



# Procedure file

| Basic information                           |                                |                     |
|---|--------------------------------|---------------------|
| DEC - Discharge procedure                   | <a href="#">2010/2180(DEC)</a> | Procedure completed |
| 2009 discharge: European Railway Agency ERA |                                |                     |
| Subject<br>8.70.03.07 Previous discharges   |                                |                     |

| Key players         |   |   |            |
|---------------------|---|---|------------|
| European Parliament | Committee responsible                   | Rapporteur                                | Appointed  |
|                     | <b>CONT</b> Budgetary Control           |   | 23/03/2010 |
|                     |   | S&D <a href="#">STAVRAKAKIS Georgios</a>  |            |
|                     |   | Shadow rapporteur                         |            |
|                     |   | PPE <a href="#">MACOVEI Monica</a>        |            |
|                     |   | ALDE <a href="#">GERBRANDY Gerben-Jan</a> |            |
|                     |   | Verts/ALE <a href="#">STAES Bart</a>      |            |
|                     | Committee for opinion                   | Rapporteur for opinion                    | Appointed  |
|                     | <b>TRAN</b> Transport and Tourism       |   | 26/10/2010 |
|                     |   | ALDE <a href="#">UGGIAS Giommaria</a>     |            |
| European Commission | Commission DG<br><a href="#">Budget</a> | Commissioner<br>ŠEMETA Algirdas           |            |

| Key events |  |   |         |
|------------|--|---|---------|
| 20/07/2010 | Non-legislative basic document published   | <a href="#">SEC(2010)0963</a>   | Summary |
| 07/10/2010 | Committee referral announced in Parliament |   |         |
| 21/03/2011 | Vote in committee                          |   | Summary |
| 06/04/2011 | Committee report tabled for plenary        | <a href="#">A7-0125/2011</a>  |         |
| 10/05/2011 | Results of vote in Parliament              |  |         |
| 10/05/2011 | Debate in Parliament                       |  |         |
| 10/05/2011 | Decision by Parliament                     | <a href="#">T7-0176/2011</a>  | Summary |
| 10/05/2011 | End of procedure in Parliament             |   |         |
| 27/09/2011 | Final act published in Official Journal    |   |         |

| Technical information      |                           |
|----------------------------|---------------------------|
| Procedure reference        | 2010/2180(DEC)            |
| Procedure type             | DEC - Discharge procedure |
| Other legal basis          | Rules of Procedure EP 159 |
| Stage reached in procedure | Procedure completed       |
| Committee dossier          | CONT/7/04059              |

| Documentation gateway                               |      |  |            |      |         |
|---|------|--|------------|------|---------|
| Non-legislative basic document                      |      | <a href="#">SEC(2010)0963</a>                                | 20/07/2010 | EC   | Summary |
| Court of Auditors: opinion, report                  |      | N7-0018/2011<br><a href="#">OJ C 338 14.12.2010, p. 0103</a> | 16/09/2010 | CofA | Summary |
| Committee draft report                              |      | <a href="#">PE450.708</a>                                    | 01/02/2011 | EP   |         |
| Document attached to the procedure                  |      | <a href="#">05892/2011</a>                                   | 03/02/2011 | CSL  | Summary |
| Committee opinion                                   | TRAN | <a href="#">PE454.408</a>                                    | 01/03/2011 | EP   |         |
| Committee report tabled for plenary, single reading |      | <a href="#">A7-0125/2011</a>                                 | 06/04/2011 | EP   |         |
| Text adopted by Parliament, single reading          |      | <a href="#">T7-0176/2011</a>                                 | 10/05/2011 | EP   | Summary |

| Final act   |         |
|---|---------|
| <a href="#">Decision 2011/590</a><br><a href="#">OJ L 250 27.09.2011, p. 0191</a> | Summary |

## 2009 discharge: European Railway Agency ERA

**PURPOSE:** presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2009, as part of the 2009 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 2009 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 2009, 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 2009 financial year: the Agency's 2009 budget amounted to EUR 21 million, compared with EUR 18 million the previous year. The number of staff employed by the Agency at the end of the year was 127, compared with 113 the previous year.

