Basic information

2011/2229(DEC) DEC - Discharge procedure	Procedure completed
2010 discharge: European Railway Agency (ERA) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	MACOVEI Monica (PPE)	03/03/2011
	Shadow rapporteur HERCZOG Edit (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) CZARNECKI Ryszard (ECR) SØNDERGAARD Søren Bo (GUE/NGL) ANDREASEN Marta (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
TRAN Transport and Tourism	FLECKENSTEIN Knut (S&D)	11/10/2011

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
26/07/2011	Non-legislative basic document published	COM(2011)0473	Summary
12/10/2011	Committee referral announced in Parliament		

27/03/2012	Vote in committee		
04/04/2012	Committee report tabled for plenary	A7-0118/2012	Summary
10/05/2012	Decision by Parliament	T7-0179/2012	Summary
10/05/2012	Results of vote in Parliament		
10/05/2012	Debate in Parliament		
10/05/2012	End of procedure in Parliament		
17/10/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/2229(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/07254

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE473.994	06/02/2012	
Committee opinion	TRAN	PE476.007	07/02/2012	
Amendments tabled in committee		PE483.632	07/03/2012	
Committee report tabled for plenary, single reading		A7-0118/2012	04/04/2012	Summary
Text adopted by Parliament, single reading		T7-0179/2012	10/05/2012	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	06083/2012	08/02/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0473	26/07/2011	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N7-0016/2012 OJ C 366 15.12.2011, p. 0100	06/09/2011	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2012/0584 OJ L 286 17.10.2012, p. 0229	Summary

2010 discharge: European Railway Agency (ERA)

2011/2229(DEC) - 26/07/2011 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2010, as part of the 2010 discharge procedure.

Analysis of the accounts of the **European Railway Agency (ERA)**

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2010 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the European Railway Agency (ERA).

In 2010, the tasks and budget of this agency were as follows:

- **description of ERA's tasks**: ERA, which is located in Lille-Valenciennes, was created by Regulation (EC) No 881/2004 of the European Parliament and of the Council of 29 April 2004. The Agency's aim is to enhance the level of interoperability of railway systems and to develop a common approach to safety in order to contribute to creating a more competitive European railway sector with a high level of safety;
- **ERA's budget for the 2010 financial year**: the Agency's 2010 budget amounted to EUR 24.1 million, compared with EUR 21 million the previous year. The number of staff employed by the Agency at the end of the year was 142, compared with 127 the previous year.

The complete version of ERA's final accounts may be found at the following address: http://www.era.europa.eu/The-Agency/BudgetandAccounts/Pages/home.aspx

2010 discharge: European Railway Agency (ERA)

2011/2229(DEC) - 06/09/2011 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Railway Agency (ERA), 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).

In the Court's opinion, **the Agcncy's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2010** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also considers that **the transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2010 are, in all material respects, **legal and regular.**

The report confirms that the Agency's 2010 budget amounted to EUR 24.1 million, and that the number of staff employed by the Agency at the end of the year was 142.

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

The Court's observations:

- budgetary and financial management: the appropriations carried forward to 2011 amounted to 5.5 million euro, of which 4.3 million euro (78%) are related to goods and services to be provided in 2011. This level of carryover is excessive and at odds with the principle of annuality.

The Agency's reply:

- the Agency is analysing the possibility to conclude framework contracts for studies, enabling it to sign specific contracts much sooner after the adoption of the budget. Furthermore, for the years 2011 and 2012, the Agency is reviewing its budget forecasts to better align them to its real needs and to optimise the use of its budgetary resources.

Lastly the Court of Auditors' report contains a **summary of the Agency's activities** in 2010. Its main tasks may be described as follows:

- a series of recommendations concerning rail transport safety;
- recommendations regarding technical specifications in respect of interoperability;
- publication of a report on rail safety;
- provision of technical opinions;
- other activities designed to: i) set up and maintains a series of registers for interoperability; ii) acting as the system authority and change control manager for ERTMS (European Railway Traffic Management System); iii) drawing up of the reference document of national rules for vehicle authorisation.

2010 discharge: European Railway Agency (ERA)

2011/2229(DEC) - 08/02/2012

Having examined the revenue and expenditure accounts for the financial year 2010 and the balance sheet at 31 December 2010 of the European Railway Agency, as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2010, accompanied by the Agency's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Agency in respect of the implementation of the budget for the financial year 2010.

However, the Council considers that observations made in the Court of Auditor's report call for a certain number of remarks:

- the Council welcomes the Court's opinion that, in all material respects, the Agency's annual accounts fairly present the financial position as at 31 December 2010 and the results of operations and cash flows for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that the underlying transactions for that financial year are legal and regular;
- the Council regrets that the volume of appropriations carried over to the next financial year was again considerably high. Therefore, it reiterates its call on the Agency to **improve its financial programming, in order to limit those carry-overs to the minimum necessary**, in line with the budgetary principle of annuality.

