

2007 discharge: European Railway Agency ERA

2008/2270(DEC) - 16/03/2009

The Committee on Budgetary Control adopted the report by. Christofer FJELLNER (EPP-ED, SE) on discharge to be granted to the European Railway Agency calling on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of its budget for the financial year 2007.

Noting that the Agency's annual accounts for the financial year 2007 are reliable, and the underlying transactions are legal and regular, MEPs approve the closure of the Agency's accounts.

However, they make a number of recommendations as part of the decision on discharge. In addition to the general recommendations appearing in the draft resolution on financial management and control of EU agencies (see [2008/2207\(INI\)](#)), MEPs make the following observations:

- the fact that contrary to the Court of Auditors' statement of assurance for 2006, which was partly qualified with regard to the underlying transactions, the statement of assurance for 2007 is positive;
- that the Agency estimated the extra costs resulting from its obligation to work in two different cities - the administrative seat being in Valenciennes whereas meetings are held in Lille - at EUR 450 000.

MEPs regret that the fact of having two seats hampers the Agency's work and results in extra costs for European taxpayers.

They also note the ECA's criticism that weaknesses were found in some selection procedures and that the Agency had not yet finalised its recruitment procedures. They therefore call on the Agency to finalise a full description of procedures to be followed as regards recruitment in the first quarter of 2009.

As regards **budget planning and implementation**, MEPs observe that the Agency final budget for 2007 amounted to EUR 16.6 million, including a reserve of EUR 1.9 million and that, at the end of 2007, EUR 3.4 million had to be cancelled, including the reserve, and that, in addition, EUR 2.7 million was carried over to 2008. Members are therefore concerned that more than 35 % of the Agency's final appropriations had not been used.

Furthermore, MEPs recall that despite the weaknesses in budgetary implementation, the Agency had requested and obtained funding from the Commission (the amount of which exceeded actual cash needs by about EUR 6.8 million). MEPs agree with the Court's conclusion that the Agency's cash forecasts had not been prepared rigorously. They call on the Agency to better plan its cash-flow requirements and to comply with Regulation No 2343/2002, which obliges the agencies to implement rigorous cash management.

As far as the follow-up to the 2006 discharge exercise is concerned, the MEPs recall that, at the time, the ECA's statement of assurance was qualified due to weaknesses in tendering procedures (which recurred in 2007). They note that the Agency had acknowledged that some improvements are still needed and that it is working on a procurement manual in order to standardize procedures.

Lastly, they note that, as in 2006, the Court of Auditors criticised weaknesses in budget implementation. They therefore call on the Agency to strive to increase the level of budget implementation and to report on the measures taken and results achieved in its report on budgetary and financial management 2008.