The complete version of ERA's final accounts may be found at the following address: <http://www.era.europa.eu>

## 2009 discharge: European Railway Agency ERA

**PURPOSE:** presentation by the Court of Auditors of its report on the annual accounts of the European Railway Agency (ERA) for the financial year 2009, together with the Agency's replies

**CONTENT:** in accordance with the tasks and objectives conferred on it by the Treaty on the Functioning of the European Union (TFEU), the Court of Auditors, in the context of the discharge procedure, addresses to the European Parliament and the Council a Statement of Assurance on the reliability of the annual accounts, as well as of the legality and regularity of the transactions underlying them of each EU institution, body or agency, on the basis of an external, independent audit.

This audit also covered the annual accounts of the European Railway Agency (ERA).

In the Court's opinion, the Agency's annual accounts presented 'fairly, in all material respects', its financial position as of 31 December 2009 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 stated that the transactions underlying the annual accounts of the Agency for the financial year ended 31 December 2009 were, 'in all material respects, legal and regular'.

The report again confirmed that the Agency's 2009 final budget amounted to EUR 21 million and that it employed 127 agents during the financial year.

The report also included comments on the Agency's budgetary and financial management, together with the Agency's replies.

The main comments are as follows:

The Court's comments:

- the transfer and carry-over of a large amount of appropriations: in 2009, the volume of appropriations carried forward was considerable (61% of operational expenditure);
- significant changes made to the annual work programme during the year resulted in delays in the implementation of the activities and was at odds with the budgetary principle of annuality;
- shortcomings in the system for registering incoming invoices;
- shortcomings in the management of the fixed assets inventory between the Agency's two locations in Lille and Valenciennes.

The Agency's replies:

- important carry-overs were due to delays in the execution of payments and to the late conclusion of procurement procedures;
- continued efforts to improve and respect the procurement planning and to decrease the payment delays with the limited resources allocated.;
- the establishment of a system for the central registration of commercial invoices as of 1 September 2010;
- use of the ABAC ASSETS since 1 January 2010 for the physical inventory.

Lastly, the Court of Auditor's report contained a summary of the Agency's activities in 2009 in the following areas:

- series of recommendations relating to rail transport safety;
- recommendations regarding technical specifications in relation to interoperability;
- publication of a report on interoperability;
- compilation of technical opinions
- other actions designed to i) set up and maintain a series of registers for interoperability; ii) act as the System Authority and Change Control Manager for ERTMS; iii) define and compile the Reference Document of national rules for vehicle authorisation.

## 2009 discharge: European Railway Agency ERA

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The Committee on Budgetary Control adopted the report by Georgios STAVRAKAKIS (S&D, EL) on discharge to be granted to the Executive Director of the European Railway Agency for implementation of the Agency's budget for the financial year 2009.

Noting that the Agency's annual accounts for the financial year 2009 are reliable, and the underlying transactions are legal and regular, MEPs approve the closure of the Agency's accounts. 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 financial management and control of EU agencies (see [DEC/2010/2271](#)):

