Basic information

2018/2193(DEC) DEC - Discharge procedure	Procedure completed
2017 discharge: European Union Agency for Railways **Subject** 8.70.03.02 2017 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SARVAMAA Petri (PPE)	26/07/2018
	Shadow rapporteur KADENBACH Karin (S&D) CZARNECKI Ryszard (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE /NGL) STAES Bart (Verts/ALE) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
TRAN Transport and Tourism	LEONTINI Innocenzo (PPE)	15/10/2018

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
28/06/2018	Non-legislative basic document published	COM(2018)0521	Summary
11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		

04/03/2019	Committee report tabled for plenary	A8-0158/2019	Summary
26/03/2019	Decision by Parliament	T8-0275/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2193(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14303

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.803	10/12/2018	
Committee opinion	TRAN	PE629.772	22/01/2019	
Amendments tabled in committee		PE634.509	31/01/2019	
Committee report tabled for plenary, single reading		A8-0158/2019	04/03/2019	Summary
Text adopted by Parliament, single reading		T8-0275/2019	26/03/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05825/2019	31/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521	28/06/2018	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0012/2019 OJ C 434 30.11.2018, p. 0001	18/09/2018	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act
Budget 2019/1497 OJ L 249 27.09.2019, p. 0252

2017 discharge: European Union Agency for Railways

2018/2193(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 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 2017** 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 with a view to granting discharge.

Discharge procedure: **the final step of a budget lifecycle is the discharge**. It is the decision by which the European Parliament '**releases**' the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of 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.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

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 2017:

Commitment appropriations:

- available: EUR 32 million;
- made: EUR 31 million.

Payment appropriations:

- available: EUR 34 million;
- made: EUR 29 million.

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

2017 discharge: European Union Agency for Railways

2018/2193(DEC) - 26/03/2019 - 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 2017 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 2017 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 498 votes to 131 with 3 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 draft 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 2017 was EUR 30 732 000, representing an increase of 11.57 % compared to 2016.

Budget and financial management

The budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99.99 %, representing an increase of 0.79 % compared to 2016. Payment appropriations execution rate was 87.30 %, representing a decrease of 4.27 % compared to 2016.

Parliament noted that the Agency is now authorised to charge fees for some of its new competences. A charging regime for issuing certificates, authorisations and approvals was introduced, with the aim of being fully operational in 2019 and the requirement of implementing a new resources system and internal procedures within the Agency to ensure statutory and fee-based tasks are identified and tracked. The Agency should report to the discharge authority on the implementation of this new system.

The cancellations of carry-overs from 2016 to 2017 amounted to EUR 69 473, representing 3.40 % of the total amount carried over, showing a decrease of 1.12 % in comparison to 2016.

Members also made a series of observations regarding performance, procurement and staff policy.

In particular, they noted that:

- the Agency's role in the follow-up of the development, testing and implementation of European Railway Traffic Management System (ERTMS), as well as in evaluating the specific ERTMS projects was welcomed;

- the Agency met its target of 95 % achievement of timely delivery of issuing reports, advice and opinions;

- progress has been made towards an increased cooperation with the European Maritime Safety Agency (EMSA) and the European Aviation Safety Agency (EASA) in order to develop a common safety culture;

- on 31 December 2017, the establishment plan was 92.09 % executed, with 128 temporary agents appointed out of 139 temporary agents authorised under the Union budget (compared with 135 authorised posts in 2016);

- the Agency had still not set up rules on whistleblowing but that they were to be adopted by the end of 2018;

- by the end of the transitional period (16 June 2019), the Agency will transform 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;

- despite numerous contacts with French authorities, this has not resulted in the signature of the Agency's headquarter agreement. Members regretted that the Management Board has been unable in 2017 to unanimously adopt implementing rules for the language arrangements for the Agency, leading to extra costs and delays, e.g. during recruitment;

- the agency continues to operate in two locations. Members called for the Agency to relocate all activities to its headquarters and operate only from that site;

- regarding the United Kingdom's decision to withdraw from the European Union and its potential effect on the Agency's staff, intensive exchange with the UK rail sector has confirmed their interest in staying in the "European System".

