

SUMMARY OF CONCLUSIONS

Management Board

Date: 26 January 2016
Time: 14h00 – 18h00
Location: ESMA, rue de Grenelle 103, 75007 Paris, France
Contact: Frederiek.Vermeulen@esma.europa.eu Tel: +33 1 58 36 43 37

1. Adoption of agenda	MB/4	Decision
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Decision: The agenda was adopted.

2. Summary of Conclusions of 9 December 2015 meeting	MB/3	Decision
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Decision: The summary of conclusions was adopted.

3. Report by Chair and Executive Director	Oral	Discussion
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The Executive Director reported on the:

- Organisational implications of the implementation of the 2016-2020 Strategic Orientation and in particular the recruitment of a Head of the Corporate Affairs Department and the benchmark exercise that will be carried out in relation to the Resources Department;
- ESMA's participation in the Budget Committee of the Council of the European Union (EU) on the 2014 discharge procedure;
- The preliminary findings received by the European Court of Auditors (ECA) on the financial audit;
- Expression of interest received by some national competent authorities to delegate certain tasks to ESMA;
- First results of the Activity Based Management system ensuring the alignment of the fees collected by CRAs and TRs with the costs incurred by ESMA;
- Preparation and timeline of the 2015 annual report.

4. Presentation by the European Commission Internal Audit Service – Risk Assessment		Discussion
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— Cover Note	MB/5	Information
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— IAS Presentation	Annex 1	Discussion
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| — Draft Risk Assessment | Annex 2 | Discussion |
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The representatives of the European Commission's Internal Audit Service (IAS) presented the IAS Strategic Internal Audit Plan 2016-2018 for ESMA by explaining the risk assessment methodology and highlighting the potential prospective audit topics for 2016-2018.

The Board discussed the Audit Plan, in particular

- How the IAS will take into account the distribution of tasks and responsibilities between ESMA and national competent authorities when defining the scope of performance audits relating to ESMA processes in which ESMA (partially) depends on the work of national competent authorities; and
- The IAS findings for ESMA compared to the other European Supervisory Authorities (ESAs) and EU agencies.

The IAS representatives stated that the proposed topics were indicative and would need to be prioritised in the light of available resources and needs. The scope of the potential audits would be identified if it is decided to carry them out.

Conclusion: The Board welcomed the IAS Strategic Plan and noted that the IAS takes the decision concerning the audit plan of each subsequent year at the end of the preceding year. The Board indicated a preference to conduct in the course of 2016-2018 an audit on (i) data management related to assessment of risks to investors, markets and financial stability and (ii) information security and related IT governance processes. If resources allow, an audit on peer reviews of national competent authorities could in addition be carried out.

5. Report by the European Court of Auditors on ESMA's Supervision Activities	MB/6 Annex 1	& Discussion
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The Executive Director and Head of Supervision Department presented ESMA's plans for implementation of the recommendations in the European Court of Auditor's Special Report on EU supervision of credit rating agencies.

Decision: The Board took note of the recommendations in the European Court of Auditors report and its implementation by ESMA.

6. 2016 Work Programmes

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| — Cover Note | MB/7 | Information |
| — 2016 Work Programme | Annex 1 | Decision |
| — 2016 Regulatory Work Programme | Annex 2 | Decision |
| — 2016 Supervisory Convergence Work Programme | Annex 3 | Decision |

The Planning and Reporting Officer introduced the 2016 Work Programme and Regulatory Work Programme, the Head of Legal, Convergence and Enforcement the Supervisory Convergence Work Programme.

The Board discussed the 2016 Work Programme, in particular the:

- Need to conduct work related to the entry into application of MiFID II in 2016 even if it were to be decided to postpone its entry into application;
- Scope and timing of the peer reviews to be conducted and the follow-up from earlier peer reviews to be conducted in 2016; and
- Use of Key Performance Indicators and the targets to be defined.

Decision: The Board approved the 2016 Work Programme for adoption by the Board of Supervisors during its January 2016 meeting subject to some drafting changes. It was agreed that ESMA staff should develop some Key Performance Indicators and targets for discussions during the May 2016 Management Board meeting.

7. 2017-2019 Budgets and Work Programmes

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| — Cover Note | MB/8 | Information |
| — 2017-2019 Single Programming Document | Annex 1 | Decision |
| — IT maintenance costs | Annex 2 | Information |

The Executive Director introduced the 2017-2019 Single Programming Document by highlighting that the request fits within the European Union's 2014-2020 Multiannual Financial Framework.

The Board discussed the Single Programming Document, in particular:

- The number of staff involved in direct supervision activities; and
- The use of Key Performance Indicators (KPIs).

Decision: The Board approved the 2017-2019 Single Programming Document for adoption by the Board of Supervisors during its January 2016 meeting.

8. ESMA HQ agreement

MB/9 & Decision
Annex 1

The Head of the Resources Department presented the proposed ESMA Headquarters agreement and the history of its development. The ESMA Headquarters agreement will need to be adopted by the Parliament of the French Republic.

The Board discussed the HQ agreement, in particular the privileges and immunities for the Members of the Management Board and Board of Supervisors.

Decision: The Board adopted the Headquarters agreement.

9. Budget Transfers

MB/10 Information

Conclusion: The Board took note of the budget transfer.

10. HR

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| — | Implementation of the second mandate of the Chair and Executive Director | MB/11 | Discussion |
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The Vice-Chair chaired the session.

The Head of Resources Department presented the Note on the Implementation of the second mandate of the Chair and Executive Director.

The Board discussed the Note, in particular the functioning of the European civil service.

Conclusion: The Board endorsed the note and agreed to put it forward to the Board of Supervisors for discussion during its March 2016 meeting.

11. A.O.B.

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Participants list

	Members	Advisors
ESMA	Steven Maijoor (Chair)	
IE	Cyril Roux	Gareth Murphey
DE	Elisabeth Roegele	Matthias Kohl
ES	Lourdes Centeno	Antonio Mas
FR	G�rard Rameix	Fran�oise Buisson
AT	Klaus Kumpfm�ller	Andrea Kuras-Goldmann
PL	Marek Szuszkiewicz	Joanna Kot

	Non-Voting Members and Observers	Advisors
Executive Director	Verena Ross	
Vice-Chair	Carlos Tavares	Cristina Dias
European Commission	Martin Merlin	

Summary of Conclusions	Frederiek Vermeulen
Head of Supervision Department	Felix Flinterman
Head of Resources Division	Nicolas Vasse
Internal Control Officer	Elena Munoz Aguilar

Planning and Reporting Officer	Louise Waller
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Internal Audit Service – European Commission	Reinder Van Der Zee
Internal Audit Service – European Commission	Ilian Komitski

Done at Amsterdam on 22 March 2016

Steven Maijor

Chair

For the Management Board