Basic information

2017/2162(DEC) DEC - Discharge procedure	Procedure completed
2016 discharge: European Union Agency for Railways **Subject** 8.70.03.06 2016 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STAES Bart (Verts/ALE)	14/09/2017
	Shadow rapporteur SARVAMAA Petri (PPE) LIBERADZKI Bogusław (S&D) MARIAS Notis (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) VALLI Marco (EFDD) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
TRAN Transport and Tourism	FERBER Markus (PPE)	03/10/2017

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
26/06/2017	Non-legislative basic document published	COM(2017)0365	Summary
13/09/2017	Committee referral announced in Parliament		

20/03/2018	Vote in committee		
23/03/2018	Committee report tabled for plenary	A8-0079/2018	Summary
18/04/2018	Decision by Parliament	T8-0154/2018	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	End of procedure in Parliament		
03/10/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2162(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/10804

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE613.452	24/01/2018	
Committee opinion	TRAN	PE613.308	28/02/2018	
Amendments tabled in committee		PE618.260	02/03/2018	
Committee report tabled for plenary, single reading		A8-0079/2018	23/03/2018	Summary
Text adopted by Parliament, single reading		T8-0154/2018	18/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05941/2018	09/02/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0365	26/06/2017	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0032/2018 OJ C 417 06.12.2017, p. 0166	12/09/2017	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2018/1400 OJ L 248 03.10.2018, p. 0282	Summary

2016 discharge: European Union Agency for Railways

2017/2162(DEC) - 03/10/2018 - Final act

PURPOSE: to grant discharge to the European Railway Agency (ERA) for the financial year 2016.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1400 of the European Parliament 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.

CONTENT: the European Parliament decided to **grant discharge** to the Executive Director of the European Railway Agency for the implementation of its budget for the financial year 2016.

This decision is accompanied by a resolution of the European Parliament containing the observations which form an integral part of the discharge decision in respect of the implementation of the general budget of the European Union for the financial year 2016 (*please refer to the summary dated 18.4.2018*).

In this resolution, Parliament acknowledged that it is not in the Agency's power to decide to centralise all the Agency's operations into **one location**. The Agency's double seat was decided by the Council. Parliament pointed out that the reduction of costs might be facilitated by a comprehensive seat agreement with the host Member State — which would also have the effect of clarifying the conditions under which the Agency and its staff operate — ending a situation in which the costs of operations are likely to be higher than necessary. The Council is called on to reconsider its previous decision and opt instead for centralising all the Agency's operations into one location.

Parliament 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.

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

2016 discharge: European Union Agency for Railways

2017/2162(DEC) - 18/04/2018 - Text adopted by Parliament, single reading

The European Parliament decided to **grant discharge** to the Executive Director of the European Union Agency for Railways in regard to the implementation of the agency's budget for the 2016 financial year and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the agency's annual accounts for the financial year 2016 are reliable and that the underlying transactions are **legal and regular**, Parliament adopted by 552 votes to 133 with 9 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the resolution on performance, financial management and control of EU agencies:

- **Agency's financial statements:** 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 current 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. They deplored the **significant gender imbalance** in the senior management level and the management board of the agency while welcoming the training organised to increase the awareness of the staff about harassment. As regards conflicts of interest, they emphasised the need to establish an independent body with sufficient budgetary resources to support **whistleblowers** wishing to disclose information on possible irregularities negatively impacting on the Union's financial interests, while ensuring their confidentiality is protected.

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's role** from one of mere policy preparation and dissemination 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.

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.

2016 discharge: European Union Agency for Railways

2017/2162(DEC) - 12/09/2017 - 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 2016, 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 brief, the Agency's task 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.

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 2016, and
- 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 2016 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 2016 are legal and regular in all material respects.

The Court did not make any particular comment on the Agency's budgetary management.

Lastly, the Court of Auditors' report contains a summary of the **Agency's key figures in 2016**:

- **Budget**: EUR 27.5 million.
- **Staff**: 155 including officials, temporary and contract staff and seconded national experts.

2016 discharge: European Union Agency for Railways

2017/2162(DEC) - 26/06/2017 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

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

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the EU's consolidated accounts for the year 2016 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the **European Railway Agency** (ERA), with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "**releases**" the

Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the **ERA**.

The European Railway Agency: the Agency, which is located in Lille-Valenciennes (FR), was created by Regulation (EC) No 881/2004 of the European Parliament and of the Council. Its aim is to enhance the level of interoperability of railway systems and develop a common approach to safety in order to contribute to creating a more competitive European railway sector with a high level of safety.

As regards the Agency's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2016:

Commitment appropriations:

- available: EUR 28 million;
- made: EUR 28 million.

Payment appropriations:

- available: EUR 30 million;
- made: EUR 28 million.

For further details on expenditure, please refer to the final accounts of the ERA.

2016 discharge: European Union Agency for Railways

2017/2162(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 of the **European Railway Agency (ERA)**, as well as the Court of Auditors' report on the annual accounts of the Agency for the financial year 2016, accompanied by the Agency's replies to the Court's observations, the Council recommended 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 2016.

No comments were made by the Council as regards the accounts.