1.

⁴ OJ L 331, 15.12.2010, p. 48

⁵ OJ L 122, 10.5.2019, p. 1.

- 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 (A9-0103/2023),
1. Approves the closure of the accounts of the European Insurance and Occupational Pensions Authority for the financial year 2021;
 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. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

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 2021 (2022/2106(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 2021,
 - 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 (A9-0103/2023),
- A. 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 2021 was EUR 32 839 626, representing an increase of 15,69% compared to 2020; whereas the Authority is financed by a contribution from the Union (EUR 12 140 600, representing 36,96%) and contributions from national supervisory authorities of the Member States (EUR 20 258 026, representing 61,69%);
- 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 2021 (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 budget monitoring efforts during the financial year 2021 resulted in a budget implementation rate of 99,98%, representing a decrease of 0,02% compared to 2020; notes, however, that the payment appropriations execution rate was 79,12%, representing a decrease of 3,67% compared to 2020; calls on the Authority to enhance its payment appropriation execution rate;

Performance

2. Notes that the Authority uses certain measures such as key performance indicators to assess the added value provided by its activities and other measures to improve its budget management; notes that in 2021 the Authority has set 14 strategic level targets for performance across its seven main areas of work; notes with appreciation that the Authority achieved or exceeded 12 of these targets and is in the process of achieving the two remaining key performance indicators;
3. Notes that 304 products and services, or 88 % of the total, were delivered on time by the

¹ OJ C 141, 29.3.2022, p. 141.

Authority, with a further 35 products and services experiencing minor delays and eight not taken forward, often as a result of re-prioritisation due to political decisions, the impact of COVID-19, connection to other initiatives and lack of resources;

4. Commends the Authority for its main achievements in 2021; notes the development of technical standards that are aimed at combating “greenwashing” of financial products and making key information documents on the packaged retail and insurance-based investment products more accessible for retail investors; notes with satisfaction that in 2021 the Authority published the criteria for the independence of supervisory authorities, addressing supervisory convergence in areas such as supervisory practices and expectations in case of breach; welcomes the development of the European Systemic Risk Assessment Framework that allows the Authority and its members to develop an opinion on European insurance market trends and developments and potential systemic risk;
5. Notes that in 2021 the Authority re-allocated human resources aiming to support supervisory convergence; notes that this allocation was a follow-up to the recommendation the Court made in its Special Report No 29/2018 on European Insurance and Occupational Pensions Authority; acknowledges the efforts invested by the Authority in the digital transformation to increase the efficiency through an upgrade of core technical infrastructure, initiatives to drive business process automation and the improvements to the Extranet, among others;

Staff policy

6. Notes that, on 31 December 2021, the establishment plan was 99% implemented, with 137 temporary agents appointed out of 138 temporary agents authorised under the Union budget (compared to 127 authorised posts in 2020); notes that, in addition, 33 contract agents and 23 seconded national experts worked for the Authority in 2021;
7. Acknowledges the Authority’s efforts towards the achievement of a more gender balanced staff; notes the Authority’s gender breakdown reported for 2021 with five men (63%) and three women (38%) in senior management positions, three men (43%) and four women (57%) in its management board, and 98 men (52%) and 89 women (48%) in its overall staff; calls on the Authority to keep developing a long term human resources policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to have an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;
8. Welcomes the fact that the Authority, while working remotely, also performed its recruitment remotely, putting its focus on having the right profiles to ensure continued delivery of the Authority’s mandate, and that the Authority continued integrating newcomers throughout the year by providing them with specific induction sessions and necessary support when joining the Authority remotely;
9. Notes that in 2021 the Authority provided staff and management with dedicated training to deal with the new working situation, such as hybrid teams and remote working; notes in particular that enhancing the leadership and management skills of the management

team was at the core of the latter's training in 2021;

10. Notes with appreciation the effort of the Authority during 2021 to raise the profile of insurance and pensions as a rewarding career choice for women, especially in leadership positions, by publishing a series of profiles of women in leadership roles and considering the diversity of speakers in speaking engagements as decision-making factor;
11. Takes note of the renewal of the composition of the board of appeal on 1 December 2021; notes further that this renewal concerned five members and five alternates whose term will run until 30 November 2026, renewable once;
12. Welcomes the adoption of the policy protecting the dignity of the person against psychological and sexual harassment; notes the detailed procedure in place assuring the implementation of the policy; commends the Authority for its internal network of confidential counsellors that are trained to advise staff and to engage in an informal procedure on harassment, should such a need arise; welcomes the adoption of the model decision on administrative inquiries and disciplinary proceedings; notes that this model decision contributes to the protective measures for alleged victims of harassment;
13. Commends the Authority's commitment to a pro-active diversity management approach that goes beyond ensuring compliance with non-discrimination and equality rules; welcomes the adoption of the Diversity and Inclusion Strategy and detailed action plan, including the adoption of the EUAN Charter on Diversity and Inclusion and actions covering cross-cutting measures; notes that such measures include the collaboration with other institutions, insurance of a fair and equitable career, and targeted measures with regard to specific groups;

