2006 discharge: European Railway Agency

2007/2062(DEC) - 29/01/2008

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Railway Agency for the financial year 2006, as well as on the Court of Auditor's report and the Agency's replies to the Court's observations, the Council recommends that the Parliament grant the Director of the Agency discharge in respect of the implementation of the budget for the financial year 2006.

In doing so, the Council confirms that EUR 1.7 million (53%) of the appropriations carried over from 2005 to 2006 (EUR 3.3 million) was used, that the appropriations carried over from 2006 to 2007 amount to EUR 2.7 million and that a total of EUR 4 million was cancelled.

Recalling that the Court of Auditors was able to obtain reasonable assurance that the Agency's annual accounts were, in all material aspects, reliable at the close of the financial year on 31 December 2006, the Council regrets, however, that in terms of reasonable assurance of the legality and regularity of the underlying transactions, as a whole, the Court excluded transactions relating to the organisation and conclusion of markets.

While recognising the efforts made by the Agency in 2007 to improve its management, the Council would like to draw attention to the following points:

- **Procurement:** the Council regrets that, through the use of expired contracts and irregular extension of existing contracts, the Agency did not respect the procurement procedures. It emphasises that this practice is damaging to healthy management and to budgetary discipline. However, the Council recognises the measures taken by the Agency in June 2007 to rectify the shortcomings noted by the Court and calls on the Agency to instantly step up its efforts to ensure strict application of procurement procedures;
- **Carry-overs:** the Council also calls on the Agency to improve the planning of its expenses, in order to comply with the principle of annuality and to minimise the carryover rate;
- **Internal management:** the Council also notes the efforts made by the Agency to find a way to compensate for the costs resulting from its obligation to be located in 2 areas (Valenciennes and Lille);
- **Recruitment procedure:** finally, the Council calls on the Agency to take adequate measures to rectify the insufficiencies noted by the Court in the recruitment process.