2016 discharge: European Union Agency for Railways

2017/2162(DEC) - 23/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European Railway Agency (now European Union Agency for Railways) for the financial year 2016.

The committee called on the European Parliament to grant the Executive Director of the Agency discharge in respect of the implementation of the agency's budget for the financial year 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2016 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Agency's accounts.

They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Agency's financial statements**: Members noted that the final budget of the European Union Agency for Railways for the financial year 2016 was EUR 27 545 879, representing an increase of 4.56 % compared to 2015. The budget of the Agency derives mainly from the Union budget.
- **Follow-up of 2014 and 2015 discharges**: **single location**: it was stressed that it is likely that costs would be reduced if all operations were centralised in one location as opposed to the actual double seat Lille/Valenciennes. The Council is called to reconsider its previous decision regarding the double seat and opt instead for centralising all the Agency's operations into one location.
- **Budget and financial management**: budget monitoring efforts during the financial year 2016 resulted in a **budget implementation rate of 99.20 %,** representing an increase of 0.10 % compared to 2015 and that the payment appropriations execution rate was 91.57 %, representing an increase of 1.79 % compared to 2015. Members welcomed that with the provisions of the new Agency Regulation that entered into force in June 2016, the Agency is authorised to charge fees for some of its new competences.
- **Commitments and carry-overs**: the level of the carryovers were below the indicative ceilings used by the Court to assess the budget execution for all budgetary titles.

Members also made a series of observations regarding staff policy, the prevention and management of conflicts of interests, procurement and internal audits and controls.

Overall, they welcomed the adoption of the Agency Regulation, which entered into force on 15 June 2016. By the end of the transitional period (16 June 2019), this expected strategic change will transform the Agency from a mere policy preparation and dissemination role into an **authority working directly for the industry** as regards authorisations for safety certifications and rolling stock. This transition is expected to deliver huge benefits in terms of **reduced costs**.

Members recalled the European Parliament's position in budgetary procedure for recovering total amounts relocated from the Connecting Europe Facility to the European Fund for Strategic Investments. Funding for the completion of the single European rail area should be safeguarded also with a view to modernising

and expanding rail infrastructures in the outlying regions of the Union. The deployment of the European Rail Traffic Management System (ERTMS) should be brought forward in order to further implement common technical standards and maximise the benefits in terms of interoperability.

Lastly, Members noted that the 2016 risk assessment exercise highlighted new risks, as compared to 2015, related to the late and inconsistent transposition of the 4th Railway Package legislation, to the obsolescence of European Railway Traffic Management System (ERTMS) change management tools, to railway noise reduction, to delays in the reduction of national rules and to data management.