

## **Opinion of the European Insurance and Occupational Pensions Authority on the decision of the European Parliament in the discharge procedure in respect of the implementation of the budget for the financial year 2022 (2023/2153(DEC))**

The Board of Supervisors of the European Insurance and Occupational Pensions Authority (EIOPA) has adopted the following Opinion.

### **1. Introduction**

The European Parliament has granted on 11 April 2024 discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2022<sup>1</sup>. In accordance with article 64(11) of the EIOPA Regulation<sup>2</sup>, the Authority shall provide a reasoned opinion on the position of the European Parliament and on any other observations made by the European Parliament in the discharge procedure.

The current Opinion provides EIOPA's views on the Parliament's decision and observations. It also highlights the measures taken by EIOPA to address the recommendations made by the European Parliament acting as Discharge Authority in respect of the implementation of the budget for the financial year 2022 in accordance with Article 106 of the EIOPA Financial Regulation<sup>3</sup>.

### **2. Discharge 2022: European Parliament's observations and measures taken by EIOPA**

The below table lists the observations from the European Parliament and the measures taken by EIOPA to address these observations.

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<sup>1</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2024-0263\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2024-0263_EN.html)

<sup>2</sup> 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/EC (OJ L 331, 15.12.2010, p. 48).

<sup>3</sup> Financial Regulation of the European Insurance and Occupational Pensions Authority (2019), available on EIOPA's webpage ([eioipa-mb-19-057-financial-regulation.pdf \(europa.eu\)](https://www.eioipa.europa.eu/eioipa-mb-19-057-financial-regulation.pdf) )

Ref <sup>4</sup>	Observation of the Discharge Authority	Response and measures taken by EIOPA
<b><i>Performance</i></b>		
5	<p>Notes that the Authority used for the first time a number of powers and tools conferred on it by the EIOPA Regulation; notes in that context that in 2022 the Authority issued a recommendation to the National Bank of Slovakia (NBS) following the Authority's conclusions that a breach of capital requirements committed by a Slovakian insurance company had not been appropriately addressed from a supervisory perspective; notes further with concern that the NBS was found by the Authority to be in breach of Union law and, as a consequence, the Commission issued a formal opinion requiring it to take the action necessary to comply with Union law and an inquiry was conducted on the basis of Article 22 of the EIOPA Regulation; <b>calls on the Authority to keep the discharge authority informed on the follow-up and results of that inquiry;</b></p>	<p><i>This matter is not closed yet.</i></p> <p><i>At national level court cases are initiated by NOVIS against NBS, which has withdrawn the authorisation to conduct insurance business. On 7 June 2023, NBS has petitioned the court to dissolve NOVIS and at the same time has petitioned it to appoint a liquidator for NOVIS and to commence liquidation proceedings against NOVIS. The purpose of the liquidation is to determine NOVIS's assets and liabilities, monetise its assets, and satisfy the claims of its customers and other creditors. The court has to date not decided on merits in the ongoing court proceedings. Commission has initiated an infringement procedure against the SK authorities in April 2024. NOVIS has made requests for access to documents to EIOPA, which have been handled in initial and confirmatory procedures. NOVIS has challenged the refusal to disclose, at the level of the Board of Appeal (BoA). Furthermore, NOVIS has submitted a case in court against both EIOPA (T-204/24) and the European Commission.</i></p>
10	<p>Observes that as regards day-to-day business practices, the Authority has implemented a range of measures to enhance cost-efficiency, such as hybrid working, desk-sharing, as well as modern video conferencing solutions that have prompted the reduction of business travel; notes that in order to preserve institutional knowledge, expertise and efficiency in</p>	<p>EIOPA placed emphasis on every aspect of the Talent Management Process. This comprehensive approach ensured that all stages, from workforce planning, recruitment, and onboarding to learning and career development, were systematically managed.</p> <p>The management undertook a comprehensive Talent Review process, which is leading to enhanced staff performance. This is achieved by identifying and nurturing talent, implementing strategies to reward high achievers, and consistently addressing underperformance. By</p>

<sup>4</sup> Ref: this is the reference to the specific observation from the "European Parliament decision of 11 April 2024 on the discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year (2023/2153(DEC))"

Ref <sup>4</sup>	Observation of the Discharge Authority	Response and measures taken by EIOPA
	<p>executing core tasks, the Authority further enhanced its integrated Talent Management System that allows for strategically aligned HR processes, better sourcing of candidates and more leveraged learning and development; <b>invites the Authority to provide the discharge authority with data and figures regarding the impact of that system;</b></p>	<p>identifying low performances and understanding the underlying causes, management is able to make informed decisions to improve overall effectiveness. A greater focus is placed on aligning annual individual objectives and competencies development with organisational goals, ensuring more targeted staff development and closely tying performance to the strategic objectives of the organisation.</p> <p>The successful launch and completion of the first cohort of the Female Talent Development Programme established a pipeline of qualified female candidates prepared to take on key roles. Approximately 10% of the EIOPA female staff have benefited from the programme in its first year. Beyond individual advancements, the programme significantly impacted the organisation by laying a foundation for sustainable gender diversity initiatives.</p> <p>All the measures above have been closely monitored by EIOPA through the internal control annual assessment that indicated a positive trend over the years. Such monitoring criteria measure the staff perception of the support provided by management to internal mobility at EIOPA. There has been an improvement from 2021 to 2022, with an increase of nearly 5% in favourable responses. This suggests that staff increasingly felt that management is encouraging opportunities for internal career advancement and movement within the organisation. The same survey showed an increase of 6% in favourable opinions regarding the staff opportunities to participate in the learning and development activities to be efficient in the job.</p> <p>Lastly, the assessment also measures the efficiency of the recruitment process. From 2021 to 2022, the time-to-hire (from application deadline to the creation of a Reserve List) improved by 14%, i.e. from 43 to 37 days.</p>