- performance: Members consider, once again, that the fact that the Agency carries out its activities at two locations (Valenciennes and Lille) exposes it to additional costs. Given that this situation, has persisted since 2006, they call on the Agency to set out a comparison of operations carried out during the year for which discharge is to be granted and in the previous financial year, so as to enable the discharge authority to assess the Agency's performance from one year to the next more effectively;
- carryover of appropriations: Members regret that the Agency has yet again failed to address the problem of appropriations being carried forward from one year to the next. They consider the carryover of 41% of Title II credits (property, data processing and other administrative costs) and 61% of Title III (operational expenditure) to represent a serious breach of the budgetary principle of annuality and to demonstrate delays in the implementation of the Agency's activities. They call on the Agency to deal with this issue as well as for an improvement in the situation as cancellations and delays in procurement procedures (given that this situation has also persisted since 2006);
- shortcomings in the management of the fixed assets: Members regret the shortcomings in the management of the fixed assets' inventory identified by the Court of Auditors but note the Agency's assurance that this will be remedied. They consider that uncertainty about the location of fixed assets is another illustration of the problems and additional costs arising from using two sites;
- human resources: Members note that the Agency's Annual Activity Report (AAR) provides only limited information on the planning, allocation and use of human resources and considers that this **deficiency could affect the stakeholders' view on the Agency's use of its staff**. They also note that the Agency does not have a consolidated manual on different rules, instructions and guidelines governing staff recruitment. They stress that this deficiency could lead to differences in the processing and managing of individual recruitments and thus compromising the principle of equal treatment of candidates;
- internal audit: Members express their disappointment for not having been informed about the content of the recommendations made by the Internal Audit Service (IAS) and calls on the Agency to urgently to pass on this information in the future. They welcome the Agency's initiative of having set up an Internal Audit Capability (IAC) that is dedicated to providing support and advice to its Executive Director and management on internal control, risk assessment and internal audit.

## 2009 discharge: European Railway Agency ERA

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The European Parliament adopted by 517 votes to 78, with 41 abstentions a decision to grant discharge to the Executive Director of the European Railway Agency for implementation of the Agency's budget for the financial year 2009.

Noting that the Agency's annual accounts for the financial year 2009 are reliable, and the underlying transactions are legal and regular, Parliament approves the closure of the Agency's accounts. However, it makes 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 financial management and control of EU agencies - see [DEC/2010/2271](#)):

- performance: Parliament considers, once again, that the fact that the Agency carries out its activities at two locations (Valenciennes and Lille) exposes it to additional costs. It notes that this observation has been made since 2006 and that no measures have been taken by the Council to amend the Decision of 13 December 2003 requiring the Agency to have a dual headquarters;
- carryover of appropriations: Parliament regrets that the Agency has yet again failed to address the problem of appropriations being carried forward from one year to the next. The carryover of 41% of Title II credits (property, data processing and other administrative costs) and 61% of Title III (operational expenditure) represent a serious breach of the budgetary principle of annuality and demonstrate delays in the implementation of the Agency's activities. Parliament calls on the Agency to deal with this issue, as well as for an improvement in the situation as regards cancellations and delays in procurement procedures (given that this situation has also persisted since 2006);
- shortcomings in the management of the fixed assets: Parliament regrets the shortcomings in the management of the fixed assets' inventory identified by the Court of Auditors but notes the Agency's assurance that this will be remedied. It considers that uncertainty about the location of fixed assets is another illustration of the problems and additional costs arising from using two sites;
- human resources: Parliament notes that the Agency's Annual Activity Report (AAR) provides only limited information on the planning, allocation and use of human resources and considers that this deficiency could affect the stakeholders' view on the Agency's use of its staff. It also notes that the Agency does not have a consolidated manual on different rules, instructions and guidelines governing staff recruitment. This deficiency could lead to differences in the processing and managing of individual recruitments, thus compromising the principle of equal treatment of candidates.

## 2009 discharge: European Railway Agency ERA

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**PURPOSE:** to grant discharge to the European Railway Agency in respect of the implementation of the Agency's budget for the financial year 2009.

**NON-LEGISLATIVE ACT:** Decision 2011/590/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2009.

**CONTENT:** with the present decision, the European Parliament grants discharge to the Director of the European Railway Agency for the implementation of its budget for the financial year 2009.

This decision is in line with the European Parliament's resolution adopted on 10 May 2011 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2011).

A parallel decision, adopted on the same day, approves the closure of this Agency's accounts.