2007 discharge: European Railway Agency ERA

2008/2270(DEC) - 23/01/2009

Based on the observations contained in the revenue and expenditure account and the balance sheet of the European Railway Agency for the financial year 2007, 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 2007.

In doing so, the Council confirms that EUR 2 million (73%) of the EUR 2.7 million in appropriations carried forward from the financial year 2006 to the financial year 2007 was used and that EUR 2.7 million in appropriations were carried forward from the financial year 2007 to the financial year 2008 and EUR 3.4 million were cancelled.

The Council welcomes the fact that the Court of Auditors has obtained a reasonable basis to assure that the Agency's annual accounts for the financial year ended 31 December 2007 are reliable in all material respects and that the underlying transactions are, taken as a whole, legal and regular. However, some observations need to be made. While noting the efforts made by the Agency in order to improve its financial management, the Council would like to draw the attention to some persistent issues:

- **management of appropriations**: the Council takes note with great concern of the Court's finding that, despite a considerable level of unused appropriations in 2007, the Agency requested extra cash equivalent to the sum of its whole budget. Therefore, the Council strongly reiterates its call on the Agency to work more effectively on the programming of its annual objectives, in order to better assess its needs, in terms of human, financial and material resources. This programming effort should lead to a higher budget implementation rate, to a lower rate of carry-overs, as well as to more rigorous cash forecasts, in compliance with the provisions of the Financial Regulation and namely the principle of annuality;
- **procurement**: in addition, the Council regrets that the Agency did not comply with the procurement rules, particularly by adopting unwarranted negotiated procedures, by using expired contracts and irregularly extending existing contracts. The Council notes the additional measures taken by the Agency in 2008 to remedy the shortcomings identified by the Court and it reiterates its request to the Agency to continue its efforts to ensure that the contract award procedures are fully compliant with the applicable rules;
- **recruitment**: the Council notes that the Court has identified once again weaknesses in the recruitment procedures and insists that the Agency take adequate measures to improve its human resource planning and selection activities.