# 2009 discharge: European Railway Agency ERA

2010/2180(DEC) - 21/03/2011

The Committee on Budgetary Control adopted the report by Georgios STAVRAKAKIS (S&D, EL) on discharge to be granted to the Executive Director of the European Railway Agency for implementation of the Agency's budget for the financial year 2009.

Noting that the Agency’s annual accounts for the financial year 2009 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 that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on financial management and control of EU agencies (see DEC/2010/2271):

- **performance**: Members consider, once again, that the fact that the Agency carries out its activities at two locations (Valenciennes and Lille) exposes it to additional costs. Given that this situation, has persisted since 2006, they call on the Agency to set out a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year, so as to enable the discharge authority to assess the Agency's performance from one year to the next more effectively;
- **carryover of appropriations**: Members regret that the Agency has yet again failed to address the problem of appropriations being carried forward from one year to the next. They consider the carryover of 41% of Title II credits (property, data processing and other administrative costs) and 61% of Title III (operational expenditure) to represent a serious breach of the budgetary principle of annuality and to demonstrate delays in the implementation of the Agency’s activities. They call on the Agency to deal with this issue as well as for an improvement in the situation as cancellations and delays in procurement procedures (given that this situation has also persisted since 2006);
- **shortcomings in the management of the fixed assets:** Members regret the shortcomings in the management of the fixed assets' inventory identified by the Court of Auditors but note the Agency's assurance that this will be remedied. They consider that uncertainty about the location of fixed assets is another illustration of the problems and additional costs arising from using two sites;
- **human resources**: Members note that the Agency's Annual Activity Report (AAR) provides only limited information on the planning, allocation and use of human resources and considers that this deficiency could affect the stakeholders' view on the Agency's use of its staff. They also note that the Agency does not have a consolidated manual on different rules, instructions and guidelines governing staff recruitment. They stress that this deficiency could lead to differences in the processing and managing of individual recruitments and thus compromising the principle of equal treatment of candidates;
- **internal audit**: Members express their disappointment for not having been informed about the content of the recommendations made by the Internal Audit Service (IAS) and calls on the Agency to urgently to pass on this information in the future. They welcome the Agency's initiative of having set up an Internal Audit Capability (IAC) that is dedicated to providing support and advice to its Executive Director and management on internal control, risk assessment and internal audit.