Procurement

14. Notes with concern the Court's observation that the rental contract for the Authority's premises stipulates that the landlord must give consent in advance before changes can be made to the property and before additional equipment can be installed; notes further the Court's remark regarding the stipulation that all the associated works can only be carried out by contractors nominated by the landlord; deplores that those contractual constraints led the Authority to award refurbishment works directly to the contractors designated by the landlord, without an appropriate procurement procedure; notes the Court's conclusion that the amounts concerned by that contract clause (EUR 288 125 paid in 2021) were therefore irregular; calls on the Authority to submit to its obligations under the applicable rules when launching future procurement procedures;
15. Recalls the importance of the procurement procedure to ensure fair competition between tenderers and to procure goods and services at the best price, respecting the principles of transparency, proportionality, equal treatment and non-discrimination; notes with concern the Court's observation regarding the public procurement weaknesses that are increasing and remain the largest source of irregular payments for most of agencies; calls on the Authority to implement the e-procurement information technology tools developed by the Commission; calls on the Commission to clarify and update the procedures and templates in the procurement guidelines;

Prevention and management of conflicts of interest, and transparency

16. Notes that, in 2021, according to the Authority's Rules of Procedure of the board of supervisors (BoS), members of the BoS who had a conflict of interest may not take part in the BoS' discussions or vote on the matter, however they would remain present in the meeting; echoes the Court's observation that the presence in the BoS' meetings of members of the BoS who have a conflict of interest would create a risk to the BoS' independence; notes further the Court's findings that the two assessors who were appointed by the management board to draw up the chairperson's and the Executive Director's annual performance reports would maintain this role, even in cases when conflict of interest might exist; welcomes the fact that in July 2022, the BoS revised its Rules of Procedure implementing the Court's observation regarding the presence of conflicted members of the BoS during discussions and voting; further notes that the Authority's management board approved in December 2022 a revised decision regarding the appraisal of the chairperson and the Executive Director, in line with the Court's observations;
17. Notes that the Court's report assessed one case of potential conflict of interest between 2019 and 2021 in relation to a senior member of staff accepting a new position outside of the Authority; notes with concern the Court's observation that in this case the Authority did not consult the Joint Committee, thus breaching Article 16 of the Regulation No 31 (EEC), 11 (EAEC)² (the "Staff Regulation") and Article 2 of Annex II to the Staff Regulation; notes, however, the revision of the Authority's ethics rule for members of staff adopted in December 2022, whereby various joint committees under Article 9 of Staff Regulation may be established, including for senior managers;
18. Welcomes that in accordance with the Authority's legal requirements the CVs of the members of the BoS and the management board, the resume of the Authority's Chairperson and Executive Director and a short resume of the Authority's heads of department are published on the Authority's website; further welcomes the publication on the Authority's website of its staff meetings with lobbyists;
19. Commends the Authority in particular for being among the nine agencies who had introduced their own internal rules to deal with the lack of provisions in Union legislation governing activities of members of agencies' boards, thus going beyond the minimum legal requirements when handling potential 'revolving door' situations;
20. Insists on the need to put into place systematic sets of rules on transparency, incompatibilities, conflict of interests and illegal lobbying; calls on the Authority to also put in place internal anticorruption measures; calls on the Authority to report to the discharge authority on the progress made in this regard;
21. Notes the rules in place for external and internal whistleblowing; notes with appreciation that the Authority has created a specific public webpage on its website, including a functional mailbox with restricted access rights to ensure the protection of whistleblowers pursuant to Article 17a of Regulation (EU) No 1094/2010; welcomes the further development of the Authority's implementing rules laying down guidelines on whistleblowing;

² Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community (OJ P 045 14.6.1962, p. 1385).

Internal control

22. Welcomes the fact that the Authority has implemented all critical and very important recommendations of the Commission's Internal Audit Service and that it closely follows the implementation of the remaining recommendations through dedicated action plans and within the agreed deadlines;
23. Notes that the Authority carried out the annual assessment of its Internal Control Framework, concluding that all components and principles are implemented and function as intended, with a number of improvements required in areas such as business continuity, process management, training and awareness; welcomes the Agency's systematic examination of the control results and indicators, as well as the observations and recommendations issued by the IAS, the Quality Control Committee, audit firms and the Court;
24. Commends the measures taken by the Authority in 2021 to address risks with regard to the implementation of new powers and tasks, issues related to attracting skilled staff with the required competences and cybersecurity threats; notes the Authority's statement that it introduced in 2021 improvements to its risk management process aiming to better integrate the planning and reporting processes, quarterly monitoring activities and streamlining of all risk registers; welcomes that in 2021 the Authority analysed the results of its previous anti-fraud strategies which helped defining the Authority's current Anti-fraud Strategy 2022-2024;
25. Notes that in 2021 the Authority carried out for the first time an assessment of the cost-effectiveness of its controls regarding ex-ante and ex-post activities, budget management, planning, evaluation, anti-fraud, data protection, ethics, risk management and internal control; further notes that those controls in 2021 had direct costs representing 1,98% of the Authority's 2021 total budget with 7,47 FTEs allocated thereto; commends the Authority for the noteworthy cost-effectiveness of its controls;