Ref <sup>4</sup>	Observation of the Discharge Authority	Response and measures taken by EIOPA
<i>Staff policy</i>		
13	<p>Notes the Authority’s gender breakdown reported for 2022 with 15 men (65,20 %) and 8 women (34,80 %) in middle and senior management positions and in its Management Board, and 104 men (53,60 %) and 90 women (46,40 %) in its overall staff; recalls the importance of ensuring gender balance and <b>calls on the Authority to take that into consideration with regard to the future recruitment of staff and appointments within its senior and middle management;</b></p>	<p>In 2021, EIOPA successfully attained a gender balance of 50-50% in its senior management roles, specifically within the positions of Executive Director and Chairperson.</p> <p>Moreover, the Head of Department (HoD) posts are also today balanced (50% female /male HoDs), while there are five male Head of Units (HoU) and four female.</p> <p>Regarding middle management balance (HoD and HoU), EIOPA follows the Diversity and Inclusion Strategy adopted at the end of 2021, specifically focusing on point 5.1: Gender Equality, which involves raising awareness, creating accountability, and reinforcing commitment to gender equality in the processes of attraction, recruitment, career progression, and leadership development.</p> <p>In line with its D&amp;I Strategy, EIOPA developed and launched the Female Talent Development Programme (FTDP). The FTDP represents a strategic initiative to address gender disparities in leadership roles. The programme not only equips staff with essential leadership skills but also fosters an inclusive and supportive organisational culture.</p>

Ref <sup>4</sup>	Observation of the Discharge Authority	Response and measures taken by EIOPA
<i>Procurement</i>		
18	<p>Recalls from the Court’s annual report on Union agencies for 2021 the observation on an amount of EUR 288 125 irregularly paid by the Authority with regard to the rental contract for its premises; notes in that context from the Authority’s report on measures taken in light of the discharge authority’s recommendations (discharge 2021) the Authority’s position that disregarding the contractual obligations would have had a negative legal and reputational effect on the Authority; notes from the Court’s report that the status of that observation remains open; <b>calls on the Authority to make all the necessary efforts when launching the procurement procedure for a new lease contract to prevent any conflict between the obligations imposed by the rental agreement and the relevant provisions of the Financial Regulation;</b></p>	<p>Since the ECA observation was made, no further contracts have been issued under the relevant clause of EIOPA’s rental agreement. Going forward, EIOPA will launch the appropriate procurement procedure for any future construction works and will negotiate with the landlord to grant the successful tenderer permission to carry out the relevant works.</p> <p>For security and operational reasons EIOPA’s current lease contract obliges the Agency to use companies procured by the landlord to undertake construction works. Disregarding this clause would have implied a violation of EIOPA’s contractual obligations. Following the Court’s observation, EIOPA, in case of similar circumstances in the future, will seek to reconcile the agency’s obligations under the Financial Regulation with the legal obligations and constraints imposed by the lease contract. In addition, when launching the procurement procedure for a new lease contract (the current contract expires in 2028), the agency will aim to avoid a similar challenge of conflicting obligations under the Financial Regulation with legal obligations imposed by the rental agreement.</p>

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<b><i>Internal Control</i></b>		
24	<p>Observes that in 2022 the internal audit service issued a report regarding the audit carried out in 2021 on the ‘EIOPA Intervention Measures’ targeting NCAs and the market operators in the Union’s insurance and occupational pensions sectors; observes further that the Authority’s quality control committee issued a review report on the ‘Lessons learned from the cooperation and interaction between EIOPA and the NCAs during the COVID-19 pandemic’; <b>calls on the Authority to keep the discharge authority updated with regard to the implementation of the recommendations issued by the internal audit service and the <i>quality control committee</i></b>;</p>	<p>EIOPA is committed to implement in an efficient manner all the recommendations received from its internal auditor, the Internal Audit Service (IAS) of the European Commission. To this respect, EIOPA received the final audit report on the ‘ Intervention measures’ in July 2022 and prepared a detailed action plan, agreed with the IAS, to address the three recommendations. The actions have been fully implemented within the schedule, before the end of 2023. The official closure of the audit has been communicated by the IAS to EIOPA on 8th March 2024.</p> <p>As regards the Quality Control Committee (QCC), mandated by the Management Board to focus in 2022 on the topic “Lessons learnt from the cooperation and interaction between EIOPA and the NCAs during the COVID-19 pandemic”, EIOPA is pleased to report to the Discharge Authority that the eleven recommendations were fully implemented during 2023. The QCC formally closed the topic in its meeting of September 2023.</p>

[signed]  
 For the Board of Supervisors  
 Petra Hielkema  
 Chairperson