













# Procedure file

Basic information		
DEC - Discharge procedure	<a href="#">2017/2162(DEC)</a>	Procedure completed
2016 discharge: European Union Agency for Railways		
Subject 8.70.03.06 2016 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgetary Control	 <a href="#">STAES Bart</a>	14/09/2017
		Shadow rapporteur	
		 <a href="#">SARVAMAA Petri</a>	
		 <a href="#">LIBERADZKI Bogusław</a>	
		 <a href="#">MARIAS Notis</a>	
		 <a href="#">ALI Nedzhmi</a>	
		 <a href="#">VALLI Marco</a>	
		 <a href="#">KAPPEL Barbara</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Transport and Tourism	 <a href="#">FERBER Markus</a>	03/10/2017
European Commission	Commission DG <a href="#">Budget</a>	Commissioner OETTINGER Günther	

Key events			
26/06/2017	Non-legislative basic document published	<a href="#">COM(2017)0365</a>	Summary
13/09/2017	Committee referral announced in Parliament		
20/03/2018	Vote in committee		

23/03/2018	Committee report tabled for plenary	<a href="#">A8-0079/2018</a>	Summary
18/04/2018	Results of vote in Parliament		
18/04/2018	Debate in Parliament		
18/04/2018	Decision by Parliament	<a href="#">T8-0154/2018</a>	Summary
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

Non-legislative basic document		<a href="#">COM(2017)0365</a>	26/06/2017	EC	Summary
Court of Auditors: opinion, report		<a href="#">N8-0032/2018</a> <a href="#">OJ C 417 06.12.2017, p. 0166</a>	12/09/2017	CofA	Summary
Committee draft report		<a href="#">PE613.452</a>	24/01/2018	EP	
Supplementary non-legislative basic document		<a href="#">05941/2018</a>	09/02/2018	CSL	Summary
Committee opinion	<b>TRAN</b>	<a href="#">PE613.308</a>	28/02/2018	EP	
Amendments tabled in committee		<a href="#">PE618.260</a>	02/03/2018	EP	
Committee report tabled for plenary, single reading		<a href="#">A8-0079/2018</a>	23/03/2018	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T8-0154/2018</a>	18/04/2018	EP	Summary

### Final act

Budget 2018/1400  
[OJ L 248 03.10.2018, p. 0282](#) Summary

## 2016 discharge: European Union Agency for Railways

**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

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**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

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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.

## 2016 discharge: European Union Agency for Railways

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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](#):

- Agencies 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 carry-overs 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

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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](#):

- Agencies 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 carry-overs 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

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**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 4th 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.