2010 discharge: European Railway Agency (ERA)

2011/2229(DEC) - 04/04/2012 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Monica Luisa MACOVEI (PPE, RO) on discharge in respect of the budget of the European Railway Agency, and called on the European Parliament to grant the Executive Director of the European Railway Agency discharge in respect of the implementation of the Agency's budget for the financial year 2010.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2010 are reliable and that the underlying transactions are legal and regular, Members approve the closure of the accounts of the European Railway Agency for the financial year 2010. 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 performance, financial management and control of EU agencies:

- **Budget and Financial Management**: Members note the low rate of utilisation for payment appropriations, particularly for operational expenditure and appreciate the fact that the Agency provides information on the use of the appropriations carried forward from 2009 to 2010. They take the view that it is extremely important to optimise the use of budgetary resources at a time of financial crisis and urges the Commission and the Agency to analyse and establish the real budgetary requirements in order for the Agency to be able to carry out all the tasks assigned to it.
- **Transfers**: Members regret that the errors in budgetary forecasts resulted in the cancellation or delay of certain investments. It urges the Agency to inform immediately the discharge authority of the measures implemented in order to allow for better expenditure forecasts.
- **Carryover of appropriations**: once more, Members note the significant carryover of credits and are of the opinion that the Agency did not adequately address the problem of appropriations being carried forward from one year to the next. They call on the Agency to inform the discharge authority about actions taken to improve the annual budget implementation and to decrease the carryovers of budget appropriations.

- **Performance**: the committee urges the Agency to create a Multi-Annual Plan translating long-term objectives into multi-annual tasks and associated Key Performance Indicators. This would better provide stakeholders with information on the objectives/activities, strategic priorities and resource allocation.
- **Two locations**: Members consider that using two locations (Lille and Valenciennes) for carrying out its activities exposes the Agency to additional costs. They note, also, that this observation has been made since 2006 and that no action has been taken by the Council to change the situation.
- **Internal audit**: lastly, Members call on the Agency to implement the Internal Audit Service (IAS) recommendations related to the audit on Human Resources (HR) management undertaken by the IAS in 2009.

2010 discharge: European Railway Agency (ERA)

2011/2229(DEC) - 10/05/2012 - Text adopted by Parliament, single reading

The European Parliament adopted by 525 votes to 81 with 22 abstentions, a decision concerning the discharge to be granted to the Executive Director of the European Railway Agency in respect of the implementation of the Agency's budget for 2010. The decision to grant the discharge also closes the accounts for the Agency for that year.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2010 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 546 votes to 67, with 9 abstentions, a resolution containing 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 resolution on performance, financial management and control of EU agencies:

- **Budget and Financial Management**: Parliament notes the low rate of utilisation for payment appropriations, particularly for operational expenditure and appreciates the fact that the Agency provides information on the use of the appropriations carried forward from 2009 to 2010. It takes the view that it is extremely important to optimise the use of budgetary resources at a time of financial crisis and urges the Commission and the Agency to analyse and establish the real budgetary requirements in order for the Agency to be able to carry out all the tasks assigned to it.
- **Transfers**: Parliament regrets that the errors in budgetary forecasts resulted in the cancellation or delay of certain investments. It urges the Agency to inform immediately the discharge authority of the measures implemented in order to allow for better expenditure forecasts.
- **Carryover of appropriations**: once more, Parliament notes the significant carryover of credits. It acknowledges from the Court of Auditors that the appropriations carried forward to 2011 amounted to EUR 5 500 000, of which EUR 4 300 000 (78 %) are related to goods and services that were to be provided in 2011. It is of the opinion that the Agency did not adequately address the problem of appropriations being carried forward from one year to the next. It calls on the Agency to inform the discharge authority about actions taken to improve this situation. It reminds the Agency that this request was already made during the previous discharge procedure;
- **Performance**: Parliament urges the Agency to create a Multi-Annual Plan translating long-term objectives into multi-annual tasks and associated Key Performance Indicators. This would better provide stakeholders with information on the objectives/activities, strategic priorities and resource allocation.
- **Two locations**: Parliament considers that using two locations (Lille and Valenciennes) for carrying out its activities exposes the Agency to additional costs. It notes, also, that this observation has been made since 2006 and that no action has been taken by the Council to change the situation.
- **Internal audit**: lastly, Parliament calls on the Agency to implement the Internal Audit Service (IAS) recommendations related to the audit on Human Resources (HR) management undertaken by the IAS in 2009.

2010 discharge: European Railway Agency (ERA)

2011/2229(DEC) - 10/05/2012 - Final act

PURPOSE: to grant discharge to the European Railways Agency in respect of the implementation of the Agency's budget for the financial year 2010.

NON-LEGISLATIVE ACT: Decision 2012/584/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Railways Agency for the financial year 2010.

CONTENT: with the present decision, and in accordance with Article 319 of the Treaty on the Functioning of the European Union, the European Parliament grants discharge to the Executive Director of the European Railways Agency for the implementation of its budget for the financial year 2010.

This decision is in line with the European Parliament's resolution adopted on 10 May 2012 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2012).

A parallel decision, 2012/585/EU, adopted on the same day, approves the closure of this Agency's accounts for the 2010 financial year.