Digitalisation & green transition

26. Notes that the Authority collaborated with external consultants for the implementation of various information technology projects; commends the Authority for the submission of a new Cloud Strategy and for the preparation for the major technical transition in 2022 and 2023;
27. Recalls the importance of investing in information and communication technology staff with long-term contracts to avoid brain drain, inefficiencies and potentially increased risks and weakness to cyber-attacks;
28. Encourages the Authority to work in close cooperation with European Union Agency for Cybersecurity (ENISA) and Computer Emergency Response Team for the EU Institutions, bodies and agencies (CERT-EU) and to carry out regular risk assessments of its IT infrastructure and to ensure regular audits and tests are carried out on its cyber defences; suggests to offer regularly updated cybersecurity-related training programmes to all members of staff, including management; calls on the Authority to keep developing its cybersecurity policy and to report to the discharge authority on the progress made in this regard;

29. Notes that the Authority has invested the funds saved due to COVID-19 prevention measures into new technologies and digitalisation of processes, such as, but not limited to, the implementation of the pan-European Personal Pension Product (PEPP) registers and the development of a new Business Intelligence (BI 2.0) solution;
30. Welcomes that as of 1 July 2021 the Authority adopted guidelines on information and communication technology security and governance with the goal of building digital resilience for all participants in the financial system;
31. Welcomes that in line with the Court's recommendation, the Authority is implementing Eco-Management and Audit Scheme (EMAS) for which certification was planned indicatively for 2022; further welcomes the creation of an environmental aspects register detailing the Authority's key environmental impacts, the Authority's action plan with approximately 140 actions and the establishment of its environmental management system; takes note of the actions implemented by the Authority to reduce the environmental impact of its administrative operations with, among others. reduced paper use, implementation of e-workflows or support for virtual participation in events;
32. Welcomes that the Authority has joined an inter-institutional procurement procedure for carbon offsetting, planning to offset as of 2022 approximately 250-300 tons of carbon emissions related to organisational activities such as essential business travel; further welcomes the Authority's commitment to reduce the number of its on-site meetings and missions by 35% as of 2022;

Business continuity along crisis

33. Notes that 2021 was marked by a very demanding Annual Work Programme that included work deprioritised in 2020 due to the impact of COVID-19 on the Authority's work; encourages the Agency to make use of the lessons learned regarding its staff travel, in order to better organise meetings that are more efficient to be held remotely than in-person in the future;
34. Notes that the Authority reported that it had continued to apply different measures regarding staff, visitors and members of the management board to slow down the spread of the COVID-19 virus and to ensure business continuity; notes in particular that all of the Authority's staff, governing bodies and working groups continued to work exclusively remotely; further notes that, in a way similar to the previous year, the Authority reported budget savings of around EUR 1 150 000, primarily as a result of suspension of staff travel and exclusively remote meetings of staff, the management board and the BoS;

Other comments

35. Commends the collaboration of the Authority with other agencies in the field of information technology, working on joint projects aimed to create and build a digital regulatory reporting and a platform to exchange information on fitness and propriety assessments among others; notes with appreciation the participation in 2021 of the Authority in the joint supervision sessions for Confidential Counsellors, an initiative of EU-OSHA;
36. Notes the Authority's efforts to increase its public visibility through intensified presence

on social media, press conferences, interviews to media outlets, meetings with consumer association and academics or participation in speaking engagements at events organised by third parties; invites the Authority to continue and intensify its actions towards greater public visibility and outreach;

◦

◦ ◦

37. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of [...] 2023³ on the performance, financial management and control of the agencies.

³ Texts adopted, P9_TA (2023)0000.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	22.3.2023
Result of final vote	+ : 21 - : 0 0 : 1
Members present for the final vote	Gilles Boyer, Olivier Chastel, Caterina Chinnici, Ilana Cicurel, José Manuel Fernandes, Luke Ming Flanagan, Daniel Freund, Isabel García Muñoz, Monika Hohlmeier, Jean-François Jalkh, Claudiu Manda, Alin Mituța, Markus Pieper, Petri Sarvamaa, Eleni Stavrou, Angelika Winzig, Lara Wolters, Tomáš Zdechovský
Substitutes present for the final vote	Maria Grapini, Niclas Herbst, Mikuláš Peksa
Substitutes under Rule 209(7) present for the final vote	Anne-Sophie Pelletier

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

21	+
PPE	José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Markus Pieper, Petri Sarvamaa, Eleni Stavrou, Angelika Winzig, Tomáš Zdechovský
Renew	Gilles Boyer, Olivier Chastel, Ilana Cicurel, Alin Mituța
S&D	Caterina Chinnici, Isabel García Muñoz, Maria Grapini, Claudiu Manda, Lara Wolters
The Left	Luke Ming Flanagan, Anne-Sophie Pelletier
Verts/ALE	Daniel Freund, Mikuláš Peksa

0	-

1	0
ID	Jean-François Jalkh

Key to symbols:

+ : in favour

- : against

0 : abstention