

Making the railway system
work better for society.

CONT Secretariat
European Parliament
BE-1047 Bruxelles

SR/mc/D 2019/ 2285

Valenciennes, 29/08/2019

Subject: Follow-up Discharge 2017

1. Background information

On 26 March 2019, the European Parliament adopted the provisional edition P8_TA-PROV(2019)0275 on discharge in respect of the implementation of the budget of the European Railway Agency for the financial year 2017 (2018/2193(DEC)).

In its Resolution, the European Parliament has made several observations for which a follow-up is required to the Agency.

This note lists the observations and details the follow-up ensured by the Agency.

2. European Parliament observations/ERA's follow-up

Point 2. "Budget and financial management: (...) notes that a charging regime for issuing certificates, authorisations and approvals was introduced(...);; calls on the Agency to report to the discharge authority on the implementation of this new system;"

The agency has put in place a time recording system based on MS Project in order to register the time spent on each activities. Based on the MS Project report, the agency shall invoice the exact number of hours spent by the staff when managing any application received through the One-Stop-Shop. In cooperation with DG BUDG, the ABAC system was slightly modified in order to issue invoices.

Point 14. "Staff policy: Notes that the Agency has adopted a policy on protecting the dignity of the person and preventing harassment (...); points out the relatively high number of alleged harassment cases in the Agency in 2017, with 12 reported but none investigated; urges the Agency to report to the discharge authority on the measures taken in order to address this issue;"

The Agency has 2 confidential counsellors fully operational and 2 staff members who have been selected to follow the confidential counsellors' course in September 2019. As the implementing provisions prescribe, the confidential counsellors' mandate is to guide the victim (and the harasser in case of a reconciliation attempt) through the informal procedure. The decision to step up to a formal procedure lies with the victim following which the AACC

decides to launch an inquiry / investigation. Up until now, the work of the confidential counsellors has proven to be efficient as no formal procedures (inquiries/ investigations) have been deemed necessary.

Point 16. "Procurement: Notes with concern that 29 exceptions and 7 non-compliance events were registered in 2017 (...); calls on the Agency to report to the discharge authority on the measures taken to decrease their occurrences in the future;"

The majority of exceptions are linked to "low value" procedures. The agency has put in place an electronic repository where all requests for an expenditure higher than 1.000 € are recorded. That allows the procurement team to advise on the proper process to be followed.

Point 18. "Prevention and management of conflicts of interest and transparency: (...) regrets that the Agency expects its senior management staff to complete and sign a declaration of conflicts of interest only when they are involved in an evaluation committee; calls on the Agency to report to the discharge authority on any development made in order to address this issue;"

Since June 2019, all senior management and member of staff have to sign an annual declaration of conflict of interests.

Point 19. "Prevention and management of conflicts of interest and transparency; (...) notes that one case of suspicion of fraud was transmitted by the Agency to the European Anti-Fraud Office for investigation and that it formally decided to open an investigation; urges the Agency to report to the discharge authority on the outcome of this investigation;

The Agency reports on all OLAF cases in the Annual Activity Report. The case in question is still under investigation. The Agency is expecting the outcome in October 2019.

Point 20. "Prevention and management of conflicts of interest and transparency: Regrets that the Agency had still not set up rules on whistleblowing but that they were to be adopted by the end of 2018; asks the Agency to report to the discharge authority when its whistleblowing rules have been established and implemented;"

The Agency adopted the guidelines on whistleblowing on 15.11.18 by written procedure. The Decision n°183 of the Management Board of the European Union Agency for Railways on the guidelines on whistleblowing was published on 21.11.18.

Point 22. "Internal controls: Supports the Court's view that the principle of segregation of duties between the Authorising Officer and the Accounting Officer implies that both functions are mutually exclusive; trusts the Agency that this concern will be tackled by its undergoing re-organisation; calls on the Agency to report to the discharge authority on the measures taken to respond to this observation;

Following the re-organisation, the Accounting Officer is administratively directly linked to the Executive Director and is not in charge of the Finance and Procurement team anymore.

Point 23. "Other comments; Notes that 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 (...);

calls on the Agency to report to the discharge authority on the steps taken for this move to be successful and deliver benefits in terms of reduced costs;"

The Agency undertook a substantial reorganisation to create a team that would manage the new applications and could draw upon experts from across the Agency as required by subject matter and language knowledge. Additionally the Agency developed a comprehensive training programme not only for staff but also for external parties that would be affected by the changes so that they were aware and also prepared for the changes. The agency monitors both the costs and the time taken for those applications it receives and will use this data to develop performance indicators. To ensure these new obligations can be met the Agency has instigated a monitoring system so that where necessary work can be reprioritised.

Point 24. "Other comments Deplores that numerous contacts with French authorities have not resulted in the signature of the Agency's headquarter agreement according to Article 71 of the Agency Regulation; (...) deplores that the agency continues to operate in two locations; calls for the agency to relocate all activities to its headquarters and operate only from that site;"

On 15 April 2019, the Agency signed the Headquarter agreement with the French authorities.

The decision for the double location is a Council decision that the agency must apply.

Yours sincerely,



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