2007 discharge: European Railway Agency ERA

2008/2270(DEC) - 23/04/2009 - Text adopted by Parliament, single reading

The European Parliament adopted a decision on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2007. The decision to grant discharge is also an approval of the closure of the accounts of this EU agency.

Furthermore, the Parliament adopted by 417 votes to 15, with 14 abstentions, a resolution with observations which form an integral part of the decision to grant discharge.

The Parliament points out that:

- contrary to the European Court of Auditors' (ECA) statement of assurance for 2006, which was partly qualified with regard to the underlying transactions, the statement of assurance for 2007 is positive;
- 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.

The Parliament regrets that the fact of having two seats hampers the Agency's work and results in extra costs for European taxpayers. It also notes the ECA's criticism that weaknesses were found in some **selection procedures** and that the Agency had not yet finalised its recruitment procedures. It therefore calls 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**, the Parliament observes that the Agency's 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, the Parliament recalls 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). It agrees with the Court's conclusion that the Agency's cash forecasts had not been prepared rigorously. It calls 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 Parliament recalls that, at the time, the ECA's statement of assurance was qualified due to weaknesses in tendering procedures (which recurred in 2007). It notes that the Agency had acknowledged that some improvements are still needed and that it is working on a procurement manual in order to standardise procedures.

The Parliament also recalls that, as in 2006, the Court of Auditors criticised weaknesses in budget implementation. It therefore calls 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.

Lastly, noting that the Agency's annual accounts for the financial year 2007 are reliable, and the underlying transactions are legal and regular, the Parliament approves the closure of the Agency's accounts and refers, for other observations accompanying its decision on discharge, to its resolution on financial management and control of EU agencies - see 2008/2207(INI) - adopted in parallel.