2017 discharge: European Union Agency for Railways

2018/2193(DEC) - 31/01/2019 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2017 and the balance sheet as at 31 December 2017 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 2017, 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 2017.

The Council welcomed the Court's opinion that, in all material respects, the Agency's annual accounts present fairly its financial position as at 31 December 2017 and the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with the provisions of the Agency's Financial Regulation, and that the underlying transactions for 2017 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- ***accounting***: the Council regretted the deficiencies found by the Court in the Agency's accounting environment. It called on the Agency to take all necessary actions mainly to ensure the accounting officer's independence and the segregation of duties between the accounting officer and the authorising officer;

- ***procurement***: deficiencies were found by the Court in purchasing of IT services where in one case the Agency has made a purchase without any required competitive procedure or prior market research. The Council called on the Agency to ensure competitive procurement and purchase procedures, fully aligned with the Agency's Financial Regulation.

2017 discharge: European Union Agency for Railways

2018/2193(DEC) - 04/03/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) 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 2017.

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 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Agency for the financial year 2017 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 2017 was EUR 30 732 000, representing an increase of 11.57 % compared to 2016.

Budget and financial management

The budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 99.99 %, representing an increase of 0.79 % compared to 2016. Payment appropriations execution rate was 87.30 %, representing a decrease of 4.27 % compared to 2016.

Members noted that the Agency is now authorised to charge fees for some of its new competences. A charging regime for issuing certificates, authorisations and approvals was introduced, with the aim of being fully operational in 2019 and the requirement of implementing a new resources system and internal procedures within the Agency to ensure statutory and fee-based tasks are identified and tracked. The Agency should report to the discharge authority on the implementation of this new system.

The cancellations of carry-overs from 2016 to 2017 amounted to EUR 69 473, representing 3.40 % of the total amount carried over, showing a decrease of 1.12 % in comparison to 2016.

Members also made a series of observations regarding performance, procurement and staff policy.

In particular, they noted that:

- the Agency's role in the follow-up of the development, testing and implementation of European Railway Traffic Management System (ERTMS), as well as in evaluating the specific ERTMS projects was welcomed;

- on 31 December 2017, the establishment plan was 92.09 % executed, with 128 temporary agents appointed out of 139 temporary agents authorised under the Union budget (compared with 135 authorised posts in 2016);

- the Agency had still not set up rules on whistleblowing but that they were to be adopted by the end of 2018;

- by the end of the transitional period (16 June 2019), the Agency will transform 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;

- despite numerous contacts with French authorities, this has not resulted in the signature of the Agency’s headquarter agreement. Members regretted that the Management Board has been unable in 2017 to unanimously adopt implementing rules for the language arrangements for the Agency, leading to extra costs and delays, e.g. during recruitment;

- the agency continues to operate in two locations. Members called for the Agency to relocate all activities to its headquarters and operate only from that site;

- regarding the United Kingdom's decision to withdraw from the European Union and its potential effect on the Agency's staff, intensive exchange with the UK rail sector has confirmed their interest in staying in the "European System".

2017 discharge: European Union Agency for Railways

2018/2193(DEC) - 18/09/2018

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Railway Agency for the year 2017, together with the Agency's reply.

CONTENT: the Court of Auditors carried out the audit on 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 and reliability of the accounts

The Court considered that:

- the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 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;

- the transactions underlying the annual accounts for the year ended 31 December 2017 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

Financial management

Concerning a framework contract for the acquisition of IT hard and software and the provision of maintenance and support (IT services), the Court noted that while most of these IT services and related prices were defined in the framework contract resulting from the competitive procurement procedure, it also allowed the purchase of IT services not specifically mentioned. In the case of one audited payment amounting to some EUR 47 000 the Agency purchased, through the contractor, IT services without any competitive procedure or prior market research. In 2017, total payments to the contractor amounted to EUR 1.1 million.

The Agency's reply

Financial management

As recognised by the Court the contract was used according to the relevant contractual provisions. Any further considerations as regards sound financial management shall be notified to the contract manager, namely DG DIGIT.

Lastly, the Court of Auditors' report contains a summary of the Agency's key figures in 2017:

Budget

EUR 31 million.

Staff

164 including officials, temporary and contract staff and seconded national experts.