Basic information

2008/2270(DEC) DEC - Discharge procedure	Procedure completed
2007 discharge: European Railway Agency ERA **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	FJELLNER Christofer (PPE-DE)	26/03/2008

Committee for opinion	Rapporteur for opinion	Appointed
TRAN Transport and Tourism	CRAMER Michael (Verts/ALE)	07/10/2008

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2922	2009-02-10

European Commission

Commission DG	Commissioner
Budget	KALLAS Siim

Key events

Date	Event	Reference	Summary
23/07/2008	Non-legislative basic document published	SEC(2008)2359	Summary
20/11/2008	Committee referral announced in Parliament		
16/03/2009	Vote in committee		Summary
20/03/2009	Committee report tabled for plenary	A6-0165/2009	
21/04/2009	Debate in Parliament		
23/04/2009	Decision by Parliament	T6-0297/2009	Summary
23/04/2009	Results of vote in Parliament		

23/04/2009	End of procedure in Parliament		
26/09/2009	Final act published in Official Journal		

Technical information

Procedure reference	2008/2270(DEC)
Procedure type	DEC - Discharge procedure
Legal basis	Rules of Procedure EP 102
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/67289

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE416.333	29/01/2009	
Committee opinion	TRAN	PE416.351	18/02/2009	
Committee report tabled for plenary, single reading		A6-0165/2009	20/03/2009	
Text adopted by Parliament, single reading		T6-0297/2009	23/04/2009	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05588/2009	23/01/2009	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2008)2359	23/07/2008	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N6-0004/2009 OJ C 311 05.12.2008, p. 0001	05/12/2008	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2009/0667
OJ L 255 26.09.2009, p. 0167 Summary

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.

2007 discharge: European Railway Agency ERA

2008/2270(DEC) - 05/12/2008

PURPOSE: presentation of the report by the Court of Auditors on the 2007 annual accounts of the European Railway Agency.

CONTENT: the Court of Auditor's report includes a detailed section on the Agency's expenditure and an analysis of the expenditure, as well as the Agency's replies.

- **Analysis of the accounts by the Court**: the Court has **several reservations about certain aspects of the management of the budget**. It makes a series of observations, in particular, as regards budget management. Agency's final budget for 2007 amounted to EUR 16.6 million (including a reserve of EUR 1.9 million), as compared to EUR 14.4 million for 2006. Appropriations cancelled at the end of 2007 amounted to EUR 3.4 million, including the EUR 1.9 million reserve which had remained unused. In addition to the cancelled appropriations, EUR 2.7 million were carried over to 2008. This means that more than 35 % of the final 2007 appropriations had not been used during the year. This situation shows that the Agency's programming and budgeting procedures were affected by serious weaknesses. Despite this significant level of unused appropriations, in 2007 the Agency had requested extra cash equivalent to the sum of its whole budget. The fact that such large amounts were left unused shows that the Agency's cash forecasts had not been prepared rigorously, which was at odds with the principle of sound financial management. Moreover, the Court noted that the Agency has not yet carried out a physical inventory of its fixed assets. Discrepancies were also found in the selection procedures. Weaknesses were identified in the area of procurement.
- **Agency's replies**: the Agency states that its 2007 budget was prepared when the Agency had only just become financial independent which means that there was no past experience to base estimations on, in particular for operational expenditure. As regards the inventory, a physical inventory was carried out in June 2008 and all the fixed assets are now labelled and will be recorded in the inventory. The Agency states that due to the limited staff and the workload, it is not always possible to invite members with the same group of function or the same grade. As regards procurement, the Agency has already initiated significant corrective measures in this area in 2007 but acknowledges that some improvements are still needed. The Agency is preparing a procurement manual in order to standardise its procedures.

2007 discharge: European Railway Agency ERA

2008/2270(DEC) - 23/07/2008 - Non-legislative basic document

PURPOSE: presentation of the final accounts of the European Railway Agency for the financial year 2007.

CONTENT: this document sets out a detailed account of the implementation of the Agency's budget for 2007. It indicates that the Agency's final budget amounted to EUR 16.6 million (including a reserve of EUR 1.9 million), as compared with EUR 14.4 million for 2006.

As regards the staffing policy, the Agency (which is located in two cities: its administrative seat is in Valenciennes whereas its meetings have to be held in Lille) officially set out 116 posts in its establishment plan. 95 posts are currently occupied + 4 other posts totalling 99 posts assigned to operational and administrative duties.

The activities carried out in 2007 are as follows:

Safety

- creation and bringing into service of the Safety Database;
- completion and submission of the first set of Common Safety Methods to the Commission;
- a draft recommendation on the methodology for setting common safety targets;
- setting up a task force on peer review to facilitate mutual recognition of safety certificate;
- development of a common approach to safety reporting.

Interoperability — Technical Specifications for Interoperability (TSI)

- completion of the preliminary draft of the TSI infrastructure and TSI Energy;
- intermediate report on TSI Rolling Stock;
- work on Revisions of the TSI Operations and TSI Freight wagons;
- work on TSI Telematics for Passengers;
- report on the certification of maintenance workshops;
- study on the relationship between the 1 435mm and 1 520mm railway systems;
- development of registration of Rolling Stock.

European Rail Traffic Management System (ERTMS)

- established as System Authority for ERTMS;
- database for ERTMS change requests;
- recommendation for updating version 2.3.0 of the ERTMS baseline;
- study on Safety Approval of ERTMS systems.

Economic evaluation

- implementation of the methodology to create 'applied methodology' documents for each recommendation;
- launch of the DREAM database initiative (Database for Rail Economic Analysis Monitoring);
- provision of support to European Commission.

The complete version of the final accounts may be found at the following address: http://www.era.europa.eu/public

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.

2007 discharge: European Railway Agency ERA

2008/2270(DEC) - 23/04/2009 - Final act

PURPOSE: to grant discharge to the European Railway Agency for the financial year 2007.

LEGISLATIVE ACT: Decision 2009/667/EC of the European Parliament on the discharge for the implementation of the budget of the European Railway Agency for the financial year 2007.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the European Railway Agency for the implementation of the Authority's budget for the financial year 2007.

This decision is in line with the European Parliament's resolution adopted on 26 April 2009 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 23/04/2009). The decision to grant discharge is also an approval of the closure of the accounts of this EU agency.