2013 discharge: European Railway Agency (ERA)

2014/2111(DEC) - 08/07/2014 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Railway Agency (ERA) for the year 2013, together with the Agency's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the European Railway Agency (ERA).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Agency, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Agency, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations:

- **internal controls**: the Court considered that there is room to improve the accuracy and documentation of information used in the Agency's procurement procedures;

- **recruitment**: at the end of 2013, 136 temporary employees were working for the Agency. In 2013 the Agency adopted a new decision in agreement with its Administrative Board and the Commission, according to which temporary employees can have indefinite contracts. The proposal for a revised founding regulation for ERA includes similar provisions but it is unclear if and when this will be adopted;
- **double headquarters**: the Agency is located in Lille and Valenciennes. As the Court mentioned in its Specific Annual Report for the financial year 2006, it is likely that costs could be reduced if all operations were centralised in one location. This might also facilitate a comprehensive seat agreement with the host Member State thereby clarifying the conditions under which the Agency and its staff operate.

The Agency's reply:

- **internal controls**: the Agency has taken good note of the remark of the Court and will review its procurement procedure;
- **recruitment**: it has taken note of the comments of the Court;
- **double headquarters**: the Agency has regular contacts with the host Member State about a seat agreement. However, the French authorities have so far taken the view that the 'Protocol on Privileges and Immunities' applies and that is sufficient for the Agency.

Lastly, the Court of Auditors' report contains a summary of the **Agency's activities in 2013**. This is focused on:

Budget: EUR 25.8 million.

Activities:

- follow-up activities, modifications of the texts, dissemination and monitoring activities in relation to the Single Safety Certificate;
- evaluation of the effectiveness and practical implementation of measures through the Joint Network Secretariat;
- development of a Single Safety Certificate Regime;
- implementation of a common template based on the relevant Directives and Commission Recommendation 2011/217/EU (known as DV29) to be used by the Member States to document the authorisation process applied;
- completion of the drafting of almost all the Technical Specifications for Interoperability (TSIs) applicable to the entire EU railway network;
- reports on railway safety and interoperability;
- various recommendations on safety assessment and reporting in the Member States;
- setting up and maintaining a series of registers for safety and interoperability;
- guidance, support and advice to the rail sector and Member States;
- cooperation with the TEN-T Executive Agency in evaluating specific ERTMS projects.